

Ref: F12/2079  
 dbh:lod

1 December 2017

Dr Peter Boxall  
 Chairman  
 Independent Pricing and Regulatory Tribunal  
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Dear Dr Boxall

**Intention to Apply for a Special Rate Variation (Renewal of an Expiring Environmental Levy) under Section 508(2)**

This letter is to formally notify IPART that Kempsey Shire Council resolved on 17 October 2017 to consider making an application for a Special Rate Variation under Section 508(2) temporary of the *Local Government Act*.

The purpose of the Special Rate Variation is to renew Council's expiring Environmental Levy which has been applied across the Shire for the past 10 years. The current Environmental Levy is due to expire on 30 June 2018.

Council will be applying to have its Environmental Levy continue for a further ten-year period, providing funds to continue further environmental projects within the Shire.

Council's application will be based on the current level of funding from the Environmental Levy (\$764,935) being maintained and increased by the annual rate pegging allowances for the next ten years.

The following table shows estimated rate revenue to be generated over this period from the proposed Environmental Levy.

| Year  | Year Starting | Environmental Levy Yield | Estimated Annual Rate Peg (%) |
|-------|---------------|--------------------------|-------------------------------|
| 1     | 1 July 2018   | \$782,529                | 2.30                          |
| 2     | 1 July 2019   | \$802,092                | 2.50                          |
| 3     | 1 July 2020   | \$822,144                | 2.50                          |
| 4     | 1 July 2021   | \$842,698                | 2.50                          |
| 5     | 1 July 2022   | \$863,765                | 2.50                          |
| 6     | 1 July 2023   | \$885,359                | 2.50                          |
| 7     | 1 July 2024   | \$907,493                | 2.50                          |
| 8     | 1 July 2025   | \$930,181                | 2.50                          |
| 9     | 1 July 2026   | \$953,435                | 2.50                          |
| 10    | 1 July 2027   | \$977,271                | 2.50                          |
| TOTAL | 1 July 2028   | \$8,766,967              | 2.50                          |

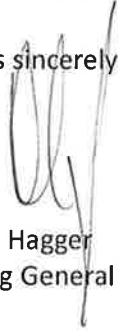
## APPENDIX N

The yield from the proposed Environmental levy for 2018/2019 represents an increase in Council's notional general income of approximately 4.20%.

Council will therefore be seeking a total increase to its notional general income of 6.50% for 2018/2019, inclusive of an estimated rate pegging estimate of 2.30%.

I will be Council's principal contact for the proposed SRV, so if you require any further information please don't hesitate to contact me on 02 6566 3323.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Daryl Hagger', written over a vertical line.

Daryl Hagger  
Acting General Manager