



16 Memorial Avenue
PO Box 42
Merrylands NSW 2160

T 02 9840 9840
F 02 9840 9734
E hcc@holroyd.nsw.gov.au
www.holroyd.nsw.gov.au

DX 25408 Merrylands
TTY 02 9840 9988
ABN 20 661 226 966

Corporate and Financial Services

Our Reference:
Contact:
Telephone:

HC-06-13-10
Tim Butler
9840 9750

24 February 2014

Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1320

Dear Local Government Team

HOLROYD CITY COUNCIL SECTION 508A APPLICATION FOR SPECIAL RATE VARIATION

Please find enclosed Holroyd City Council's application for a Special Rate Variation (SRV) – Section 508A to commence in the 2014/2015 financial year.

At its meeting on 18 February 2014 it was resolved that:

"Council adopt funding Option 2, being to maintain existing Services/Infrastructure and increase rates by a maximum 9% for 4 years, 8% for 1 year and then return to the IPART 'State Rate Peg' limit estimated at around 3% annually in the sixth year, it being noted that this funding Option requires approval of a Special Rate Variation by IPART."

Council is seeking the SRV in order to address a \$97.1m funding gap over the next 10 years to maintain its existing services and infrastructure.

As discussed with IPART officers last week, the percentage variation that Council is applying for has been reduced from that resolved by Council due to an update in the 2013/2014 rating base figure used in the Long Term Financial Plan. This adjustment became evident as Council was completing Part A of the SRV application.

The adjusted rating percentages do not alter the additional funding generated from the SRV, being the required \$97.1m, as the long term financial plan was modelled on that outcome.

As Council's resolution was for an increase to a maximum of 9% for 4 years followed by 8% for 1 year, the adjusted increase at 8% for 3 years followed by 7% for 2 years, is a reduction and falls within the resolution of Council.

As requested from IPART officers 'Part A' of the application has been submitted on the basis of 8% for 3 years followed by 7% for 2 years and a revised version of the Long Term Financial Plan for both the base case 'Option 1' and the SRV 'Option 2' are attached to this letter for your information. Electronic versions of these revisions have also been attached to Council's 'Part B' application.



I look forward to your favourable response to this application and request that you contact Council's Director Corporate & Financial Services Mr Tim Butler on 9840-9750 should you have any questions.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Merv Ismay', is positioned above the printed name.

Merv Ismay
GENERAL MANAGER

Encl.