

Application for Special Variation to General Income 2012/2013

Early in 2012, Council applied to the Independent Pricing and Regulatory Tribunal (IPART) for approval to continue the CBD Special Rate for a further ten-year period from 2012/2013. The Special Rate was introduced in 2000 to fund an ongoing program to revitalise Coffs Harbour's City Centre as a vibrant commercial and community precinct. The initiative has delivered outstanding results, however the Special Rate was due to expire in June 2012. The application was developed - with the support of the local business community - to extend the program with a scope of new works to facilitate the future growth of the City Centre.

The application process required Council to finalise its 2012/2013 budget by 1 June 2012. In adopting its Delivery Program/Operational Plan (and associated budget documents) on 24 May 2012, Council adopted two budget options (Option 1 incorporating the special rate variation; Option 2 incorporating only the approved 'rate pegging' allowance for 2012/2013) and agreed to rescind the redundant option on receipt of IPART's decision. On 4 June 2012, Council was advised by IPART of the approval of the application for the 2012/2013 financial year only.

On 28 June 2012, Council rescinded budget option 2. Council also resolved to incorporate a special variation application (to extend the CBD Special Rate for a further nine-year period) in the development of the 2013/2017 Delivery Program.

City Centre Masterplan Works

Council can now proceed in 2012/2013 with the development of a City Centre Masterplan in conjunction with a CBD Masterplan committee. This Masterplan will develop a program of works to be funded with the proposed CBD Special Rate.

Outcomes from our business community consultation process have identified the following key priorities that will become part of the brief for the development of the Masterplan works:

- Improvement of car parking facilities in the City Centre.
- Improvement of pedestrian and traffic flow in the City Centre.
- Streetscape improvements within the City Centre.

The fact there is not a pre-determined works program has been considered, by relevant stakeholders, as an opportunity to bring 'fresh eyes' to works, which have been undertaken as a result of the previously mandated Special Rate and to develop, by committee consensus, a second stage of appropriate works.

Financial Impacts

IPART's determination maintains the 2011/2012 level of funding from the CBD Special Rate, increased by the approved 3.6% 'rate pegging' allowance for 2012/2013. The yield from the CBD Special Rate in 2012/2013 will be \$668,900.

The special rate continuation will only have an impact on Business properties within the Coffs Harbour CBD.

With the continuation of the Special Rate for 2012/2013, the average ordinary rate for a CBD Business property will increase from approximately \$7,005 in 2011/2012 to \$7,096 for 2012/2013. This represents an average increase of approximately \$91 or 1.3%.

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The following table shows the estimated annual rate revenue to be generated over the longer term if Council's application to further extend the CBD Special Rate is successful in 2013/2014.

Year	Year Starting	CBD Special Rate Yield	Annual Rate Pegging Allowance (%)
1	1/07/2012	\$668,900	3.6
2	1/07/2013	\$688,970	3.0
3	1/07/2014	\$709,640	3.0
4	1/07/2015	\$730,925	3.0
5	1/07/2016	\$752,850	3.0
6	1/07/2017	\$775,435	3.0
7	1/07/2018	\$798,700	3.0
8	1/07/2019	\$822,660	3.0
9	1/07/2020	\$847,340	3.0
10	1/07/2021	\$872,760	3.0
TOTAL		\$7,668,180	

Please Note: Yields after 2012/2013 have been calculated using an estimated rate pegging allowance of 3%.

The Special Business Rate Variation proposal is examined in detail on page 10 of the 2012/2013 Operational Plan. Council's 2012/2013 application to IPART can be viewed online at:

[http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt/Special_Variations_and_Minimum_Rates/Applications_received_201213 -
Special_Variations_Minimum_Rate_Increases#CoffsHarbour](http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt/Special_Variations_and_Minimum_Rates/Applications_received_201213_-_Special_Variations_Minimum_Rate_Increases#CoffsHarbour)