

Ref: DW

13 December 2012

Dr Peter Boxall AO
Chairman
IPART

Attn: Local Government Team
Independent Pricing and Regulatory Tribunal of NSW
PO Box Q290
QVB Post Office NSW 1230

Via: localgovernment@ipart.nsw.gov.au.

Dear Dr Boxall

Notification of Intention to Apply Special Variation s508(A)

Bega Valley Shire Council resolved at its meeting on 12 December 2012 to notify IPART of its intention to lodge a special variation application under s508A consistent with the model outlined in the Council's adopted Long Term Financial Plan, Delivery Plan and Operational Plan. We met with your office earlier this year outlining the proposed rate variations in the context of the asset management plans and financial plan.

The period of the proposed special variations is outlined in those adopted plans and has been reported to Council. In short, the proposal as outlined in Council's adopted LTFP, AMPs and Bega Valley 2013 (Operational Plan) is:

1. New 2% one-off permanent increase above the 3.4% rate peg in 2014, for renewal of collector roads. This variation will raise the general rate yield by an estimated \$400,000 in 2014 and then be indexed by LGCI on an ongoing capacity. Total increase 5.4%.
2. Retained 2.4% one-off permanent increase above rate pegging in 2015 to retain the expiring recreation and access approval, with the options to use this amount for debt servicing or for annual project works in line with the LTFP for recreation asset renewals and upgrades. This variation will retain the general rate yield at an estimated \$507,000 and then be indexed by LGCI on an ongoing capacity. Rate peg is assumed at 3%. Total increase 5.4%.
3. New 2% one-off permanent increase above rate pegging in 2016 for infrastructure renewal for public domain areas and buildings. This variation will raise the general rate yield by an estimated \$440,000 and then be indexed by LGCI on an ongoing capacity. Rate peg is assumed at 3%. Total increase 5.0%.

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Council has considered a presentation on the community survey on services and priorities and a deliberative poll on the SV, and will incorporate that material with other consultations in a formal submission to IPART. Council is finalising its draft operational plan and budget for 2013/14 and continuing with its consultation before final consideration in early 2013.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Tegart', written over a horizontal line.

Peter Tegart
General Manager