

From: [Mick Cranny](#)
To: [LG CC Submissions](#)
Subject: LSC +RRC proposed boundary review
Date: Monday, 27 June 2022 11:55:22 AM

Dear Sirs/Madams,

Livingstone originally covered nearly all of the northern side of the Fitzroy River, including Callaghan Park and Parkhurst. People determine where growth occurs, and Council will adjust their management, budget and work staff to cater for the growth of current and future populations. Those northern suburbs are a growth corridor for the region, either shire, and there will be a significant benefit to the region and the council that is the manager of those areas.

When any change like this is considered, relevant compensation must accompany the deal. So in this case, without the exact figures, these are the sorts of numbers that might well be in play...

1. Asset Value: There are approximately 1400 lots in the suburbs being considered. To create each of these lots, at today's rates, would cost around \$100,000 per lot. Therefore, the cost of creation of existing lots and infrastructure: $1400 \text{ lots} \times \$100\text{k} = \$140\text{m}$ asset value
2. Income: The revenue, via rates, on these 1400 lots, at approx. \$4,000 per annum = \$5.6m /year. The future value of these lots from the LSC income threshold needs to be calculated, with ten years' worth of income = \$56m

All in all, the compensation figures ought to be more than \$200m should these suburbs be transferred to RRC.

The term boundary change does not do justice to the action being contemplated. The economic consequences to both are quite large and influential on how either or both conduct themselves into the future. There is also relationship damage caused by this aggressive move.

We ask the commissioners to consider very carefully the cost to both shires should this occur, the loss to one and gain to the other, and the size of the compensation required to compensate LSC should the decision be made to transfer these suburbs to RRC.

Kind regards,

Mick



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