COUNCIL OF THE MUNICIPALITY OF KIAMA

Council Chambers
11 Manning Street
KIAMA NSW 2533

24 March 2009

To the Chairman & Councillors:

NOTICE OF MEETING

You are respectfully requested to attend an **Extraordinary Meeting** of the Council of Kiama, to be held in the Council Chambers, Kiama on **Tuesday 31 March 2009** commencing at **5.00 pm** for the consideration of the undermentioned business.

Yours faithfully

M Forsyth
General Manager

BUSINESS OF MEETING

General Manager's Extraordinary Report

1 Draft Management Plan for 2009/2012 including Budget for 2009/2010

2 10 Year Financial Plan

REPORT OF THE GENERAL MANAGER

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Submitted to the Extraordinary Meeting of Council held on 31 March 2009

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1 Draft Management Plan for 2009/2012 (K29/05/09) Consideration of Draft Plan (2009/2012) Including the Budget for 2009/2010

Summary
This item recommends endorsement of the draft Management Plan for 2009/2012 for public exhibition.

Finance
The report includes the full budget proposed for the year.

Policy
This is a requirement of the Local Government Act.

RECOMMENDATION

That in accordance with Section 405 of the Local Government as amended, Council place the Draft Plan of Management for 2009/2012 on exhibition.

REPORT

(A) Background

Under Sections 402 to 406 of the Local Government Act 1993, Council is required to prepare a Management Plan with respect to:-

(a) Council's activities for at least the next 3 years; and

(b) Council's revenue policy for the next year

The draft Management Plan must provide details of principal activities, including objectives and performance targets and must detail capital works and services to be undertaken by Council.

Council is required to give public notice of the draft plan and must place it on exhibition for not less than 28 days. Thereafter (and before the end of the financial year), Council must adopt a Management Plan for the ensuing year after taking into consideration any submissions that have been made on the exhibited draft.

Until a Management Plan has been adopted, Council is not able to make a rate or charge and these rates and charges must be made before 1st August in the year to which they apply.

(B) Timetable

The following timetable has been proposed for the Management Plan process:-

1) Extraordinary Council Meeting to consider Draft Management Plan - 5:00 pm Tuesday 31 March 2009.
2) Public Exhibition of Draft Management Plan – 8 April 2009 to 11 May 2009.
3) Extraordinary Council Meeting (Adoption of Management Plan) - 5:00 pm Tuesday 26 May 2009.

(C) Draft Management Plan

The format of the Management Plan refers to the goals and objectives of Council's Corporate Strategic Plan. The Corporate Strategic Plan is based on priorities of the community identified through a number of community workshops and surveys.

The goals and objectives were endorsed by the results of the broad community survey undertaken by the Illawarra Regional Information Service in late 2004.

The principal goals are as follows:-

- A Sustainable Environment
- Quality Facilities, Services and Infrastructure
- Community Cohesion and Well-Being
- A Vibrant and Diverse Economy
- Good Governance
- Sound Financial and Resource Management

The Management Plan identifies the principal programs and activities under each goal that Council will address during the period of the Management Plan. The Plan is a living document and because of changes to legislation, financial conditions and the circumstances under which Council must operate, the plan will be subject to review and change throughout the year.

The Management Plan is set up in 17 sections as identified in Attachment 1. The following items are also attached:-

- The Budget for 2009/2010; and
- The Schedules of Fees for 2009/2010.

All of these documents have been circulated to the Councillors. In reading the Management Plan, the following matters should be noted:-

a) It provides a reasonable overview of Council's plans for the next 3 years;

b) As it covers 3 years it should be seen as an evolutionary plan, that is, subject to changes as circumstances, statutory provisions, finances, etc. impact on Council. It must be both adaptable and flexible because of those pressures, and cannot be seen as a final or static document;

c) Council's policies have been applied in its preparation;

d) Staff preparing the Plan have taken account of issues raised by Council and the community during the past 12 months.

While this report reviews the full Management Plan, because of the key nature of the annual budget to Council's operations, it deals primarily with the estimates of income and expenditure for the next 12 months, together with the pressures and impacts arising as a result of the financial projections.

It should be noted that some of the works planned for the current year may be carried over to 2009/2010. These are **not** included in the Management Plan pending completion of the current year and may be included at the first quarterly review next year or on completion of the statements of account for the current year, subject to a review of the Council's financial position at 30 June 2009.

It is planned to have the Draft Management Plan distributed to the Precinct and Ratepayer groups as well as other community groups. Additionally it will be placed on public exhibition in the Council office, the libraries, community centres, neighbourhood centres, and on the Internet for inspection and comment (www.kiama.nsw.gov.au).

(D) Revenue Policy - Budget for 2009/2010 Year

(1) Introduction

The Revenue Policy section of the Management Plan is a key component, comprising the Estimates of Income and Expenditure as well as details of Council's plans for fees and charges, borrowings, private works and other matters.

As in previous years, the Estimates of Income and Expenditure have been based on the existing departmental basis. Each section has been separated from the others and a summary sheet provides a snapshot of the total budget proposals.

The budget papers are submitted in two parts, these being:-

(i) **The General Manager's Report** which deals with the overall budget situation and broad policy issues which affected the budget.

It is recommended that this report be read first as it provides a general overview of the various factors taken into account in the development of the estimates.

(ii) **The Estimates Papers** which provide comparisons with the 2008/2009 original budget and projected figures for that year, as well as the 2009/2010 estimates.

I would be pleased to provide any additional information or explanation for Councillors if required and would be pleased to make myself or the staff available for discussions on request.

As stressed in the previous years, the traditional sources of revenue are not maintaining an appropriate link to the cost increases which Council has to face each year and if Council was reliant on these traditional sources as its only form of income, it would be in serious financial straits.

The ratepegging legislation means that the annual percentage rate increases are usually below the percentage cost increases indicated in most cost indices. The Financial Assistance Grants (FAG) have marginally increased from $1,193,144 in 2003/2004 to $1,209,430 in 2008/2009. A presentation by the NSW Grant's Commission suggested that Council should be getting $1.3 million more per annum if the basis of the initial grant had been maintained. Local government's share of taxation has dropped to below 2.9 cents in every tax dollar raised across the three spheres of government according to figures released by the Australian Bureau of Statistics. Local Government's share of taxation has declined over a number of years.

Federal and State Governments are also shifting responsibilities to local government without adequate compensation. The Independent Inquiry into the Financial Sustainability of the New South Wales Local Government undertaken on behalf of the Local Government and Shires Associations suggests that cost shifting by other tiers of government cost about $430 million a year or almost 7% of total ordinary revenues. Statutory charges by Government agencies are also often substantially greater than increases allowed to Councils. During the last five (5) years insurance costs have significantly risen. Despite proactive measures that have reduced the number of claims from 2003/2004 to 2008/2009 workers compensation insurance has increased from $505,000 to $1,148,000. General insurance premiums have increased from $595,000 in 2005/2006 to $738,000 in 2009/2010. Support is given to the Australian Local Government Association's call for funding of Councils being tied to GST and other growth funds.

In preparing the budget consideration has been given to the financial health indicators with the emphasis being placed on asset maintenance and renewal by the Department of Local Government. The Department of Local Government has focused on a Council's capacity to maintain/renew existing assets in implementing its structural reform program.

In proposing any new capital works consideration of the ongoing maintenance costs and the ability to meet these cost needs to be given.

An infrastructure asset strategy has been adopted by Council. This strategy provides for the setting aside of portion of profits from its land development sales as internal restricted asset. The amount will be invested and the interest earned expended on the maintenance and capital renewal of infrastructure assets.

Due to budgetary constraints identified above and the need to complete asset renewal projects no funds are to be placed in the internally restricted asset in 2009/2010. Subject to the returns from land development projects (Elambra and Blue Haven) over the next couple of years, it is intended to re-build the infrastructure asset fund.

In drafting the budget departments had to make substantial cuts in order to achieve a balance budget. Some works are proposed to be postponed to ensure the retention of reasonable reserves and cash flows.

The Directors and Departmental Managers have had the difficult job of preparing the original figures and Council should congratulate them all for the positive and professional way in which this results has been achieved. I extend my thanks to them all for their work.

Similarly for the broader Management Plan for 2009/2012, I extend my appreciation for the work of the Directors and Managers in preparing the overall document.

(2) Format of Budget

(a) Projected Budget Estimates

The estimates have been prepared on a consolidated basis, that is, including all projected expenses and revenues for all of Council's functions.

There are five functional sections based on Council's principal activities, with each detailing estimated operational and capital expenditures. Projected sources of revenue are shown for each section, showing operating revenues (rates, fees, charges, etc), grants, loans and various contributions expected to be received next year.

The white estimates papers for 2009/2010 commence with a summary sheet which identifies the total income and expenditure for each of the 5 functional sections plus a further expenditure total for the depreciation costs for the year.

These functional figures have then been combined to show the overall impact of the total estimates of income and expenditure. A balanced budget is projected for the year 2009/2010 prior to depreciation being applied.

The current year's budget (2008/2009) was prepared on the projection of a balanced budget.

Council must ensure that operating revenues meet operational expenditures over the long term. It is becoming increasingly difficult to achieve this objective because of the constraints outlined above.

(b) Council's Financial Position

Accounting Standard AAS27 was introduced in 1993 and subsequent adoption of the Australian Equivalents to International Financial Reporting Standards (AIRFRS), all Councils have had to comply with the radical changes which the Standards introduced during this time. A key change was the formal inclusion of depreciation "above the line" as an operating expense. This impacts very substantially on the annual budget, resulting in a total estimated depreciation of $4,550,000 in 2009/2010. When added to the operational budget, the expected total deficit for the year will be $4,550,000
.
The date of Council's last audited annual financial reports was June 2008. The Balance Sheet for that date is attached to this report which outlines Council's financial position and trends at that time. (See Attachment 2).

(3) Key Factors Affecting the 2009/2010 Budget

There are a number of continuing issues which have a marked impact on Council's budget each year, and several others which have influenced the 2009/2010 budget to some degree.

These are listed below:-

- Ratepegging Legislation;
- The erosion of Commonwealth Financial Assistance Grants over many years;
- Increased utility and statutory charges;
- Legislative changes transferring responsibilities to Councils without adequate revenue;
- Excessive reporting requirements;
- Significant increases in insurance costs.
- The need for technological change;
- Employment cost increases;
- Staff skill shortages;
- The replacement/renewal of major assets;

* The need to allocate sufficient funds for the maintenance/renewal of existing assets;
* Managing community expectations;
* Election costs – second payment for 2008 Elections;
* Dam Safety works.

(E) Rating Policy

The draft estimates, are based on Councils application to the Minister of Local Government for a special rate variation of 6.5% for each of the next four (4) years (including any rate pegging increase approved by the Minister). Should the rate pegging percentage approval be greater than 3.5%, then Council's application for a Special Rate Variation will be increased by the amount that is greater than the 3.5% allowed.

This application is based on Councils need to maintain its infrastructure assets at a satisfactory level. The preparation of a draft ten year financial plan has highlighted the need to raise approximately $300,000 extra per year to maintain these assets.

The rate calculations have been applied across all four rating categories (Residential, Farmland, Business and Business – Commercial/Industrial). The statutory interest rate which Council can charge for overdue rates has yet to be announced but it is recommended that the maximum percentage allowed be adopted.

Council has successfully applied the "base charge" rating system for the last fourteen (14) years and it is applied again in 2009/2010. It applies to residential and farmland rates. For properties categorised as business there is no base amount but rates are charged on an ad valorem basis with a minimum rate of $556.00 proposed for each such affected property in 2009/2010. A common base charge of $556.00 will apply to all residential properties. A common base charge of $556.00 will apply to properties categorised as farmland.

The tourism component of the business rate has been continued again in this budget.

Full details of the rating policy are shown in Section 18.3 of the Draft Management Plan.

The rates levied in the 2009/2010 year will be based on land values totalling $3,626,323,190 as at 2008 as determined by the Valuer General's Department. The previous valuation base was 1 July 2003 and valuations on average have increased in the order of 120%. This increase in land value has resulted in a corresponding decrease in the rate in the dollar, as Council does not generate additional income from new valuations.

(F) Staff Establishment

While Council has long had a policy of minimising staffing levels, the changes in the table below are also reflective of an increase in service provision through State and Federal Government funding in the Community Services area. Excluding business activities, staffing levels have not changed significantly since 1988 despite a significant increase in Council's annual budget and increase in service provision.

	1988		2008/2009	
	F/T	P/T	F/T	P/T
Executive	2	-	2	1
Corporate Services including IT	22	1	25	6
Human Resources/ Payroll/Risk Management/Lifeguards	-	-	7	1
Community Services	4	2	12	42
Library	2	4	4	3
Family History Centre	1	-	-	1
Blue Haven Management	1	-	1	-
Gas Works	6	-	-	-
Engineering (Indoor/Supervisors)	13	-	19	-
Works/P & G/Workshop/Store	91	-	54	-
Environmental Services	14	-	18	5
Waste Management	-	-	3	-
Business Activities				
Management	-	-	2	-
Holiday Parks	-	-	-	1
Leisure Centre	4	2	4	6
Waste Collection	-	-	8	10
Cleaning Unit	-	-	8	2
Property Management	-	-	1	-
Economic Development	-	-	-	1
Total	160	9	168	79
Blue Haven			3	61

Note: (i) Casuals, temporaries and Federal Government Trainees not shown.

(G) Loan/Debt Servicing

Major capital works over the past decade have generally been financed either by operations run by Council which are self supporting or by other revenue sources, particularly land development.

(H) Restricted Assets

The following restricted or separately identified assets (reserve funds) were held by Council at the end of 2007/2008:-

(a) Externally Restricted Funds (ie. Restricted by Statute)

	$
Unexpended Loan Funds	0
Developer Contributions (excluding recoupments)	2,434,087
Unexpended Specific Purpose Grants and Contributions	2,794,091
Domestic Waste Management	1,180,492

(b) Internally Restricted or Identified Funds (ie. by function)

	$
Section 94 Recoupments	266,708
Land Development	760,127
Community Bus	184,721
Blue Haven (ILU, Hostel, N/H) *	17,408,209
Employee Leave Entitlements	494,500
Waste Business Unit	1,005,571
Infrastructure	200,000
Waste and Sustainability	197,547
Holiday Parks	76,950

* Blue Haven ILU currently has a loan outstanding due to be repaid at the end of 2010.

(I) Developer Contributions (Section 94)

For a number of years the contributions from developers under Section 94 of the Environmental Planning and Assessment Act have declined as the availability of land for development was reduced. Recently contributions have risen again as a result of Council's Elambra Estate development and other residential developments. With a slowdown in the residential market S.94 contributions are likely to start falling again.

The budget for next year utilises Section 94 funds (excluding recoupments) of $432,000. Comparisons with usage of these funds in previous years are shown on Attachment 3.

(J) Fees and Charges

(i) Domestic Effluent and Trade Waste

Section 17 of the Draft Management Plan outlines the proposed charges for these services in 2009/2010. The Domestic and Trade Waste charges have been increased to meet growing costs including landfill disposal costs.

The domestic waste management charge for 2009/2010 will increase by 3.5% In determining the charges Council has considered the reasonable costs it will incur through collection costs, rehabilitation works, waste disposal costs and the waste levy being charged to Council by the State Government.

TABLE OF DOMESTIC WASTE MANAGEMENT CHARGES – 2009 - 2010

Urban/Rural

Garbage 240 litre bin (Weekly), Recycling/Green Waste 240 litre bin (Fortnightly) & Clean Up Services (2 per year)	$415.70 p/a
Garbage 140 litre bin (Weekly), Recycling/Green Waste 240 litre bin (Fortnightly) & Clean Up Services (2 per year)	$310.81 p/a
Garbage 80 litre bin (Weekly), Recycling/Green Waste 240 litre bin (Fortnightly) & Clean Up Services (2 per year)	$297.36 p/a
Vacant Land	$54.50 p/a
Rural Collection Service 240 litre bins (Fortnightly) Garbage and Recycling	$240.45 p/a

Other fees proposed for 2009/2010 are detailed in the document “2009/2010 Fees schedule” which is part of the Revenue Policy in the Draft Management Plan.

(ii) Other Fees and Charges

Reference should be made to Sections 18.5, 18.6 and 18.7 of the Draft Management Plan for details of policies applied for fees and charges. Council staff have reviewed the fees structure in the light of costs involved in providing the services and with a general application of the "user pays" principle where appropriate. GST has had to be considered and a number of services have had the tax applied. These are identified in the fees schedule.

(K) Capital/Asset Renewal Works

Attachment 4 to this report shows a total estimated capital/asset renewal expenditure of over $5.4 million for 2009/2010.

(L) Kiama Holiday Parks

The redevelopment of the Holiday Parks has largely been completed in accordance with the business plans endorsed by Council (see report to Council 16 May 2000). They are a major benefit for all ratepayers as detailed below:

- The Holiday Parks operate at no cost to ratepayers.
- The Holiday Parks will contribute an estimated $1,411,100 to Council's general revenue during the 2009/2010 year. These funds assist in maintaining and developing Crown Reserves within the Council area.
- If these funds were not available, rates would have to be significantly increased and/or service levels reduced.
- Operating revenue received from the Holiday Parks was approximately $1.5 million in 1994/95. In 2009/2010 it is expected to be approximately $6.2 million.

A table showing the growth in contributions since 1996/97 is attached. (Attachment 5)

(M) Waste Collection Unit

The Waste Business Unit has operated satisfactorily over the past 12 months. The restricted asset or reserve has grown from $418,000 in 1998/99 to $1,005,571 in 2007/2008. This is expected to increase to $1,444,000 for 2009/2010. However, it should be noted that expenditure of approximately $25,000 is anticipated for the purchase of equipment.

(N) Land Development Program

The Land Development Policy which Council has operated throughout the 1990's has provided Council with the opportunity to finance a significant proportion of capital works that would otherwise need to be ratepayer funded. This has enabled Council to maintain a reasonably high level of capital works. Any sales in the 2009/2010 budget will be transferred to reserves for future land development stages or capital works.

(O) Comments on the Draft Management Plan and Budget.

It is suggested that the Draft Management Plan, including the Estimates of Income and Expenditure and Notes attached thereto should be read in conjunction with this report as they together provide an excellent overview of the draft programs outlined therein. Council staff would be pleased to answer any questions which may result from such review.

The Draft is proposed for endorsement by Council for placement on public exhibition. Councillors may then review the various elements over the next four weeks for consideration of amendments, adjustments, exclusions and additions at the meeting in June.

In terms of the budget, the following points are made.

- The total estimated expenditure is approximately $51 million (excluding depreciation).
- A balanced budget is projected. This is after allowing for a 6.5% increase in rate revenue (subject to approval from the Minister of Local Government).
- A review of services and staff needs to be ongoing as budgetary pressures gets greater. Hard decisions will need to be made by Council.
- The capital works/renewal program exceeds $5.4 million.
- Council and the community have been benefiting from income from land development programs. This is a finite resource. It is important that profits from land development is effectively managed and kept in reserve for necessary priority capital works and the maintenance of existing assets. It should not be used for operational purposes.
- Council's Business Units continue to provide an essential and vital contribution to Council's overall revenue.
- A number of programs to address community and environmental issues will also be carried out during 2009/2010.
- Council's broad community service functions including youth services, library service and a range of home and community care packages will continue.
- A number of activities to promote the environment and sustainability will be carried out.

- Following public exhibition the draft Municipal Local Environmental Plan should be finalised.

Council needs to continue to act to address imbalances in capital expenditure and income. Council needs to continue to review the levels and types of services it provides and investigate new income opportunities. Council needs to continue to focus on asset maintenance and renewal and reduce expenditure on capital works.

The Draft Management Plan for 2009/2012 is now formally presented for Council's initial consideration.

ATTACHMENT 1

CONTENTS

ATTACHMENT 2

INCOME STATEMENT
BALANCE SHEET AND PERFORMANCE MEASURE

	Current Year 2007/2008 $000	Previous Year 2006/2007 $000
Income Statement		
Total Revenues from continuing operations	42,468	37,259
Total Expenses from continuing operations	42,474	36,514
Deficit from continuing operations	(6)	745
Balance Sheet		
Total Current Assets	31,003	29,657
Total Current Liabilities	12,757	15,464
Total Non Current Assets	295,988	197,613
Total Non Current Liabilities	74,575	66,716
Total Equity	239,659	145,090
Other Financial Information		
Unrestricted Current Ratio (expressed as a ratio)	2.54:1	2.02:1
Debt Service Ratio (%)	10.21	12.53
Rate Coverage Ratio (%)	29.48	31.51
Rates and Annual Charges Outstanding Percentage (%)	3.31	3.07

ATTACHMENT 3

SECTION 94 FUNDS

INCLUDED IN ESTIMATES

1997 – 2010

YEAR	AMOUNT $
96/97	225,950
97/98	117,700
98/99	155,500
99/00	171,500
00/01	451,480
01/02	334,608
02/03	71,000
03/04	409,000
04/05	761,068
05/06	552,179
06/07	884,347
07/08	693,679
08/09	931,400
09/10	432,000

ATTACHMENT 4

CAPITAL/ASSET RENEWAL WORKS

DRAFT 2009/2010 BUDGET

	$
Computer Equipment	244,500
Library - Books, Cassettes	73,000
Community Services Equipment / Vehicle Replacement	76,200
Environmental Services – Vehicle Replacement	29,200
Blue Haven Furniture and Equipment	49,500
Holiday Parks Improvements	342,000
Waste Business Unit Purchases	25,000
Engineering & Works:-	
Works Program	3,701,214
Public Works Plant	538,234
Vehicle Replacement	244,000
Land Development	90,000
TOTAL	**5,412,848**
Funded by:-	
General Revenue	726,900
Grants	2,512,414
Business Revenue	506,500
S94 Revenue	371,000
Restricted Assets	1,083,234
Contributions	40,000
Asset Sales	172,800
TOTAL	**5,412,848**

ATTACHMENT 5

CONTRIBUTION FROM
HOLIDAY PARK OPERATIONS
INCLUDED IN ESTIMATES
1998 – 2010

YEAR	AMOUNT $
97/98	496,358
98/99	545,199
99/00	595,463
00/01	675,463
01/02	575,462
02/03	870,000
03/04	920,000
04/05	1,071,754
05/06	1,257,587
06/07	1,270,272
07/08	1,315,000
08/09	1,271,304
09/10	1,411,100

2 Ten Year Financial Plan (F22.063.000)

Summary
This report looks at Council's projected financial situation over a ten year period based on current trend analysis, policies and actions.

Finance
Costs to prepare plan funded in current budget.

Policy
Not applicable

Council's Visions and Goals
To ensure Council plans for the future in order to maintain Sound Financial and Resource Management.

Reason for Report

Council is required as part of the "Integrated Planning" process to prepare a Ten Year Financial Plan in order to assist in the Long Term Strategic Planning of Council. This will ensure Council addresses long term financial sustainability in order to provide services to the community and maintain assets that are placed under Council's due care and control.

RECOMMENDATION

That Council:-

1. resolves to adopt the Ten Year Financial Plan;

2. resolves to review the Fees and Charges with a view to ensuring that where possible these fees and charging reflect the cost of the service;

3. reviews the Rating Policy to ensure that revenues generated from this source is sufficient to enable Council to maintain the level of services and asset maintenance required.

REPORT

Background

The Management Plan 2008/2011 set the development of the Ten Year Plan as a strategic step to assist in the development of the Strategic Plan and to meet the requirements of the Department of Local Government.

This Ten Year Plan has now been completed based on the 2008/09 Adopted Management Plan.

The Result of the Ten Year Plan has identified a short fall in revenue necessary to balance its budget by $320,000.00 in 2009/10 to around $1.4 million in 2017/18.

Council needs to address this shortfall in order to maintain its assets.

Council's Unrestricted Current Ratio assesses the adequacy of working capital and the ability to satisfy short term obligations. Whilst Council's 2007/2008 ratio was 2.54:1, which is above industry guidelines for this ratio and has been at industry level for many years, steps need to be taken to ensure this does not deteriorate. This shortfall in revenue has a flow on effect on Council's cashflow and its ability to maintain infrastructure assets at a level with which the community are satisfied.

To overcome these problems Council has only a limited number of options available:-

1) Look to its loan borrowing policy.

2) Reduce non essential services to the community.

3) Reduce the current level of services to the community.

4) Increase the revenue it produces from fees and charges.

5) Review its rating policy by increasing the revenue generated from rates.

Loan Borrowings

Council Debt Servicing costs, once the business units are eliminated, are only very small and could support additional funding. These should be used in "one off'' projects that are not ongoing whereas Councils issues relate to recurrent programs that require continual funding sources.

Reduced Non-Essential Services

If Council is to maintain its current workforce this is not a feasible option as reduced services will relate directly to Council's workforce.

Council's current workforce is relative to its size and is not excessive once the business units are taken out of the equation.

Reduced Levels of Services

This is an option but again will have an effect on Council's workforce.

Fees and Charges

Council should ensure that the fees and charges are reflective of the cost to supply these services, taking into account the community service obligations. If Council does not recover sufficient revenue from these services to offset these costs the burden is then placed on the ratepayer and it is not always the current residents who use these services.

Rates

The only other option that Council has is to raise the necessary revenue from increasing the rates.

In order to do this Council will need to seek the ratepayers support for an application to the Department of Local Government to approve a special rate variation.

M Forsyth
General Manager