

Lachlan Shire Council

Fit for the Future

Prepared by: Micromex Research

Date: October 2015



Background



Background and Objective

Background

IPART, under the guidelines provided by the State Government, has found that despite Lachlan Council meeting all the financial sustainability, infrastructure and efficiency criteria it is not fit for the future.

This was determined because with a forecast population decline up to 2031, Lachlan Shire Council did not meet the State's scale and capacity requirements to deliver services cost-effectively for its community and to partner effectively with governments.

The findings of the IPART report indicated that according to IPART's modelling the future of Lachlan Shire Council would be best served by merging the current council with Parkes Shire Council.

To further encourage this, State Government has offered to increase the financing of future merged entities by an additional \$5 million dollars to each new merged entity for infrastructure improvements .

Lachlan Shire Council sought an independent research agency to gather community input to determine the next steps for the Shire.

Research Objectives

Specifically, the research focused on providing:

- Measure community support for standing alone or merging with Parkes Shire Council once made aware of the financial implications
- Measure community preference for standing alone or merging with Parkes Shire Council once made aware of the financial implications



Methodology & Sample

Data collection

Micromex Research, together with Lachlan Shire Council, developed the questionnaire.

Data collection period

Telephone interviewing (CATI) was conducted on 28th and 29th October 2015.

Sample

N=258 interviews were conducted with residents in the Lachlan Shire Council LGA.

A sample size of 258 provides a maximum sampling error of plus or minus 6.1% at 95% confidence.

This means that if the survey was replicated with a new universe of n=258 residents, that 19 times out of 20 we would expect to see the same results, i.e. 6.1%.

Interviewing

Interviewing was conducted in accordance with the AMSRS Code of Professional Conduct. Where applicable, the issues in each question were systematically rearranged for each respondent.



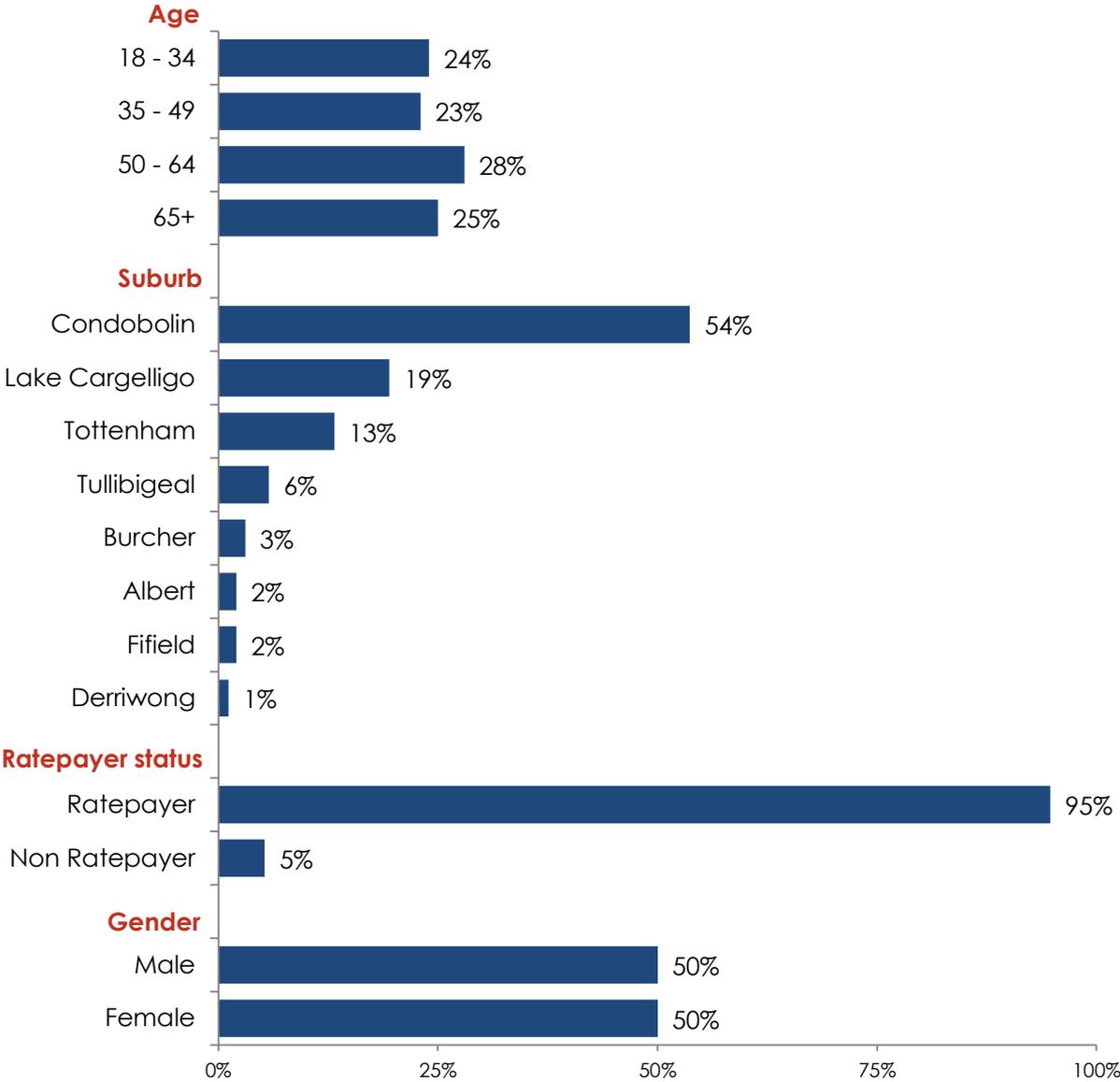
Sample Profile



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The sample was weighted by age and gender to reflect the 2011 ABS community profile of Lachlan Shire Council



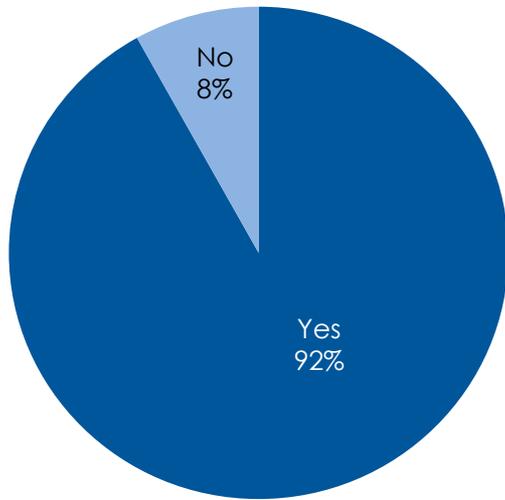
Base: n = 258

Results



Awareness of State Government Review

Q1. Are you aware that the State Government has reviewed the local government system?



	Overall	Male	Female	18-34	35-49	50-64	65+
Yes	92%	96%	88%	91%	89%	97%	90%
No	8%	4%	12%	9%	11%	3%	10%

Base: n = 258

There were no significant differences by demographics

92% of residents were aware that the State Government has reviewed the local government system. This was similar across all the demographics.



Concept Statement 1

Residents were read this statement before being asked the relevant questions

Fit for the Future is the name given to the review of local government that was carried out by IPART on behalf of the NSW State Government. The purpose of the review is to reduce the number of councils in NSW, and to make local government sustainable, efficient and effective for future generations.

Under the review, councils needed to demonstrate how they will become sustainable, provide effective and efficient services, have the scale and capacity needed to meet the needs of communities, and partner with the NSW Government.

Despite community support and Lachlan Council meeting all the financial sustainability, infrastructure and efficiency criteria, IPART has deemed it unfit for the future because it was determined that Lachlan Shire's population of 6,700 is declining and is forecast to be 5,500 by 2031.

A local government area with that size population by IPART's determination does not have sufficient scale and capacity to deliver services cost-effectively for its community, and to partner effectively with governments.

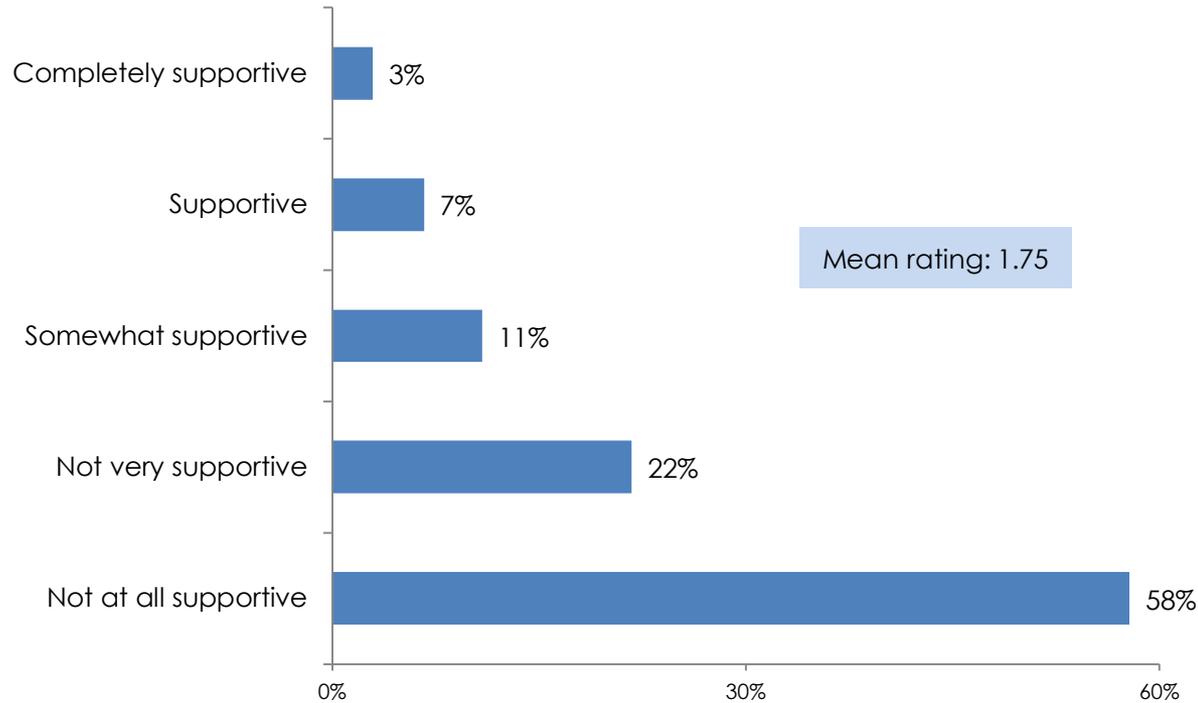
The findings of the report by IPART indicate that they believe the future of Lachlan Shire Council would be best served by merging the current council with Parkes Shire Council.

At this stage, to encourage voluntary mergers, the state government is offering an additional \$5m to each new merged entity for infrastructure improvements and \$5m to offset merger costs.



Support for Lachlan Shire Council merging with Parkes Shire Council

Q4a. How supportive are you of Lachlan Shire Council joining with Parkes Shire Council?



	Overall	Male	Female	18-34	35-49	50-64	65+
Mean ratings	1.75	1.75	1.75	1.85	1.88	1.71	1.60

Base: n = 258

Scale: 1 = not at all supportive, 5 = completely supportive

80% of residents were 'not very supportive' to 'not at all supportive' of Lachlan Shire Council merging with Parkes Shire Council



Concept Statement 2

Residents were read this statement before being asked the next question

If Lachlan Shire Council were to stand alone, it would be required to find additional revenue/cost savings each year to meet the Government's criteria by 2020.

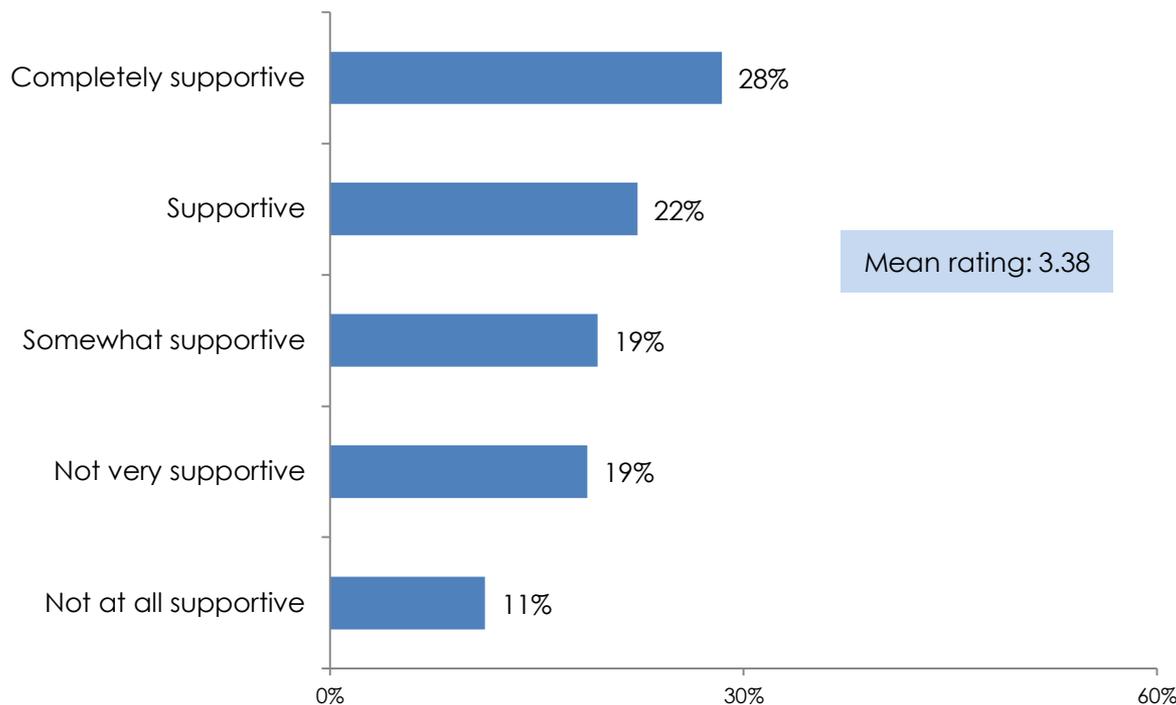
In May the community supported a 33% rate rise over 4 years to allow Council to stand alone. In the submission to IPART, Lachlan Council indicated that the rate rise be implemented from next July to make it financially sustainable.

If the Lachlan Shire community continues to wish to stand alone, rates will need to rise by 33% (5% plus rate pegging per annum over 4 years) and the Lachlan Shire Local Government area will miss out on a share of the State Government offer of \$10m for each new merged entity.



Support for Lachlan Shire Council Standing Alone

Q4b. How supportive are you of Lachlan Shire Council standing alone and not merging with Parkes Shire Council?



	Overall	Male	Female	18-34	35-49	50-64	65+
Mean ratings	3.38	3.35	3.41	3.10	3.19	3.56	3.62

Base: n = 258

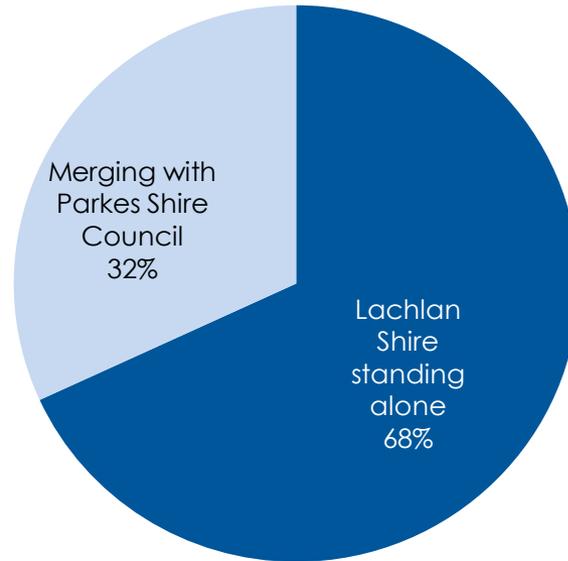
Scale: 1 = not at all supportive, 5 = completely supportive



70% of residents were 'somewhat supportive' to 'completely supportive' of Lachlan Shire standing alone

Preferred Option

Q6a. Thinking about the options we have just discussed, which is your preferred option?



	Overall	Male	Female	18-34	35-49	50-64	65+
Lachlan Shire Council standing alone	68%	67%	70%	61%	60%	77%	73%
Merge with Parkes Shire Council	32%	33%	30%	39%	40%	23%	27%

Base: n = 258



68% of residents indicated that 'Lachlan Shire Council standing alone' was their preferred option

Conclusion



Conclusion

Awareness of the State Government Review

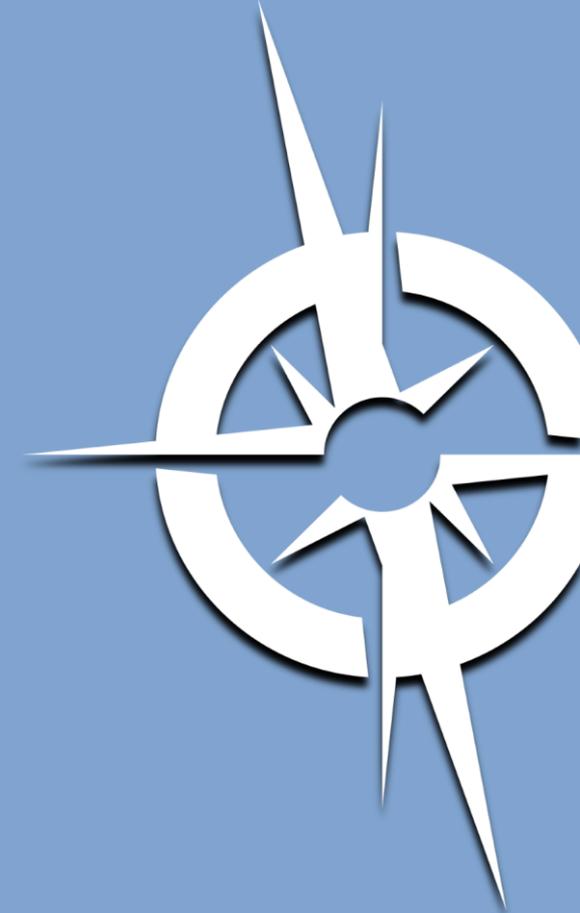
- There was an extremely high level of awareness of the review, with 92% confirming they were aware of it

Support for Standing Alone

- Lachlan residents were very supportive of standing alone, with those supporting a merger with Parkes Shire Council in the minority (somewhat supportive to completely supportive: 70% cf. 21%)
- This was reiterated when residents chose between the 2 options, with 68% preferring Lachlan Council to stand alone despite the required rate increase and the State Governments bigger incentive offer



The community is willing to pay higher rates in order to retain Lachlan Shire LGA



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research

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