

# Media Release

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## **Lithgow Council approves a financial re-set for the future**

This week Lithgow Council made a major commitment to improving the city's infrastructure, growing the local economy and improving service delivery. Councillors endorsed to move forward with an application for a permanent increase to land rates.

Mayor Maree Statham highlighted that "The key feature of the decision, which was voted to be locked in, is that the increase to the residential, farming and business (general) rating categories will be limited to 27.7%. This demonstrates the deep regard the Council has had for the impact of any increase on residents and business-people."

"After months of the most extensive community consultation ever undertaken in this city, we received a mandate to address the great challenges we face – lifting investment up to the real cost of maintaining the community's assets (especially roads) and services, and transforming the local economy because it will, inevitably, be disrupted as mining and power generation reduce in output over time. A Special Rate Survey found that 80% of local people consulted consider maintaining and improving roads to be a key priority."

"The Council was also empowered to take the decision to increase land rates because the large business sectors of mining, power generation and quarries accepted that Lithgow needs to be financially secure as a city. The position taken

by these sectors is incredibly mature, and I thank them. Clearly, they share this Council's and the community's vision for a successful and resilient city."

Lithgow Council's General Manager, Craig Butler said, 'To do nothing was not an option. We heard that loud and clear from the many hundreds of people who we engaged with around this proposal. This Council has agreed not to accept an inevitable decline in the city's and the community's prosperity. The Council's decision is the correct decision because it provides the means to fundamentally re-position Lithgow for a desirable and sustainable future."

Mr Butler also said, "The proposal has been very carefully shaped. The result is that while the Council's overall income from land rates will increase by a maximum of 45.7% (including a 3.7% government approved amount for inflation), the average resident will have their increase limited to 27.7%. Discussions also continue with the mining and power generation businesses around the creation of a future fund, targeted at economic transformation. This could see the total land rate increase fall to around 38%."

Lithgow Council has previously heard that most rural and regional councils rate financial sustainability as their biggest challenge. It has been reported that numerous councils are considering increasing land rates so as to survive at a level where they can provide services. This includes –

- Armidale – cumulative 58% over three years
- Tenterfield - cumulative 104.49% general rate increase over two years
- Federation - cumulative 74.59% general rate increase over four years
- Walcha Shire - cumulative 57.74 % increase over three years
- Leeton Shire - cumulative 52.52% increase over two years
- Port Stephens - cumulative 34.92 % increase over three years
- Bega Valley – 35% in one year

- Cootamundra-Gundagai – cumulative 53.47% over four years from 2021-22
- Snowy Valleys – cumulative 35.9% over two years from 2022-23.

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