

## Special Rate Variation Telephone Survey – Responses to comments

### **1. Council are ineffective / do not trust they will spend any extra money effectively**

Each year in April, the community has an opportunity to lodge submissions on the Draft Delivery Program and Operational Plan for the coming financial year. The Operational Plan includes Council's works programs and budget. The detailed Special Rate Variation expenditure program is included in the Operational Plan.

Lithgow City Council's financial performance (compared with the original budget) is monitored through quarterly reviews of the Delivery Program and Operational Plan. Progress against operational objectives are reported to Council six monthly.

Council is required to complete its Annual Report and provide it to the community and Office of Local Government by 30 November 2018.

Council's strategic plans and reports are available for viewing on Council's website <http://council.lithgow.com/ipr/>

### **2. Cannot afford a rate increase/I am a pensioner**

In considering making an application for an SRV, Council has considered the community's capacity to pay based on the 2016 SEIFA Indexes, level of the proposed increase and other cost indices.

Current year rates (2018/19) include a 4.77% SRV which is due to expire on 30 June plus the 2.3% rate peg as set by IPART.

To reduce the impact of a Special Rate Variation on the community, Council is proposing to apply to retain the current 4.77% SRV which expires on 30 June 2019 plus apply for an additional Special Rate Variation to a 4.23% increase (plus rate peg). Council is seeking a one-off, single year increase which does not expire.

Although the total application for 2019/20 is 11.7% this consists of a one-off permanent increase of 9% applied to the general base rate plus the 2.7% rate peg as set by IPART.

In addition, Council acknowledges that any rate increase may adversely impact some community members. Council has a Hardship Policy and a range of payment options to assist ratepayers should they have difficulty keeping up with their rate payments.

### **3. It is the most affordable option**

Whilst '*Option 1 – Current SRV Expires + Rate Peg*' is considered by some ratepayers to be their most affordable option, it is important to note that Like many other NSW Councils, our roads, footpaths, buildings, drainage and other community assets are ageing and need to be renewed or upgraded. We know that our community places a high value on these assets, in particular our road network. Our assets in their current state are continually deteriorating and require ongoing, costly maintenance. To improve our public assets we need to spend more money on maintaining and renewing these assets to ensure that they meet the needs of our community.

Also, a small portion of the Special Rate Variation will be allocated to business improvement initiatives which will either generate additional revenue or reduce long-term costs. Examples of projects could include energy saving programs or technological solutions which would generate operating efficiencies.

The proposed Special Rate Variation is an important step to help maintain and manage our current assets to ensure that we deliver services in line with community expectations and remain financially sustainable into the future.

#### **4. Council should better manage current funding before seeking more**

Council has implemented a range of measures to ensure better management of its current operations and budgets, as well as to increase efficiency including, but not limited to:

- Improvement to classifying asset expenditure where expenditure on asset renewals had previously been included as maintenance (operational expenditure). This has resulted in \$1.15 million of operating expenditure being reclassified as asset renewals.
- Measures to generate long-term operational efficiencies estimated at \$2.5m in 2019/20 (general fund \$1.9 million and water and sewer fund \$0.6 million). This includes a service review program; a review of a range of governance practices and procedures that will deliver organisational efficiencies; and analysis of the long term demand, need and type of facilities that meet the community requirements.
- The implementation of an asset management and financial management improvement plan prioritised actions.
- The addition of expenditure of \$100,000 per annum to increase the council's strategic capacity. Most of this is directed at managing council's infrastructure assets and in the financial planning and analysis associated with major asset related decisions.
- Lithgow Regional Economic Development Strategy 2018-2022 developed by State & Regional Development. The Regional Economic Development Strategies (REDS) is based on the concept of a Functional Economic Region (FER), which usually incorporates more than one local government area. Lithgow was identified has a stand-alone FER. The REDS provides a clear economic development strategy for the region. The strategy will also enable faster access to dedicated state funding, such as the Growing Local Economies Fund, and may also be used to support other types of government grant applications.
- Eskbank House & Museum was listed on the State Heritage Register. State Heritage listing means that the museum and its collections are protected under the NSW Heritage Act and also enables Council to seek funding for capital and other improvements.
- Council, through its public toilet improvement program, is replacing a number of aged non-compliant public toilets with modern Exeloo type facilities. These structures are self-cleansing and electronically controlled so that they can be opened and closed at pre-set times. Cost to the community is reduced through a reduction in call-outs for additional cleaning; and less staff time on repairs resulting from vandalism / opening and closing the facility. It also provides modern, clean toilet facilities for use by ratepayers and visitors to Lithgow.
- Improvements have already been completed to the Administration Centre and the Centrelink Office (owned by Council) with the installation of computer controlled Building Management Systems for the operation of the heating and cooling systems in these buildings. This is aimed at reducing overall operating cost and overall energy consumption through reduction in gas and electricity usage in these buildings.
- New LED lighting has been installed in the Administration Centre and Centrelink to also reduce the greenhouse footprint and overall operating costs.

- Approximately 25,000 tonnes of recycled material was sourced from the Roads and Maritime Services as part of their Great Western Highway upgrade works. Usually, this material is taken to landfill however Lithgow Council roads engineers were able to facilitate its re-use on rural unsealed roads to reduce the environmental impact within the local area and increase the scope of these projects with minimal impact to the approved budget.
- The implementation of the Water Loss Management System has allowed Council to better account for all water produced. In 2016/17, council installed meters on all Council facilities which will result in a decrease in unaccounted water for Council.
- Council is rolling out new metered standpipes across the Local Government Area to allow easier access for all residents to bulk treated potable water.
- Asset Management Mobility System - allows for work orders, inspections, defects and asset survey to be done via mobile devices.
- Implementation of Bookable, a venue booking system which makes the process of venue bookings at Council a significantly simpler, faster and more engaging process for the internal user and more importantly the community.
- The rollout of LED street lighting throughout the LGA which will save Council an estimated \$91,792 p.a. in electricity costs.

#### **5. Rural areas will not benefit regardless**

The Lithgow Local Government area comprises:

- 956km of urban, rural sealed, regional and rural
- 32 Concrete Bridges
- 10 Timber Bridges
- Over 180 Buildings

Council owns and maintains a stormwater network including 63km pipes, 913m open channels and 1,936 pits.

The special rate variation will deliver projects that are above and beyond normal maintenance and service programs. Special rate variations are generally invested in projects and services that would not normally go ahead without the increased revenue that Council receives from the rate increase. The Proposed 2019/20 Works Program (available for viewing on [www.haveyoursay.lithgow.com](http://www.haveyoursay.lithgow.com)) includes the following work to be undertaken on Red Hill Road, Upper Turon should the SRV application be approved:

- Gravel re-sheet, vegetation control and drainage reinstatement from CH4991 to CH6013 for a length of 1,500m and an area of 7,500m<sup>2</sup>. Cost \$125,000

#### **6. Other cost savings should be investigated before a new SRV is introduced**

As per point 4 (Council should better manage current funding before spending more) Council is working to identify cost savings and efficiencies. In 2018/19, Council has implemented a Service Review Process and will be undertaking a full review of all Council services to:

- Work with the community to affirm service priorities
- Match priorities with budget and performance measures
- Linking services to outcomes
- Build understanding of service costs and trade-offs
- Drive service improvement and efficiency transparently
- Provide opportunity for innovation

## **7. Lower rates but encourage more business and residential development in the area.**

Council is actively working towards encouraging growth and development in the Lithgow local government area. In 2018 Council endorsed and adopted the Marrangaroo Master Plan. The Marrangaroo Master Plan is underpinned by commercial/industrial employment lands which, when developed, will realise a new Lithgow LGA economic zone that will remove the location's current deficit of available employment lands and, as such, be the catalyst for industry and business growth and employment outcomes. However, the land identified as employment generating lands is in private ownership.

In addition to this, Council has prepared a business case for an application for funds under the State Government's Regional Growth Funds (Growing Local Economies) program for infrastructure provision to certain lands, but has been advised for any application to be successful that it needs to control such lands. As Council currently does not own any suitable lands, it has reserved funds for potential acquisition. Whilst some preliminary discussions have taken place with landowners, Council has now appointed a property agent with a view to potentially acquiring lands. Council's planned activities in this area are focussed on providing a catalyst for potentially employment generating development.

Furthermore, In 2017/18 the Lithgow Regional Economic Development Strategy 2018-2022 was developed by State & Regional Development. The Regional Economic Development Strategies (REDS) are based on the concept of a Functional Economic Region (FER), which usually incorporates more than one local government area. Lithgow was identified as a stand-alone FER. The REDS provide a clear economic development strategy for the region. The strategy also enables faster access to dedicated state funding, such as the Growing Local Economies Fund, and may also be used to support other types of government grant applications.

## **8. Local businesses are not supported by council funding**

Council has established a new Economic Development, Tourism and Events Department and appointed a Department Manager who has taken ownership of the delivery of Lithgow's future economic development and tourism/events initiatives. The new structure incorporates a Department Manager supported by a Tourism Manager, an Events Coordinator and a team at the Lithgow Visitor Information Centre.

The new structure (implemented in February 2018) now provides strategic direction to enable business capacity building and inward investment, tourism and branding programmes and events delivery and attraction.

The first key outcome generated by the new Division was the development, in conjunction with State Government, of the Lithgow Regional Economic Development Strategy 2018-2022 (endorsed by Council in June 2018).