



Attachment 7

Special Rate Variation













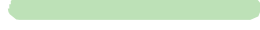














Online Survey Report

QA. Do you or an immediate family member work for Council?

		Response percent	Response total
Yes		3.75%	6
No		96.25%	154

Statistics based on 160 respondents;

Q1. Which town/village do you live in/near?

		Response percent	Response total
Ben Bullen		0.63%	1
Blackman's Flat		0%	0
Bogee		0.63%	1
Bowenfels		9.38%	15
Capertee		1.88%	3
Clarence		1.25%	2
Cullen Bullen		0%	0
Dargan		0%	0
Glen Alice		1.25%	2
Glen Davis		1.25%	2
Good Forest		0%	0
Hampton		0.63%	1
Hartley		2.5%	4
Hartley Vale		0.63%	1
Hermitage Flat		0.63%	1
Kanimbla		0.63%	1
Lidsdale		1.25%	2
Lithgow		29.38%	47
Little Hartley		2.5%	4
Littleton		3.75%	6
Lowther		0%	0
Marrangaroo		1.88%	3
Megalong		0.63%	1
Pipers Flat		1.88%	3
Portland		10%	16
Round Swamp		0.63%	1
Rydal		1.88%	3
Sodwalls		0.63%	1
South Bowenfels		6.88%	11
Tarana		0%	0
Vale of Clwydd		2.5%	4
Wallerawang		6.88%	11
Wolgan Valley/Newnes		0.63%	1
Other		7.5%	12

Statistics based on 160 respondents;

Planning precinct

		Response percent	Response total
Rural North		10.81%	16
Rural South		10.81%	16
Lithgow		56.76%	84
Wallerawang		8.78%	13
Portland		12.84%	19

Statistics based on 148 respondents;

Lithgow residents have consistently told Council that assets such as Transport (sealed roads, unsealed roads, footpaths, cycleways, bridges and road drainage), Stormwater Drainage and Buildings are important to them, and that Council needs to improve their condition. Business improvement initiatives are also considered important to residents. In addition to this, the State Government introduced its Fit for the Future Reform in 2014, which required all NSW councils to assess the current status of their financial sustainability and asset management, and submit an improvement proposal demonstrating how they will become Fit for the Future.

Council currently spends approximately \$19 million on the maintenance and renewal of infrastructure assets each year, however, Council should be investing at least an additional \$1.1 million per year to keep assets safe and functioning.

In preparing its submission on how to achieve long term financial sustainability, Council identified that despite its best efforts, the funding available is not enough to keep community assets in an acceptable condition in the long term.

There is no easy solution to address this funding gap. Put simply, if Council does not address this gap now, the community assets that Council manages will deteriorate and in the future may become unusable. A proposed Special Rate Variation will be necessary to maintain and manage current assets to ensure that Council delivers services in line with community expectations and remains financially sustainable into the future.

Council acknowledges that any rate increase may adversely impact some community members. Council has a Hardship Policy and alternative payment options to assist ratepayers should they have difficulty keeping up with their rate payments. Please contact Council for further information regarding this.

There are two options which we would like you to consider. Each option will have varying impacts on local assets and service quality.

Option 1 – Current SRV expires + rate peg. Our assets would continue to decline with more assets in poor condition. The focus would be on managing risk, including the possible closure and removal of unsafe assets and reduction of services.

Option 2 – Maintain the current SRV + Rate Peg + one off (permanent) 4.23% SRV. We would stabilise the deterioration of our community assets and be able to fund the required renewal and maintenance of our assets into the future.

Let's look at the options in more detail:

Option 1 Current SRV expires + rate peg

On 1 July 2019, the current 4.77% SRV expires. A 2.7% rate peg would be added to the lower rate base. The projected loss of rates revenue due to the expiry of the current SRV is estimated at \$624,000 for the 2019/20 year.

Even though the rate peg increase would apply each year, the expiry of the current 4.77% SRV will mean in 2019/20, the average base residential rate of \$763 will be reduced by \$16 next year and the average base farmland rate of \$1439 will be reduced by \$29.

Under this option the impact would be further deterioration of assets, including the worsening of:

- Roads
- Footpaths
- Cycle ways
- Bridges
- Road drainage
- Stormwater drainage
- Community buildings

Council would also have virtually no capacity for new capital works, meaning it would have difficulty funding new assets such as footpaths, shared pathways, and community facilities. It would also be unable to undertake works like the sealing of gravel roads, or the progressive rehabilitation of the local sealed road network.

In order to meet the Fit for the Future financial benchmarks, Council would be required to reduce or close services.

Q2a. How supportive are you of Council proceeding with Option 1?

		Response percent	Response total
Not at all supportive		25.63%	41
Not very supportive		13.75%	22
Somewhat supportive		20%	32
Supportive		12.5%	20
Very supportive		28.13%	45

Statistics based on 160 respondents;

Option 2: Maintain the current SRV + rate peg + one-off (permanent) 4.23% SRV

Council proposes to apply to retain the current SRV of 4.77%. Council also plans to request an additional one-off permanent increase of 4.23%. The total SRV application will be for a 9% increase in rates revenue (i.e. the current 4.77% SRV plus a new 4.23% SRV). The 2.7% rate peg will also be added. The impact on ratepayers will be a new 4.23% SRV plus the rate peg.

This would mean that in 2019/20 the average base residential rate \$763 will increase by \$52 per year. While the average base farmland rate of \$1439 will increase by \$100 per year.

The projected total SRV income (from maintaining the current SRV plus adding the new SRV) is estimated at \$1.178 million for the 2019/20 year.






\$725,000 on Transport (sealed roads, unsealed roads, footpaths, cycleways, bridges and road drainage)
\$100,000 on stormwater drainage
\$250,000 on buildings

Approximately \$100,000 on business improvement initiatives which will either generate additional revenue or reduce long-term costs

As part of this program, Council would be able to fund a limited program of asset upgrades with a focus on the sealing of gravel roads, the rehabilitation of sealed roads stormwater drainage and building improvements. Council would also be able to increase its preventative maintenance and renewal program to stabilise the condition of priority assets.

Council would also be able to meet the Fit for the Future financial benchmarks and maintain current services levels.

Q2a. How supportive are you of Council proceeding with Option 2?

		Response percent	Response total
Not at all supportive		70%	112
Not very supportive		15%	24
Somewhat supportive		6.88%	11
Supportive		3.13%	5
Very supportive		5%	8

Statistics based on 160 respondents;

Q3a. Please rank the 2 options in order of preference:

	1st preference ■	2nd preference ■		Response total
Option 1 - Current SRV expires + rate peg	85% (136)	15% (24)		160
Option 2 –Maintain the current SRV + Rate Peg + one off (permanent) 4.23% SRV	15% (24)	85% (136)		160

Statistics based on 160 respondents;

Q3b. What is your reason for choosing [Q15.C1] as your highest preference?

		Response total
1	For responses to this question see Attachment 6 – Reasons	159
2	For choosing option 1 or 2 as your highest preference report	106
3	(Q3b of online survey).	89
4		65
5		47

Statistics based on 160 respondents;

Q4a. Prior to this survey, were you aware that Council was exploring community sentiment towards a Special Rate Variation?

		Response percent	Response total
Yes		36.88%	59
No		59.38%	95
Not sure		3.75%	6

Statistics based on 160 respondents;

Q4b. How were you informed of the Special Rate Variation?
Please select all that apply.



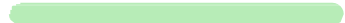

		Response percent	Response total
Mail out		49.15%	29
Council website		11.86%	7
Newspaper advertise		10.17%	6
Council eNewsletter		1.7%	1
Mayoral Column		1.7%	1
Social Media		45.76%	27
Other		18.64%	11

Statistics based on 59 respondents;

Demographics

The following information is used for demographic purposes only.

Q5. Please select your age bracket.

		Response percent	Response total
18-34		10.63%	17
35-49		32.5%	52
50-64		38.75%	62
65+		18.13%	29









Statistics based on 160 respondents;

Q6. Which of the following best describes the house where you are currently living?

		Response percent	Response total
I/We own/are currently buying this		98.13%	157
I/We currently rent this property		1.88%	3


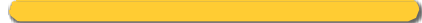
Statistics based on 160 respondents;

Q7. Which of the following best describes your current employment status?

		Response percent	Response total
Work full time in the LGA		32.5%	52
Work full time outside the LGA		15.63%	25
Work part time in the LGA		9.38%	15
Work part time outside the LGA		3.75%	6
Home duties		1.25%	2
Student		0%	0
Retired		19.38%	31
Unemployed/Pensioner		6.88%	11
Other		11.25%	18

Statistics based on 160 respondents;

Q8. Please select your gender.

		Response percent	Response total
Male		52.5%	84
Female		47.5%	76

Statistics based on 160 respondents;

To find out more information about Lithgow City Council's policies and Special Rate Variation proposal, please visit www.haveyoursay.lithgow.com

Thank you for your time and assistance. This market research is carried out in compliance with the Privacy Act, and the information you provided will be used for research purposes only. This research was conducted by Micromex Research on behalf of Lithgow Council.

To submit your response, please select the 'submit' button below. This may take up to 30 seconds.