

1 August 2022



Dear Sir/Madam

Consulting about proposed changes to commence on 1 July 2023

I am writing to you in relation to important decisions that this Council must take about the city's future, including the levels to which community infrastructure is maintained and the services we are able to offer to the community.

The background is that, in preparing for this term of Council, the General Manager commissioned a significant piece of research about Council's financial capacity. This was undertaken by independent experts who are external to the Council. The research was necessary because, despite decisive action being taken to reduce costs and increase revenue, the Council has experienced a sustained period of deficits in its financial operating results for approximately two decades. Furthermore, it has been explained to the Council that these deficits will continue in the future unless even more significant actions are taken.

Put simply, the Council has received clear advice that the current available funding received is insufficient to continue the existing service levels into the future.

The research found 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 the local economic challenges and grasp other opportunities.

This means that there are some important decisions that Council must make about the future. We need your input.

Council is seeking your input on two options. The detail of the two options is explained in the attachments. To summarise, one option involves an increase in rates to address the abovementioned identified shortfall. The other option would require service levels to be reduced.

I emphasise that the Council has not chosen one of these options over the other. That decision will be informed by public opinion. Consultation on these proposals has commenced. It will be extensive and provide many opportunities for you to participate and offer your opinion.

I assure you that Council is committed to both meeting the needs of our community and ensuring a successful future for the city. I also assure you that the Council is very alert to the issue of the capacity for our community to pay. The information pack accompanying this advice explains how this has been addressed.

To help us to make the best decision for this city and its community, current and future, I encourage you to have your say on the options put forward.

Yours Sincerely



Cr Maree Statham
MAYOR

26 July 2022

Consulting about proposed changes to commence on 1 July 2023

Important decisions about our community assets and services

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

In 2021/22, an external review of our financial position assessed 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 the local economic challenges and grasp local economic opportunities.

Council is seeking your input on two options about our future.

What are the options?

Option 1 – Service Levels Maintained

Council would apply for a permanent increase in our land rates income (a Special Rate Variation) above the peg rate set by IPART. Land rates excludes water, sewer and waste charges.

The external review identified a shortfall of \$6 million in Council's annual general revenues which equates to a 42% overall increase in rates.

Care has been taken to distribute the rating as fairly as possible amongst the various rating categories, and the impact on residential rating under this proposal would be 26.5% (including expected rate peg).

Water, sewer and waste charges are not included in a Special Rate Variation.

Option 2 Service Levels Reduced

Council understands that it is a difficult decision to substantially increase rates.

If Council chooses not to proceed with a rating increase or IPART determines not to approve Council's application, Council will undertake a comprehensive review of its services and present a plan to the community for a reduction in levels of service.

The plan will prioritise the maintenance of essential services over discretionary services.

Council anticipates that this process would take approximately twelve months and will again involve extensive community engagement.

Why Now?

Council faces growing challenges to maintain community assets and services at existing levels. Rising costs have not kept pace with income. Council has experienced a decade of deficits in its financial operating results. As a result, decisive action has been taken to contain costs and increase revenue. Notwithstanding, deficits will continue if nothing changes into the future. Council has a responsibility to 'live within its means' over the long-term.

Put simply, Council's available funding is insufficient to continue current service levels into the future.

How will a proposed Special Rates Variation affect my rates?

Council has developed a Rates Calculator which is available on the Our Place Our Future webpage - www.ourplaceourfuture.lithgow.com.

To use the calculator, you will need to know the valuation of your property that is set by the Valuer General. This value is based on the land value only and does not include any improvements such as buildings. The valuation of your property can be found in the financial details section of your rate notice.

Council has a Hardship Policy to accommodate the special needs of those unable to pay their rates in full on time. Council is pleased to confirm that the pensioner rebate scheme will be maintained.

How to Have Your Say

- Review the information in this pack. There is a more detailed Our Place Our Future report at - www.ourplaceourfuture.lithgow.com.
- Complete the feedback form and return it to Council or use the website form at www.ourplaceourfuture.lithgow.com.
- Attend a town hall session - these will be held throughout the area from early August to mid-September.
- Schedule a one-on-one meeting with a Council officer at a café pop-up stand.
- Alternatively, you can send Council an email – srv@lithgow.nsw.gov.au or telephone 6354 9988.

Council will conduct a telephone survey of a sample of residents to assess views on the options . This will take place in October 2022.

I would like to assure you that Council is committed to both meeting the needs of our community and ensuring a successful future for the city. To help us to make the best decision for the Lithgow LGA, I encourage you to have your say on the options put forward.

Yours Sincerely


Craig Butler
GENERAL MANAGER



HAVE YOUR SAY
on options for a sustainable
LITHGOW

Our place, Our future



THE
Seven Valleys™
LITHGOW • WOLGAN • KANIMBLA • CAPERTEE • MEGALONG • HARTLEY • TARANA

HAVE YOUR SAY

on options for a sustainable

LITHGOW

Consulting about proposed changes to commence on 1 July 2023

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.

What is this brochure about?

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 – 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 – 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% with 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

Average Rates 2022/23	\$869.26
Add Rate peg 2.5%	\$21.73
Add SRV 24%	\$208.62
Average Rates 2023/24	\$1,099.61
Annual Change	\$230.35
Weekly Change	\$4.43

For Farmland Ratepayers

Average Rates 2022/23	\$1,705.50
Add Rate peg 2.5%	\$42.64
Add SRV 24%	\$409.32
Average Rates 2023/24	\$2,157.45
Annual Change	\$451.96
Weekly Change	\$8.69

For Business Ratepayers

Average Rates 2022/23	\$4,214.67
Add Rate peg 2.5%	\$105.37
Add SRV 24%	\$1,011.52
Average Rates 2023/24	\$5,331.56
Annual Change	\$1,116.89
Weekly Change	\$21.48

For Residential Ratepayers

Average Rates 2022/23	\$869.26
Add Rate peg 2.5%	\$21.73
Average Rates 2023/24	\$890.99
Annual Change	\$21.73
Weekly Change	\$0.42

For Farmland Ratepayers

Average Rates 2022/23	\$1,705.50
Add Rate peg 2.5%	\$42.64
Average Rates 2023/24	\$1,748.13
Annual Change	\$42.64
Weekly Change	\$0.82

For Business Ratepayers

Average Rates 2022/23	\$4,214.67
Add Rate peg 2.5%	\$105.37
Average Rates 2023/24	\$4,320.04
Annual Change	\$105.37
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.

HAVE YOUR SAY

on options for a sustainable

LITHGOW

COMMUNITY CONSULTATION

1 AUGUST - 10 OCTOBER



Talk to a member of our team

Council acknowledges that not everyone has access to the Internet, so we will be visiting our rural areas to meet with you. **MAKE AN APPOINTMENT TODAY** to meet with a member of our Team who will answer your questions regarding the options for a sustainable future and assist you to calculate your rates phone 6354 9988 and speak with Deb or Emma to book your appointment at one of the following locations.

- Hampton Halfway House - Wednesday, 17 Aug
- Cullen Bullen Hall - Wednesday, 24 Aug
- Glen Davis Community Hall - Wednesday, 31 Aug
- Cranbrook School, Wolgan - Wednesday, 14 Sept
- Monkey Creek Cafe, Dargan - Wednesday, 21 Sept
- Mumma Snow's Cafe, Tarana - Wednesday, 28 Sept



Phone or visit the Council Administration Centre to speak to a member of our Rates Team.

02 6354 9988

For more information

Online: www.ourplaceourfuture.lithgow.com

Hardcopy: Council Administration Centre and Council Libraries.

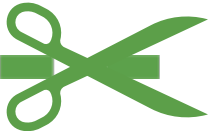
Email: council@lithgow.nsw.gov.au

Read the detailed **Our Place, Our Future Report**
www.ourplaceourfuture.lithgow.com

Keep this brochure

A cross section of ratepayers will be asked to participate in a telephone survey from 1 - 7 October.

Please keep this brochure handy in case you are selected to participate.



SUBMISSION FORM

My preferred option is (please tick one box)

Option 1 – Service Levels Maintained

Option 2 – Service Levels Reduced



Information Sessions

Council will be conducting community information sessions across the Seven Valleys during August/ September. **SAVE THE DATE** to attend a session near you. All sessions (where possible) will be recorded, so if you are unable to attend you can watch the replay on the Our Place, Our Future Website.

- Crystal Theatre, Portland - Saturday 13 Aug, 1pm
- Union Theatre, Lithgow - Saturday 20 Aug, 1pm
- Wallerawang Community & Sports Club
Saturday 27 Aug, 1pm
- Capertee Memorial Hall - Saturday 3 Sept, 10am
- Hartley Old School Hall - Saturday 17 Sept, 10am
- Rydal Showground Hall - Saturday 24 Sept, 10am



Try our Online Rates Calculator

Use our online rates calculator to find out how the option for a sustainable Lithgow will impact your rates.

www.ourplaceourfuture.lithgow.com

Make a submission

Fill in the form below and return to:

Lithgow City Council, 180 Mort St (PO Box 19), LITHGOW
2790 or drop it into the Libraries.



OR **make your submission online** at
www.ourplaceourfuture.lithgow.com

Submissions close Friday 16 September 2022

Your Name: _____

Postal Address: _____

11
Sports fields

1
Administration
Centre

1
Animal
Shelter

1
Visitor Information
Centre

1
Golf Course
332ha

14
Cemeteries

2
Depots

304
Buildings &
Structures

1
Lithgow Blast
Furnace Heritage
site

55
Parks &
Reserves

1
Aquatic
Centre

3
Libraries

1
Museum

130km
Footpaths

60km
Stormwater
Pipes

279km
Kerb & Gutter

48
Bridges

975km
Roads

8,236
Consumers
connected to
potable water

1669
Drainage Pits

5
Waste Transfer
Stations

2
Prescribed
Dams

1
Solid Waste
Facility

3
Garbage
Depots

372km
Water Mains

1
Water
Treatment
Plant

3
Water
Pump Stations

14
Reservoirs

3
Sewerage
Treatment

148km
Gravity Sewer

39
Sewerage
Pump Stations

32
Rising Sewer
Mains

14km
Sewer Trunk
Mains