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21 November 2011

Mr James Cox
Chief Executive Officer and Full Time Member
The Independent Pricing and Regulatory Tribunal
Level 8, 1 Market Street
SYDNEY NSW 2000



Dear Mr Cox

Intention to apply for a Special Rating Variation under S508A

This letter is to formally notify IPART that North Sydney Council resolved on 14 November 2011 to make an application for a Special Rate Variation under Section 508A.

The purpose of the special rate variation is for the special levies that Council currently raises to be continued on a permanent basis and to become part of Council's general rate revenue. The four levies are:

- Environment Levy, due to expire on 30 June 2012
- Infrastructure Levy, due to expire on 30 June 2013
- Crows Nest Mainstreet Levy, due to expire on 30 June 2013
- Neutral Bay Mainstreet Levy, due to expire on 30 June 2013

Council needs adequate income to maintain existing services and infrastructure at an acceptable standard, replace ageing infrastructure and to provide additional infrastructure in order to meet the community's objectives of the 2020 Vision, North Sydney Community Strategic Plan. The funds raised through the levies are vital to enable the continuation of numerous critical environmental programs, infrastructure renewal works and commercial precinct improvement programs.

On 10 June 2011, IPART advised North Sydney Council that its application for a special variation to general income had been approved and that Council may increase its rates by 5.5% per annum (inclusive of the annual rate peg) for the period 2011/12 to 2017/18. Council's general income will increase by an average of 2.5% a year above the rate peg amount for the next seven years. However approval did not include continuation of the Infrastructure Levy expiring on 30 June 2012 or the Environmental Levy expiring on 30 June 2013.

Council's Long Term Financial Plan 2010/11-2019/20 assumes the continued receipt of funds raised from the four levies. Without these funds, Council will not be able to undertake the identified environmental and infrastructure works or the operating result will decline substantially over time.



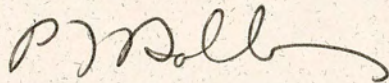
The special rate variation amounts, including the already approved 5.5%, are as follows:

Year	%
2012/13*	12.93%
2013/14*	15.37%
2014/15	5.5%
2015/16	5.5%
2016/17	5.5%
2017/18	5.5%

*years when time-limited levies incorporated into ordinary rates

For further information please contact me on 9936 8101 or by email:
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Yours sincerely



Penny Holloway
GENERAL MANAGER