

The Local Government Team
The Independent Pricing & Regulatory Tribunal of NSW
PO Box Q290
QVB POST OFFICE NSW 1230

Dear Sir/Madam

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

Council considered a report on Council's Service Standards Review at its ordinary meeting held on 12 December 2012 and resolved to advise you that it intends to submit a Special Rate Variation application in 2013/14. Council's resolution noted "that the application will be up to 9.5% (including the capped rate increase approved by the NSW government which is 3.4% in 2013/14, which means up to a maximum of 6.1% in 2013/14) to ordinary general rates each year for 7 years from 2013/14 under S508A of the Local Government Act."

Since December 2010 Council has been signalling its intention to apply for a permanent increase in rates in addition to the annual rate peg, as outlined in the 2011-2015 and 2012-2016 Strategic Plans and Long Term Financial Strategies. In 2010 Council implemented a program targeting a \$30m turn-around to achieve financial sustainability by the end of the 2014/15 financial year. In this time Council has created numerous productivity and efficiency improvements based on best value service to reduce this deficit to \$12m in this short time.

In addition, Council has reduced the shortfall in asset replacement spending of our \$2.5billion of ageing assets, from \$184m to \$121m as at 30 June 2012. Even so, Council's annual spend is still not providing sufficient capital expenditure to halt the deterioration in asset condition, which ultimately impacts the services we can provide to our community. This issue is highlighted as a particular concern in the recent reviews of Council's financial position by the Division of Local Government and NSW Treasury Corporation.

Council's latest decision is the result of more than three years planning and community consultation about community needs, desired service levels and Council's financial position. It is intended that the Special Rate Variation will provide funding to enable Council to restore existing assets to a satisfactory condition to enable Council to provide a quality and value for money level of service and facilities to our community.

Please direct any enquiries on this issue to Council's Project Manager for the Special Rate Variation application, Mr Darryl Rayner, on 4350 5470.

Yours sincerely



Michael Whittaker
GENERAL MANAGER