

**LACHLAN SHIRE COUNCIL**

**Special Rate  
Variation  
Presentation**

**2016/17 - 2019/20**



# Context

- For LSC to become “Fit for the Future” it had to meet several financial, infrastructure and efficiency targets.
- Following a thorough review of our operations, we reduced expenditure, cut staff, raised some user fees and charges, looked at increasing productivity, borrowed money, reviewed service levels and proposed a rate increase of 33% to be staged over 4 years.
- LSC then met all the targets with the exception of scale and capacity which IPART stated was due to our population being under 10,000, however the Government believes some Councils do have scale and capacity and LSC is awaiting advice on this.



# Proposed Rate Increase

- LSC has twice previously engaged Micromex Pty Ltd to independently survey 250 community members on whether they would support a 33% rate increase to enable LSC to be financially fit for the future and the majority of those surveyed indicated they would support a rate increase.
- LSC is now making an application to IPART to approve a 32.31% increase over 4 years and part of that application process is to ensure the community is aware of the proposed rate increase and its financial impacts on residents.
- Of the 32.31% increase, 9.31% is represented by rate peg increases which would normally be payable over the 4 year period. LSC is basically seeking a 5% per annum increase above the rate peg increase in each of the 4 years and this increase is to remain permanent. The usual rate peg increases will then resume in 2020/21

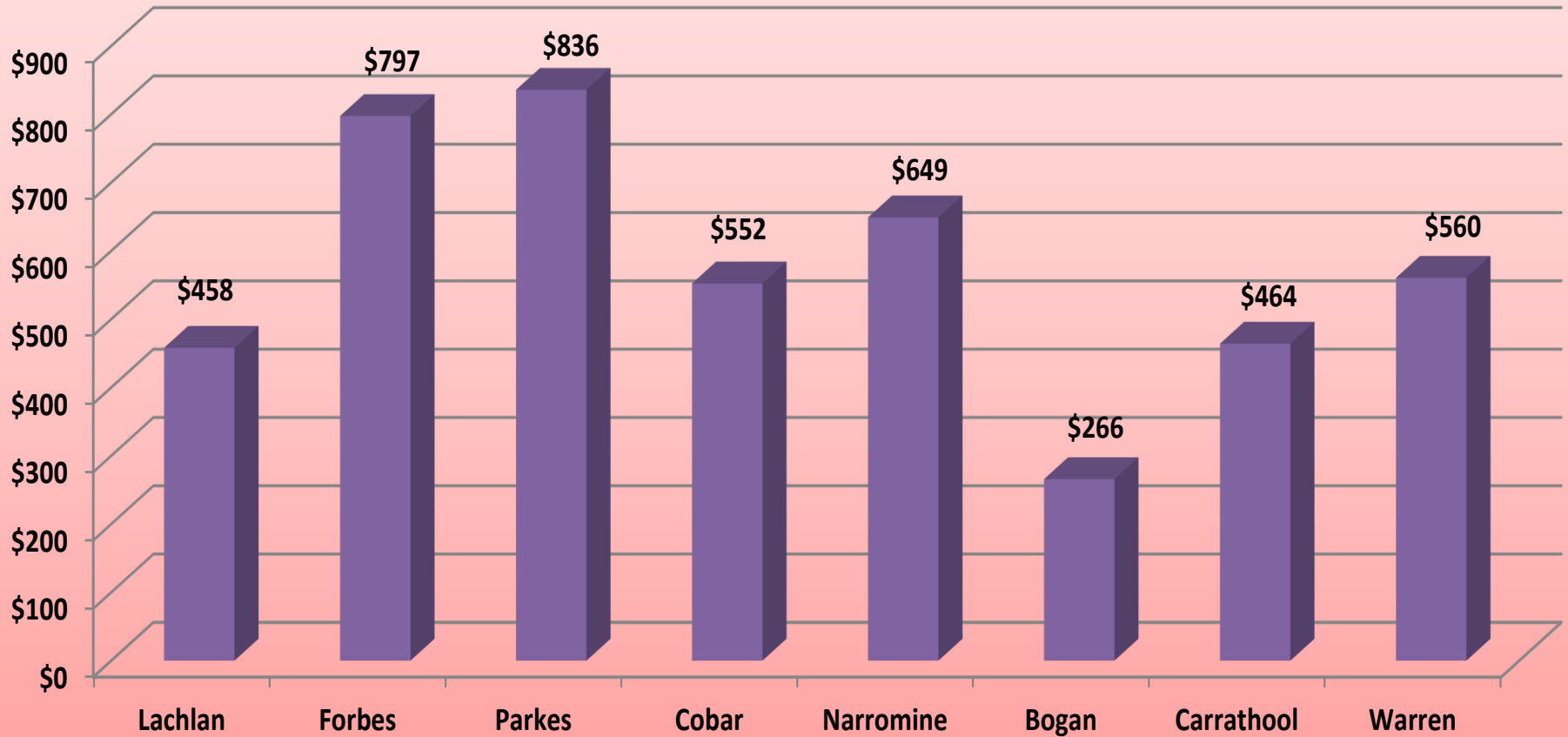


# Rate Comparison 2015/16

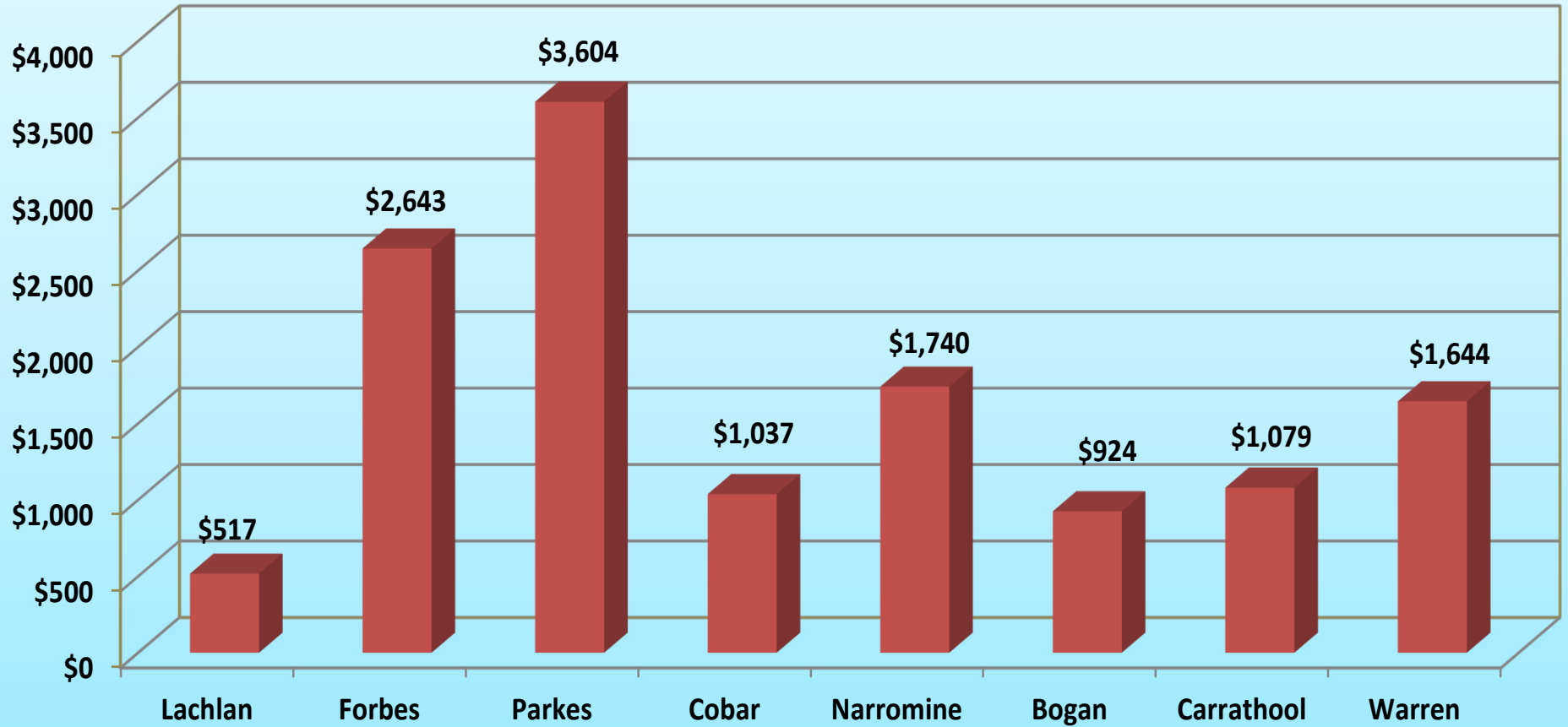
Council	AV Residential Rate	AV Business Rate	AV Farmland Rate
LACHLAN	\$458	\$517	\$2,676
Parkes	\$836	\$3,604	\$2,272
Narromine	\$649	\$1,740	\$3,425
Forbes	\$797	\$2,643	\$2,270
Cobar	\$552	\$1,037	\$1,563
Bogan	\$266	\$924	\$2,484
Warren	\$560	\$1,644	\$5,379
Carrathool	\$464	\$1,079	\$2,736



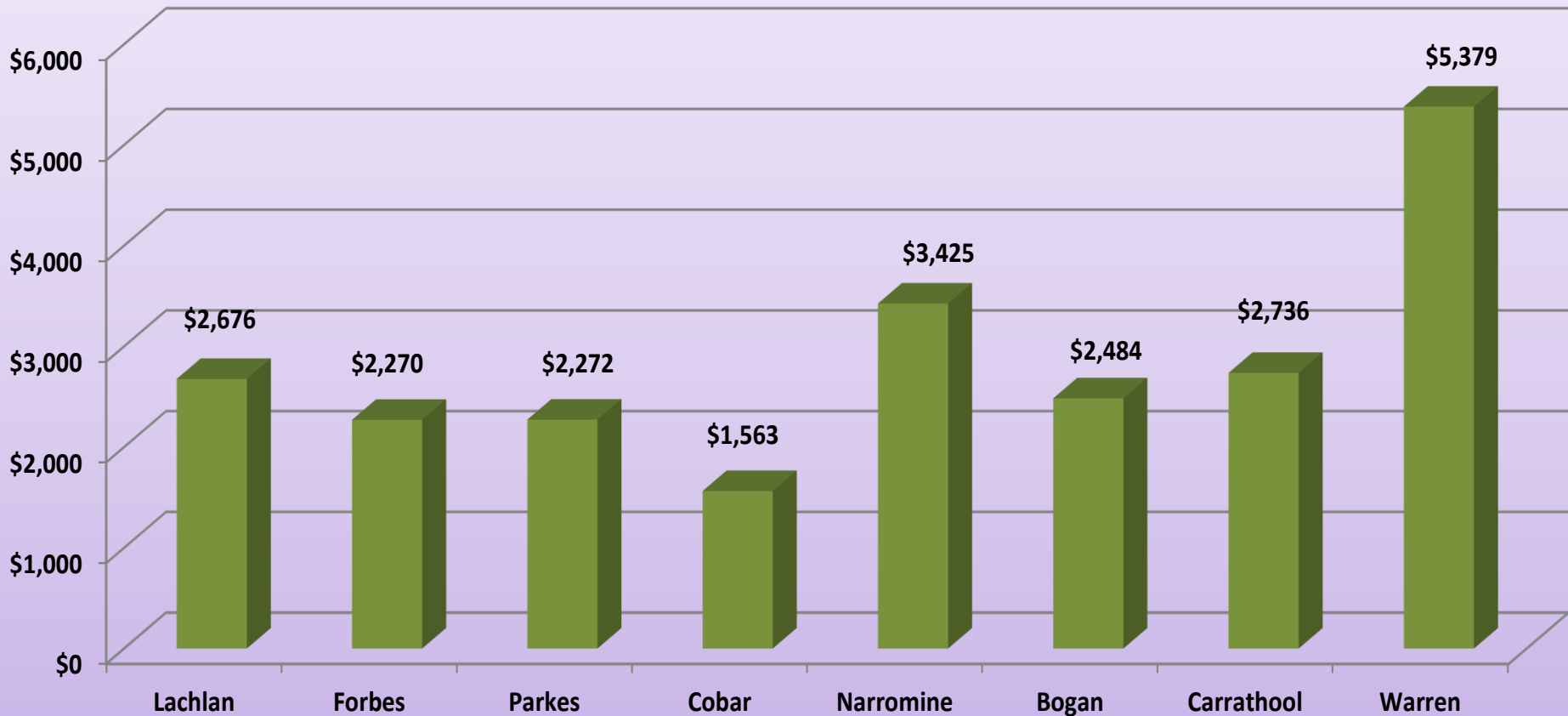
## Average Residential Rates



## Average Business Rates



## Average Farmland Rates



# Impact on Residential Rates

	2015/16	2016/17	2017/18	2018/19	2019/20	Cumulative Increase
Average residential rate under rate peg of 1.8% in 2016/17 then 2.4% from 2017/18 onwards	\$446	\$454	\$465	\$476	\$488	9.2%
Average residential rate with a SRV of 6.8% in 2016/17 then 7.4% from 2017/18	\$446	\$477	\$512	\$550	\$591	32.3%
Cumulative impact of SRV above 2015/16 levels		\$31	\$66	\$104	\$145	\$145 p.a or \$2.80 p.w



# Impact on Non Urban Residential Rates

	2015/16	2016/17	2017/18	2018/19	2019/20	Cumulative Increase
Average non urban residential rate under rate peg of 1.8% in 2016/17 then 2.4% from 2017/18 onwards	\$571	\$581	\$595	\$609	\$624	9.2%
Average non urban residential rate with a SRV of 6.8% in 2016/17 then 7.4% from 2017/18	\$571	\$610	\$655	\$703	\$755	32.3%
Cumulative impact of SRV above 2015/16 levels		\$39	\$84	\$132	\$184	\$184 p.a Or \$3.54 p.w

# Impact on Business Rates

	2015/16	2016/17	2017/18	2018/19	2019/20	Cumulative Increase
Average business rate under rate peg of 1.8% in 2016/17 then 2.4% from 2017/18 onwards	\$517	\$526	\$538	\$551	\$564	9.1%
Average business rate with a SRV of 6.8% in 2016/17 then 7.4% from 2017/18	\$517	\$551	\$592	\$636	\$683	32.1%
Cumulative impact of SRV above 2015/16 levels		\$34	\$75	\$119	\$166	\$166 p.a Or \$3.20 p.w

# Impact on Farmland Rates

	2015/16	2016/17	2017/18	2018/19	2019/20	Cumulative Increase
Average farmland rate under rate peg of 1.8% in 2016/17 then 2.4% from 2017/18 onwards	\$2,676	\$2,724	\$2,790	\$2,857	\$2,925	9.3%
Average farmland rate with a SRV of 6.8% in 2016/17 then 7.4% from 2017/18	\$2,676	\$2,858	\$3,070	\$3,297	\$3,541	32.3%
Cumulative impact of SRV above 2015/16 levels		\$182	\$394	\$621	\$865	\$865 p.a Or \$16.63 p.w

# What will the Additional Rate Income be Spent on?

- **LSC will allocate the additional rate income to increasing maintenance of council assets such as buildings and roads and renewal of infrastructure.**
- **This will ensure we attain and continue to meet the Government's performance targets in relation to the level of maintenance and asset renewal.**



# Where to From Here?

- Submissions on this SRV can be made direct to IPART on its website [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au) up until 15<sup>th</sup> March 2016.
- Council must have its submission to IPART by 15<sup>th</sup> February 2016 and will be notified of its success or otherwise prior to June 30<sup>th</sup>.
- Please note that Council does have a hardship policy and should the proposed rate increase (if approved) place too much of a financial burden on you then please contact our Chief Financial Officer for a confidential discussion.
- For further information please contact the General Manager, Robert Hunt or the Chief Financial Officer, John Chapman on 6895 1900

