



Presentation Proposed 19% Rate Increase from 2014/15

December 2013

Why a Rate Increase for LPSC?

- The Independent Local Gov't Review Panel Report to the NSW Government – Structural reform – lists 52 Rural Councils “at risk” including LPSC. Those councils are detailed on pages 4 and 5 of the handout and show, in bold, the recommendations from the Panel. LPSC is only one of three councils not being suggested to merger.
- **However, LPSC is recommended to be reviewed in 2020 regarding a possible merger with Gunnedah**
- The NSW Treasury Corporation Report on the financial sustainability of LPSC currently rates us as “weak with a negative outlook” – we will be financially unsustainable in the long term unless we are successful with a special rate variation (SRV)
- **We must improve our financial position and generate operating surpluses while simultaneously increasing maintenance and construction works. On the third page of the handout it states that 23 councils applied for a special rate variation in 2013 and that Treasury Corp believes this is merely the tip of the iceberg.**
- Our current budget has been cut \$325,000 which is equivalent to a 5% rate increase – Any further expenditure reductions will impact on service levels and this will require community input and discussion.

Makeup of 19% Rate Increase

- Current 5 year Expiring Special Rate Variation of 6.5% which commenced July 2009 and ceases June 2014 - we are asking that this continue permanently to undertake extra gravel resheeting, resealing and drainage works.
- **The estimated standard rate pegging increase of 2.3% for 2014/15 is included in the 19%.**
- The remaining 10.2% increase is for additional maintenance and construction works which will then reduce our infrastructure backlog & depreciation expense & make us financially sustainable in the future
- **The special rate increase does not apply to garbage, water or sewerage charges which are separate.**

Rate Comparison as per DLG Comparative Indicators 2011/12

Council	AV Residential Rate	% Change to LPSC	AV Business Rate	% Change to LPSC
Gunnedah	\$577	+ 6.9%	\$3,089	+ 118.0%
Narrabri	\$766	+ 41.9%	\$1,775	+ 25.3%
Tamworth	\$729	+ 35.0%	\$2,534	+ 78.9%
Upper Hunter	\$576	+ 6.7%	\$974	- 45.5%
LPSC	\$540	0	\$1,417	0
Warrumbungle	\$452	- 19.5%	\$1,339	- 5.8%
Mid-Western	\$737	+ 36.5%	\$1,857	+ 31.0%
Moree	\$842	+ 55.9%	\$2,902	+104.8%

Impact of Rate Increase on Businesses

- Quirindi average business rate increase will be \$211 p.a. or \$4.05 per week.
- **Werris Creek average business rate increase will be \$140 p.a. or \$2.70 per week.**
- Village average business rate increase will be \$121 p.a. or \$2.33 per week.

Impact of Rate Increase on Residential

- Quirindi average residential rate increase will be \$119 p.a. or \$2.28 per week.
- **Werris Creek average residential rate increase will be \$93p.a. or \$1.79 per week.**
- Village average residential rate increase will be \$88 p.a. or \$1.69 per week

Impact of Rate Increase on Others

- Werris Creek Coal Mine rate increase will be \$53,243 p.a. or \$1,024 per week.
- **Farmland average rate increase will be \$676 p.a. or \$13 per week.**
- Rural Residential rate increase will be \$142 p.a. or \$2.73 per week.

What Will the Extra Rates be Spent on?

The additional revenue raised will total just over \$1m p.a & the major projects to benefit over the next few years include:

- Bundella Rd - \$243,000
- **Dewhurst St Qdi - \$226,000**
- Single St Werris Creek – western side - \$340,000
- **George St Qdi – Henry to William -\$1.1m**
- Moreduval lane - \$566,000
- **Numerous bitumen sealing projects each year**
- Gravel Resheeting of unsealed roads each year
- **Local road rehabilitation projects and**
- Kerb and guttering

Next Steps

- **Council needs to consider feedback from the community consultation which includes an independent telephone survey of 200 residents & this starts tonight.**
- **We need to complete our draft Budgets before Christmas**
- The application must be submitted to IPART by the end of February 2014.
- **If approved, rates will increase from July 2014.**
- **Council does have in place a hardship policy and will look at extended repayment plans for those ratepayers who may be experiencing any financial difficulties.**



Thankyou – Questions?

RATES LEVY – 2014-15

Rate Category	Total Amount		% Total
Quirindi Residential	\$915,000		
Werris Creek Residential	\$389,000		30%
Quirindi Business	\$417,000		
Werris Creek Business	\$44,000		10%
Total Rates	\$1,332,000	\$433,000	25%

MAINTENANCE EXPENDITURE 2012/13

Description	Werris Creek	Quirindi
Street & Gutter Cleaning	\$57,184	\$85,776
Town Street Maintenance	\$80,649	\$142,969
Cemeteries	\$4,156	\$25,819
Public Toilets	\$6,363	\$46,008
Libraries	\$163,145	\$212,229
Railway Museum	\$8,283	-
Swimming Pools - net	\$115,990	\$89,576
Parks Maintenance	\$37,335	\$182,368
Showground/Race Course	-	\$249,841
Recreation Centres	\$1,713	\$65,566
Theatre/Cinema	-	\$63,674
TOTAL	\$474,818	\$1,163,826
Business & Residential Rates	\$433,000	\$1,332,000
Difference	-\$41,818	\$168,174