

IPART DETERMINES MINIMUM RATE INCREASE APPLICATION BY WILLOUGHBY CITY COUNCIL

Embargoed until 10.00am 4 June 2012

The Independent Pricing and Regulatory Tribunal (IPART) today announced its decision on Willoughby City Council's application to increase its minimum rates by more than the rate peg amount of 3.6%.

Willoughby City Council applied to increase its residential, ordinary business and Chatswood Town Centre minimum rates by 23.6% (including the rate peg). The main purpose was to reduce the gap between minimum rates and those paid by other ratepayers.

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

"We have allowed a permanent increase in its minimum rates in 2012/13 of 23.6% for its residential, ordinary business and Chatswood Town Centre rating categories."

As outlined in the council's application residential minimum rates will increase by \$129.65 to \$679.10, business minimum rates will increase by \$185.15 to \$969.80 and minimum rates in the Chatswood Town Centre will increase by \$196.95 to \$1,031.45 in 2012/13 compared with the rates paid in 2011/12.

Dr Boxall said, "The council has demonstrated that it has met all the criteria for an increase in minimum rates. Before IPART approved the minimum rate increase we examined a number of factors, including the rationale for the increase, impact of the increase on ratepayers and whether the council had consulted with its community.

"We placed particular emphasis on whether the council had consulted with the community and had clearly communicated the impact of the increase on ratepayers. The council consulted widely about the proposed changes to minimum rates."

An increase in minimum rates does not increase the council's overall rates revenue beyond the rate peg, but rather represents a redistribution in the way rates are raised. As a result of the minimum rate increase, most ratepayers not subject to minimum rates will either face a decrease in rates or an increase that is less than the rate peg.

Willoughby was one of 2 councils that applied to increase minimum rates in 2012/13.

Reports on our decisions are available on the IPART website.

See: http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt

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