



Our current financial position

There are a number of financial indicators which allow Council to measure its financial position.

While Council has worked hard to secure its current sound and stable financial position, the NSW Treasury Corporation (T-Corp) has assessed the future outlook as Negative. This means that Council needs to look at ways to generate revenue for the future.

Our internal assessments identify a funding gap of \$66 million over the next 10 years. This means that if we don't continue the existing special rate variation we will need to reduce the amount of road works, infrastructure projects and services we deliver.



prevents Council from increasing charges for processing a DA to reflect these costs.

The only way Council can increase its rates above the rate peg, is to apply to IPART for a special rate variation. Special rate variations are an important way of providing additional funding to council in delivering services and infrastructure that Council is unable to fund within its existing revenue.

Growth and demand for new services

Regional City

Liverpool has been identified as the regional city and economic hub for the South-West Sydney region. The community has made it clear that they want us to improve the look and feel of the city and jobs which are closer to home. To achieve this, we will need to invest in developing the city centre and making it attractive to business.

Liverpool's population is projected to grow by 28% to 239,000 in 2021 and set to almost double to 325,000 by 2036. To cater for this growth, new infrastructure and considerable improvements to existing infrastructure is needed. The cost of this is estimated to be more than \$300 million. While Council expect that developers will contribute to these costs, the ongoing operation and maintenance liability transfers to Council upon handover of these assets. As Liverpool grows, Council will need to deliver and manage additional services, such as new libraries, community centres, parks and roads.

Cost shifting is where the responsibility for, or the costs of, providing a certain service, concession, asset or regulatory function are "shifted" from a higher sphere of government to a lower sphere of government without providing corresponding funding or transferring adequate revenue raising capacity. A recent report estimated the impact of cost-shifting on Liverpool to be \$7.4 million or 6.96% of Council's total income in the last financial year.

Cost Shifting

A significant challenge for Council is the ageing of our public infrastructure assets. Many of our roads, buildings and associated infrastructure were constructed in the 1970/80s and are now approaching the end of their lives. This infrastructure requires significant improvement and renewal if it is to be up to the standards expected by the community.

Infrastructure Renewal

Our costs are increasing but we are not able to charge for these

Rate-pegging has been in place since 1977. This means that the cost of delivering Council's services has increased but our ability to generate revenue to meet these costs is outside of our control. This is also the case with other charges which are set by legislation. For example, the cost of processing a development application (DA) has increased significantly due to skills shortages in the current labour market, however current legislation

How we have saved money

Ensuring the community receives the most efficient services is one of Council's highest priorities. Council has contained costs by:

- Participating in activities such as joint tender arrangements for the delivery of services to get best value for money.
- Entering into licencing agreements with sporting groups to maintain fields.
- Restructuring Council so that services are running as efficiently and effectively as possible.
- Reducing our debt and paying off loans, which have provided us with the opportunity to take out additional low interest loans as existing loans mature.

We have less staff. We employ 656 equivalent full-time staff compared to 754 for similar councils.

We generate less revenue per capita, \$1049 compared to \$1138 for similar councils

We have less expenses per capita, \$722 compared to \$1051 for similar councils

This shows that Council is already delivering services with less funding and resources than similar councils.

Why is there a funding gap – no more challenges

Council is faced with a number of challenges when it comes to increasing its revenue and generating additional income

What did Council deliver with the previous special rate variation?

Heavy patching, reconstruction and resurfacing to restore failed pavement at Devonshire Road, Kemps Creek

Before

After

Hintiker Avenue and McGill Parade, Warwick Farm

Improving footpaths and cycleways

Before

After

Parks and playgrounds

Vasta Park

More than \$700,000 in works undertaken.

Governor Macquarie Drive upgrade

After

Before



How can you provide feedback?

Take the Survey

Before Council proceeds with making a decision regarding the special rate variation they are seeking community feedback on each of the three options. Survey is enclosed for your feedback.

Need more information:

For more information on the special rate variation, including how the options will affect you directly and the types of projects that will be funded by the special rate variation, please visit www.liverpool.nsw.gov.au or phone Council on 1300 36 2170. Council has many people who speak different languages as well as access to a translating service for residents who speak limited or no English.

Special Rate Variation (SRV)

Introduction – Your services, your options, your rates.

Council has had a special rate variation (SRV) of 9 per cent for five years, which ends this financial year. A decision now needs to be made on whether to submit an application to the Independent Pricing and Regulatory Tribunal (IPART) for a future SRV.

The current SRV provided Council with approximately \$5.6 million per annum in additional funding to:

- deliver much needed road and other works to bring community infrastructure up to a satisfactory standard.
- increase graffiti removal, parks maintenance, cleaning, mechanical work and general maintenance

Our main focus has been road, bridge and footpath works, improvement and restoration of public buildings, drainage works which reduce the impact of flooding, and renovation of sporting fields.

While Council will apply the regular 3 per cent annual rate peg increase, this is just to stay in line with the Consumer Price Index (CPI) and meet regular increasing costs in the broader economy.

WHAT WILL I GET WITH EACH OPTION?

OPTION 1 MAINTAIN SERVICES

OPTION 2 REDUCE SERVICES

OPTION 3 INCREASE SERVICES

Roads, bridges and footpaths	Keep the existing rate variation (9%) only and maintain current services, road works and infrastructure delivery to the community.	Use the existing variation (-3%) and reduce services, road works and infrastructure delivery to the community.	Increase rate variation (9% + 2.5% for two years) and increase services, road works and infrastructure delivery to the community.
Community Centres and Facilities	\$20 million	\$6.3 million	\$29.9 million
Parks and Sportgrounds	\$9.7 million	\$4.1 million	\$12.4 million
Protection from flooding	\$6.8 million	\$2.5 million	\$8.2 million
Total Funds Available	\$40.1 million available for the next four years	\$16.1 million available for the next four years	\$54.1 million available for the next four years
How much will it cost me?	The average rate increase per house is \$5.13 a year. Council will increase rates by \$115 a year to continue the same level of services, road works and infrastructure delivery. Based on current rates payable, the increase in your rates next year in the first year of the SRV will be 62 cents per week or \$32 per year.	The average rate decrease per house is \$5.13 a year. Council will reduce rates by \$115 a year to continue the same level of services, road works and infrastructure delivery.	The average rate increase per house is \$5.13 a year. Council will increase rates by \$115 a year to continue the same level of services, road works and infrastructure delivery. Some of the additional works which Council will be able to deliver include: additional roads and 15 new bus shelters, critical upgrades and foodstuffing to sports grounds to improve safety, lighting, access and parking, a special playground for children with disabilities, upgrades to 7 playgrounds, upgrades to 7 additional childcare and community centres.

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Language aides: Council has many people who speak different languages. Call 1300 36 2170 and ask for your preferred language

