

## LISMORE CITY COUNCIL SPECIAL RATE VARIATION APPROVED

**10.00am, Tuesday 11 June 2013**

The Independent Pricing and Regulatory Tribunal (IPART) has approved Lismore City Council's application to increase its general income by more than the rate peg amount of 3.4% to help fund its Lismore Business Promotion Program for a further 5 years.

The approved increase of 3.82% (0.42% above the rate peg) will replace an existing special variation for a similar amount for the same purpose, which is paid by only 2 categories of business ratepayers. As a result, average rates across all categories will increase broadly in line with the 3.4% rate peg increase available to all councils.

IPART Chairman Dr Peter Boxall said the council's application was assessed against the NSW Government's published criteria.

"After assessing the application, IPART has decided to approve the special variation in full to replace the existing levy that will end on 30 June 2013, and for the council to continue to collect this additional income for the next 5 years," Dr Boxall said.

Through the rate peg and special variation process, IPART determines the increases to councils' general income. Councils decide how to allocate the increase among all their different ratepayer categories, such as residential, business and farmland.

"Based on Lismore City Council's application, we estimate in 2013/14 that the average business rate in the Inner CBD will increase by \$247, the urban business rate by \$127, and the average residential rate will rise by \$35."

Dr Boxall said special variations are designed to give councils the flexibility to generate additional income above the rate peg to meet their specific needs, with an independent assessment process to determine if the increase is realistic, justifiable and affordable.

"Lismore City Council was able to meet the criteria for approval of the special variation and demonstrated a clear need for the additional revenue, that it had appropriately engaged the community about the proposed rate increases, and that it is taking steps to improve productivity and contain costs," he said

"We also considered the council's long term financial plan and whether the impact of the variation on affected ratepayers is reasonable.

"The council provided evidence that the special variation is supported by a majority of the affected ratepayers."

In approving the council's application, IPART has imposed conditions requiring that the additional income is used for the purposes outlined in the application, and that the council reports to the community in its Annual Report each year until 2018 on the outcomes achieved.

Lismore City Council's application is one of 23 applications for special variations IPART received from NSW's 152 councils this year. IPART also received an application from Gundagai Shire Council to increase a minimum rate. Twenty-one applications were approved in full and 3 applications were partially approved.

The full report on the Lismore City Council application is available on the IPART website at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au).

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