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29 November 2019

Dr Paul Paterson
Chair- Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Also by email: Sheridan_rapmund@ipart.nsw.gov.au

Dear Dr Paterson,

NOTIFICATION FOR SPECIAL VARIATION S508A

This letter is to formally advise IPART of Bega Valley Shire Council's intention to submit an application for the incremental introduction (over three years) of a Special Variation (SV) to be permanently retained in the rate base under s508A of the *Local Government Act 1993*.

If successful, the SV would see an increase in rates (above the rate peg) that would commence in the 2020-2021 financial year and will by the third year achieve the annual amount required to deliver the Swimming Pool Strategy and meet the goal established in November 2017 of operating, maintaining and upgrading all six pools.

YEAR	SRV %
2020-2021	5.52% (incl 2.6% rate peg)
2021-2022	5.26% (incl 2.5% rate peg)
2022-2023	5.13% (incl 2.5% rate peg)
Cumulative Increase	16.8%

The SV is proposed to provide both operational and capital funding for our Shires' six swimming pools which have been identified as important community assets. The Bega Valley Shire has the largest coastline of any NSW Council and it is critical that our community have access to a safe and calm place to learn to swim before venturing into the ocean.

The 20th November 2019 resolution of Council in relation to the SRV is as follows:

To achieve Council's currently resolved position of having a fit for purpose, six-pool aquatic strategy it is recommended that:

- 1. Council resolves to notify the Independent Pricing and Regulatory Tribunal (IPART) by 29 November 2019 of its intention to apply for a Special Rate Variation (SRV), under section 508(A) of the Local Government Act 1993, for a three (3) year SRV above the rate peg amount to be retained in the rate base permanently, which will by the third year achieve the annual amount required to deliver the Swimming Pool Strategy and meet the goal established in November 2017 of operating, maintaining and upgrading all six pools.*
- 2. Council place the 2020/2021 Integrated Planning and Reporting documents with respect to proposed SRV on public exhibition for an extended period at its meeting on 11 December and include the final percentages and amounts modelled over the three-year program as required.*
- 3. Council note that due to major renewal requirements for Bega and Cobargo pools within the first 10 years of the SRV, Council will not see any reduction in reliance on the General Fund for pools during the first two years of the SRV.*

4. *At the point in time where the demand on General Fund for pools is reduced due to the SRV, that any reduction in expenditure from the General Fund for pools is transferred to a reserve restricted for the purpose of funding existing infrastructure asset renewals for critical assets.*
5. *Council proceed to develop the SRV application as outlined above and commence a second phase of community engagement for consideration by Council; and*
6. *Council receive two reports at a Council meeting to be held on 5 February 2020 to consider formal lodgement of the SRV application with IPART prior to 10 February and adoption of the 2020/2021 Integrated Planning and Reporting documents.*

Extensive community engagement has been undertaken and Council will finalise and review the outcomes of a further phase of community engagement and update its IP&R documentation before submitting an application to IPART by the due date.

This notification has been prepared in accordance with the NSW Office of Local Government's Guidelines for the preparation of an application for a Special Variation.

Council looks forward to working closely with IPART on the application and appreciates the time provided by IPART staff to meet with the Mayor and myself in late October. Council's key contacts for the Special Variation application are Kaliegh Smerdon, Corporate Planning and Improvement Coordinator and myself. In the meantime, if you require any further information please contact me on 6499 2222.

Yours sincerely



Leanne Barnes OAM
General Manager