

# COFFS HARBOUR CITY COUNCIL



Our ref: IR 5423422

9 December 2014

Local Government Team  
The Independent Pricing and Regulatory Tribunal  
Level 17, 1 Market Street  
SYDNEY NSW 2000

Dear Sir or Madam

## **Intention to Apply for a Special Rating Variation under Section 508(A)**

Coffs Harbour City Council at its meeting of 23 October 2014 resolved to notify IPART of its intention to again make an application for a Special Rate Variation (SRV) under Section 508(A) of the Local Government Act.

As you are aware, Council in February 2014 sought a multi-year SRV with annual rate increases over three years of 7.9% (2014/2015), 8.14% (2015/2016) and 7.75% (2016/2017). In June 2014, IPART formally advised Council of its determination; while IPART acknowledged the need for the proposed additional revenue was demonstrated and reflected community priorities, it only approved a one-year permanent rate increase (7.9% for 2014/2015).

The proposed SRV for 2015/2016 and 2016/2017, representing the two 'not-approved' years of Council's previous SRV application, is a key element of Council's funding strategy to ensure the sustainable management of Council's infrastructure assets. All revenue generated by the proposed SRV will be allocated to funding asset maintenance and renewal works. More specifically, Council still has an approximate \$4.2 million per annum shortfall in asset maintenance and renewal to adequately support the services desired by our community.

Therefore Council would like to put forward 'an intention to apply' for a permanent multiple year increase over a two-year period from 2015/2016.

Details provided in the following table include the rate peg increase of 2.4% for 2015/2016, and an estimated rate peg increase of 3% 2016/2017.

### Intention to Apply for a Special Rating Variation under Section 508(A)

Financial Year	Proposed Percentage Increase (General Income)	Proposed Additional Rate Yield (Approx.)
2015/2016	8.14%	\$3.17 million
2016/2017	7.75%	\$3.27 million

The rate increase proposals on which Council is engaging with the community will ultimately yield an additional \$4.2 million (approximately) above the projected rate peg in the second year.

Council will finalise its community engagement and review the results of that engagement before considering submitting an application to IPART by 16 February 2015.

For further information regarding this matter please contact Council's Revenue Accountant, Mr Jay Kirkman on (02) 6648 4330 or by email: [jay.kirkman@chcc.nsw.gov.au](mailto:jay.kirkman@chcc.nsw.gov.au)

Yours faithfully



Steve McGrath  
General Manager