

IPART DETERMINES SPECIAL RATE VARIATION APPLICATION BY PORT MACQUARIE-HASTINGS COUNCIL

Embargoed until 10.00am 4 June 2012

The Independent Pricing and Regulatory Tribunal (IPART) today announced its decision on Port Macquarie-Hastings Council's application to increase its general income by more than the rate peg amount of 3.6%.

The council applied for an increase of 15.33% in 2012/13. This increase includes the rate peg of 3.6% that is available to all councils, a 7.3% increase which is a permanent continuation of a previous special variation for roads and parks maintenance and a temporary increase of 4.43% for 5 years, which is aimed at reducing its infrastructure backlog.

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

The additional funding will be used towards a program of roads and parks maintenance, and to reduce the council's infrastructure backlog. The roads maintenance includes continuing the resurfacing of high traffic road, such as on Pacific Drive.

Based on the council's application, we estimate that average residential rates will increase by \$81, business rates by \$163 and farmland rates by \$105 in 2012/13 compared with the rates paid in 2011/12.

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

"We also considered submissions received directly from ratepayers, business groups and ratepayer associations. 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 and 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

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