



Lithgow
CITY COUNCIL

**Investing in
our future**

THANK YOU FOR AGREEING TO PARTICIPATE IN OUR COMMUNITY ASSET SURVEY

A representative from Micromex Research recently contacted you, to ask if you would like to participate in a short telephone survey about Community Assets. This information brochure has been forwarded to you to assist you to make informed decisions if you choose to participate in the Survey when you are re-contacted by Micromex Research. Ideally you will have read this brochure before you participate in the survey. Also keep this brochure handy so you can refer to it when answering the survey questions.

Council provides a range of community assets including roads, bridges, parks, playgrounds and buildings. We want to understand your thoughts on how we should continue to look after these assets now and into the future. The researcher will ask a number of questions which will help us understand:

- Whether you are happy with the current quality of these assets
- What state you think these assets should be in
- What you believe are the asset funding priorities for future

As you may be aware, Council will be applying to IPART for a Special Rate Variation (SRV) of 9% in 2019/20. This will extend the current SRV of 4.77% (which ends in 2018/19) with an increase of 4.23%. A new Special Rate Variation would improve Council's financial sustainability, fund infrastructure renewals and fund asset maintenance. The proposed SRV will enable Council to meet all of the Fit for the Future measures during the 10 year term of the Long Term Financial Plan.

The only alternative to an SRV is to make further cuts to services to deliver a balanced budget, consistent with fit for the future requirements. To find out more about Council's Operating and Capital Budget for 2018/19 visit www.council.lithgow.com/ipr and the proposal for a Special Rate Variation visit www.haveyoursay.lithgow.com.

Your feedback will directly influence Council's future decision making on how we spend money on community assets such as roads, bridges, parks, playgrounds and buildings.

Although we are seeking your feedback on our water and sewer assets, it is important to note that Water and Sewer projects are funded directly from income received from Water and Sewer charges and we are not seeking to include them in the Special Rate Variation application.

Council appreciates your taking the time to participate in this research. This is 'Our Place and Our Future'. Let's build it together.

Cr Stephen Lesslie
Mayor

ABOUT OUR COMMUNITY ASSETS

Over the last few years Council has been reviewing the condition of its community assets to determine whether the amount of money we plan to spend on infrastructure such as roads, buildings and playgrounds is sufficient. Put simply, we are trying to determine if we need to allocate more money to maintain or renew our community assets. So what does asset maintenance and renewal mean?

- Maintenance is work performed on an asset that keeps it in a usable condition e.g. painting buildings, filling potholes, repairing broken water pipes or fixing playgrounds and swings.
- Renewal is work performed on an asset to bring it back to its original condition e.g. the replacement of a building, reconstructing a segment of road, replacing a whole section of water pipe or replacing a playground.

Using industry benchmarks, we have reviewed the following asset types to work out if they are in good, fair or poor condition:

- Transport which includes roads, bridges, footpaths, cycleways and road drainage
- Stormwater drainage
- Parks and open spaces
- Buildings
- Water network
- Sewer network

The following pages include information about the outcomes of this review for each of our asset types.

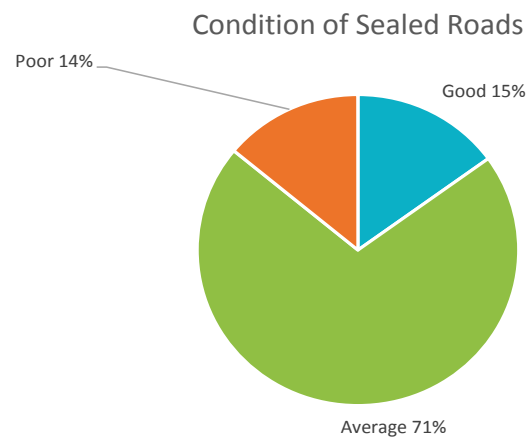
The issue facing Council is that while a lot of the assets are in good or fair condition, a large proportion are at risk of falling into poor condition.

WHERE ARE WE NOW?

A snapshot of community asset conditions and investment level

SEALED ROADS

Council is responsible for 480km of sealed roads which costs \$1.1 million per year to maintain and renew. Generally our sealed roads are in average condition, however, 14% are in poor condition. Roads in poor condition need additional maintenance or renewal works to prevent them from further degrading.

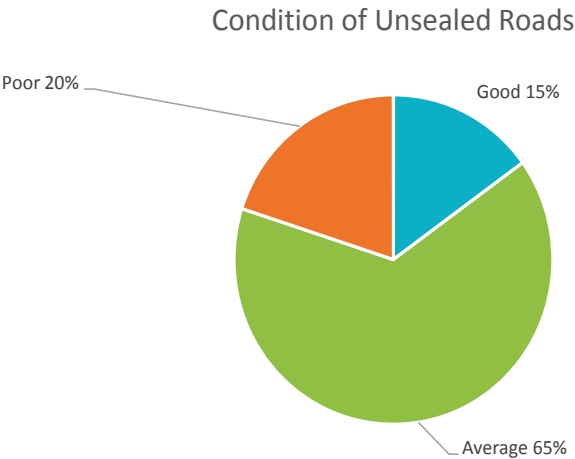


How would you rate Council's current spend for sealed roads?

		
Good Condition	Fair Condition	Poor Condition
<ul style="list-style-type: none">✓ Minimal Cracking✓ Minimal surface defects✓ Smooth travel experience	<ul style="list-style-type: none">• Moderate cracking and pothole repairs• Moderate roughness	<ul style="list-style-type: none">✗ Heavy cracking and severe surface defects like large potholes and heavy patching.✗ Rough travel experience

UNSEALED ROADS

Council currently spends \$1.4 million each year to maintain 421km of unsealed roads in the LGA. Our road condition is assessed as road segments, e.g. from one intersection to another. Our unsealed roads are in generally average condition overall. 20% are considered to be in poor condition. Unsealed roads in poor condition need additional maintenance and/or renewal to prevent them from further degrading.



How would you rate Council’s current spend for unsealed roads?

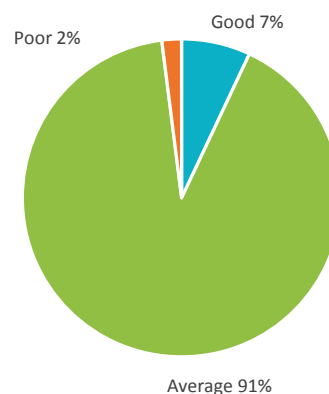
		
Good Condition	Fair Condition	Poor Condition
<div>✓ Even surface</div> <div>✓ Good gravel coverage</div> <div>✓ Few potholes</div>	<div>• Moderately uneven surface</div> <div>• Frequent potholes</div> <div>• Minimal gravel coverage</div>	<div>✗Very uneven surface</div> <div>✗Significant size and frequency of potholes</div> <div>✗ No gravel cover or guideposts.</div>

FOOTPATHS

Council currently owns and maintains 127km of footpaths across the LGA. We spend approximately \$37,000 per year on maintaining footpaths although this amount may vary from year to year.

The majority of our footpaths are in an average condition with only 2% in poor condition. Some footpaths currently in average or poor condition will need additional maintenance and/or renewal work to ensure that they do not deteriorate into a poor and unsafe condition.

Condition of Footpaths



How would you rate Council's current spend for footpaths?



Good Condition

- ✓ No pavement movement or trip hazards
- ✓ Minor to no cracking
- ✓ Smooth surface



Fair Condition

- Minor pavement movement or trip hazards.
- Moderate cracking



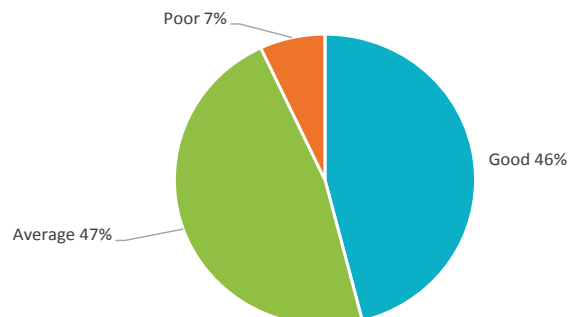
Poor Condition

- ✗ Moderate pavement movement or trip hazards.
- ✗ Severe cracking and edge wear

BRIDGES

Council owns and maintains 32 concrete bridges and 10 timber bridges. The majority of these are rated as being in good to average condition, however, 7% are rated as poor. Council currently spends approximately \$19,000 per year on maintenance of bridges.

Condition of Bridges



How would you rate Council's current spend for bridges?



Good Condition

- ✓ No Cracking or wear
- ✓ Minor or no edge wear



Fair Condition

- Some superficial cracks
- Minor deterioration of concrete or timber
- Moderate edge wear



Poor Condition

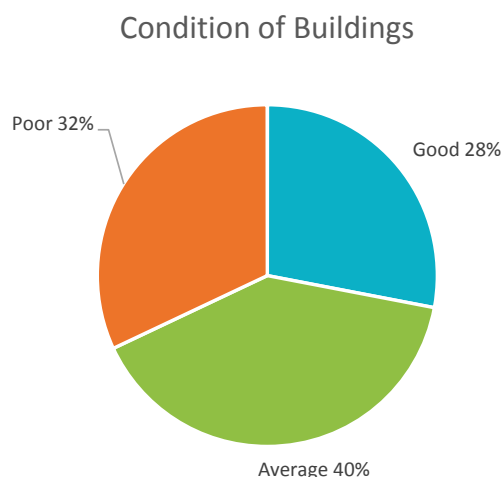
- ✗ Advanced deterioration of timber or concrete
- ✗ Severe edge wear

BUILDINGS

Council owns and maintains 180 buildings including:

- Council Administration Centre
- Commercial buildings
- Sports facilities
- Parks, gardens & reserves buildings
- Cemetery buildings
- Emergency services e.g. rural fire service sheds and headquarters
- Community Theatres
- Bus shelters
- Works depots
- Waste and recycling facilities
- Lithgow Visitor Information Centre
- Eskbank House & Museum
- JM Robson Aquatic Centre
- Libraries
- Community Halls

The majority of our buildings are currently in a good to average condition, although 32% are considered to be in a poor condition. Many of those buildings currently in average condition need additional maintenance and/or renewal of major components such as roofs, internal finishes or servicing in order to avoid them slipping into a poor condition. Council currently spends approximately \$450,000 per annum on maintaining buildings.



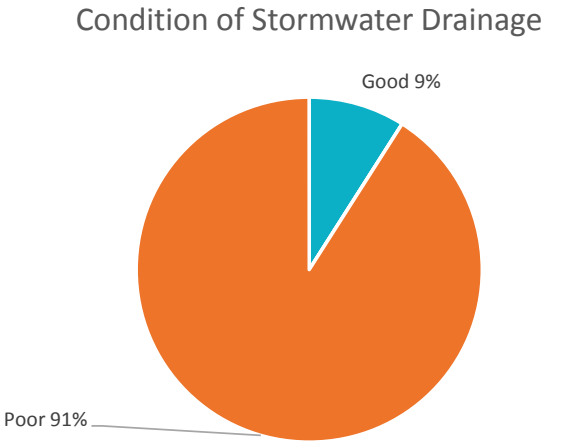
How would you rate Council's current spend for buildings?

Good Condition	Fair Condition	Poor Condition
<ul style="list-style-type: none"> ✓Structurally reliable and fit for purpose ✓Showing minor deterioration, wear and tear. 	<ul style="list-style-type: none"> • Structure adequate for purpose • Evidence of foundation movement and cracking • Moderate damage to surfaces 	<ul style="list-style-type: none"> ✗ Structural problems ✗ Significant cracking ✗ Roof leaks and breaches of waterproofing ✗ Badly damaged features

STORMWATER DRAINAGE

Council owns and maintains a stormwater network including 63km pipes, 913m open channels and 1,936 pits. The Council currently spends approximately \$100,000 per annum on maintenance.

The majority of our stormwater assets are considered to be in poor condition with only 9% rated as good condition. Additional maintenance and renewal work needs to be undertaken to improve the condition of stormwater drainage assets.



How would you rate Council's current spend for stormwater drainage?

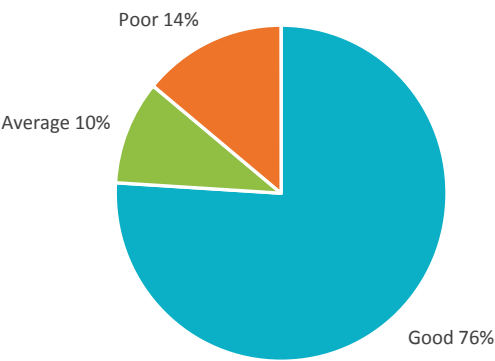
Good Condition	Fair Condition	Poor Condition
<ul style="list-style-type: none">✓ No concrete deterioration✓ No pipe movement✓ Clear approaches and entrance	<ul style="list-style-type: none">• Minor cracking• Minor pipe movement• Moderate blockages	<ul style="list-style-type: none">✗ Severe deterioration and movement✗ Significant cracking

PARKS AND OPEN SPACES

Council currently owns and maintains 11 Sports fields, 44 parks and reserves, 3 picnic areas and BBQ's, one 32 hectare Golf Course and undertakes garden maintenance and weekly mowing of 213 hectares of open space (that's 213 soccer fields). We spend approximately \$729,000 on maintenance of our parks and open spaces.

Parks and open spaces are included in our other structures asset category. The majority of our other structures are in good condition with 14% rated as poor. Other structures rated in average to poor condition require additional works to facilities such as playgrounds, fencing, park furniture and sporting assets.

Condition of Other Structures



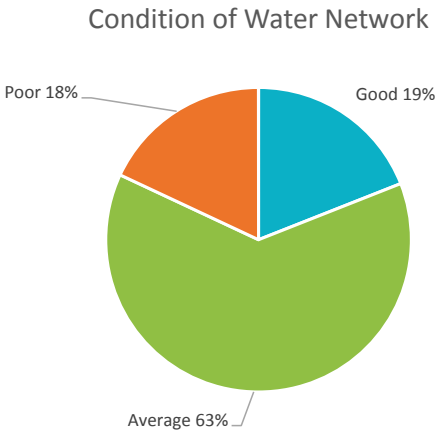
How would you rate Council's current spend for parks and open spaces?

		
Good Condition	Fair Condition	Poor Condition
<ul style="list-style-type: none">✓ New or near new condition✓ Minor wear and tear✓ Minor surface deterioration✓ Compliant with Australian safety standards	<ul style="list-style-type: none">• Useable condition• Evidence of wear and tear• Function affected by age	<ul style="list-style-type: none">✗ Very bad condition✗ Cannot be repaired✗ Does not comply with Australian safety standards.✗ Unsightly and visibly worn

WATER NETWORK

Council owns and maintains a significant water distribution network throughout the local government area. This network includes 2 prescribed dams, 3 water treatment plants, 9 water reservoirs, 3 pump stations, 242,671m of water mains and 8,326 water meters.

The Council currently spends approximately \$2 million per annum on water supply network maintenance. The majority of the water network is in good to average condition. It is estimated that planned investments in the water network will allow Council to renew poor condition assets and ensure that adequate services are provided.



How would you rate Council’s current spend for the water network?

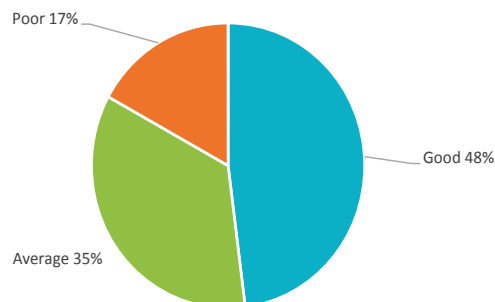
		
Good Condition	Fair Condition	Poor Condition
<div>✓ Little to no physical deterioration</div> <div>✓ No water leaks</div>	<div>• Moderate deterioration</div> <div>• More prone to failure</div>	<div>✗ Major water leaks and water shutdown or service interruptions</div> <div>✗ Heavy deterioration</div>

SEWERAGE NETWORK




Council owns and maintains a vast sewer distribution network. This network includes 3 sewage treatment plants, 34 sewage pump stations, 146,035 gravity sewer pipes, 30,514m sewer rising mains, 14,965m sewer trunk mains and 7,715 sewer service connections connecting houses and businesses to the sewer network.

Sewer assets are primarily in good to average condition, with 17% in the poor category. While our sewerage network is generally well maintained, population growth and service expansion requires the Council to plan significant investment in the network over the next 10 years. Sewerage treatment plant upgrades will result in corresponding increases in operation and maintenance costs. Council currently spends \$1.1 million per annum on maintaining the sewer network.

Condition of Sewerage Network



How would you rate Council's current spend for the sewerage network?

		
Good Condition	Fair Condition	Poor Condition
<ul style="list-style-type: none">✓ Little to no physical deterioration✓ No blockages	<ul style="list-style-type: none">• Moderate deterioration and blockages• Short service interruptions	<ul style="list-style-type: none">✗ Heavy deterioration✗ Severe blockages and lengthy service interruptions.

INVESTING IN OUR FUTURE

Council maintains a vast network of community assets such as roads, bridges, community halls and playgrounds.

In 2014 the NSW State Government initiated its Fit for the Future local government reform program. In preparing its Fit for the Future submission, which demonstrated Council's plan to achieve long term financial sustainability, we identified a gap in the current investment required to keep community assets in an acceptable condition.

There is no easy solution to addressing this funding gap. Put simply, if we do not address this gap now, our community assets will deteriorate, and in the future become unusable. **We currently spend approximately \$19 million on asset maintenance and renewal each year however we should be investing an additional \$1.1 million per year.**

Council wants to understand from the community how we should prioritise expenditure on our different asset types. We need a clear mandate for future spending, based on the community's views on acceptable asset conditions. This is why Council wants your thoughts on its proposal to invest in the maintenance and renewal of our community assets and how this should be funded.

WHICH COMMUNITY ASSETS IS COUNCIL PROPOSING TO INCREASE ITS LEVEL OF INVESTMENT?

Council is proposing to increase funding for the following assets.

- Transport (sealed roads, unsealed roads, footpaths, cycleways, bridges and road drainage)
- Stormwater Drainage
- Buildings

Increasing the level of funding for these assets will allow council to renew those which are currently in a poor condition. It will also ensure that the number of assets in poor condition does not continue to grow. It is essential that our community assets are safe, in working order and meet community expectations. The expenditure will ensure that the Fit for the Future asset benchmarks are met over time.

The remainder of the increased funding (approx. \$100,000 p.a.) will be spent on business improvement initiatives which will either generate additional revenue or reduce long-term costs.

WHAT IS THE PROPOSED FUNDING INCREASE?

The table below shows the current amount of funding allocated each year, towards renewal and maintenance work across our main asset types, as well as recommendations for increases to improve their condition.

Asset Type	Current Maintenance & Renewal Budget (\$'000 p.a.)	Proposed increase in investment (\$'000 p.a.)	Proposed total investment (\$'000 p.a.)	Proposed (%) increase in investment
Transport	4,188	725	4,913	17%
Stormwater Drainage	107	100	207	93%
Buildings	831	250	1,051	26%

WHY IS COUNCIL CONSIDERING AN INCREASE IN RATES?

The following actions have commenced to improve service delivery, cut costs and reduce reliance on rates revenue:

- Implementation of a range of initiatives to generate operational efficiencies.
- Review of fees and charges to optimise revenue.
- Service reviews to determine affordable levels of service (to commence in 2018/19).
- Implementation of asset management and financial management improvement plans.
- Applications for grants and seeking corporate sponsorship.

These improvement initiatives and service adjustments have helped to reduce the planned operating deficit (before capital) in the 2018/19 Operational Plan.

For Council to improve its financial sustainability, fund infrastructure renewals and fund asset maintenance it will be necessary to apply for a Special Rate Variation (SRV) of 9% to commence in 2019/20. This will extend the current SRV of 4.77% (which ends in 2018/19) with an increase of 4.23%.

The only alternative to an SRV application is to make further cuts to services to deliver a balanced operating result (before capital), consistent with 'Fit for the Future' requirements. We need to ensure Council is 'Fit for the Future'.

WHERE CAN I GET MORE INFORMATION?

Council has developed a special website to keep the community informed of the Special Rate Variation application process. If you would like to know more visit www.haveyoursay.lithgow.com.



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