

## Special rate variation to fund implementation of the Biodiversity Management Strategy

### Background

On 5 May 2015, Council adopted the *Biodiversity Management Strategy for the Lismore Local Government Area 2015–2035* (BMS). This strategy was developed in response to the community's vision for Council to provide 'environmental leadership', as identified in the *Imagine Lismore 10 Year Plan*.

Successful implementation of the BMS requires reliable, long-term funding. Council investigated a range of long-term funding sources and came to the conclusion that the only sustainable way was through a Special Rate Variation (SRV) to increase rates. Consequently, on 5 May 2015, Council resolved to apply to the NSW Independent Pricing and Regulatory Tribunal (IPART) for an SRV to fund implementation of the BMS.

Council provided all affected ratepayers with information and an opportunity to provide feedback on the proposed rate increase from November 2014 to February 2015, and again in November 2015.

### What alternatives to a rate increase were investigated?

Council's initial *Imagine Lismore 4 Year Plan* proposed that the BMS would be implemented via grant funding from the former Commonwealth Government's Biodiversity Fund. However, Council was unsuccessful in its application and this funding program no longer exists. Council investigated several alternate funding mechanisms based on their ability to deliver reliable, long-term funding. The following funding options were investigated and were subsequently rejected:

- **General Purpose Revenue** – Funding implementation of the BMS through an annual budget of \$500,000 would substantially impact upon the delivery of the other services delivered by Council. Had this not been the case, Council would have allocated General Purpose Revenue to implement the BMS.
- **Rate rebates** – Rate rebates could be used as an incentive by Council for landholders willing to manage their land for biodiversity. However, any rebate program that provided sufficient incentive would need to be supported by a Council budget, at the expense of other services delivered by Council.
- **S94 contributions** – Developer contributions can be used as a method of funding public infrastructure (e.g. by funding preservation of a vegetated watercourse within a Council reserve), however this type of investment generally requires a large co-investment by Council.
- **Grant funding** – Grants are not a reliable source of funding as all government and most philanthropic funding bodies distribute grants through competitive application. There are no current grant programs that could deliver funding for substantial components of the BMS implementation program.

### What are the impacts of the proposed rate increase?

The proposed SRV is for a single year rate increase in 2016/17 to be retained permanently in the rates base. The percentage increase is 4.3% of Council's Total Rating Income, which includes an assumed annual rate-peg increase of 2.5% and 1.8% to fund the BMS. In the first year (2016/17), the BMS component of the proposed SRV would raise \$500,000 and in subsequent years this amount would increase by the annual rate-peg.

Ratepayers in the Farmland, Residential Rural and Residential Urban/Villages rating categories would incur both the rate-peg and BMS components of the SRV to be applied to rates from 2016/17. For ratepayers in the Business rating categories, only the annual rate-peg component of the SRV is to be applied to rates from 2016/17. Council considers business rates are already too high and business ratepayers would not receive sufficient benefits from implementation of the BMS to warrant paying the increase.

Only the annual rate-peg component of the SRV would be applied to ratepayers in the Business rating categories. Meaning Farmland, Residential Rural and Residential Urban/Village rating categories will pay slightly more to make up the 4.3% of the total SRV. This means the impact on these three rating categories is a 4.7% overall increase in 2016/17.

The impact of the proposed SRV on each ratepayer depends on their rating category and the NSW Valuer General's land value for their rated land. Table 1 indicates how the average ratepayer in the Farmland, Residential Rural and Residential Urban/Village rating categories would be impacted by the proposed SRV.

**Table 1: Impact of the Special Rate Variation applied to Farmland, Residential Rural and Residential Urban/Village rating categories:**

<b>FARMLAND</b>	<b>Average Land Valuation</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Average Farmland rate under rate pegging	\$375,000	\$2,216	\$2,271	\$2,328	\$2,386	\$2,446
Annual % Increase		2.4%	2.5%	2.5%	2.5%	2.5%
Average Farmland rate under the SRV	\$375,000	\$2,216	<b>\$2,319</b>	\$2,377	\$2,436	\$2,497
Annual % Increase		2.4%	<b>4.7%</b>	2.5%	2.5%	2.5%
Impact of SRV above 2015/16 levels			\$103			
BMS amount only			\$48			
<b>RESIDENTIAL RURAL</b>	<b>Average Land Valuation</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Average Residential Rural rate under rate pegging	\$192,000	\$1,383	\$1,418	\$1,453	\$1,489	\$1,526
Annual % Increase		2.4%	2.5%	2.5%	2.5%	2.5%
Average Residential Rural rate under the SRV	\$192,000	\$1,383	<b>\$1,448</b>	\$1,484	\$1,521	\$1,559
Annual % Increase		2.4%	<b>4.7%</b>	2.5%	2.5%	2.5%
Impact of SRV above 2015/16 levels			\$65			
BMS amount only			\$30			
<b>RESIDENTIAL URBAN/VILLAGE</b>	<b>Average Land Valuation</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Average Residential Urban/Village rate under rate pegging	\$113,000	\$1,109	\$1,137	\$1,165	\$1,194	\$1,224
Annual % Increase		2.4%	2.5%	2.5%	2.5%	2.5%
Average Residential Urban/Village rate under the SRV	\$113,000	\$1,109	<b>\$1,161</b>	\$1,190	\$1,220	\$1,251
Annual % Increase		2.4%	<b>4.7%</b>	2.5%	2.5%	2.5%
Impact of SRV above 2015/16 levels			\$52			
BMS amount only			\$24			

**What will the community get for its money?**

Besides benefiting biodiversity, the community will get: cleaner roadsides; confidence that Council is undertaking best environmental management practice in its activities; recognition for your work and community achievements; assistance to landholders and community groups to manage pests and weeds; opportunities to gain knowledge; assistance to manage bushland and riversides on rural land; more opportunities to get involved through community events, workshops and field days; well-managed urban bushland reserves; and more recreational opportunities in the urban setting, such as walking tracks.

Table 2 below provides a summary of activities and initiatives planned for 2016/17 to 2019/20. Activities and initiatives are planned to be ongoing.

**Table 2: Biodiversity Management Strategy Budget Summary – Year 1 to Year 4**

	BMS Action #	2016/17	2017/18	2018/19	2019/20
<b>Cleaning up our own backyard</b>					
<i>Planning and Processes</i>					
Review Operational Plan for Roadside Vegetation Management 2005	1	20,000			
Staged weed management in road reserve High Conservation Value areas	2	20,000	30,800	31,500	37,700
Complete vegetation mapping for the Lismore LGA	3	80,000			
<i>Supporting the community</i>					
Recognition of community achievements	25	5,000	5,100	5,300	5,400
Strategic conservation projects (e.g. wild dogs)	28	10,000	30,800	31,500	32,300
Education actions	57; 58	10,000	10,300	10,500	10,800
Subtotal		\$145,000	\$77,000	\$78,800	\$86,200
<b>Working with rural landholders</b>					
<i>Implementation</i>					
Rural landholder capacity building - project implementation	44	33,400	107,200	105,200	116,500
Rural landholder capacity building - extension officer	45	86,000	88,200	90,400	92,600
Rural and rural residential collaborative information pack	46	5,000	5,100	5,300	5,400
Coastal Zone Management Plan implementation - riparian restoration in rural areas	48	38,600	48,400	44,700	48,100
Community and industry group partnerships	47	20,000	30,800	36,800	32,300
Rate rebate program	38		10,300	10,500	10,800
Subtotal		\$183,000	\$290,000	\$292,900	\$305,700
<b>Working in the urban environment</b>					
Implement components of the Sport and Recreation Plan	54	20,000	21,500	26,300	26,900
Wellbeing and tourism initiatives	54	5,000	5,100	5,300	5,400
Weed management in urban bushland	52	25,000	30,800	31,500	32,300
Weed management in priority urban riparian areas	53	25,000	25,600	26,300	21,500
Road and traffic management for wildlife	13	26,000	25,600	26,300	10,800
<i>Koala Plan of Management Implementation</i>					
Advisory Group	14	1,000	1,000	1,100	1,100
Training program for development assessment	36	10,000			
Koala habitat restoration program	14	30,000	35,900	36,800	32,300
Study: koala density and population in koala planning area	14	30,000			16,200
Subtotal		\$172,000	\$145,500	\$153,600	\$146,500
<b>Total per year</b>		<b>\$500,000</b>	<b>\$512,500</b>	<b>\$525,300</b>	<b>\$538,400</b>

**When would the proposed rate increase start?**

Council will submit an application for an SRV to IPART in February 2016. It is expected that IPART will make its decision by May 2016. Should the application be approved by IPART, the proposed increase could commence from 1 July 2016.



## 13. Community Vision: Environmental leadership

### 10 Year Objectives

1. Environmental Partnering Project – Rural Landholder Capacity Building
2. Implement the Comprehensive Koala Plan of Management for SE Lismore
3. Develop and Implement a Biodiversity Management Strategy

### Four Year Program

Activities	Responsible Person	Performance Measures	Costs \$	Timeframes			
				2013/14	2014/15	2015/16	2016/17

#### Activity 1 | Rural Landholder Capacity Building

1.1	Engage Natural Resource Management Officer & establish partnership with rural landholders to improve the capacity for sustainable farming and long-term profitability	Manager Integrated Planning	Natural Resource Management Officer & partnering group established Communication network established Information needs analysis completed Information delivered via network	From partnering budget				
1.2	Develop rural landholder communication network and needs analysis							
1.3	Develop best practice land management prgms							
1.4	Information delivery to support best land management practices							

#### Activity 2 | Koala Plan of Management

2.1	Develop, implement and train regulatory and monitoring procedures	Manager Integrated Planning	Increase koala habitat quality and quantum Increased koala population	From existing operational budget and partnering budget				
2.2	Implement habitat restoration and management actions							
2.3	Develop and implement communication and education activities							
2.4	Implement dog management program							
2.5	Audit, develop and implement koala road safety measures							

#### Activity 3 | Biodiversity Management Strategy

3.1	Develop Biodiversity Management Strategy	Manager Integrated Planning	Strategy developed on time and budget Priority actions implemented on time and budget Increase region's biodiversity	60,000				
3.2	Implement Biodiversity Strategy Council has applied for \$4 million under the Biodiversity Fund for its 'Red Earth Green Veins' project. If successful will remove the need for funds in 2015 & 2016.							

Please refer to page 5 for a detailed description of the Biodiversity Management Project