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Submission:

TO WHOM IT MAY CONCERN

Attached is a letter I sent to Council on 20 December 2013 as part of the consultation process.

Council management did not address any of the issues that I raised in their report to Council on 17 February 2014. related to
IP&R process not followed by Council

IPART criteria for SRV not fully documented by Council

SRV Council should set out the need and purpose of the SRV

Council has failed to set out other non rate increases as an alternative to a SRV

No reference to the Asset Managemnt Plans thgat Council should have for each asset class and how they link to annual planned capital and maintenance expenditures

No reference to spending on buildings and stormwater


What will the impact of the SRV on reducing the infrastructure replacement back log esp stormwater

Council dismissed my Petition (see attached and sent to Council in 2 stages) as not being as reliable as a telephone survey

In my opinion the community preferred Option 1 (rate peg) over SRV Options 2 and 3

Happy to discuss

Ed Harvey [REDACTED]


17 February 2014

Mr John Faker
Mayor
Burwood Council
PO Box 240
Burwood NSW 1805

Dear Mr Mayor

**PETITION TO BURWOOD COUNCIL REGARDING INTRODUCTION OF A SPECIAL
RATE VARIATION FOR 2014-2021**

Further to my email dated 10 January 2014 in which I attached a copy of the Petition that I had initiated. As indicated I would continue to collect signatures and as a result I wish to take this opportunity to submit the final version of the Petition with **184 signatures** from residents of Burwood.

The Petition states:

The petition of ratepayers and residents of Burwood Council Local Government area draws to your attention our opposition to Council's Funding Our Future proposal to introduce a Special Rate Variation (SRV) for 2014 to 2021. We contend that Council has not provided any real compelling arguments as to why Council needs to introduce a SRV in 2014. We also note that Council's current rates are already one of the highest in the inner west.

Your petitioners therefore request Burwood Council to:

1. Not proceed with the proposed special rate options 2 and 3 as set out in the Burwood Update Special Edition November 2013
2. Re engage with the community on this important issue in a collaborative manner to identify a range of other non-rate increase options that will, when used in the right mix will assist Council become more financially sustainable and the ratepayers of Burwood more satisfied with the performance of Council.

In my discussions with residents it is very clear that ratepayers and residents are not happy with Burwood Council in regards to:

- Time it takes to properly repair road pavement potholes and footpath trip hazards
- Poor Customer Service in dealing with the public about issues
- Perceived lack of value for money in the delivery of Council services

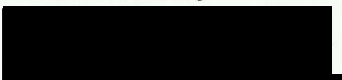
- Why does Council want more rate revenue when the financial situation is good, many new ratepayers are being created by new developments in the Burwood Town Centre and developer contributions are flowing in with new residential developments plus the cash generated by the sale of council properties?
- Why Council cannot further reduce operating costs instead of increasing rates?
- Parking and traffic problems
- Too many expensive, glossy mail outs
- Carrying out this consultation over the Christmas and New Year holiday period.
- Limited opportunity to find out more about Funding Our Future issues
- The only time we see Councillors is when there is an election
- Why are Burwood's rates higher than Strathfield and Canada Bay Council areas?

I sincerely trust that Council will seriously consider this Petition and

1. Not proceed with the proposed special rate options 2 and 3 as set out in the Burwood Update Special Edition November 2013

2. Re engage with the community on this important issue in a collaborative manner to identify a range of other non-rate increase options that will, when used in the right mix will assist Council become more financially sustainable and the ratepayers of Burwood more satisfied with the performance of Council.

Yours sincerely


Ed Harvey


19 December 2013

The General
Burwood Council
PO Box240
BURWOOD NSW 1805

Dear Mr McMahon

Comments on Burwood 2030 Delivery Program 2013-2017, Draft Budget 2013-14 and Funding Our Future Special Rate Variation

Trim Ref: 13/45918

Reference is made to the Draft Delivery Program 2013-17 and Draft Budget 2013-17 documents that Council has placed on public exhibition to 20 December 2013 plus the letter and Burwood Update sent to ratepayers by the Mayor on 26 November 2013.

I have reviewed the documentation and wish to comment on the information provided in the above documentation plus other Council sources such as the Long Term Financial Plan, Asset Management Plan and WorkPlace Plan.

Unfortunately given the amount of information under consideration my response is lengthy and I trust not too difficult to understand.

SUMMARY

I do not support Burwood Council's application for any rate increase other than the 2.3% rate peg determined by IPART i.e. I do not support Options 2 and 3. I believe that Council should have presented more non rate options for the community to consider and clearly set out the financial situation Council is actually facing in the future.

There are a **number of issues** that I have with Council's proposal, namely:

1. The Department of Local Government Integrated Planning and Reporting (IP&R) process has NOT been followed by Burwood Council.

The IP&R process requires Council to consider the likely revenue that will be required to meet the community's long term objectives. The Long Term Financial Planning process needs to address capacity for rating, fees and charges, grants and subsidies, borrowings and cash reserves The IP&R Manual page 68 states that:

1.1. The planning process should include an assessment of the community's capacity and willingness to pay rates and whether there is the potential for changes in that capacity to pay. In making that judgement, the council might review information relating to:

- 1.1.1. Separate or specific rates and charges **NO MENTION OF THE STORMWATER MANAGEMENT CHARGE INTRODUCED IN 2013**
- 1.1.2. The potential to reduce the reliance on rates through increased revenues from other sources e.g. fees and charges **NO COMMENT BY COUNCIL**
- 1.1.3. Potential growth/decline in rating revenues from changing demographic and

industry makeup **NO COMMENT IN FUNDING OUR FUTURE BURWOOD UPDATE** This is a really important issue for Burwood given that residential development is significantly increasing Burwood's rating base and S94 contributions

- 1.1.4. Possible need to increase reliance on rating due to reduction of revenues from other sources e.g. a decline in grants or subsidies **NO COMMENT BY COUNCIL**
- 1.1.5. Projected impact of the rate peg **SHOWN AS OPTION 1 ASSUMING 3% pa NOT 2.3% pa as determined by IPART on 2 Dec 2013**
- 1.1.6. Opportunities for a special variation to general income **TWO OPTIONS PROPOSED BY COUNCIL**
- 1.1.7. Council's current rating policy and likely changes to that policy in the future. **NO MENTION BY COUNCIL. Burwood's current policy generates residential rates (2013-14) that are higher than most of the he surrounding Councils (Burwood \$1034, Canada Bay \$882 and Strathfield \$874)**

The earlier versions of Burwood Council's IP&R documents did not raise the possibility of or the potential need for a Special Rating Variation. It has come out of the blue despite T Corp determining that Burwood Council had a Positive financial outlook.

The purchase by Burwood Council of the Administration Centre in Elsie Street for approx. \$12M has depleted the property reserve (no consultation with the community) and reduced Council's ability to fund capital works and generate a commercial property portfolio income stream.

2. IPART Criteria for special variation applications has NOT been fully documented by Council in the public information provided.

In assessing whether a council's application satisfies the community awareness and engagement criterion, IPART states that it will consider the following principles:

- 2.1. That Council has clearly communicated the full impact of the proposed rate **NO! because:**
 - 2.1.1. increases in average rates over the next 7 years set out for 3 rate increase options only no other income or cost reduction options set out
 - 2.1.2. **Information session on 5 December 2013 was useless. All they presented were some maps showing the condition of roads and footpaths. No senior management, no Mayor and only one Councillor was present. The panel could not adequately answer most questions and all they really wanted was for attendees to fill out a simple survey form.**
- 2.2. That Council has clearly communicated what the special variation will fund. **NO! because**
 - 2.2.1. **Council has ONLY stated that the additional rate revenue will be spent on footpaths 45%, roads 35%, parks 10% and kerb and gutter 10%.**
 - 2.2.2. **No mention of expenditure on buildings, drains or other capital works projects**
 - 2.2.3. **No mention of how much additional revenue will be raised.**
 - 2.2.4. **No description of what the priority projects are.**

2.3. That Council's adopted IP&R documents demonstrate that the community is aware of the need for, and extent of, the rate rise. **NO! because:**

- 2.3.1. **The IP&R documents were only updated in November 2013 for comment by 20 December 2013. To my knowledge there was no opportunity for the community to have prior input especially the analysis of other non rate options.**
- 2.3.2. **Revised long term Financial Plan 2013-2023 not subject to public exhibition or comment (it was deemed an operational document NOT strategic)**
- 2.3.3. **The asset management plans (2009 for infrastructure and 2010 for buildings) are out of date and it is difficult to understand the infrastructure backlog situation**
- 2.3.4. **Community has questioned the accuracy of road and footpath condition audit plans**
- 2.3.5. **The quantum of the stormwater asset backlog is questionable ie compare Special Schedule 7 with infrastructure asset management plan and stormwater management plan works program**

2.4. That Council has demonstrated an appropriate variety of engagement methods to ensure community awareness and input into the special variation process.

- 2.4.1. **Number of methods used in attempt to provide information BUT NO attempt to really engage with the community about developing alternative strategies**
- 2.4.2. **Information sessions not effective**
- 2.4.3. **No notice taken of community desire for Council to better manage resources**
- 2.4.4. **Reliance on 2010 consultation and 2012 community satisfaction survey**
- 2.4.5. **No specific questions on whether community prepared to pay more rates in order to get improved services or what services they may be prepared to give up in order to reduce rates**

2.5. That Council's adopted IP&R documents canvas:

2.5.1. alternatives to a rate rise

- 2.5.1.1. **NO**
- 2.5.1.2. **What about use of Property Reserve?**
- 2.5.1.3. **What about the increasing rating base due to increasing residential development?**
- 2.5.1.4. **What about the increasing inflow of S94 contributions?**
- 2.5.1.5. **What about reducing operating costs / improving productivity?**
- 2.5.1.6. **FACTS**
 - 2.5.1.6.1. **The salaries paid to the 3 senior managers at Burwood Council increased by over 6% between 2011/12 and 2012/13 ie well above CPI**
 - 2.5.1.6.2. **Burwood Council expenses per capita are the highest of all the surrounding Councils**
- 2.5.1.7. **What about the benefits (eg economies of scale) of amalgamation with surrounding Councils?**

2.5.2. the impact of any rate rises upon the community **NO**

- 2.5.2.1. **apart from identifying how average rates would increase. No attempt to see how increases would impact on average ratepayer**
- 2.5.3. the council's consideration of the community's capacity and willingness to pay. **NO**
 - 2.5.3.1. **No recent market research to address this issue**
 - 2.5.3.2. **NO commentary in IP&R documents**
 - 2.5.3.3. **Inherent assumptions that costs and rates will continue to increase**
 - 2.5.3.4. **No comments on how Burwood's rate compares to surrounding Councils (Burwood has the highest average residential rate and SRV increase will push rates even higher**

Following is a detailed review of the Burwood Update my comments are:

3. Special Rate Variation (SRV)

The NSW Government has used rate pegging since 1977 to limit the amount by which Councils can increase rate revenue.

The Independent Pricing and Regulatory Tribunal (IPART) is responsible for setting the maximum increase in general income councils can receive each year. This is known as the rate peg,

On 2 December 2013 IPART set the cap at 2.3% for 2014/15 based on movements in the Local Government Cost Index (LGCI) reflecting council costs, a productivity factor and the withdrawal of the carbon price advance.

It is correct to say that Councils are able to apply to IPART for a SRV in order to set rates higher than the rate peg for up to a 7 year period.

However, IPART requires applicant councils to justify the proposed SRV. This obviously involves applicant councils to additional costs in preparing the submission.

- 1.1. Council should adjust the rate peg increase assumption for 2014-15 from 3% to 2.3%**
- 1.2. The statement that the rate peg does not take into consideration rising costs should be corrected.**
- 1.3. Council should clearly set out in some detail the need for and purpose of the SRV-**

2. Why do we need a Special Rate Variation (SRV)?

It is correct to say that Burwood's major source of revenue has been limited in growth because of rate pegging. However, this is not necessarily a bad thing as rate pegging has provided rate payers with a degree of certainty and equity. In addition the rate peg has prevented Councils from unnecessarily raising rates in excess of costs.

Burwood is thankfully in a sound financial situation due to recent property sales and a growing economy (due to the completion of a large number of high density strata developments within the Burwood Town Centre) (September 2013 Budget Review forecast \$475,000 increase in 2013-14 rate revenue due to this factor)

Reference could also be made to the T Corp Report titled "Financial Sustainability of NSW Local Government Sector and the reasons why Burwood was rated as a "Weak" Financial Sustainability Rating and a "Positive" Outlook

Council should identify how the community's demand for a demonstrated range of services is actually increasing.

As mentioned in 1 above the rate peg increase of 2.3% is what IPART estimates is the rate at which Council's costs have increased. Therefore, Council should identify what costs have increased at a higher rate for Burwood.

Council should also tabulate the list of the High Priority roads, footpaths, kerbs and gutter infrastructure Council will not be able to upgrade without the proposed SRV.

It is also important to list what other important Council services may be compromised in order to fund the above infrastructure upgrades?

- 2.1. Council should provide a summary of its current financial situation and the possible future position is with and without the proposed SRV's.**
- 2.2. Council should provide some compelling financial, environmental and social reasons to support the proposed SRV options.**
- 2.3. Council should provide the community with a specific list of what infrastructure upgrades can be achieved with the 2.3% rate peg and the other proposed options for a SRV**

3. What are our options?

The documentation provided by Council sets out three options that focus on Council's general rate revenue stream:

- 3.1. Decline in Service (Rates increase by Rate Peg) Current Service Levels would be maintained in the short term but may later decline, capital works program may be compromised with priority given to essential infrastructure projects
- 3.2. Sustain Service (Rates increase progressively over 7 years 5.5% to 7.5%) Current Service Levels would be maintained as well as priority capital works program.
- 3.3. Improve Service (Rates increased by 7.5% pa over 7 years) Improved Service Levels and new capital projects, upgrading and maintenance of existing infrastructure.

The above options raise the following issues:

- 3.3.1. What is the short term in Option 1?**
- 3.3.2. What are the essential infrastructure projects in Option 1?**
- 3.3.3. What projects are on the priority capital works program in Option 2?**
- 3.3.4. What service levels would be improved under Option 3?**
- 3.3.5. What new capital works would be achieved under Option 3?**
- 3.3.6. Will upgrading and maintenance of existing infrastructure only be carried out under Option 3?**
- 3.3.7. How much additional total revenue will be generated under each option?**
- 3.3.8. How much expenditure will be associated with each option?**

In addition Council should identify what other options are also possible and why they have not been utilised such as:

- 3.3.9. productivity improvements**
- 3.3.10. cost containment strategies**
- 3.3.11. cost reduction programs**
- 3.3.12. reduced service levels**
- 3.3.13. additional sources of revenue**
- 3.3.14. additional borrowing**
- 3.3.15. Use of Reserves**

3.3.16. Use of Developer contributions
3.3.17. Other innovative methods

4. Local Infrastructure

In the interest of keeping the community informed reference should be made to the actual state of Burwood's infrastructure as set out in Schedule 7 Condition of Public Works (see Financial Report for 2012-13)

Asset Class	Est Cost to bring Up to a satisfactory Condition	Required Annual Maintenance	Current Annual Maintenance
Buildings	\$1,030,000	\$520,000	\$549,000
Public Roads	\$40,624,000	\$2,883,000	\$1,482,000
Drainage Works	\$116,013,000	\$210,000	\$260,000
TOTAL	\$158,117,000	\$3,833,000	\$2,491,000

4.1. Some commentary on the above schedule should be made to explain the figures and why current maintenance is below the required maintenance level for roads.

4.2. Reference should be made to Burwood Council's Asset Management Plans for each asset class that Council is required to develop and how they are linked to the determination of annual capital works and maintenance plans.

5. What we are currently spending

The table listing current spending on a range of capital and maintenance items is very limited in range and does not give the community a total picture of Burwood Council's expenditure

Reference should be made to the Audited Financial Report for 2012-13 (Item 90/13 21 October 2013) and Budget Review for Quarter Ending 30 September 2013 (item 104/13 18 November 2013)

Reference should also be made to the budget and forecast Capital Expenditure Items for 2013-14

5.1. Council should provide a comprehensive easily understood financial report for the community to demonstrate where there are future income and expenditures for Council. A series of typical questions and answers would also assist.

6. What you've asked for

Reference is made to the Burwood Council Community Satisfaction Report dated February 2013

Based on the key findings from this research study it is clear, from a resident perspective, that there are potentially a number of areas that with action may further strengthen resident satisfaction. Based on the key outcomes of this research the consultants recommend that Council explores the following:

- Revisit and reassess Council's current communication / consultation and engagement strategies. Look to identify methods and mediums that could better inform /engage /involve the community

- Clarify community expectations with regard to local roads. Explore the community's requirements regarding traffic management, parking and road safety
- Explore community response to development and construction, identifying community concern(s) regarding this issue (i.e. is it about developments or population/congestion?)
- Assess community expectations with regard to community safety programs, volunteering, support for the multicultural community and support for people with disabilities
- Understand community requirements with regard to the attractiveness of town centres and street sweeping.

6.1. Council should use this opportunity to explore the above recommendations as part of a more inclusive and effective consultation / engagement strategy for the SRV.

7. How will SRV affect you?

The tables are an attempt to show the impact on average rates for each category of ratepayers.

My analysis shows that Council will generate the following increases in rates

Option 1 \$361,281 pa, Option 2 \$863,932 pa and Option 3 \$1,178,090. This is before any growth in the number of rateable properties. A conservative estimate is 500 properties per annum which would generate an estimated additional \$500,000 per annum in rate income and \$2,000,000 in S94A contributions.

However, the rate peg and SPV is not the only impacts on residents

The 2012-13 actual results shows that the following charges impact on ratepayers and residents

Domestic Waste Management Services	\$4,198,000 (2013)
Stormwater Management Service Charge	\$260,000
Enfield Swimming Centre fees	\$1,167,000
Car Parking station	\$976,000
Car parking meters	\$1,203,000
Parking fines	\$2,542,000

The draft Budget 2014-15 shows that the only real changes proposed is the 3 rate revenue options. There does not appear to any attempt to raise other sources of revenue or reduce operating expenses.

7.1. Breakeven operating budgeting (based on T Corp Report)

Council needs to achieve at least a breakeven operating position on an on-going basis. The future sustainability of Burwood Council is dependent upon generating sufficient funds to meet the costs of maintaining and renewing assets to deliver services. Council needs to engage with the community and will need to consider options for revenue increases, reductions in expenditure, and reviews of existing service levels and standards. **Surpluses generated by Council can be used to address the Infrastructure Backlogs**

7.2. Pricing paths are needed for the medium term - IPART, DLG and Councils should work together to consider the development of a medium or long term, and achievable pricing path so that Councils can achieve at least a breakeven operating position. A

clear strategy across the local government sector is needed to promote future sustainability for Councils

- 7.3. **Rate increases must meet underlying costs** - Future increases in all rates and annual charges for Council services should be based on the underlying cost of delivering these services and the annual movement in the cost of these services. Where a decision by Council is made to increase rates and charges at a lower than required factor, the impacts of such actions must be clear in the context of each Council's sustainability
- 7.4. **Asset management planning must be prioritised** - Councils need to prioritise the completion and validation of their AMP and Infrastructure Backlog values so that a clear picture is available as to the total funding requirements for their assets. Without this certainty, Councils cannot accurately forecast their future funding requirements and put in place appropriate strategies until AMP,s are complete.
- 7.5. **Councillor and management capacity must be developed** - Councils and the DLG should continue to articulate the benefits of the IP&R process, by increasing the focus on linking long term strategies, asset management planning and long term financial forecasting to assist with decision making and promoting sustainability. Enhancing the knowledge and skills of Council management and elected officials, particularly in respect of the importance of financial and asset management, would greatly assist in this area
- 7.6. **Improved use of restricted funds** - A review of the system and guidelines for accessing restricted funds is needed. Under the current requirements, most Councils are required to hold substantial funds in reserve for specific purposes, often for lengthy periods of time. On average 50% to 60% of funds held by Councils are externally restricted. Being able to access more of these funds (eg through S 410 internal borrowing arrangements) could allow Councils to meet current asset renewal and maintenance requirements and be a more efficient use of funds
- 7.7. **Increased use of debt** - Debt is underutilised by some Councils and there are opportunities for more cost effective borrowing and debt management. The use of debt can be an efficient means of addressing Backlog issues, enhancing intergenerational equity and improving asset quality and services. For many Councils with existing debt, overly conservative debt management practices are adopted which could be improved to deliver enhanced value and a lower cost of funds for Councils
- 7.8. **Council should address the above 7 points and state the pros and cons of each in an attempt to make Council more financially sustainable**

8. Where will the money go?

The proposal is to spend the additional rate revenue on;

- Footpaths 45%
- Roads 35%
- Parks 10%
- Kerb and Gutter 10%

8.1. Council should confirm what will be expended on the Buildings and Stormwater assets and other capital works projects?

8.2. Council should confirm if these additional funds will be used for capital works ie upgrades or new facilities? AND / OR will some be used for maintenance (operational) purposes?

- 8.3. Council should confirm that spending will be on a needs basis rather than some arbitrary allocation
- 8.4. Council needs to make reference to the respective asset management plans and a draft capital works budget for priority works.
- 8.5. Council should provide draft infrastructure maintenance and capital works budgets for community review and input.
- 8.6. Council needs to identify the funding sources for all capital works eg
 - Section 94 A Developer contributions \$7,060,000 in June 2014
 - Reserve Funds \$14,356,000 with Property Reserve at \$8,456,000
 - State or Commonwealth Grants
 - Loans
 - Surplus operating funds

Total cash, and investment securities held by Council totals \$44,420,000

Schedule 8 Financial Projects from the Financial Report 2012-13 shows forecast funding projections. These do not align with the Long Term Financial Plan forecasts

- 8.7. **The forecast funding projections for 2013-17 should be updated to clearly show the impact of the 3 rates options**

9. Comments on Delivery Program 2013

- 9.1. This document is a basic rework of the previous Program that was adopted by Council in June 2013. Pages 20 -23 have been added for the Funding Our Future proposals. Given that the words are basically the same as the Burwood Update my comments as set out above are the same for these pages
- 9.2. Given Council's comments on the impacts on service delivery under the 3 rating options I would have thought it would be necessary to highlight what services would be deleted or amended under the different scenarios. Without this analysis it is very difficult for ratepayers and IPART to understand what is actually proposed and how the delivery program would change.
- 9.3. I am sure the community would accept some reduced service standards if they knew the cost of actually providing that service eg
 - 9.3.1. Upgrades to Enfield pool (1.2.11 page 32),
 - 9.3.2. Construction of Wangal Park (Ref 1.2.15)
 - 9.3.3. Provision of information to the community (Ref 1.3.2)
 - 9.3.4. Web based mapping (Ref 1.3.6)
 - 9.3.5. Stencil labelling of drainage pits (Ref 3.4.1)
 - 9.3.6. Roll out Parking Strategy (Ref 4.1.3)
 - 9.3.7. Forecourt on Railway Parade (Ref 4.2.1)
 - 9.3.8. Refurbishment of Woodstock (Ref 4.2.6)
- 9.4. In the previous How to Read the Budget 2013-17 it was assumed that rates would increase by 2.9% in 2014-15. The revised option 1 budget it is assumed that rates would increase by 3.0% **IPART have now advised that the rate peg will be 2.3% for 2014-15 Therefore the revised budget should be amended accordingly**
- 9.5. It is also noted in the Budget Review for Quarter ending 30 September 2013 that the forecast income from rates is \$20,433,950 (due to an increase in Council's rating base due to new strata) compared with the 2013-14 Budget of \$19,958,950. **This is a significant change in circumstances that should be reflected in budgets going forward (as the projected growth in new strata units is in the order of 500**

units per annum for at least the next 2 years as current developments are completed)

- 9.6. Another significant change that has not been recognised is the fact that acquisition of assets has increased by \$13,871,601 primarily due to the purchase of the Council Administration Centre, purchase of 16 Burleigh Street and capital works cost overruns. **This is a significant issue for Council as these acquisitions were not budgeted for and as a result reserves have been negatively impacted upon.**

The reduction of rent payable for the admin centre should be recognised as a positive variance from its source.

- 9.7. Council needs to fully explain the reasons for these major variances to the budget and develop a range of strategies to reverse these variances such as deferring or cancelling some capital works such as:

9.7.1. Plant and equipment

9.7.2. Corporate projects

9.7.3. SES Building

9.7.4. 1a Railway Parade upgrade

- 9.8. The Forward Estimates of Income and Expenditure, Income Statement, Balance Sheet and Cash Flow statement 2013-14 to 2016-17 are complex and very difficult to comprehend. **There should be a very clear analysis of the 3 options so that ratepayers are well aware of the pros and cons of each option. Again no options other than rate increases have been modelled**

- 9.9. The original version of the Delivery Program provided a detailed works program for 2013-14. As mentioned above this budget has changed significantly. **Council should, given the statements in the Burwood Update for Funding Our Future provide reasonably detailed estimated forward capital works plans for each asset class**

10. Resourcing Plan

- 10.1. Long Term Financial Plan 2013-2023 Revised in December 2013 to include the 3 rate options. **As stated before no other options apart from rate increases have been considered. Therefore the sensitivity of changes to different parameters has not been made available to the community for consideration**
- 10.2. Asset Management Plans
- 10.2.1. These plans appear to be well out of date Buildings 2010 and Infrastructure 2009.
- 10.2.2. As a result the ability of the Asset Management Plans to prioritise capital works for each asset class is to be questioned.
- 10.2.3. **The quantum of the actual backlog of infrastructure works (especially stormwater drainage) varies depending on what report you consult and needs to be verified by updating the asset management plans immediately before any long term capital works are planned**
- 10.3. Workforce Plan 2011/12 – 2015/16 240 staff 155 full time, 20 part time and 65 casual in 2011 no real change forecast as employment costs continue to increase at 3.25% pa.

11. Property Strategy

- 11.1. There are no details as to how Council will utilise the Property Reserve Funds to invest in income producing property investments. Prudent investment in properties with blue chip long term tenants could return reasonable

investment returns for Council well above the current investment interest returns

12. CONCLUSION

Time and resources has limited my ability to fully evaluate and comprehend the propositions regarding rate increases that Council has proposed.

It is a real concern that Burwood Council has not produced any compelling reasons why ratepayers should endorse either option 2 or 3

This task would have been easier if Council would have afforded me the time to answer some of my questions that I have already put to Council.

In my opinion Council should start again by engaging with the residential and business community in a collaborative manner to identify a range of other options that will, when used in the right mix will assist Council become more financially sustainable and the ratepayers of Burwood more satisfied with the performance of Council.

I trust that Senior Management and Council will take my comments into consideration as part of its analysis of the community consultation phase of considering the SRV options and its impact on Council finances.

Yours Sincerely

Ed Harvey