

## IPART DETERMINES SPECIAL RATE VARIATION APPLICATION BY NORTH SYDNEY COUNCIL

**Embargoed until 10.00am 4 June 2012**

The Independent Pricing and Regulatory Tribunal (IPART) today announced its decision on North Sydney Council's application to increase its general income (mainly rate income) in 2012/13 by more than the rate peg amount of 3.6%.

We have accepted the council's application in full and we estimate that average residential rates will increase by \$30 compared with the rates paid in 2011/12. They will be \$220 higher than current rates in 2011/12 (including infrastructure and environmental levies). Business rates will be \$189 higher in 2012/13.

Last year IPART approved a special variation for North Sydney Council of 5.50% per annum for 7 years. The 2011 approval was to fund the works and services in the council's *2020 Vision* Community Strategic Plan, including asset renewal and maintenance, and upgrades to parks and sports fields, roads, community services and facilities.

As part of last year's application, the council also sought to have the Infrastructure and Environment Levies continued upon their expiry. IPART did not approve continuing these levies because we did not consider that this had been clearly communicated to the North Sydney community.

North Sydney Council consulted its community in late 2011 regarding the levies and reapplied to IPART for a special variation in 2012/13 to continue 4 levies on a permanent basis:

- ▼ Infrastructure Levy, due to expire 30 June 2012
- ▼ Environment Levy, due to expire 30 June 2013
- ▼ Crows Nest Mainstreet Levy, due to expire 30 June 2013
- ▼ Neutral Bay Mainstreet Levy, due to expire 30 June 2013.

The council applied for increases of 12.34% in 2012/13, 14.57% in 2013/14, and 5.50% in each year from 2014/15 to 2017/18. These increases include the previously approved special variation of 5.50% for each year, and the continuation of the 4 expiring levies.

The 2012/13 application represents an increase of 6.84% in 2012/13 and 9.07% in 2013/14 (16.53% cumulative) above what was approved in 2011/12. However, because ratepayers are already paying the levies, average residential rates will increase by a relatively modest amount.

"After assessing the application against the NSW Government's published criteria, IPART has decided to approve the special variation", said IPART Chairman, Dr Peter Boxall.

“The council has demonstrated that it has met all criteria. In particular, the council showed that it had gained community support for continuing the Infrastructure and Environment Levies, and support from applicable business ratepayers for continuing the Crows Nest and Neutral Bay Mainstreet Levies.”

“Before IPART approved the special rate variation we examined a number of factors”, said Dr Boxall, “including demonstrated need for the increases, affordability of the increases for ratepayers and whether the council had demonstrated productivity savings.

“We placed particular emphasis on whether the council had consulted adequately with the community and had clearly communicated the impact of the increase on ratepayers.”

The council is required to report in its Annual Report from 2012/13 to 2021/22 on the use of the additional funds and the outcomes achieved.

This year, IPART received fewer applications for special variations than in 2011. Of the 152 councils in NSW, IPART received applications for special variations from 14 councils. Seven applications were approved in full, 6 were approved for a lower amount or for fewer years than the council requested. The decision on the 1 remaining application will be made later in June (Blayney Shire Council).

Reports on our decisions are available on the IPART website.

See: [http://www.ipart.nsw.gov.au/Home/Industries/Local\\_Govt](http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt)

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