

**ANNEXURE E:  
CONSULTATION MATERIAL**

## **LETTER TO RESIDENTS AND NEWSLETTER**



Address 1  
Address 2  
SUBURB STATE POSTCODE

2 January 2019  
Our Ref: 18/48894

Dear Sir/Madam

### Funding our Future

In 2017 and 2018, Burwood Council spoke with the community to find out which services are most important to you.

After hearing your feedback, we identified that one of your key priorities remains maintaining our local infrastructure.

Over the past few years, we've carried out an extensive capital works program to improve our local roads, footpaths, parks and facilities. In fact, last financial year alone we reconstructed 8,300 lineal metres of road and 600 lineal metres of pipes across the area.

Unfortunately, despite our sound financial position, we may not be able to continue to improve infrastructure at the current level as the rising costs associated with these services are higher than the revenue we receive through rate payments.

As a result, Council will not be able to reduce the existing \$20 million infrastructure backlog to an acceptable level without obtaining additional income through a Special Rate Variation (SRV).

It's now time that we decide how we will fund our future.

### What are our options?

<b>MAINTAIN SERVICE</b> (Option 1)	<b>Current service levels would be maintained in the short term, but later decline.</b> This option will reduce the infrastructure backlog from \$20.3m to \$18.8m over 10 years. Rates would increase only by approved 'rate peg' amount. Council's capital works program may be reduced and priority will be given to essential infrastructure projects.
<b>IMPROVE SERVICE</b> (Option 2)	<b>Improved service levels, new capital projects, upgrading and maintaining of existing infrastructure.</b> This option will reduce the infrastructure backlog from \$20.3m to \$7.7m over 10 years. Rates will increase progressively each year over four years.

continued

## What is the percentage increase in rates per year?

	2019-2020	2020-2021	2021-2022	2022-2023	Cumulative Increase
<b>MAINTAIN SERVICE</b> (Option 1)	2.7% (rate peg)	2.5% (rate peg)	2.5% (rate peg)	2.5% (rate peg)	10.6%
<b>IMPROVE SERVICE</b> (Option 2)	4.7%	4.5%	4.5%	4.5%	19.5%

*Note: All scenarios include the rate peg adjustment set by the NSW Independent Pricing and Regulatory Tribunal (IPART) estimated at 2.5% (except 2019-20)*

## What impact will this have on you?

MAINTAIN	Yield 2018-19	Yield 2019-20	Yield 2020-21	Yield 2021-22	Yield 2022-23	Additional payment at end of 4 years
<b>Business A</b>	\$3,011	\$3,092	\$3,170	\$3,249	\$3,330	\$319
<b>Business B</b>	\$13,397	\$13,758	\$14,102	\$14,455	\$14,816	\$1,420
<b>Business C</b>	\$12,881	\$13,229	\$13,559	\$13,898	\$14,246	\$1,365
<b>Business D</b>	\$45,881	\$47,120	\$48,298	\$49,505	\$50,743	\$4,862
<b>Mixed Development</b>	\$2,042	\$2,097	\$2,149	\$2,203	\$2,258	\$216
<b>Residential</b>	\$1,358	\$1,395	\$1,430	\$1,466	\$1,502	\$144
<b>Town Centre - Minor</b>	\$3,481	\$3,575	\$3,664	\$3,756	\$3,850	\$369
<b>Town Centre - Residential</b>	\$1,256	\$1,290	\$1,322	\$1,355	\$1,389	\$133

IMPROVE	Yield 2018-19	Yield 2019-20	Yield 2020-21	Yield 2021-22	Yield 2022-23	Additional payment at end of 4 years
<b>Business A</b>	\$3,011	\$3,153	\$3,295	\$3,443	\$3,598	\$587
<b>Business B</b>	\$13,397	\$14,026	\$14,657	\$15,317	\$16,006	\$2,610
<b>Business C</b>	\$12,881	\$13,486	\$14,093	\$14,727	\$15,390	\$2,509
<b>Business D</b>	\$45,881	\$48,037	\$50,199	\$52,458	\$54,819	\$8,938
<b>Mixed Development</b>	\$2,042	\$2,138	\$2,234	\$2,335	\$2,440	\$398
<b>Residential</b>	\$1,358	\$1,422	\$1,486	\$1,553	\$1,623	\$265
<b>Town Centre - Minor</b>	\$3,481	\$3,645	\$3,809	\$3,980	\$4,159	\$678
<b>Town Centre - Residential</b>	\$1,256	\$1,315	\$1,374	\$1,436	\$1,501	\$245

## Want to find out more?

For more information on the proposed SRV and to find out how you can have your say, please refer to the attached newsletter. **Deadline for submissions is 20 January 2019.**

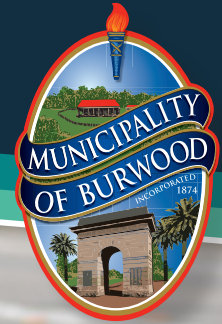
**Burwood Council**



**Burwood Council**  
heritage • progress • pride

# FUNDING OUR FUTURE

NEWS FROM BURWOOD COUNCIL  
JANUARY 2019



An SRV will reduce our existing infrastructure backlog from \$20.3m to \$7.7m. Without an SRV, the backlog will be reduced to \$18.8m.

## Our future needs

Over the past few years, Council has carried out an extensive capital works program in order to keep our community's infrastructure to the best possible standard. In order for Council to continue providing this service at its current level, we will need to find additional funding. The most sustainable option is to apply for a Special Rate Variation.

## What is a Special Rate Variation (SRV)?

Currently, council rates are determined by the Independent Pricing and Regulatory Tribunal (IPART), which sets a 'rate peg', however it does not take into consideration rising costs and residents' demand for increased services. As a result, councils are able to apply for an SRV under s 508A of the Local Government Act 1993.

## Why do we need an SRV?

Despite consecutive years of returning to surplus, the community's increasing demand for services and the rising costs associated with providing them will mean that Council will not be able to address the backlog in infrastructure.

Without an SRV, Council will only be able to upgrade roads, footpaths and drains that are considered a high priority and not reduce the infrastructure backlog. As a result, other important Council services may likely be compromised long term in order to fund infrastructure upgrades.

## Where will the funds go?

In the last few years, Council concentrated on maintaining local roads, footpaths and drains. Last year alone we upgraded 8,300 lineal metres of roads and 600 lineal metres of pipes across the area.

An SRV will provide Council an additional \$1.992 million income which will be injected into stormwater infrastructure in order to reduce the \$20.3 million infrastructure backlog by more than half.

Additional income will  
be injected into  
stormwater infrastructure



## How we've improved

Over the past few years we have concentrated on making Council stronger and more efficient through the following ways; an organisation restructure in September 2018, development of new long term planning documentation, annual service reviews and introduction of a business excellence framework.

Despite maximising efficiencies to better align service delivery with community expectation, these actions are not enough for Council to continue to address the backlog in infrastructure without affecting other services as identified in the revised Resourcing Strategy.

## What are the options?

Two funding options have been put forward: maintain service and improve service. Council could apply for a compounded increase under s 508A of the Local Government Act 1993 (called an SRV).

## Are there any alternatives?

Council applied for a \$1 million loan in 2017-18 and will apply for an additional \$1 million loan for drainage in 2018-19 however Council is required to repay the loan and interest over a set period.

<b>MAINTAIN SERVICE</b> (Option 1)	<b>Current service levels would be maintained in the short term, but later decline.</b> Rates increase only by approved 'rate peg' amount (estimated at 2.5%). Council's capital works program may be compromised and priority will be given to essential infrastructure projects.
<b>IMPROVE SERVICE</b> (Option 2)	<b>Improved service levels, new capital projects, upgrading and maintaining of existing infrastructure.</b> Rates will increase progressively each year over four years at 2% above the rate peg.

## What is the percentage increase in rates per year?

	2019-2020	2020-2021	2021-2022	2022-2023	Additional income	Cumulative Impact
<b>MAINTAIN SERVICE</b>	2.7% (rate peg)	2.5% (rate peg)	2.5% (rate peg)	2.5% (rate peg)	N/A	10.6%
<b>IMPROVE SERVICE</b>	4.7%	4.5%	4.5%	4.5%	\$1.992m	19.5%

Note: All scenarios include the rate peg adjustment by IPART estimated at 2.5% (2.7% for 2019-20)

## Impact on ratepayers

Council has ensured that the proposed special variation has minimal impact to ratepayers. The rate increase would cost less than \$4 per week by the final year for 66 per cent of ratepayers.

Furthermore, Council implemented an incremental increase to the Pensioner Rebate Scheme commencing 2018-19. In order to minimise the impact of an SRV, Council has introduced an additional pensioner rebate. The rebate scheme is as follows:

## Additional Council Pensioner Rebate

	2018-2019	2019-2020	2020-2021	2021-22 and beyond
<b>Rebate each year</b>	\$50	\$75	\$125	\$125

## How will this affect you?

MAINTAIN SERVICE	2018-2019	2019-2020	2020-2021	2021-2022	2022-23	Additional Payment at the end of 4 years
Business A	\$3,011	\$3,092	\$3,170	\$3,249	\$3,330	\$319
Business B	\$13,397	\$13,758	\$14,102	\$14,455	\$14,816	\$1,420
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Note: All scenarios include the rate peg adjustment by IPART estimated at 2.5% (2.7% for 2019-20)



# Have your say

Scan the QR Code on the right to begin!  
Take our quick survey and share your  
feedback or find out more information  
about SRVs.

Can't access the survey? Visit our website  
[burwood.nsw.gov.au](http://burwood.nsw.gov.au) or visit Council  
Chambers and request a hard copy survey.



**Submission deadline: 20 January 2019**



## Contact us

Join the discussion and have your say on  
our funding future.

### Take our online survey

[burwood.nsw.gov.au](http://burwood.nsw.gov.au)

### Social media

@burwoodcouncil

### Email

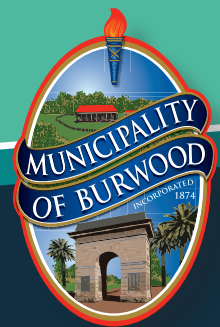
[ourfuture@burwood.nsw.gov.au](mailto:ourfuture@burwood.nsw.gov.au)

### Mail

PO Box 240, Burwood 1805

### Contact IPART

[ipart.nsw.gov.au](http://ipart.nsw.gov.au)



@burwoodcouncil

[burwood.nsw.gov.au](http://burwood.nsw.gov.au)



## **INFORMATION KIT TO COUNCILLORS AND STAFF**



# FUNDING OUR FUTURE

## SPECIAL RATE VARIATION (SRV)

### INFORMATION KIT

December 2018

## Introduction

Over the past few years, Council has been listening to the community in order to identify and deliver services that are important to our residents and ratepayers.

One of the top priorities residents have raised is to maintain and upgrade local infrastructure including our roads, footpaths, kerbs and parks.

In order to continue delivering these services at our current level, Council will need to find additional funding. The most sustainable option is to apply for a Special Rate Variation (SRV).

This Information Kit provides key information you need to know about SRVs, including why we need an SRV, the different options available, what impact it will have on ratepayers, where the money will go, and how ratepayers can have their say.

## What have residents asked for?

Council conducted a comprehensive community consultation between November 2017 and March 2018, to determine whether the goals set out in the Burwood2030 Community Strategic Plan were still relevant.

The consultation covered a range of topics including Council facilities, infrastructure, environment, cleanliness and town planning and a potential need for a Special Rate Variation with funding scenarios were modelled on a possible three-year increase of 2% above the rate peg.

Feedback from the survey was incorporated into Council's long term strategic plans, including the Community Strategic Plan, which was revised under the new Council in 2018.

These documents form the blueprint of all activities Council will undertake in the next four to ten years.

As part of the consultation a community wide phone survey and two focus groups were held. Participants of the survey were asked for their level of support for a proposed special variation.

Key findings from the survey included:

- 75 per cent of residents are at least 'somewhat supportive' of continuing the current SRV
- Providing more community services, clean public places, waste management and a responsibly managed council for the area were all identified as the most important components to be included in the 10-year plan, with 98% of respondents stating these were important
- Residents expressed concerns for the impacts and management of high density living and road safety, with all the bottom 5 agreement statements falling within the 'Local Spaces, Economy and Transport' pillar
- 95% rated their quality of life as 'good' to 'excellent'
- 85% of residents were at least 'somewhat satisfied' with the performance of Council

Following further assessment and the development of Council's Asset Management Plan and Long Term Financial Plan, it is now recommended that Council models its potential special variation application scenario on a 2% increase above rate peg for four years, instead of three in order to reduce the existing infrastructure backlog in line with the community's priorities for the area

## What is a special variation?

Rate pegging was introduced by the NSW Government in 1977 to limit the amount by which councils can increase rate revenue from one year to the next.

Currently, council rates are determined by the Independent Pricing and Regulatory Tribunal (IPART), which sets a 'rate peg', however it does not take into consideration rising costs and residents' demand for increased services. As a result, councils are able to apply for a special variation in order to set rates higher than the rate peg for up to a seven year period.

## Why do we need a special variation?

Our major source of revenue has been limited in growth because of rate pegging. Despite consecutive years of returning to surplus, the community's increasing demand for services and the rising costs associated with providing them will mean that Council will not be able to address the backlog in infrastructure.

Without a special variation, Council will only be able to upgrade roads, footpaths, kerbs and gutters that are considered a high priority and other important Council services may be compromised in order to fund infrastructure upgrades.

## What are we currently spending?

	Budget
Annual Infrastructure Upgrade Program	\$3,638,000
Infrastructure Loan	\$1,000,000
Stormwater Management	\$435,000
Parks and playground upgrades	\$940,000

*\*Based on 2018-19 Budget*

## Where will the additional funding be spent?

The special variation will raise \$1.992m in additional income which will be used to fund road and drainage works as part of the Capital Works program.

## Are there any alternatives to a special variation?

Council may apply for a discounted loan facility with NSW Treasury Corporation (TCorp) through the Office of Local Government for projects which make up part of Council's annual expenditure programs.

Council applied for a \$1 million loan for 2017/18 and is applying for a \$1 million loan for drainage works in 2018/19 in order to provide additional resources to fund important capital works projects and reduce the infrastructure backlog. In saying this, Council is then required to repay the loan and interest over a set period.

In order to be eligible, Council must satisfy TCorp's credit criteria. This will be assessed by TCorp in determining whether Council is financially sustainable to apply for a loan. If the loan is approved, Council will then seek offers from financial institutions on interest repayments.



## How we've improved

### T-Corp Report

In April 2013, The NSW Treasury Corporation released Financial Sustainability of the New South Wales Local Government Sector.

The report provided a financial assessment of the 152 councils in NSW.

In the report, Burwood was given a Sustainability Rating of 'Weak' however was given a 'Positive' Outlook.

Some of the factors which contributed to a Council receiving a 'Positive' Outlook included:

- A detailed program of maintenance and renewal works to reduce the Infrastructure Backlog
- Additional own sourced revenue in the short term which would improve Council's financial flexibility
- Proactive in seeking cost savings with efficiency programs in place

*The full TCorp assessment is available on the Funding our Future section of the website.*


### 'Positive' Outlook

Over the past few years we have concentrated on making Burwood Council stronger, more efficient and more strategic.

This has been achieved through a number of ways:

- Implemented an organisational restructure in September 2018
- Instigated a large number of service reviews, making our Council more efficient and generating savings
- Implemented a property strategy, generating income over \$457 million
- Introduced an independent Risk and Audit Committee
- Implementing a Business Excellence Framework to enhance organisational effectiveness
- Developed a revised Community Strategic Plan and Resourcing Strategy including Long Term Financial Plan, Asset Management Plan and Workforce Plan
- Despite maximising efficiencies to better align service delivery with community expectation, these actions are not enough for Council to continue to address the backlog in infrastructure without compromising other services as identified in the revised Asset Management Plan.

As a result, we're proposing a special variation above the permissible rate peg, starting in 2019/20 for a four year period.



## How will this affect ratepayers?

As a community, we must decide on the most suitable funding option for our future.

### What are the options?

Council will apply for a compounded increase under s 508A of the Local Government Act 1993. Two funding options have been put forward: maintain service and improve service.

<b>MAINTAIN SERVICE</b> (Option 1)	<b>Current service levels would be maintained in the short term, but later decline.</b> Rates increase only by approved 'rate peg' amount. Council's capital works program may be compromised and priority will be given to essential infrastructure projects.
<b>IMPROVE SERVICE</b> (Option 2)	<b>Improved service levels, new capital projects, upgrading and maintaining of existing infrastructure.</b> Rates will increase progressively each year over four years.

### What is the percentage increase in rates per year?

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Note: All scenarios include the rate peg adjustment by IPART estimated at 2.5%

### Impact on ratepayers

Council has ensured that the proposed special variation has a minimal impact to ratepayers. The rate increase would cost less than \$4 per week by the final year for 66 per cent of ratepayers.

Furthermore, Council implemented an incremental increase to the Pensioner Rebate Scheme commencing 2018-19. In order to minimise the impact of an SRV, Council has introduced an additional pensioner rebate as follows:

### Additional Council Pensioner Rebate

	2018-2019	2019-2020	2020-2021	2021-22 and beyond
<b>Rebate each year</b>	\$50	\$75	\$125	\$125

## Average rates under both options

MAINTAIN SERVICE	2018-2019	2019-2020	2020-2021	2021-2022	2022-23	Additional Payment at the end of 4 years
Business A	\$3,011	\$3,092	\$3,170	\$3,249	\$3,330	\$319
Business B	\$13,397	\$13,758	\$14,102	\$14,455	\$14,816	\$1,420
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Note: All scenarios include the rate peg adjustment by IPART estimated at 2.5% (2.7% for 2019-20)

## What difference with an SRV make?

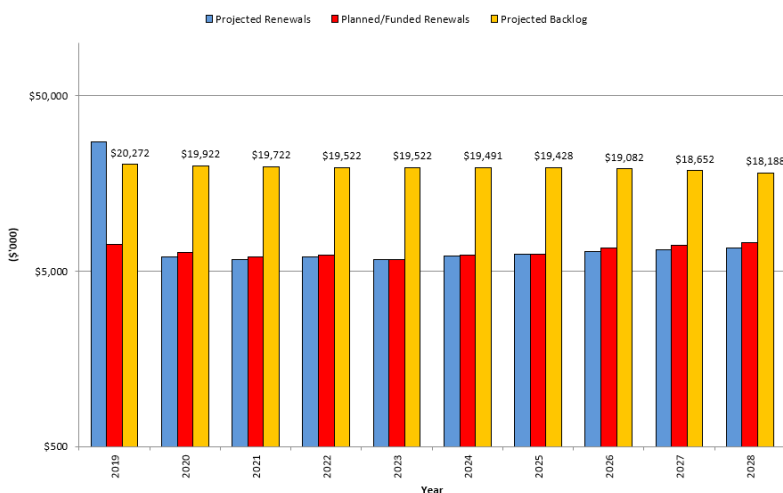
An SRV will help reduce Council's infrastructure backlog from \$20.3m to \$7.7m. Without an SRV the backlog will only be reduced to \$18.2m.

An infrastructure audit was undertaken in 2016 to reassess the condition rating of Council's roads, footpaths, kerbs and gutters. The audit indicated an improvement in the overall condition of assets from 3.02 to 2.90 however demonstrated a clear need for further priority works to be undertaken.

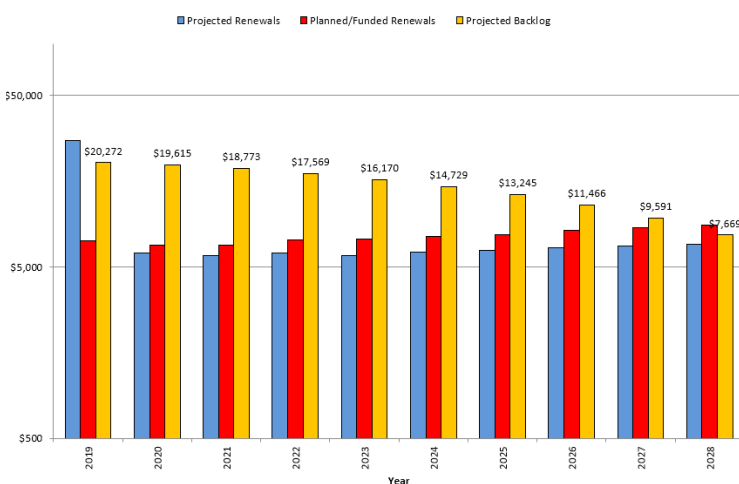
Council's infrastructure backlog was also evaluated independently, revealing an overall backlog of \$20 million. Similar analysis undertaken by the NSW Government in 2016 determined Burwood Council's infrastructure backlog to be 58 per cent which is significantly higher than metropolitan council.

Without an SRV, Council will be unable to reduce the existing infrastructure backlog effectively to ensure that local roads, footpaths and drains are maintained to a safe and satisfactory level.

### Without an SRV



### With an SRV



## Want to find out more?

Council's Resourcing Strategy provides a forecast on Council's financial, future condition of assets and workforce under both maintain service and improve service scenario.

The strategy includes the Long Term Financial Plan, Asset Management Plan and Workforce Plan.

*The Resourcing Strategy* is available on the Funding our Future section of the website.

## Consulting with ratepayers

### What we've done

Between November 2017 and March 2018, Council reviewed the CSP to ensure the strategic objectives set in the Plan are still current and relevant.

As part of the consultation, Council sought feedback from residents on a potential SRV through the following methods:

- Resident phone survey
- Online survey
- Media release
- Information on Council's website
- Information on social media channel

The independent phone survey indicated that 75 per cent of residents were at least 'somewhat supportive' of an SRV and 81 per cent were unaware that an SRV was in place at the time of the survey.

The Delivery Program 2018-21 and Budget 2018-22 were placed on public exhibition between May and June 2018 clearly identifying three proposed funding models from the community. Council received no submission regarding the special variation. Following the development of Council's Resourcing Strategy it is recommended that Council models its potential special variation scenario over a four year period, instead of three, in order to more effectively tackle in the infrastructure backlog.

### What we'll do

The following activities will be undertaken between November 2018 and January 2019:

- Letter to all ratepayers
- 4 page information newsletter to all ratepayers (with QR code direct to online feedback)
- Dedicated section on Council's website with distinguished link from homepage
- Online survey
- Media release
- Social media campaign
- Information at
- Advertisements in local newspapers
- 4 page newsletter in Chinese
- Information on WeChat
- Public exhibition of documents



## How can ratepayers provide feedback?

Ratepayers can provide feedback the following ways.

### Online Survey:

[http://www.burwood.nsw.gov.au/our\\_burwood/funding\\_our\\_future\\_-\\_have\\_your\\_say.html](http://www.burwood.nsw.gov.au/our_burwood/funding_our_future_-_have_your_say.html)

### Social Media:

@BurwoodCouncil

### Mail:

PO Box 240, Burwood 1805

### Phone:

02 9911 9911

### Email:

[ourfuture@burwood.nsw.gov.au](mailto:ourfuture@burwood.nsw.gov.au)

### In Person:

Level 2, 1-17 Elsie Street, Burwood

### IPART:

[ipart.nsw.gov.au](http://ipart.nsw.gov.au)

***The deadline for community feedback will be 20 January 2019.***

## Next steps

	Key dates
12 December 2018	Public Exhibition of Delivery Program 2018-21 and Budget 2018-22 and
16 January 2019	Public Exhibition closes
20 January 2019	End of consultation: Deadline for submissions/feedback to Council
5 February 2019	Report to Council for review and decision on potential application
11 February 2019	Application due to IPART
14 May 2019	IPART announces determinations



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## Have your say Funding our Future

Over the past few years, Council has been listening to the community in order to identify and deliver services that are important to you. In order to continue delivering these services at our current level, Council will need to find additional funding.

The most sustainable option is to apply for a Special Rate Variation (SRV).

[Click here for more information.](#)



### Welcome

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### Mayor's Message

Latest news from the Mayor's Office

### Australia Day

Citizen of the Year Awards

### Funding our Future

Have your say

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## NEWS & HIGHLIGHTS

### Citizen of the Year Awards 2019



We congratulated Helen Sibraa from Wrap with Love for winning the Citizen of the Year award, and Vicky Feng who is on the Burwood Youth Committee and part of the Rainbow Readers at the Burwood Library for winning the Young Citizen of the Year award.

### Funding Our Future



Over the past few years, Council has been listening to the community in order to identify and deliver services that are important to you. One of the top priorities residents have raised is to maintain and upgrade local infrastructure including our roads, footpaths, kerbs and parks.

[Are you pool prepared?](#)

## EVENTS CALENDAR

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## Funding Our Future

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## Funding Our Future



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One of the top priorities residents have raised is to maintain and upgrade local infrastructure including our roads, footpaths, kerbs and parks.

In order to continue delivering these services at our current level, Council will need to find additional funding. The most sustainable option is to apply for a Special Rate Variation (SRV).

This section of the website will provide you with all the information you need to know about SRVs, including why we need a SRV, the different options available, what impact it will have on you, where the money will go, and how you can have your say.

### What you've asked for

Council conducted a comprehensive community consultation between November 2017 and March 2018, to determine whether the goals set out in the Burwood2030 Community Strategic Plan were still relevant.

### What is a special variation?

Rate pegging was introduced by the NSW Government in 1977 to limit the amount by which councils can increase rate revenue from one year to the next.

### How we've improved

T-Corp Report In April 2013, The NSW Treasury Corporation released Financial Sustainability of the New South Wales Local Government Sector.

### How will this affect you?

As a community, we must decide on the most suitable funding option for our future.

### What difference will an SRV make?

An SRV will help reduce Council's infrastructure backlog from \$20.

### Have your say

Join the discussion and have your say on our funding future.







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### What you've asked for

Council conducted a comprehensive community consultation between November 2017 and March 2018, to determine whether the goals set out in the Burwood2030 Community Strategic Plan were still relevant.

The consultation covered a range of topics including Council facilities, infrastructure, environment, cleanliness and town planning and a potential need for a Special Rate Variation with funding scenarios were modelled on a possible three-year increase of 2% above the rate peg.

Feedback from the survey was incorporated into Council's long term strategic plans, including the Community Strategic Plan, which was revised under the new Council in 2018.

These documents form the blueprint of all activities Council will undertake in the next four to ten years.

[Click here to view the Community Strategic Plan and IP&R documents.](#)

As part of the consultation a community wide phone survey and two focus groups were held. Participants of the survey were asked for their level of support for a proposed special variation.

Key findings from the survey included:

- 75 per cent of residents are at least 'somewhat supportive' of continuing the current SRV
- Providing more community services, clean public places, waste management and a responsibly managed council for the area were all identified as the most important components to be included in the 10-year plan, with 98% of respondents stating these were important
- Residents expressed concerns for the impacts and management of high density living and road safety, with all the bottom 5 agreement statements falling within the 'Local Spaces, Economy and Transport' pillar
- 95% rated their quality of life as 'good' to 'excellent'
- 85% of residents were at least 'somewhat satisfied' with the performance of Council

Following further assessment and the development of Council's Asset Management Plan and Long Term Financial Plan, it is now recommended that Council models its potential special variation application scenario on a 2% increase above rate peg for four years, instead of three in order to reduce the existing infrastructure backlog in line with the community's priorities for the area.



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## What is a special variation?

Rate pegging was introduced by the NSW Government in 1977 to limit the amount by which councils can increase rate revenue from one year to the next.

Currently, council rates are determined by the Independent Pricing and Regulatory Tribunal (IPART), which sets a 'rate peg', however it does not take into consideration rising costs and residents' demand for increased services. As a result, councils are able to apply for a special variation in order to set rates higher than the rate peg for up to a seven year period.

### Why do we need a special variation?

Our major source of revenue has been limited in growth because of rate pegging. Despite consecutive years of returning to surplus, the community's increasing demand for services and the rising costs associated with providing them will mean that Council will not be able to address the backlog in infrastructure.

Without a special variation, Council will only be able to upgrade roads, footpaths, kerbs and gutters that are considered a high priority and other important Council services may be compromised in order to fund infrastructure upgrades.

### What are we currently spending?

	Budget
<b>Annual Infrastructure Upgrade Program</b>	\$3,638,000
<b>Infrastructure Loan</b>	\$1,000,000
<b>Stormwater Management</b>	\$435,000
<b>Parks and playground upgrades</b>	\$940,000

*\*Based on 2018-19 Budget*

### Where will the additional funding be spent?

The special variation will raise \$1.992m in additional income which will be used to fund road and drainage works as part of the Capital Works program.

### Are there any alternatives to a special variation?

Council may apply for a discounted loan facility with NSW Treasury Corporation (TCorp) through the Office of Local Government for projects which make up part of Council's annual expenditure programs.

Council applied for a \$1 million loan for 2017/18 and is applying for a \$1 million loan for drainage works in 2018/19 in order to provide additional resources to fund important capital works projects and reduce the infrastructure backlog. In saying this, Council is then required to repay the loan and interest over a set period.

In order to be eligible, Council must satisfy TCorp's credit criteria. This will be assessed by TCorp in determining whether Council is financially sustainable to apply for a loan. If the loan is approved, Council will then seek offers from financial institutions on interest repayments.





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## How we've improved

### T-Corp Report

In April 2013, The NSW Treasury Corporation released *Financial Sustainability of the New South Wales Local Government Sector*.

The report provided a financial assessment of the 152 councils in NSW.

In the report, Burwood was given a Sustainability Rating of 'Weak' however was given a 'Positive' Outlook.

Some of the factors which contributed to a Council receiving a 'Positive' Outlook included:

- A detailed program of maintenance and renewal works to reduce the Infrastructure Backlog
- Additional own sourced revenue in the short term which would improve Council's financial flexibility
- Proactive in seeking cost savings with efficiency programs in place

*To view the full TCorp assessment click here*

### 'Positive' Outlook

Over the past few years we have concentrated on making Burwood Council stronger, more efficient and more strategic.

This has been achieved through a number of ways:

- Implemented an organisational restructure in September 2018
- Instigated a large number of service reviews, making our Council more efficient and generating savings
- Implemented a property strategy, generating income over \$457 million
- Introduced an independent Risk and Audit Committee
- Implementing a Business Excellence Framework to enhance organisational effectiveness
- Developed a revised Community Strategic Plan and Resourcing Strategy including Long Term Financial Plan, Asset Management Plan and Workforce Plan

Despite maximising efficiencies to better align service delivery with community expectation, these actions are not enough for Council to continue to address the backlog in infrastructure without compromising other services as identified in the revised Asset Management Plan.

As a result, we're proposing a special variation above the permissible rate peg, starting in 2019/20 for a four year period.

*Click here to view Financial Statements for the Period Ending 30 June 2018*





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## How will this affect you?

As a community, we must decide on the most suitable funding option for our future.

### What are the options?

Council will apply for a compounded increase under s 508A of the *Local Government Act 1993*. Two funding options have been put forward: maintain service and improve service.

#### MAINTAIN SERVICE

(Option 1)

**Current service levels would be maintained in the short term, but later decline.** Rates increase only by approved 'rate peg' amount. Council's capital works program may be compromised and priority will be given to essential infrastructure projects.

#### IMPROVE SERVICE

(Option 2)

**Improved service levels, new capital projects, upgrading and maintenance of existing infrastructure.** This is supported by a special variation each year over four years commencing 2019/20.



## What is the percentage increase each year under each option?

	2019/20	2020/21	2021/22	2022/23	Additional income	Cumulative Impact
<b>DECLINE IN SERVICE</b>	2.7% (ratepeg)	2.5% (ratepeg)	2.5% (ratepeg)	2.5% (ratepeg)	N/A	10.6%
<b>IMPROVE SERVICE</b>	4.7%	4.5%	4.5%	4.5%	\$1.992m	19.5%

\*Please note: The 'rate peg' of 2.7% for 2019/20 was announced by IPART on 19 November 2017. All other 'rate pegs' are based on IPART estimates.

### Reducing the impact on residents

Council has ensured that the proposed special variation has a minimal impact to ratepayers. The rate increase would cost ratepayers would cost less than \$4 per week by the final year for 66 per cent of ratepayers.

Furthermore, Council implemented an incremental increase to the Pensioner Rebate Scheme commencing 2018-19. In order to minimise the impact of an SRV, Council has introduced an additional pensioner rebate. The rebate scheme is as follows.

	2018/19	2019/20	2020/21	2021/22 and beyond
<b>Rebate each year</b>	\$50	\$75	\$125	\$125

## How will this affect you?

MAINTAIN SERVICE	2018/19	2019/20	2020/21	2021/22	2022/23	Additional payment at the end of 4 years
Business A	\$3,011	\$3,092	\$3,170	\$3,249	\$3,330	\$319
Business B	\$13,397	\$13,758	\$14,102	\$14,455	\$14,816	\$1,420
Business C	\$12,881	\$13,229	\$13,559	\$13,898	\$14,246	\$1,365
Business D	\$45,881	\$47,120	\$48,298	\$49,505	\$50,743	\$4,862

Mixed Development	\$2,042	\$2,097	\$2,149	\$2,203	\$2,258	\$216
Residential	\$1,358	\$1,395	\$1,430	\$1,446	\$1,502	\$144
Town Centre - Minor	\$3,481	\$3,575	\$3,664	\$3,756	\$3,850	\$369
Town Centre - Residential	\$1,256	\$1,290	\$1,322	\$1,355	\$1,389	\$133
<b>IMPROVE SERVICE</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Additional payment at the end of 4 years</b>
Business A	\$3,011	\$3,153	\$3,295	\$3,443	\$3,598	\$587
Business B	\$13,397	\$14,026	\$14,657	\$15,317	\$16,006	\$2,610
Business C	\$12,881	\$13,486	\$14,093	\$14,727	\$15,390	\$2,509
Business D	\$45,881	\$48,037	\$50,199	\$52,458	\$54,819	\$8,938
Mixed Development	\$2,042	\$2,138	\$2,234	\$2,335	\$2,440	\$398
Residential	\$1,358	\$1,422	\$1,486	\$1,553	\$1,623	\$265
Town Centre - Minor	\$3,481	\$3,645	\$3,809	\$3,980	\$4,159	\$678
Town Centre - Residential	\$1,256	\$1,315	\$1,374	\$1,436	\$1,501	\$245

Note: All scenarios include the rate peg adjustment estimated at 2.5% (2.7% for 2019/20)





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### What difference will an SRV make?

**An SRV will help reduce Council's infrastructure backlog from \$20.3m to \$7.7m. Without an SRV the backlog will only be reduced to \$18.2m.**

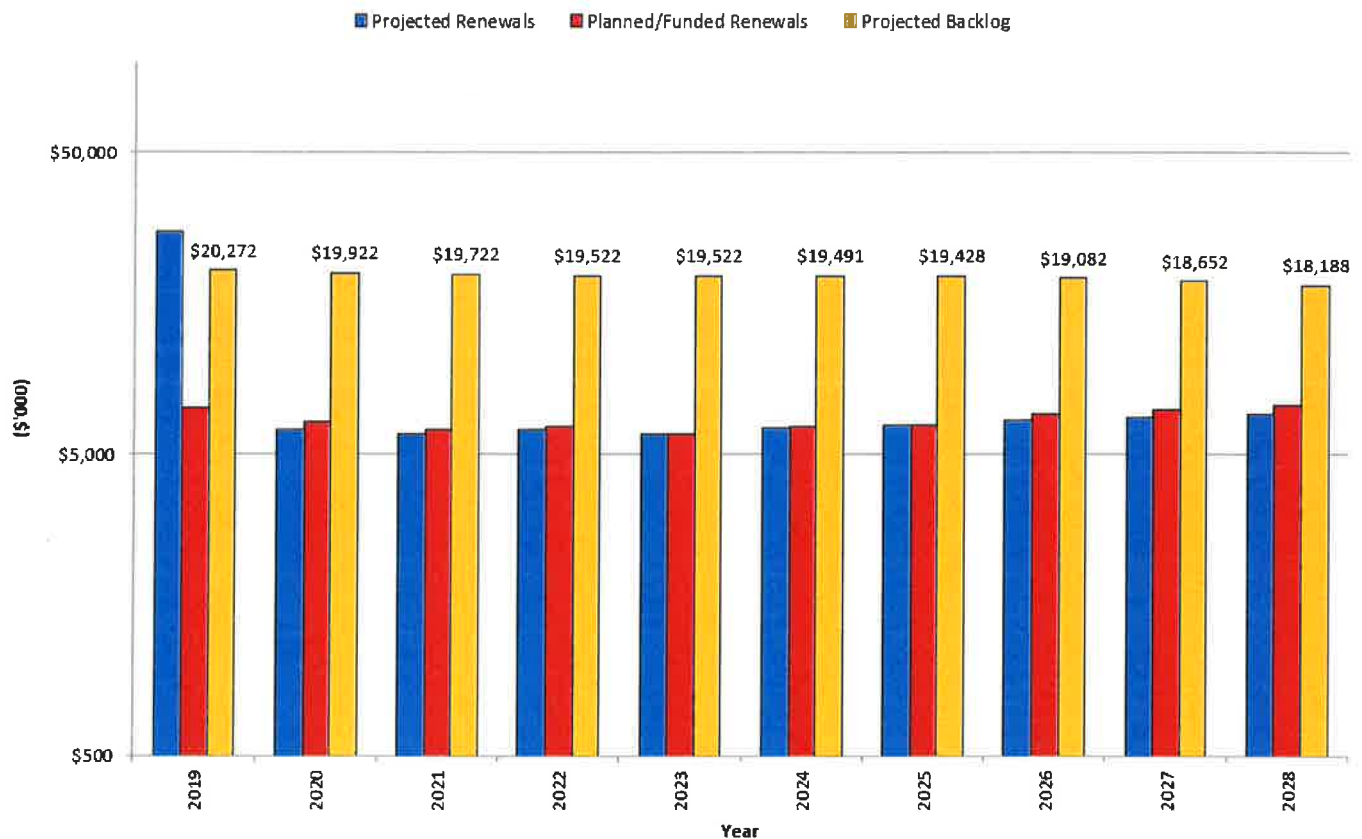
An infrastructure audit was undertaken in 2016 to reassess the condition rating of Council's roads, footpaths, kerbs and gutters. The audit indicated an improvement in the overall condition of assets from 3.02 to 2.90 however demonstrated a clear need for further priority works to be undertaken.

Council's infrastructure backlog was also evaluated independently, revealing an overall backlog of \$20 million. Similar analysis undertaken by the NSW Government in 2016 determined Burwood Council's infrastructure backlog to be 58 per cent which is significantly higher than metropolitan council.

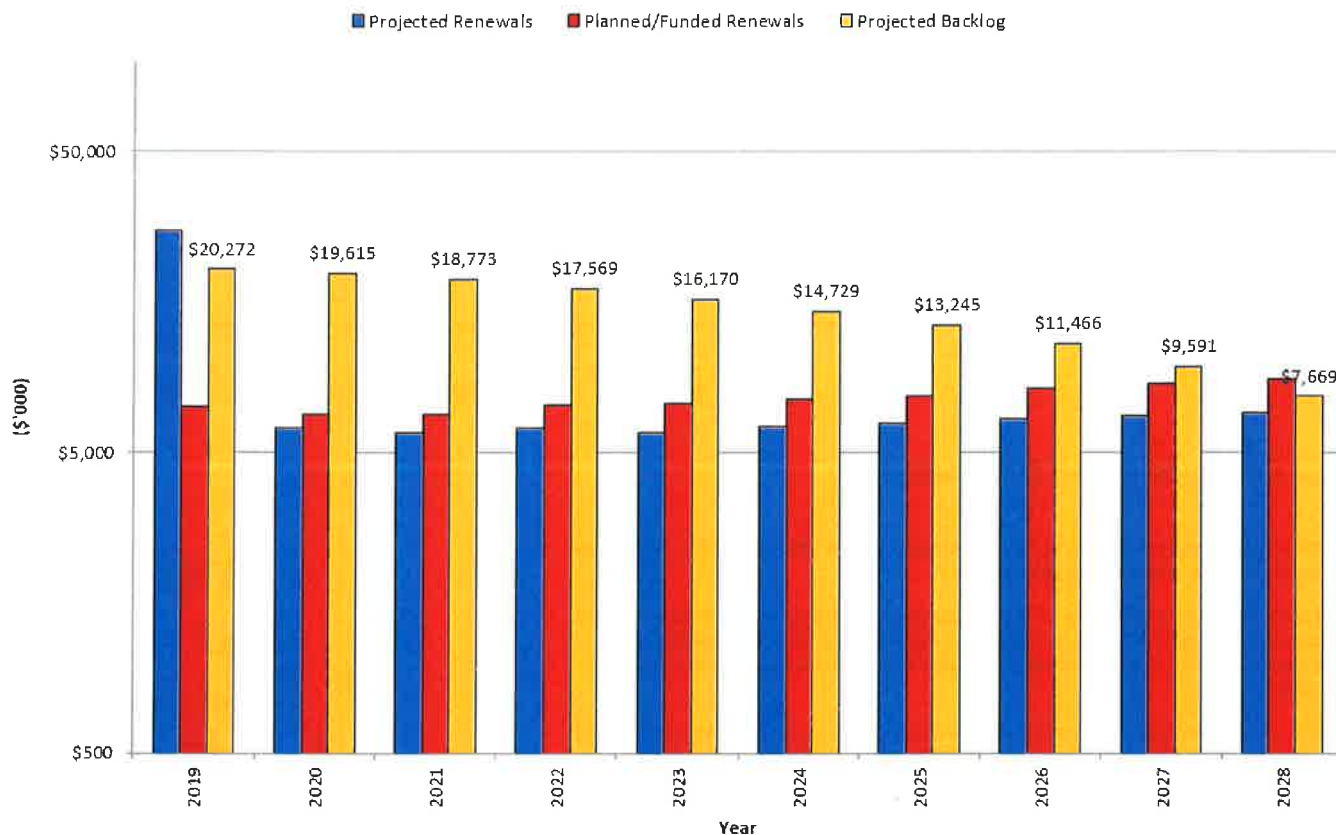
Without an SRV, Council will be unable to reduce the existing infrastructure backlog effectively to ensure that local roads, footpaths and drains are maintained to a safe and satisfactory level.



### Infrastructure backlog without an SRV (over 10 year period)



### Infrastructure backlog with an SRV (over 10 year period)



### Want to find out more?

Council's Resourcing Strategy provides a forecast on Council's financial, future condition of assets and workforce under both maintain service and improve service scenario.

The strategy includes the Long Term Financial Plan, Asset Management Plan and Workforce Plan.

[Click here to view.](#)



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### Have your say

Join the discussion and have your say on our funding future. **Please note that the deadline for feedback is 19 January 2018.**

#### Take Our Online Survey:

Scroll down to take our online survey or [click here](#)

#### Social Media:



/BurwoodCouncil



/BurwoodCouncil

**Mail :** PO Box 240, Burwood 1805

**Phone :** 02 9911 9911

**Email :** [ourfuture@burwood.nsw.gov.au](mailto:ourfuture@burwood.nsw.gov.au)

**In Person:** Level 2, 1-17 Elsie Street, Burwood

### Take our online survey

Thank you!



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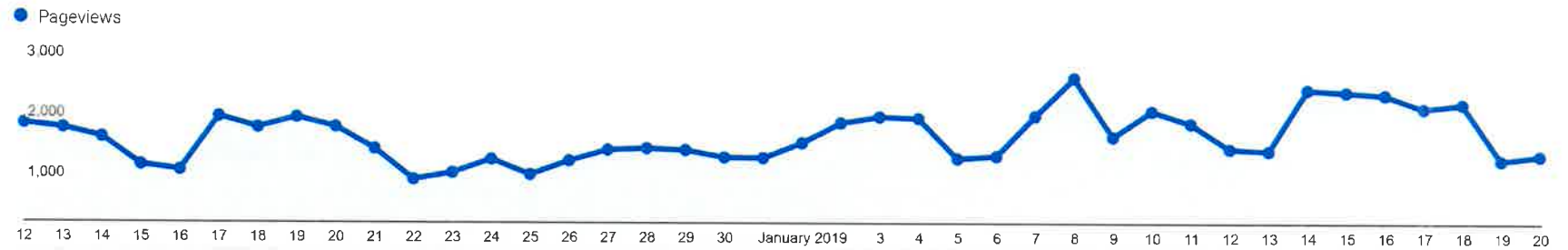
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56,973

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Pageviews % Pageviews

6,611	11.60%
5,421	9.52%
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2,511	4.41%
1,758	3.09%
1,640	2.88%



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funding



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	Page	Pageviews	Unique Pageviews	Avg. Time on Page	Entrances	Bounce Rate	% Exit	Page Value
		1,078	889	00:01:20	298	49.66%	39.42%	\$0.00
		% of Total: 1.89% (26,973)	% of Total: 1.90% (44,710)	Avg for View: 00:01:35 (18.38%)	% of Total: 1.25% (23,887)	Avg for View: 52.44% (5.28%)	Avg for View: 41.93% (1.14%)	% of Total: 0.00% (\$0.00)
	1. /our_burwood/funding_our_future_landing_page.html	453 (42.02%)	357 (40.16%)	00:00:49	121 (40.67%)	36.36%	19.87%	\$0.00 (2.00%)
	2. /our_burwood/funding_our_future_-_have_your_say.html	283 (26.25%)	253 (28.46%)	00:06:04	30 (10.27%)	93.33%	79.15%	\$0.00 (0.00%)
	3. /news_and_highlights_-_homepage/2018/funding_our_future_-_news.html	252 (23.38%)	198 (22.27%)	00:00:42	105 (35.93%)	41.90%	24.21%	\$0.00 (0.00%)
	4. /grants_and_funding.html	62 (5.75%)	55 (6.19%)	00:02:03	25 (8.39%)	88.00%	62.90%	\$0.00 (0.00%)
	5. /search.html?q=funding our future	7 (0.65%)	5 (0.56%)	00:03:59	0 (0.00%)	0.00%	0.00%	\$0.00 (0.00%)
	6. /news_and_highlights_-_homepage/2018/funding_our_future_-_news.html?fbclid=IwAD2uYxhUB5KQID1_EoBmY4M7D_rh19Qd...u27_IV6GVIT7Dn...	2 (0.19%)	2 (0.22%)	00:00:42	1 (0.34%)	0.00%	50.00%	\$0.00 (0.00%)

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**Burwood Council** @BurwoodCouncil · Jan 2

This week, ratepayers will receive a letter from Council with information on special rate variations.

Please visit the link below for more information and to have your say:  
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**Burwood Council** @BurwoodCouncil · Jan 20

Today is the last day to have your say on funding our future.

Visit the link below for more information:  
[burwood.nsw.gov.au/our\\_burwood/fu...](http://www.burwood.nsw.gov.au/our_burwood/fu...)



**Burwood Council**

Published by Elsie Burwood [?] · January 2 · 🌐

This week, ratepayers will receive a letter from Council with information on special rate variations.

Please visit the link below for more information and to have your say:

[http://www.burwood.nsw.gov.au/.../funding\\_our\\_future\\_-\\_news.h...](http://www.burwood.nsw.gov.au/.../funding_our_future_-_news.h...)

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Over the past few years, Council has been listening to the community in order to identify and deliver services that are important to you.

1,639

People Reached

279

Engagements

Boost Post



7

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**Burwood Council**

Published by Elsie Burwood [?] · December 12, 2018 · 🌐

Over the past few years, Council has been listening to the community in order to identify and deliver services that are important to you.

One of the top priorities residents have raised is to maintain and upgrade local infrastructure including our roads, footpaths, kerbs and parks.

In order to continue delivering these services at our current level, Council will need to find additional funding. The most sustainable option is to apply for a Special Rate Variation (SRV).... [See More](#)

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Over the past few years, Council has been listening to the community in order to identify and deliver services that are important to you.

604

People Reached

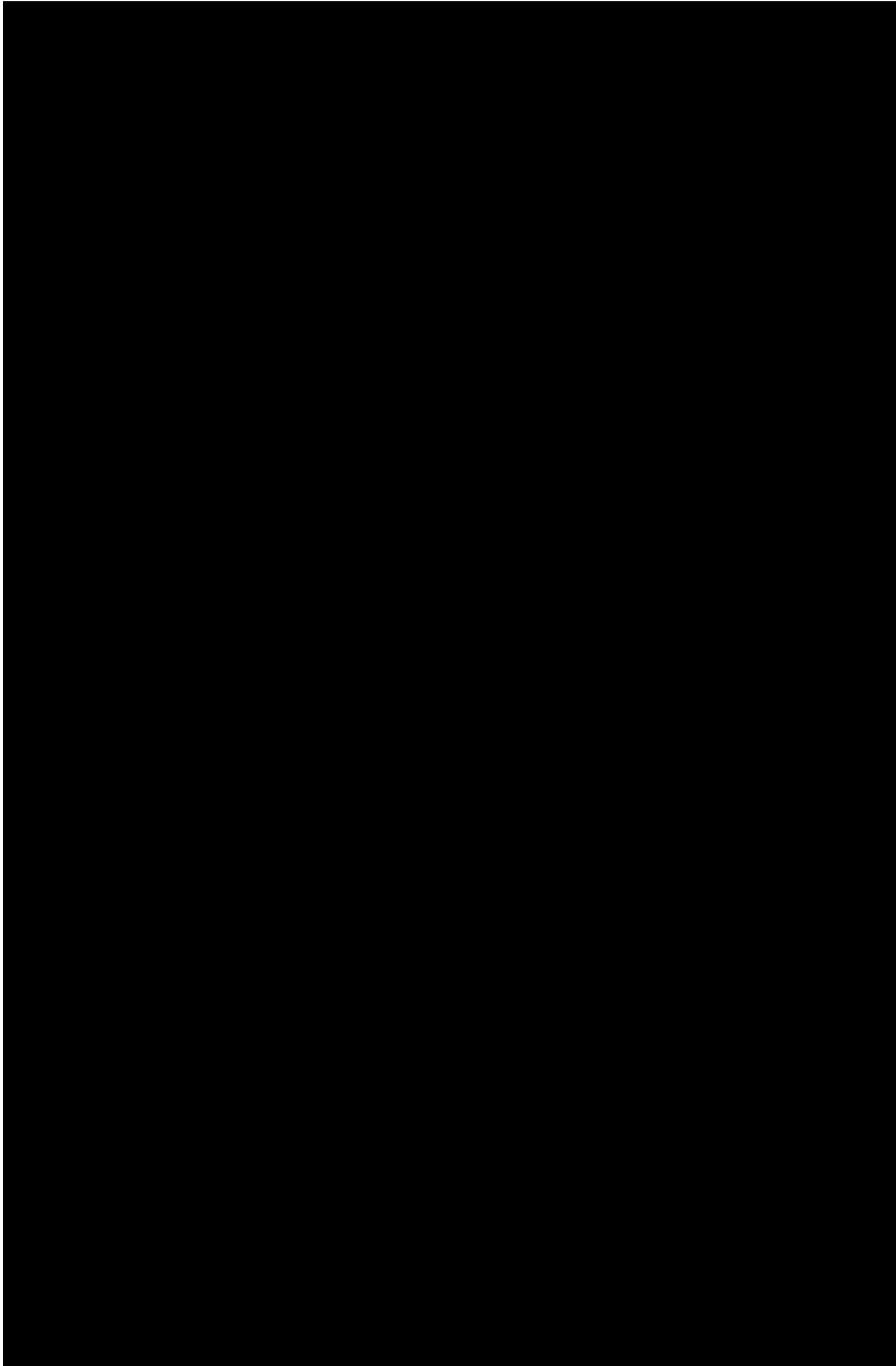
23

Engagements

Boost Post



1

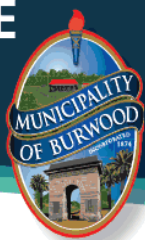


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BURWOOD COUNCIL



## Special Rate Variation

Burwood Council is seeking the community's feedback on possible funding options in order to reduce its existing infrastructure backlog.

One of the proposed options is to apply for a special variation above the rate peg for a four year period. The additional income would be spent on stormwater infrastructure.

### Have your say

Join the discussion and have your say on our funding future.

#### Email

[ourfuture@burwood.nsw.gov.au](mailto:ourfuture@burwood.nsw.gov.au)

#### More information and survey

[burwood.nsw.gov.au](http://burwood.nsw.gov.au)

#### Mall

PO Box 240, Burwood 1805

#### Social media

[@burwoodcouncil](https://twitter.com/burwoodcouncil)

#### Contact IPART

[ipart.nsw.gov.au](http://ipart.nsw.gov.au)



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### **Public Exhibition of Revised Delivery Program 2018-21 and Budget 2018-22; and Draft Resourcing Strategy 2018-21**

Council has prepared a revised Delivery Program 2018-21 and Budget 2018-22; and Resourcing Strategy incorporating the Long Term Financial Plan, Asset Management Plan and Workforce Plan.

The Revised Program and Budget, and Draft Resourcing Strategy will be on public exhibition from 12 December 2018 to 20 January 2019 at Council's Administration Centre, Suite 1, Level 2, 1-17 Elsie Street, Burwood, Monday to Friday 8.30am and 4.45pm, and on Council's website.

- Revised Delivery Program and Budget
- Draft Resourcing Strategy

Submissions on the Revised Program and Draft Strategy should be made in writing, mailed to PO Box 240, Burwood NSW 1805 or emailed to [ourfuture@burwood.nsw.gov.au](mailto:ourfuture@burwood.nsw.gov.au) by 5.00pm on Sunday, 20 January 2019. Please contact (02) 9911 9911 for enquiries.

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## **MEDIA RELEASE**

## **MEDIA RELEASE**

**Wednesday, 12 December 2018**

### **Funding our future: It's time to have your say**

Burwood Council is calling on you to help decide how to fund Burwood's future.

Following community consultation undertaken between November 2017 and March 2018, residents and business owners listed maintaining and upgrading local infrastructure as one of their top priorities.

This feedback was included in the Burwood2030 Community Strategic Plan, which outlines the future for the Burwood area and highlights the community's vision.

Since then, Council has continued its extensive capital works program in order to tackle an infrastructure backlog and maintain local roads, footpaths, kerbs and parks. In order to continue delivering these services, Council will need to find additional funding.

Council rates are determined by the Independent Pricing and Regulatory Tribunal (IPART), which sets a 'rate peg', limiting the amount council rates can increase on a yearly basis. However, this rate peg does not take into consideration rising costs and resident's requests for increased services.

"Our major source of revenue has been limited in growth because of rate pegging. Despite consecutive years of returning to surplus, Council will not be able to address the backlog in infrastructure under the current rate peg," says Burwood Mayor, Cr John Faker.

"Over the past few years Council has concentrated on improving efficiency through expenditure control, service reviews and long term financial planning."

"Council has determined that the most suitable method to increase funding is to apply for a Special Rate Variation (SRV) above the current rate peg."

There are two proposed rate models which will each have a different outcome for both Council and the community.

"It's now time, as a community, that we decide how we will fund our future. I encourage ratepayers to participate in the discussion to ensure that Burwood remains a proud place to live, work and visit."

To take part in the online survey, or for more information please visit [www.burwood.nsw.gov.au](http://www.burwood.nsw.gov.au).

You can also join in the conversation on this topic and make your opinion heard on Twitter (@BurwoodCouncil) or on Facebook ([www.facebook.com/BurwoodCouncil](https://www.facebook.com/BurwoodCouncil)).

[ENDS]

**For all media enquiries please contact** [REDACTED]