

**7 Independent Pricing and Regulatory Tribunal (IPART) (F22.056.000)
Rating Base**

Summary

This item recommends that Council not continue with the previously approved additional special rate variations and that Council apply to retain the rate base provided by the 2009 and 2010 special rate variations.

Finance

Not applicable

Policy

This is a requirement of the application.

Council's Vision and Goals

The report and recommendation supports Council's goal of Sound Financial and Resource Management by generating income from available legitimate sources.

RECOMMENDATION

This item recommends that Council not continue with the previously Council approved additional special rate variations and that Council apply to retain the rate base provided by the 2009 and 2010 special rate variations.

REPORT

Council in 2008 developed a ten year financial plan to ensure long term viability, which was adopted by Council in 2009. The plan highlighted the need to raise additional rating revenue for asset maintenance and renewal.

In 2009 Council applied for a special variation under section 508(2) after undertaking extensive community consultation. The community consultation involved gaining support to increase its general income by 6.5% each year for four years. The community workshops supported Council's special rate variation application for each of the four years with the increases remaining in the rating base ongoing.

Council received approval in July 2009 by the NSW Government to increase its general income for the 2009/2010 year by 6.5% under section 508(2).

Council in 2010 then applied for the following three years under section 508A to increase its general income by 6.5% each year commencing 2010/2011.

Approval was given in late June 2010 by the NSW Government under section 508(2) for the 2010/2011 year of 6.5% only as Council was a Group 2 council and had not started Integrated Planning and Reporting. Council's position was quite unique in being a Group 2 council applying under section 508A. Council has now been

operating under Integrated Planning and Reporting and Council's Long Term Financial Plan and Asset Management Plan have confirmed the need to raise funds for asset maintenance and renewal.

With the time limited consent, Council would need to reduce its general income in 2013/14 by \$439,230 and in 2014/2015 by \$326,829.

Staff met with IPART who now approve rate variations, in early September 2012 to discuss the expiring special variations and the options available to Council.

It is now proposed not to reapply for the additional two years of a 6.5% increase but to retain the previously approved special rate variations in the rating base ongoing. With ongoing efficiencies it is hoped that Council will be able to maintain financial sustainability without the additional special rate variations. Low interest loans under the NSW Local Government Infrastructure Renewal Program are also assisting Council in addressing the backlog of infrastructure/asset maintenance and renewal.

The advice from IPART was for Council to apply to IPART under section 508(2) to retain this general income in its rating base on an ongoing basis. Council would need to consult with the community via media, newsletters or community meetings to let the community know about the benefits and detriments of retaining this revenue in the rating base.

If Council kept this income in its rating basis on an ongoing basis Council will be able to delay applying for special variations in future years.

Council will need to advise IPART by 14 December 2012 of its intention to lodge an application to retain its existing rate base, with the application due to be lodged by 11 March 2013.

**MINUTES OF THE ORDINARY MEETING OF THE COUNCIL OF THE
MUNICIPALITY OF KIAMA HELD IN THE COUNCIL CHAMBERS, KIAMA, ON
TUESDAY 20 NOVEMBER 2012**

- 3) give approval to the raising of a loan to fund Round Two projects.
- 4) authorise the Council seal to be affixed to the LIRS funding agreements for Round Two projects (if approved).

(Councillors Seage & Way)

**4 Community Engagement Strategy (K.29.05.09)
Review of Community Strategic Plan 2013-2023**

CR323

Committee recommendation that Council adopt the Community Engagement Strategy for the review of the Kiama Community Strategic Plan 2013-2023.

(Councillors Sloan & Way)

**5 Donations – Sundry (F22.039.000)
Cancer Council Relay for Life**

CR324

Committee recommendation that Council again support the Cancer Council Relay for Life by donating the relevant reserve hire fees, waste services fees and by providing some tables and chairs and witches hats.

(Councillors Steel & Reilly)

6 Kiama Aquathon (F22.039.000)

CR325

Committee recommendation that Council contribute \$1,750.00 to the holding of the annual Aquathon in April 2013.

(Councillors Seage & Steel)

**7 Independent Pricing and Regulatory Tribunal (IPART) (F22.056.000)
Rating Base**

CR326

Committee recommendation that Council not continue with the previously Council approved additional special rate variations and that Council apply to retain the rate base provided by the 2009 and 2010 special rate variations.

(Councillors Reilly & Way)