

Lockhart Shire



COUNCIL TO STAND ALONE

Looking After Your Future



Our Values: Leadership • Integrity • Progressiveness • Commitment • Accountability • Adaptability

MESSAGE FROM THE MAYOR

THE FUTURE OF LOCKHART SHIRE COUNCIL

At its March Council Meeting, Council made one of its most important decisions for the future of the shire. That decision was to remain independent and stand alone as a Rural Council rather than amalgamate with one or another of our neighbours, when it can't be demonstrated that any financial gains or other benefits will result from such a union.

The option chosen is the preferred option for our Council announced by the Independent Local Government Review Panel in its Final Report to the NSW Government.

This follows several months of discussion between Councillors and consultation with our various neighbours locally. The same discussions have been occurring all over the State as Councils prepare their responses to the NSW Government's Fit For the Future (FFF) Program which requires Councils to demonstrate their ability to remain sustainable into the long term future. Submissions from each Council are required to be lodged by 30 June 2015.

MESSAGE FROM THE MAYOR

Now that Council has made that decision, a series of public meetings will be held to explain the reasons for the decision and gain the support of our various community's for the measures required to be put in place to enable retention of our independence.



Although Council's finances are in a healthy state, the revenue raised from our own resources is quite low compared to where the State Government contends it should be, and in order to be Fit For the Future, that amount needs to rise over time. This will mean that among other measures, our rate income generated will need to rise by more than the normal CPI increases. Some modest rate increases will be one of the important issues discussed with our community at our public meetings.

We value your feedback and look forward to seeing you at our public meetings.

Peter Yates

Mayor

FIT FOR THE FUTURE PROGRAM

What Is It?

- The State Government has issued a reform agenda for the local government industry in NSW called the Fit For the Future Program (FFF)
- Recommendations include
 - ❖ Structural change including mergers and amalgamations
 - ❖ A review of Financial Assistance Grants ensuring the grants are directed to those areas that really need them. This should direct grants away from prosperous large city councils and towards smaller councils like ours.

Councils need to demonstrate:

- They have sufficient scale and capacity to remain sustainable in the long term by meeting a series of benchmarks set by the State Government
- Determine whether to amalgamate or stand alone and then submit their preferred option to the State Government by 30 June 2015.
- Gain broad community support for their preferred option and proposed improvement plan.

FIT FOR THE FUTURE PROGRAM

Is Our Shire Fit For the Future?

Lockhart Shire already meets ALL BUT ONE of the scale and capacity benchmarks set by the State Government

- Our financial capacity is rated as SOUND– in the top 20% over the whole state
- We are one of only three councils in our comparative grouping which has a positive operating surplus – ours is 20.6% while the group average is negative 14.8%.
- We have a very low backlog of infrastructure works – in the lowest 14% of the state.
- Other benchmarks met apart from Own Source Revenue (OSR)

Own Source Revenue (OSR) means the revenue raised by council's own resources and excludes all grant income. The State Government's benchmark for OSR is 60% and our level is currently around 35%. This means that substantial additional revenue will need to be generated to satisfy this criteria.

FIT FOR THE FUTURE PROGRAM

What Steps HAVE WE Taken?

- Council has met with its neighbours for frank interchange of views and positions.
- Councillors and staff have attended workshops to further our knowledge about the program and to discuss it with Government sources and colleagues.
- Council has taken the decision to stand alone as it believes that there are no financial or other benefits to be gained from an amalgamation.

Increasing our Own Source Revenue

There are only three ways to increase our OSR:

- undertake works for other organisations
- increase rates
- a combination of both.

Some additional income has been generated from works undertaken for an adjoining Council and we are confident that these works will continue. This income will increase our OSR but won't be sufficient to raise it to the required level.

Note: An increase in population for example from sewer extension at The Rock will also increase our OSR over time.

Reluctantly, Council has realised that some modest rate rises over and above CPI increases will be necessary to reach the target level.

FIT FOR THE FUTURE PROGRAM

What ARE OUR NEXT Steps?

***DETAILS OF OUR PUBLIC MEETINGS ARE
CONTAINED ON PAGE 8***

- Council has resolved to maintain its independence and to stand alone as a Rural Council. This option is the one favoured for Lockhart Shire in the Independent Local Government Review Panel's Final Report.
- Council now needs to complete a submission and lodge it with the State Government by 30 June 2015 showing why and how it will be Fit For the Future and be sustainable into the longer term.
- In order to do this, Council needs to meet the benchmarks described earlier, including the desired OSR percentage, and setting out any proposed measures to improve our organisational performance.
- The desired OSR percentage will be partially met by undertaking some contract works for third parties. This will need to be supplemented by some modest rate rises over and above normal CPI increases.

**YOUR SUPPORT FOR OUR PROPOSAL IS
SOUGHT TO RETAIN OUR INDEPENDENCE**

PUBLIC CONSULTATION DETAILS



***Lockhart Shire Council
invites residents to attend
Community Consultation
Meetings on the dates below***

- **The Rock Memorial Hall**
Tuesday 14 April at 6.00pm
- **Yerong Creek Hall**
Wednesday 15 April at 6.00pm
- **Lockhart Memorial Hall**
Thursday 16 April at 6.00pm
- **Pleasant Hills Hall**
Tuesday 21 April at 6.00pm
- **Osborne Recreation Ground**
Wednesday 22 April at 6.00pm

Written comments to the General Manager

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Facebook: www.facebook.com/LockhartShireCommunity