

Our Reference: E14.8367; E12.6368

11 December 2014

IPART  
Local Government Team  
PO Box K35  
HAYMARKET POST SHOP NSW 1240

Dear Sir/Madam

### **Intention to Apply for a Section 508A Special Rate Variation in 2015-16**

This letter is to formally notify the Independent Pricing and Regulatory Tribunal (IPART) that Eurobodalla Shire Council resolved on 9 December 2014 to make a section 508A application for a special rate variation (SRV) to commence in 2015-16.

The SRV proposal is for an 8% rate increase over three years and subsequently remain permanently in the rate base. The cumulative increase over the three years is 25.97%. The additional revenue will fund a community and transport infrastructure program. The program will deliver:

- Increased annual funding to help address the gap in funding for infrastructure renewal, particularly for short lived assets (useful life less than 20 years)
- A capital renewal program for existing infrastructure in poor condition (e.g. bridges)
- A capital program to upgrade existing infrastructure (e.g. improvements to existing roads, reserves and community facilities) including funding for on-going 'whole of life costs'

The SRV will help to close the current general rate gap between Eurobodalla and other comparative councils noting that Eurobodalla's general rate is 20% below the Group 4 average (2012/13) and to assist with progress towards meeting the Fit for the Future criteria.

To leverage the benefit for the community and minimise the impact on ratepayers, the financing strategy for the SRV includes:

- Cash funding renewal of short lived infrastructure (less than 20 year life) to address the annual infrastructure funding gap
- Borrowings of \$15.7 million to be repaid over 20 years to match the benefits and costs of long lived infrastructure to ratepayers
- Ensuring that the 'whole of life costs' of any new or upgraded assets are covered including maintenance, operations and depreciation costs

For further information please do not hesitate to contact me on 4474 1308 or [catherine.dale@eurocoast.nsw.gov.au](mailto:catherine.dale@eurocoast.nsw.gov.au)

Yours faithfully



Dr Catherine Dale  
**General Manager**