

10 December 2015

Mr Hugo Harmstorf
Chief Executive Officer
Independent Pricing and Regulatory Tribunal

via email: localgovernment@ipart.nsw.gov.au

Dear Mr Harmstorf

Re: Notification Letter of Wingecarribee Shire Council 's Intention to Apply for a s508A Special Variation

The purpose of this letter is to formally notify the Independent Pricing and Regulatory Tribunal of the intent of Wingecarribee Shire Council to apply for an s508A special variation to commence in 2016. This was resolved by Council at its Ordinary Meeting on 9 December 2015.

Council has proposed two Special Rate Variation scenarios, these are:

- 7.75% increase for three years (including the assumed rate peg of 2.5%) from 2016/17 to 2018/19 followed by an increase of 10.65% (including the assumed rate peg 2.5%) in 2019/20 with the increases to remain permanently in the rate base. This is a cumulative increase of 38.4%.
- 9.25% increase for three years (including the assumed rate peg of 2.5%) from 2016/17 to 2018/19 followed by an increase of 12.15% (including the assumed rate peg of 2.5%) in 2019/20, with the increases to remain permanently in the rate base. This is a cumulative increase of 46.2%.

As identified in our *Fit for the Future* Improvement proposal Council has current a funding gap of \$8.5 million per year for the maintenance and renewal of its community infrastructure, such as roads, footpaths, drainage, buildings, parks and open spaces. A Special Variation would be used to close this gap and achieve the *Fit for the Future* benchmarks as required by the NSW State Government. The higher percentage increase option has been proposed to fund new essential infrastructure gaps, particularly for stormwater assets, footpaths and roads.

In addition, Council currently has an Environment Levy in place until 2018/19. It is intended that the Environment Levy be renewed in 2019/20 as a part of the Special Variation application. The Environment Levy will ensure that Council can continue to protect the natural environment.

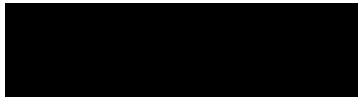
Council commenced a comprehensive community engagement and awareness program in August 2015. This program will continue into 2016 with the exhibition of Council's draft Delivery Program, draft Long Term Financial Plan and draft Strategic Asset Management Plan. A preferred funding scenario will be determined as a result of this process in February 2016.

The principal contact for the application is:

Danielle Lidgard, Integrated Planning and Reporting Coordinator



Yours sincerely



Ann Prendergast
General Manager