

File No. F13/1507

29 November 2013

Mr Hugo Harmstorf
Chief Executive Officer
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230

Dear Mr Harmstorf,

Notification of Council's Intention to apply for a Special Variation to General Income

Please be advised that Blacktown City Council resolved at its meeting of 6 November 2013 to apply for a Special Variation to General Income for 2014/2015 under Section 508(A) of the Local Government Act.

The Special Variation is part of a comprehensive funding strategy to ensure the sustainable management of Council's infrastructure assets. All revenue generated by the Special Variation will be specifically allocated to funding asset renewal works. This is in keeping with the strategic priorities for the City identified in Council's Community Strategic Plan *Blacktown City 2030*, and supported by Council's Long Term Financial Plan and Asset Management Strategy.

An overview of the proposed application is as follows:

- Permanent increase to Council's Rates base.
- Increase Residential Rates by 3% above the Rate Pegging limit in 2014/2015.
- Increase Business Rates for all businesses identified within a Business Sub Category by 10% above the Rate Pegging limit in 2014/2015 followed by a further increase of 10% above the Rate Pegging limit in 2015/2016.

The actual increase in rates to be achieved in 2014/2015 (based on an assumed rate pegging limit of 2.75%) is estimated as follows:

- Total Council Rates will increase by 7.13% inclusive of the Rate Peg.
- The additional rates in 14/15 from the Special Variation = \$5.557 million
 - \$2.774 million from Residential and Farmland
 - \$2.783 million from Business

In 2015/2016 (based on an assumed rate pegging limit of 3.00%), total Council Rates would increase by a further 5.07% inclusive of the Rate Peg. The further additional rates revenue in 2015/16 from the Special Variation = \$2.816 million from Business rates.

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Further engagement with the community and other stakeholders, particularly business stakeholders, on the Special Variation proposal will take place until early February 2014. Council will finalise its community engagement and review the results of that engagement before submitting an application to IPART by the due date of 24 February 2014

The principal contact for Council's application is Council's Director of Finance and Corporate Strategy, Wayne Rogers. Should you require any further information regarding this matter, please contact Mr Rogers on [REDACTED].

Yours faithfully,

A large black rectangular redaction box covering the signature of Kerry Robinson.

Kerry Robinson
GENERAL MANAGER