

Independent Pricing & Regulatory Tribunal (IPART) - NSW
PO Box K35
HAYMARKET PO BOXES NSW 1240

Dear Sir/Madam

Shoalhaven City Council – Special Rate Variation

This letter is to formally notify the IPART that Shoalhaven City Council intends to apply for a special variation to our rating base.

There will be two (2) components to the proposed rate increase. The first part relates to a special rate for a "Paper Estate" - Verons Estate within the Council Area, where the proposal is to loan fund \$2.3m towards providing essential infrastructure to the estate, so that development can occur. At this stage, until further consultation with landowners occurs, Council is unsure as to whether this loan will be taken out over a 10 or 20 year period and therefore the resultant impact on rates. This increase will be submitted under Section 508(2) of the Local Government Act and will be for the period of the loan.

The second component of the proposed rate increase will be under Section 508A of the Local Government Act and will result in one of the following options, as per council resolution MIN16.792. The final percentage increase will be determined after consultation with the community is completed. The intent of this minute was that these increases in rates would be each year for the number of years stated eg option a. would be 11.5% each year for 2 years, option b. would be 6.27% each year for 4 years etc.

MIN16.792 - That Council:

1. Authorise staff to notify the IPART of its intention to apply for a Special Rate Variation Application for the following three (3) models of rate increase:
 - a. 11.5% over 2 years (plus the rate peg)
 - b. 6.27% over 4 years (plus the rate peg)
 - c. 5% over 7 years (plus the rate peg)
2. Work on any anomalies within the rating categories that would possibly produce additional rate income
3. Receive a report modelling the community's capacity to pay for rate increases.

If you need further information about this matter, please contact Pam Gokgur, Corporate & Community Services Group on [REDACTED] Please quote Council's reference 2973E (D16/369054).

Yours faithfully

A large black rectangular redaction box covering the signature of Pamela Gokgur.

Pamela Gokgur
Chief Financial Officer
24/11/2016