

## OFFICE OF THE GENERAL MANAGER

Acting Executive Assistant: Claudine Stamos

Direct Telephone: [REDACTED]

File Reference: D19/191234

25 October 2019

Mr Matthew Edgerton  
Executive Director Local Government  
Independent Pricing and Regulatory Tribunal  
PO BOX K35  
Haymarket, NSW, 1240

Dear Mr Edgerton

### Notice of Intent - Special Rate Variation and Minimum Rate Change Applications

I write to advise you that Georges River Council, at its meeting of 26 August 2019, considered a report on the proposed program for the restructure of Council's two rating systems of the former Kogarah and Hurstville City Councils. Council resolved to advise the Independent Pricing and Regulatory Tribunal (IPART) of its intention to prepare applications for a Special Rate Variation (SRV) and Minimum Rate Increase, based on the following:

Information Required	Council Response
Type of application	<p>Section 508 of the Local Government Act 1993: Application for a special variation to the general income - it is intended that this would be a permanent increase which is retained within the rate base.</p> <p>Section 548 of the Local Government Act 1993: Application to increase minimum rates above the statutory limit - it is intended that this would be a permanent increase which is retained within the rate base.</p>
The percentage amount of the intended special variation	Permanent 10.6% increase from 1 July 2020 (including 8.1% SRV and 2.5% assumed rate pegging increase).

The purpose of the funds for the special variation	<p>Primary purposes:</p> <ul style="list-style-type: none"> <li>• Ensure minimal disruption to existing services.</li> <li>• Deliver key priorities outlined in the Community Strategic Plan 2018 - 2028 and the Delivery Program 2018 – 2021.</li> <li>• Infrastructure renewal/maintenance.</li> <li>• Enhance and ensure financial sustainability.</li> </ul>
The percentage/dollar amount of the intended minimum rate	<p>Former Hurstville City Council currently has a minimum rate of \$570.88 and Kogarah City Council has a minimum rate of \$924.24.</p> <p>The proposed application will seek a new minimum rate of \$965.80 across the entire Local Government area and a different minimum rate of \$1,100 for the Commercial Strategic Centres of Kogarah and Hurstville.</p>
The purpose of the minimum rate change	The purpose of the minimum rate change is to ensure equity and fairness across the Local Government area.
Contact details for the application	<p>Danielle Parker  Chief Financial Officer  Phone: [REDACTED]  Email: [REDACTED]</p>

Extract of Council Resolution (Minute No. FIN057-19)

- (a) That Council endorse the 2020/2021 Rate Restructure Program, which includes the Community Engagement Framework and the proposed timeframe.
- (b) That the General Manager formally notify the Independent Pricing and Remuneration Tribunal (IPART) of Council's intention to cease using the former Hurstville City Council's and former Kogarah City Council's rating structures and special rate variations at the end of financial year 2019/2020, subject to IPART approval of Council's application on a harmonised minimum rate and a special rate variation.
- (c) That the General Manager formally notify IPART that following consideration of community engagement, Council's intention is to apply for a special rate variation (SRV) of 8.1% (plus the 2020/2021 rate peg) on Council's 2019/2020 general rate income base, in order to replace cessation of the former Hurstville City Council's SRV and to ensure Council's long term financial sustainability.
- (d) That the General Manager formally notify IPART that following consideration of community engagement, Council's intention is to apply for one of the following proposals:
- a. Harmonised minimum rate of \$942.24 (plus the 2020/2021 rate peg amount) commencing in the 2020/2021 rating year, or



- b. *Harmonised minimum rate structure, as per the following categories/sub-categories:*
- i. *Residential harmonised minimum rate of \$942.24 (plus the 2020/2021 rate peg amount) commencing in the 2020/2021 rating year*
  - ii. *Business harmonised minimum rate of \$942.24 (plus the 2020/2021 rate peg amount) commencing in the 2020/2021 rating year*
  - iii. *Commercial/Strategic Centre sub-category harmonised minimum rate of \$1,100 commencing in the 2020/21 rating year.*

At this stage, Council cannot formally comment to the four options proposed by IPART as community consultation has not yet concluded. Various options have been presented to the community and Council will be in a better position to advise IPART as to its intentions after consideration of community feedback.

Based on the instrument, Council will review its position in 2020/21 and assess how to proceed for 2021/22.

If you require any further information in relation to this Notice of Intent, please contact Danielle Parker, Chief Financial Officer on [REDACTED].

Council looks forward to working with the IPART in relation to this special variation and minimum rate change application.

Yours sincerely

[REDACTED]  
Gail Connolly  
**General Manager**

