



Dr Peter Boxall AO
Chair
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Our Ref: 18/42578
1 November 2018

Dear Dr Boxall

NOTIFICATION FOR SPECIAL VARIATION S508A

This letter is to formally advise IPART of Burwood Council's intention to submit an application for a multi-year variation for four years under S508A of the *Local Government Act 1993* commencing in the 2019-2020 Financial Year.

Background

Council recently received a four year special variation in order to address its \$167 million infrastructure backlog which expired at the cessation of the 2017-2018 Financial Year. Council had originally applied for a seven year special variation from 2014-2015. Council was only approved the first four years of the special variation.

As a result, Council may experience a shortfall in expenditure as a result of its existing infrastructure backlog which might lead to a decline in services under the current funding model.

Proposed Increase

Council has conducted preliminary community consultation to identify the appropriate funding option for the community. As a result, Council is proposing the following special variation:

	2019-2020	2020-2021	2021-2022	2022-2023	Cumulative Increase
Increase (including Rate Peg)	4.7%	4.5%	4.5%	4.5%	19.5%

Note: The proposed adjustment includes the rate peg adjustment set by IPART of 2.7% in 2019-2020 and an estimated 2.5% for years 2020-2021 to 2022-2023.

Under this funding option, the total extra yield for Council over four years will be approximately \$4.5 million which will be injected into its capital works program in order to reduce the infrastructure backlog in roads and drainage assets.

Burwood Council will finalise and review the outcomes of community and stakeholder engagement and update its IP&R documentation before submitting an application to IPART by the due date.

Contact Details

Contact: Mr Tommaso Briscese
Deputy General Manager
Corporate Governance Community

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Please do not hesitate to contact Mr Briscese or his team, if you have any enquiries or require additional information.

Yours sincerely

[REDACTED]

Bruce Macdonnell
GENERAL MANAGER