23 July 2014

Dear Sir / Madam

RESOURCING OUR FUTURE – Have Your Say

Please find enclosed important information for Blue Mountains residents on the subject of Resourcing Our Future. The Council is considering making an application to the Independent Pricing and Regulatory Tribunal (IPART), with a view to securing the future funding our City needs to, at a minimum, maintain and hopefully improve our:

- Built infrastructure - such as roads, footpaths and drainage
- Preparedness and response to emergencies - such as bushfires and storms
- Environment - including protection and restoration of bushland, waterways and wildlife habitats
- Community facilities and services - such as parks, leisure centres and community development

We are taking this step because the City is facing significant challenges in providing services across 27 dispersed towns and villages, set in a unique landscape susceptible to natural disasters.

The Council has worked hard to deliver the best possible services to the community, efficiently and within available funding. We also continuously review our service delivery to ensure value for money. Over the past decade we have achieved significant cost savings – more than $13 million – while attracting over $87 million in grant funding. We have also developed six key strategies that we are implementing to address our financial challenge (see back page of enclosed brochure).

Despite our best efforts our costs are rising faster than our income. Other levels of government continue to shift costs on to us and restrict or reduce our funding. Much of our built infrastructure is old and requires significant investment to maintain, if not improve it.

Put simply, the available funding is insufficient to continue current service levels into the future.

The enclosed brochure provides three options for you to consider. Please take time to review each option and ‘have your say’. You can do this by completing the tear-off form and posting it in the enclosed reply paid envelope. Let us know which option you prefer and whether you support improving, maintaining or reducing service levels.

IRIS Research, an independent research firm, has been engaged to conduct a telephone survey of a sample of residents who have read the brochure, to assess views on the options. This will take place in mid-August. Please keep this brochure handy in case you are contacted and choose to participate.

I would like to assure you that the Council is committed to meeting the needs of our community and improving the financial sustainability of the City. To ensure that we are in the best position to achieve our vision of building a successful future for the Blue Mountains, I encourage you to ‘have your say’ on Resourcing Our Future.

Yours sincerely,

MARK GREENHILL
Mayor
Six Strategies for Financial Sustainability

1. **AVOID SHOCKS**
   Through sound financial planning, this strategy positions us to better withstand costly and unexpected events such as the 2013 bushfires and the recent $2.9 million reduction in Federal assistance to the Blue Mountains over the next 4 years.

2. **BALANCE THE BUDGET**
   Given that costs are rising by 2% more than income, the Council is taking action to balance its budget through annual efficiency cost savings – more than $13 million achieved over the last 8 years.

3. **MANAGE BORROWINGS RESPONSIBLY**
   The Council has ceased new loan borrowings, subject to annual reviews of financial capacity and sound business cases.

4. **INCREASE INCOME**
   For every dollar residents pay in rates, the Council matches it with income from other sources. Over the past 5 years we have secured more than $87 million in grant funding from State and Federal Government agencies for the community. We have also used Environment Levy funds to attract more than $3.6 million in matching co-funding for our environment.

5. **REVIEW & ADJUST SERVICES**
   The Council continually reviews its service delivery to ensure it is meeting community needs and providing 'value for money'. Areas recently reviewed include bulky waste collection service, tourist parks and unsealed roads.

6. **INCREASE ADVOCACY & PARTNERSHIPS**
   This strategy is about advocating for a fair share of resources for the Blue Mountains and building partnerships to achieve positive outcomes. For example, following the 2013 bushfires, the Council advocated to the State Government and achieved a $1.8 million grant to support recovery.

**COMMUNITY CONSULTATION**
4 AUGUST – 15 SEPTEMBER 2014

FOR MORE INFORMATION
Information on Resourcing Our Future is available:
Online: www.bluemountainshaveyoursay.com.au
Hardcopy: Katoomba office and Council libraries
Email: council@bmcc.nsw.gov.au

HAVE YOUR SAY
Tell us your preferred option by ticking one of the boxes below. Post your completed form in the reply paid envelope provided. Your personal details will be kept confidential.

KEEP THIS BROCHURE
A cross section of ratepayers will be asked to participate in a telephone survey from mid-August. Please keep this brochure handy in case you are selected to participate.

SUBMISSION FORM

My preferred option is (please tick one box):

- OPTION 1: SERVICE LEVELS IMPROVED
- OPTION 2: SERVICE LEVELS MAINTAINED
- OPTION 3: SERVICE LEVELS REDUCED

Submissions close Monday 15 September 2014

Your Name: __________________________
Address: ___________________________
Suburb: ____________________________
Postcode: __________
Towards a successful future

Despite our best efforts, the available funding is not sufficient for us to maintain, let alone improve, existing service levels. This is because costs are rising faster than our income and much of the City’s built assets are old and in critical need of renewal and maintenance (e.g. roads, footpaths, drainage, parks, buildings).

To address the City’s financial challenge, the Council has developed Six Strategies for Financial Sustainability which we are actively implementing (see back page).

Part of this strategy is to engage with you on how best we can achieve affordable and acceptable levels of service for the Blue Mountains. What this brochure is about

This brochure provides three different options for you to consider for Resourcing Our Future. We encourage you to review each option detailed below and ‘Have Your Say’ on which option you prefer.

- **OPTION 1** proposes a rate increase to IMPROVE service levels
- **OPTION 2** proposes a rate increase (less than Option 1) to MAINTAIN service levels
- **OPTION 3** proposes increasing rates ONLY by the annual rate peg increase set by IPART – which will REDUCE service levels.

**SERVICE LEVELS IMPROVED**

Under **OPTION 1**, we stop the decline in the City’s $1 billion worth of built assets and have greater capacity to fund renewal and maintenance, prepare and respond to emergencies and continue to look after the environment.

**SERVICE LEVELS MAINTAINED**

Under **OPTION 2**, the decline in the City’s built assets is stabilised at the current level of 21% in poor condition. Our capacity to prepare for and respond to emergencies and look after the environment is maintained, not improved.

**SERVICE LEVELS REDUCED**

Under **OPTION 3**, built assets in poor condition increase from 21% to 37% by 2024. Priority focus is on managing risk, including closure or removal of unsafe infrastructure. Capacity to respond to emergencies and protect the environment is diminished.

**HOW WILL OPTION 1 AFFECT YOUR RATES?**

**Option 1**

Under **OPTION 1**, we stop the decline in the City’s $1 billion worth of built assets and have greater capacity to fund renewal and maintenance, prepare and respond to emergencies and continue to look after the environment.

**HOW WILL OPTION 2 AFFECT YOUR RATES?**

**Option 2**

Under **OPTION 2**, the decline in the City’s built assets is stabilised at the current level of 21% in poor condition. Our capacity to prepare for and respond to emergencies and look after the environment is maintained, not improved.

**HOW WILL OPTION 3 AFFECT YOUR RATES?**

**Option 3**

Under **OPTION 3**, built assets in poor condition increase from 21% to 37% by 2024. Priority focus is on managing risk, including closure or removal of unsafe infrastructure. Capacity to respond to emergencies and protect the environment is diminished.

**FOR RESIDENTIAL RATEPAYERS**

<table>
<thead>
<tr>
<th>Annual Rate Increase (%)</th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
<th>2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Peg (allowed increase)</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Environmental Levy (reinstated)</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
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<tr>
<td>Additional Rate Increase</td>
<td>6.0%</td>
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<td>6.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Total Rate Increase</td>
<td>11.6%</td>
<td>11.6%</td>
<td>11.6%</td>
<td>11.6%</td>
</tr>
</tbody>
</table>

**FOR BUSINESS RATEPAYERS**

<table>
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<tr>
<th>Annual Rate Increase (%)</th>
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<td>3.0%</td>
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<td>Additional Rate Increase</td>
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<tr>
<td>Total Rate Increase</td>
<td>11.8%</td>
<td>11.8%</td>
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</tr>
</tbody>
</table>

For **FARMLAND RATES** and more detailed information about the three options and a rates calculator, visit www.bluemountainshaveyoursayau.com.au

**RATES Peg** (estimated at 3% annually) is the allowable percentage by which councils can increase rate revenue from one year to the next (as set by IPART). Councils can apply to set rates higher than the rate peg to meet community needs and keep pace with rising costs. This is known as a special rate variation.

The Environment Levy, which costs ratepayers on average $45 per year (or 8¢ per week), is due to expire 30 June 2015. It has raised approx. $1.5 million annually to restore and protect our natural environment, improve walking tracks and support the work of over 500 conservation volunteers. As well, the Levy attracts significant grant funding and supports our community and economy. Options 1 and 2 include the continuation of the Environment Levy on a permanent basis, while Option 3 does not.

Resourcing OUR FUTURE

Our Vision is to build a successful future for the Blue Mountains, improving the well-being of our community and the environment. How we can achieve this vision depends on how much revenue we have. Within available funding, we continually strive to achieve the best possible range of ‘value for money’ services to meet your needs.
Six Strategies for Financial Sustainability

What the Council is doing to be efficient and address the City’s financial challenge:

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Are you a ratepayer?
Yes  No

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