

**COFFS HARBOUR CITY COUNCIL
ORDINARY MEETING
12 FEBRUARY 2015**

RESOLUTION NO. 7

Minutes confirmed at Council meeting: 26 February 2015
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**BS15/5 APPLICATION FOR A SPECIAL RATE VARIATION (2015/2016
AND 2016/2017)**

EXECUTIVE SUMMARY:

In 2014, Council applied for a permanent Special Rate Variation (SRV) to be phased in over three years to generate revenue to address a \$6.2 million shortfall in funding for infrastructure maintenance and renewal across Coffs Harbour.

The Independent Pricing and Regulatory Tribunal (IPART) acknowledged the merit of the application but approved only the first year of the SRV (2014/2015), suggesting that the extent of the 'rate rise' in percentage terms was communicated ambiguously.

In October 2014, Council initiated a new community engagement program to seek feedback on a proposal to pursue the year 2 and year 3 components of the original SRV package. Intensively promoted in the media, online, at information booths and via a printed brochure mailed out to all ratepayers, the latest community engagement has been far-reaching. Almost 6,000 people responded to a postal and web-based survey. A large majority of the general respondents do not support the rate rise proposal with affordability being the major concern. The statistically valid Online Survey Panel results were 29% support, 71% do not support.

Without additional rate revenue, asset service levels will decline as community assets deteriorate. This will impact on Council's ability to deliver outcomes sought in the Coffs Harbour 2030 Community Strategic Plan. Previous consultation has shown that the community wants Council assets and services to be maintained at current levels.

Through its Transformation to Sustainability (T2S) project, Council is also pursuing productivity and efficiency savings and new revenue opportunities to address a separate underlying operating deficit. The annual asset maintenance and renewal funding gap (\$4.2 million) is still to be filled.

The progression of the SRV application is recommended; however, in recognition of the affordability issue for households, it is also recommended that increases in other rates and charges for the average residential ratepayer be reduced so that the total increase in all rates and charges for each of 2015/2016 and 2016/2017 is no greater than 3.9%.

MOTION**7 RESOLVED** (Townley/Knight) that:

1. Makes a Special Rate Variation Application to the Independent Pricing and Regulatory Tribunal (IPART) for a permanent rate increase to be phased in over two years, pursuant to Section 508(A) of the Local Government Act, 1993 which will result in Council's Notional General Income increasing by 8.14% for 2015/16 and 7.75% for 2016/17.
2. Through the annual planning and budget process, requires that the overall increase in rates and charges for an average residential ratepayer with full services for 2015/16, 2016/17 and 2017/18 to be no greater than 3.9%.
3. Management bring a report back to Council prior to the end of the first year of this proposed Special Rate Variation summarising overall results from the current Special Rate Variation, the Transformation to Sustainability project and other key initiatives such as the commercialisation of City Works, thereby enabling Council to decide, by resolution, whether the SRV in 2016/17 is still warranted.
4. Through the annual planning and budget process, Council requires that the setting of fees for onsite septic inspection be adjusted to provide relief in line with the relief provided for the sewerage and water access charges.

DIVISION

MOVED (Sultana/Cowling) that a division be called, and those members voting for and against the motion were recorded:

VOTED FOR

Cr Degens
Cr Innes
Cr Townley
Cr Knight
Cr Palmer
Cr Rhoades

VOTED AGAINST

Cr Cowling
Cr Arkan
Cr Sultana