

HAVE YOUR SAY

on options for a sustainable

LITHGOW

Consulting about proposed changes to commence on 1 July 2023

What is this brochure about?

There are some important decisions that Council must make about the future of our assets and services. We need your input.

Over the last twelve months, Council has undertaken a comprehensive review of its finances, as well as the assets and services it provides to our community.

Through our community surveys, Council has heard what is important to you.

Residents want to see a greater focus on road maintenance, economic development and diversification and provision of services and facilities for our youth.

Council's ability to maintain our local community's assets and deliver the outcomes residents want is constrained by our financial resources. Compared to very similar councils, Lithgow City Council collects considerably less rating income. An external review of our financial position assesses that Council requires an additional \$4.75 million annually to meet existing levels of service – mostly related to roads. Council also believes it requires a further \$1.25 million annually to provide additional economic and other services that will put our community in the strongest possible position to respond to local economic challenges and grasp local opportunities.

This brochure provides two options for you to consider for *Resourcing our Future*. We encourage you to review the options detailed below and "Have Your Say" on which option you prefer.

- **Option 1** proposes a rate increase to MAINTAIN service levels.
- **Option 2** proposes increasing rates ONLY by the annual rate peg increase set by IPART - which will REDUCE service levels.

Option 1

Option 1 – Service Levels Maintained

Under **OPTION 1**, we can continue to maintain the Council's services and \$530 million of infrastructure assets. We can also build capacity in Council's organisation to improve its financial sustainability and performance in future years.

IF YOU PREFER OPTION 1 'MAINTAINED' WE:

Maintain roads, footpaths, town centres and buildings to a level agreed with the community.

Address Council's infrastructure renewal backlog over time.

Maintain services to the community, including playing fields, parks, Aquatic Centre, libraries and community facilities.

Improve Council's financial sustainability and performance, including supporting local economic diversification.



Option 2

Option 2 – Service Levels Reduced

Under **OPTION 2**, Council would develop a plan prioritising essential services and reduce more discretionary services. The focus would be managing risk, including closure or removal of unsafe infrastructure. This plan would be developed and finalised with extensive community consultation.

IF YOU PREFER OPTION 2 'REDUCED' COUNCIL WILL:

Present a plan that prioritises essential services, that scales back the provision of infrastructure and services to align with existing Council revenues.

Reduce services for community and recreation facilities, less capacity to support and advocate for community services, closure of unsafe facilities.

Continue to reduce services as service levels will not be sufficient to ensure assets reach the end of their assumed asset lives.



How will OPTION 1 affect your rates?

Residential, Farmland and Business

Annual Rate Increase (%)	2023/24
Rate peg (expected annual increase)	2.5%
Special Rate Variation (SRV)	24%
Total Annual Increase	26.5%

The total increase to residential, business and farmland rates under OPTION 1 is 24% or 26.5% above the allowed increase (rate peg).

How will OPTION 2 affect your rates?

Residential, Farmland and Business

Annual Rate Increase (%)	2023/24
Rate peg (expected annual increase)	2.5%
Total Annual Increase	2.5%

The total increase to rates under OPTION 2 is 2.5% (rate peg only).

For Residential Ratepayers

For Farmland Ratepayers

For Business Ratepayers

Average Rates 2022/23	\$869.26	Average Rates 2022/23	\$1,705.50	Average Rates 2022/23	\$4,214.67
Add Rate peg 2.5%	\$21.73	Add Rate peg 2.5%	\$42.64	Add Rate peg 2.5%	\$105.37
Add SRV 24%	\$208.62	Add SRV 24%	\$409.32	Add SRV 24%	\$1,011.52
Average Rates 2023/24	\$1,099.61	Average Rates 2023/24	\$2,157.45	Average Rates 2023/24	\$5,331.56
Annual Change	\$230.35	Annual Change	\$451.96	Annual Change	\$1,116.89
Weekly Change	\$4.43	Weekly Change	\$8.69	Weekly Change	\$21.48

For Residential Ratepayers

For Farmland Ratepayers

For Business Ratepayers

Average Rates 2022/23	\$869.26	Average Rates 2022/23	\$1,705.50	Average Rates 2022/23	\$4,214.67
Add Rate peg 2.5%	\$21.73	Add Rate peg 2.5%	\$42.64	Add Rate peg 2.5%	\$105.37
Average Rates 2023/24	\$890.99	Average Rates 2023/24	\$1,748.13	Average Rates 2023/24	\$4,320.04
Annual Change	\$21.73	Annual Change	\$42.64	Annual Change	\$105.37
Weekly Change	\$0.42	Weekly Change	\$0.82	Weekly Change	\$2.03

Read the detailed [Our Place, Our Future Report](http://www.ourplaceourfuture.lithgow.com) www.ourplaceourfuture.lithgow.com

Option 1 raises an additional \$6.5 million (including rate peg) for our City and revenue is retained permanently.

Calculations are an estimate based on a typical rates notice using 2019 land values. The precise amount may vary depending on increases or falls in individual property values following 2022 valuations by the Valuer-General.

Option 2 - An initial \$4.7m of service reductions will be required from 2023/24 for the City to live within its means. Annual revisions will be undertaken with further service reductions as service levels will not be sufficient to ensure assets reached their assumed asset lives.