



Greater Hume Shire

simply greater

Our Ref: David Smith

The Independent Pricing and Regulatory Tribunal (IPART)
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Dear Sir

NOTIFICATION FOR SPECIAL RATE VARIATION SECTION 508(A)

This letter serves to formally notify IPART of Greater Hume Shire Council's intention to submit an application for a multiple year rate variation commencing from the 2015/2016 financial year.

The purpose of Council's request is to raise additional revenue to address significant funding shortfalls in the maintenance of Council's road infrastructure network. The matter of applying for a special rate variation has been discussed by Council (on the public record) for a number of years.

The following resolution was passed at Council's November 2014 Council Meeting:

1. SIGNAL OF INTENT – SPECIAL RATE VARIATION APPLICATION TO INDEPENDENT PRICING AND REGULATORY TRIBUNAL

3943 RESOLVED [O'Neill/Meyer]

That:

- 1. the Independent Pricing and Regulatory Tribunal (IPART) be advised of Council's intention to apply for an increase in total rate revenue of up to 7.81% for the 2015/2016 financial year, 7.46% for the 2016/2017 financial year and 7.15% for the 2017/2018 financial year, as permitted under Section 508(A) of the Local Government Act 1993, by 12 December 2014;*
- 2. community consultation on the proposal is to continue and the revised Community Engagement Strategy be adopted;*
- 3. work is commenced on the development of a formal application to IPART and supporting documents, noting the deadline for submissions of 16 February 2015;*
- 4. following the closure of submissions, that a further report be submitted to the February 2015 meeting of council to determine whether to proceed with the special rate variation application.*
- 5. the date of the February 2015 Council Meeting be brought forward one week and the meeting held on Wednesday 11 February 2015;*

6. Council continues to pursue organisational efficiencies through the continued implementation of regular service reviews;
7. the updated Debt Recovery Policy, Hardship Policy and Pensioner Concession Policy be placed on public display for a period of 28 days with the closing date for submissions being 4pm Wednesday 17 December 2014;
8. Council continue to enhance methods to improve community awareness of the services provided by Council, the costs associated with service delivery and costs imposed by other levels of government.

A significant community consultation project in relation to the proposed Special Rate Variation has commenced as follows:

Method	Description
Community Engagement Guide "Options for Achieving a Better Road Network"	A copy of the 16-page booklet delivered to all households in Greater Hume Shire via direct mailout (4,800 copies). Delivery commenced 3 November 2014
Press Releases	A number of media releases will be issued outlining key dates and consultation activities such as dates/times of the Consultation Sessions, commencement of the IRIS Research telephone survey etc. Issues dates are as follows: Media Release 1 – issued 3 November Media Release 2 - issued 11 November Media Release 3 – to be issued 19 November Media Release 4 – to be issued 27 November Media Release 5 – to be issued 1 December Media Release 6 – to be issued 4 December
Static displays and information	Posters and additional copies of the Community Engagement Guide available at Council sites and facilities
Website	Greater Hume Shire Council website updated with SRV proposal displayed prominently on the Home page. Link for home page to dedicated area on the website which provides all information included in the printed Community Engagement Guide. In addition, an on-line rate calculator has been developed whereby ratepayers can obtain an estimate of their General Rates including the SRV for 2015/2016
Telephone Survey	A telephone survey of 500 randomly selected residents will be undertaken by IRIS Research commencing 12 November 2014. The survey will focus on asking participants to rank the importance of maintaining various types of infrastructure assets as well as asking participants whether they support Option 1 – Increase rate revenue via the SRV or Option 2 – Increase rates by rate peg only

Method	Description
Community Information Sessions	Residents will have the opportunity to discuss the SRV proposal in person with staff and Councillors at the following Community Information Sessions: Jindera 20 November 2.00pm – 4.00pm Holbrook 21 November 9.30am – 11.00am Culcairn 21 November 2.00pm – 4.00pm Henty 28 November 9.30am – 11.30am Walla Walla 28 November 2.00pm – 4.00pm
Facebook	Masthead photo on Greater Hume Facebook page has been updated to reflect the image on the front page of the Community Engagement Guide. A Facebook Conversation Plan has been developed including protocols for responding to postings and actions to take in relation to rude or offensive postings
Freecall Telephone Contact	Calls received through the Freecall 1300 telephone number will be monitored and logged

Council will be applying for a permanent multiple year rate increase in accordance with Section 508(A) of the Local Government Act 1993 over a three year period commencing from the 2015/2016 financial year. In order to achieve a consistent additional yield for each of the three years the following percentage increases would apply (assuming a rate peg increase of 3% each year).

	Notional Yield	Rate Peg 3%	SRV % Increase	Rate Yield Inc. SRV and 3% Rate Peg	Increase from 3% Rate Peg	Total Increase	Yield from SRV
Year 1	\$6,600,006	\$6,798,006	7.81%	\$7,115,256	\$198,000	\$515,250	\$317,250
Year 2	\$7,115,256	\$7,328,714	7.46%	\$7,645,964	\$213,458	\$530,708	\$317,250
Year 3	\$7,645,964	\$7,875,343	7.15%	\$8,192,593	\$229,379	\$546,629	\$317,250

It is intended that the overall rate increase achieved over the three year period becomes permanent.

Please do not hesitate to contact Council's General Manager, Steven Pinnuck, or Director Corporate & Community Services, David Smith, on (02) 6036 0100 should you require any further information.

Yours faithfully



Steven Pinnuck

General Manager

GREATER HUME SHIRE COUNCIL

24 November 2014