

IPART DETERMINES SPECIAL RATE VARIATION APPLICATION BY COFFS HARBOUR CITY COUNCIL

Embargoed until 10.00am 4 June 2012

The Independent Pricing and Regulatory Tribunal (IPART) today announced its decision on Coffs Harbour City Council's application for a special variation in 2012/13.

The council applied to increase its general income by 5.64% (including the rate peg of 3.6%) which would be retained in the rates base for 10 years. The purpose of the increase was to continue an existing CBD business special rate that would fund further revitalisation of the Coffs Harbour CBD.

IPART Chairman, Dr Peter Boxall said, "After assessing the application against the NSW Government's published criteria, IPART has decided to approve the special variation for a 1-year period, rather than 10 years, as requested. This will allow the council to develop a Masterplan for its proposed CBD revitalisation works and to upgrade the Harbour Drive - Gordon Street intersection."

The increase above the rate peg applies to CBD business ratepayers only and replaces an existing special variation that expires on 30 June 2012.

Based on the council's application, we estimate that average CBD business rates will increase by \$92 in 2012/13 compared with the rates paid in 2011/12. This reflects the rate peg and new land valuations.

Dr Boxall said, "The main reason for not allowing the council to retain the increase for 10 years was that the council has not yet developed a works program (or Masterplan) for the next 10 years. By granting an increase for one year, the council will be able to develop this Masterplan and undertake some essential upgrades."

"We expect that the council will re-apply next year, after developing its Masterplan."

"IPART has attached a number of conditions to its approval of the increase, including that the council develop a Masterplan and works program with CBD business ratepayers."

"We considered the council's application, including submissions from CBD business ratepayers."

The council is required to report in its Annual Report for 2012/13 on its expenditure, and outcomes from the special variation.

This year, IPART received fewer applications for special rate 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

For media enquiries contact: 0431 810 345