



Contact Name: Melinda Curtis  
Contact No: [REDACTED]  
Our Reference: OUT-710/18

17 January 2018

Mr Anthony Rush  
Independent Pricing and Regulatory Tribunal NSW  
Lodged by Portal

Dear Mr Rush,

Please be advised that following resolutions from Council's ordinary meetings held on 25 September and 30 October 2017 it endorsed the process to pursue a potential Special Rate Variation and further engage the Community to provide feedback on a preferred potential Special Rate Variation scenario and the corresponding infrastructure project list associated with each scenario. Based on preliminary feedback from the Community the Upper Hunter Shire Council may potentially be lodging an application for a Special Rate Variation above the IPART rate peg.

Council will confirm its intention or otherwise at the 29 January 2018 Ordinary meeting and advise IPART accordingly if it wishes to proceed with the Special Rate Variation Application from the 2018/2019 year and will submit this application on or before the 12 February 2018 lodgement date.

The application will be made under Section 508A and be a permanent increase to its general income.

The purpose of the Special Variation is to replace ageing infrastructure and fund growth within our Community through specific projects related to Town Revitalisation, enhanced community and family facilities and improvement of roads. These projects support the Community Priorities in the Community Strategic Plan (CSP) 2027 and IP&R documents.

Council has completed significant Community Engagement during the review and development of their IP&R documents and in regards to a Special Rate Variation and potential SRV projects list. Details of the Community Engagement and our up to date IP&R documents and the SRV Projects List can be found on our website.,

To determine Community willingness and capacity to pay a Special Rate increase or otherwise, Council carried out further engagement on the scenario's below to obtain feedback on the preferred scenario and projects. Council will advise IPART following the 29 January 2018 meeting what scenario will be the focus of the application.

- Scenario 1 Permanent Special Rate Variation at 4.40% in 2018/19, 4.40% in 2019/2020 and 4.40% in 2020/21 (inclusive of Rate Peg).
- Scenario 2 Permanent Special Rate Variation at 4.90% in 2018/19, 4.90% in 2019/20 and 4.90% in 2020/21 (inclusive of Rate Peg).
- Scenario 3 Permanent Special Rate Variation at 5.30% in 2018/19, 5.30% in 2019/20 and 5.30% in 2020/21 (inclusive of Rate Peg).
- Scenario 4 Permanent Special Rate Variation at 6.30% in 2018/19, 6.30% in 2019/20 and 6.30% in 2020/21 (inclusive of Rate Peg).

**All correspondence to:**

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The above scenarios represent the following permanent \$ incremental effect to the general rate year on year for the Council with rate pegging assumed from year 4 onwards:

➤ Scenario 1	- Year 1	464,181
	- Year 2	484,616
	- Year 3	505,939
	- <b>Total</b>	<b>1,454,736</b>
➤ Scenario 2	- Year 1	516,949
	- Year 2	542,272
	- Year 3	568,843
	- <b>Total</b>	<b>1,628,064</b>
➤ Scenario 3	- Year 1	559,152
	- Year 2	588,776
	- Year 3	619,981
	- <b>Total</b>	<b>1,767,909</b>
➤ Scenario 4	- Year 1	664,649
	- Year 2	706,512
	- Year 3	751,022
	- <b>Total</b>	<b>2,122,183</b>

Council's modelling of the special rate variation has given consideration to the farmland rating category with a lower incremental % increase to farmland property holders in comparison to those categories in urban areas. This consideration has been based on the proximity and availability to the improved level of service delivery by the proposed capital infrastructure projects. Bearing this in mind Council has engaged the community with the proposed SRV options allowing for a lower farmland rating increase of 3.05% (Rate Pegging + SRV 0.75%) for scenarios 1, 2 & 3 and 3.55% (Rate Pegging + SRV 1.25%) for scenario 4.

The contact for Upper Hunter Shire Council in relation to this application:

Principal Contact: Melinda Curtis  
Manager Strategic Planning  
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Email: [REDACTED]

Finance Contact: Wayne Phelps  
Manager Finance  
Telephone: [REDACTED]  
Email: [REDACTED]

Further information will be provided to IPART next week, so that Council can discuss any issues or gaps and obtain further advice on an application.

Yours sincerely

[REDACTED]

Steve Pryor  
INTERIM GENERAL MANAGER