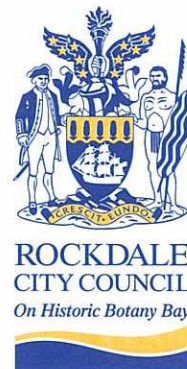


31 October 2013

Our Ref: F09/587

Contact: Alister Duncan - [REDACTED]



Ms Alison Milne
Director Local Government
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230

Dear Ms Milne

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

Rockdale City Council resolved at its meeting of 6 March 2013 to apply for approval for a Special Variation to General Income, to generate income which will be directed to contribute to the funding of the renewals of Council's assets. As you know we have developed a new Long Term Financial Plan and Rockdale Asset Management Strategy, as well as reviewing and updating the Community Strategic Plan with a comprehensive community engagement program.

We also demonstrated to you the savings and productivity increases that Council has achieved over recent years through ongoing business improvement plans and this work will continue. Council noted that an increase in the rate base is one part of the ongoing solution to addressing the funding shortfall for asset renewals.

Overall Council's asset renewals ratio was only 24% in 2012/13. This is an improvement on the previous year when Rockdale's ratio was only 21%, and the NSW average was 84.4%.

Further community engagement on the proposal for 6% per annum rate increase each year for 4 years will take place from early December to early February 2014.

The variation on which Council will engage the community in late 2013 and early 2014 will yield \$5.7 million in the 4th year (2017/18) and beyond. This is estimated to improve our asset renewal ratio to 65% by 2017/2018.

Rockdale City Council will finalise its community engagement and review the results of that engagement before submitting an application by the due date of 24 February 2014.

Please direct any questions about this matter to Council's Acting Director Corporate and Community, Alister Duncan on [REDACTED]

Yours sincerely

[REDACTED]
Meredith Wallace
General Manager

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