

CR Simon Clough Deputy Mayor, Lismore City Council's Submission to the Independent Pricing and Regulatory Tribunal Re the Special Rate Variation (SRV) for the Lismore City Council's Biodiversity Management Strategy(BMS)

Background

On 5 May 2015, Council adopted the *Biodiversity Management Strategy for the Lismore Local Government Area 2015–2035* (BMS). This strategy was developed in response to the community's vision for Council to provide 'environmental leadership', as identified in the *Imagine Lismore 10 Year Plan*.

Council currently spends less than 0.5% of its budget on environmental issues. The Northern Rivers of which Lismore City Council is a key part supports over 40% of the State's threatened species, including around 70% of threatened frogs, 75% of threatened birds, 60% of threatened mammals and 40% of threatened plants. Without the BMS, which can only be fully implemented with the rate variation, all these species are at further risk.

Special Rate Variation to fund implementation of the Biodiversity Management Strategy

Successful implementation of the BMS requires reliable, long-term funding. Council investigated a range of long-term funding sources and came to the conclusion that the only sustainable way was through a Special Rate Variation (SRV) to increase rates. Consequently, on 5 May 2015, Council resolved to apply to the NSW Independent Pricing and Regulatory Tribunal (IPART) for an SRV to fund implementation of the BMS.

What are the impacts of the proposed rate increase?

Rating Category Average	Average increase (per year)	Average increase per week
Farmland	\$48	92c
Residential Rural	\$30	57c
Residential Urban/village	\$24	46c

The average amount of annual rate pegging assumed at 2.5% will only marginally affect levy adding \$1.20 annually to rural rates, 75c to rural residential rates and 60c to residential rates in the first year. There will of course be an annual increment for rate pegging. This financial year it is 1.8%

The Hunter Research Foundation conducted an in depth survey of 209 affected ratepayers. This was an independent stratified random survey.

66% of the respondents agreed or strongly agreed that the rate increase was affordable.

61% agreed or strongly agreed it was a reasonable price to pay.

What will the Community Get for the Levy?

Besides benefiting biodiversity, the community will get: cleaner roadsides; confidence that Council is undertaking best environmental management practice in its activities; recognition for your work and community achievements; assistance to landholders and community groups to manage pests and weeds; opportunities to gain knowledge; assistance to manage bushland and riversides on rural land; more opportunities to get involved through community events, workshops and field days; well-managed urban bushland reserves; and more recreational opportunities in the urban setting, such as walking tracks. These are all projects I believe will benefit the environment of the local government area.

Debunking the criticisms

Historically there have been 2 major criticisms of environmental initiatives and the BMS in particular by rural landowners:

1. That the BMS will increase regulation. ***The reality is that the BMS does not contain any additional regulation.***

In time it may be able to reduce existing regulation through acceptance of incentives and education.

2. That rural landowners will be asked to pay for the environmental aspirations of their city cousins.

Under the BMS farmers will pay 20% of the revenue and get 71% of the expenditure. That is \$3.5 million over 10 years. For the first time council will be able to offer rate reductions for environmental protection. There may be opportunities for landcare and green corp to do restoration work on properties.

Leverage

There are often major opportunities created for grants and partnerships when a council takes a major initiative like the BMS. Already Council has received a grant of nearly \$100,000 for an extension officer to work with farmers.

With the Federal government's emphasis on direct action on climate change there is potential for profitable 'carbon banking' schemes to be developed with farmers.

Yours sincerely,

Simon Cough

Deputy Mayor Lismore City Council