

Enquiries
Please ask for Fiona Plesman
Direct [REDACTED]
Our ref
Your ref

15 December 2016

**Dr Peter Boxall AO
Chair
NSW Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240**

By email: Letitia.Watson-Ley@ipart.nsw.gov.au

Dear Dr Boxall,

RE: 2017/18 Special Rate Variation – Notification of Intention

At its meeting on 13 December 2016, Muswellbrook Shire Council ("Council") resolved to give notice to the NSW Independent Pricing and Regulatory Tribunal ("IPART") of its intention to apply for a special rate variation from 2017/18. IPART was provided with informal advice of the intention prior to the 9 December 2016 due date, and a verbal extension was kindly granted to allow for the formal resolution of Council.

Throughout 2016, Council has been undertaking an extensive and ongoing program of community consultation, which has confirmed wide ranging support for a series of economic development projects and programs that address significant changes in the local economy and a move towards its diversification.

Council is also finalising the preparation of its next suite of Integrated Planning and Reporting (IP&R) documents. They reflect the matters arising from our consultation program and identify a number of financial risks associated with the decline in the thermal coal industry, which are projected to have an adverse impact on Council's ongoing finances. Whilst a specific special rate variation was not proposed in Council's *Fit for the Future Council Improvement Plan* ("the Plan"), the option was flagged as being available to fund new infrastructure subject to obtaining community support.

In response to changing economic circumstances and community consultation outcomes, Council acknowledges the need to, and has prioritised, support and facilitation of economic diversification projects and activities. Council will prepare an application for consideration by IPART for an increase across all rating categories of up to 2.5 per cent per year for four years on an ongoing basis.

The proposal will be subject to further specific consultation prior to its lodgement with IPART.

Council looks forward to working closely with IPART on the application and would appreciate the opportunity to meet in the New Year. For further information please contact Ms Fiona Plesman, Acting Director Planning, Corporate and Community Services on [REDACTED]

Yours sincerely

[REDACTED]
Steve McDonald
General Manager