

PLANNING FOR THE FUTURE

Council's commitment to efficiency and productivity savings has built annual recurring savings of \$4.5m into the budget from 2015-16. We're also planning for the future and projects such as decked carparks in the Penrith City Centre.



How does this relate to Fit For the Future and the Community Panel?

The NSW State Government is undertaking a review of all councils across NSW, to ensure they are working efficiently and providing value for their communities. This is called Fit For the Future. A number of councils have been designated to merge with neighbouring councils, along with other changes. Importantly Penrith City Council has not been designated to merge due to our demonstrated financial stability. However we need to demonstrate ongoing work to improve our financial efficiency. Before this program was announced, Council had established a long term planning model which we are continually revising.



As part of this overall approach, Council also elected to appoint a Community Panel. The Panel will make recommendations to Council on the level and quality of local services and infrastructure we deliver. Council plans to implement as many of the Panel's recommendations as possible.

More information

This fact sheet provides a summary of the proposed rate changes. More detailed information can be found at yoursaypenrith.com.au, at the Penrith Council Civic Centre (601 High Street), or in Council libraries. If you would like this more detailed information posted to you, call **4732 8551** or email ourfuture@penrith.city

Lets keep talking, make a submission or ask questions

We welcome community feedback on the proposals outlined in this brochure - online at yoursaypenrith.com.au by email ourfuture@penrith.city or in writing addressed to:

General Manager
Penrith City Council
PO Box 60
Penrith, NSW, 2751

✉ Penrith City Council,
601 High Street,
PENRITH NSW 2750
☎ 4732 7777
🌐 penrithcity.nsw.gov.au

PENRITH
CITY COUNCIL



SPECIAL RATE VARIATION

Planning for the future

PENRITH
CITY COUNCIL penrithcity.nsw.gov.au

SHAPING OUR FUTURE

Penrith City Council is continuing to talk with the community about how we fund future services and assets. A Special Rate Variation (SRV) means Council can provide the appropriate infrastructure as our City grows, and it will also enable us to continue to maintain our assets and services to the levels expected by our residents. This will keep us on track with our Long Term Financial Plan and a sustainable financial position. This SRV was projected in our Long Term Financial Plan and included in our response to the NSW Government's Fit For the Future reforms. This brochure outlines the different options being proposed, where to find more detailed information and how you can give your feedback to Council.



IMPROVE SERVICES

Continuation of AREAS, with an additional 2.4% special rate variation

This will see our current level of assets and services maintained, and Council able to fund additional renewal of our assets and reduce our medium to long term financial risk. There would be a 2.4% increase over current rate levels which will enable us to respond to the growth in the City in coming years such as a decked carpark.

	SRV	RATE PEG*	ANNUAL CHANGE	AVERAGE RESIDENTIAL RATES**
Current				\$1,136.00
2016-17	6.69%	2.4%	\$54.50	\$1,190.50
2017-18	2.4%	2.6%	\$59.50	\$1,250.00
2018-19	2.4%	2.8%	\$65.00	\$1,315.00
2019-20	2.4%	3.0%	\$71.00	\$1,386.00
TOTAL 2016-20			\$250	

The total increase of \$250 includes \$117.40 to fund initiatives under the SRV and \$132.60 rate peg.***

* Council has included an estimate of the annual rate peg determined by IPART (Independent Pricing and Regulatory Tribunal) which reflects the increase in costs to Council such as materials and labour.

What is AREAS?

In 2005, through community consultation, Council introduced a 10 year rate variation known as the Asset Renewal & Established Areas Strategy (AREAS). This enabled Council to invest in our roads, buildings, public spaces (maintenance and graffiti removal) and revitalising older suburbs. The AREAS SRV will cease in June 2016. Council also requested a special rate variation in 2011-12 to assist with asset renewal backlog. While this was approved, the amount approved was less than requested, and as a result, there is still an outstanding asset renewal backlog.



MAINTAIN SERVICES

Continuation of AREAS but not addressing challenges of growth

This option will see our current commitment to assets and services maintained as they are, with no changes to the current rate levels. However it will see our asset renewal backlog continue to grow, which is likely to increase costs in the medium to long term and place additional financial burden on future generations.

	SRV	RATE PEG*	ANNUAL CHANGE	AVERAGE RESIDENTIAL RATES**
Current				\$1,136.00
2016-17	4.29%	2.4%	\$27.20	\$1,163.20
2017-18	-	2.6%	\$30.20	\$1,193.40
2018-19	-	2.8%	\$33.40	\$1,226.80
2019-20	-	3.0%	\$36.80	\$1,263.60
TOTAL 2016-20			\$127.60	

The total increase of \$127.60 relates to the rate peg and allows AREAS to continue.***

** Based on average land value of \$250,000. Excludes domestic waste charge and levies as applicable.

In preparing for our future a financial Capacity Review has been undertaken over the last 18 months. A number of new infrastructure projects have been identified, some have already been implemented in the 2015-16 infrastructure plan but others, particularly related to the challenges of growth, remain unfunded such as city centre carparking.

As we come to the end of the AREAS SRV, Council is taking this opportunity to get your feedback and asking what level of services and asset renewal you would like for our City, as we shape our future.



DECREASE SERVICES

Discontinuation of AREAS

This option will see a significant decrease in the services offered by Council and our asset renewal backlog continue to grow. AREAS provided funding for roads, buildings, public spaces and programs and without this our roads and buildings will deteriorate. Without AREAS there would be a one-off reduction in rates.

	SRV	RATE PEG*	ANNUAL CHANGE	AVERAGE RESIDENTIAL RATES**
Current				\$1,136.00
2016-17	- 4.29%	2.4%	- \$21.50	\$1,114.50
2017-18	-	2.6%	\$28.90	\$1,143.40
2018-19	-	2.8%	\$32.00	\$1,175.40
2019-20	-	3.0%	\$35.20	\$1,210.60
TOTAL 2016-20			\$74.60	

The total increase of \$74.60 represents an estimated rate peg of \$123.50 partly offset by a \$48.90 reduction for the discontinuation of AREAS.***

*** The estimated rate peg cost in each scenario changes due to the variance in the base figure for 2016-2017.