

**REPORT 2A – CONSIDERATION OF A SPECIAL RATE VARIATION(S)
FOR 2012/2013 AND BEYOND AS PART OF COUNCIL’S MINIMUM TEN
(10) YEAR LONG TERM FINANCIAL PLAN**

FILE: R2-1

ATTACHMENT: YES (PAGE 37-140)

AUTHOR: General Manager, Gary Woodman

Background

Asset Sustainability

During 2010/2011 Council was able to undertake a majority of its Asset Management Planning including completion of a Policy, Strategy and Asset Management Plans for a majority of its major assets being Transport, Water Supply, Sewerage Services, Stormwater, Recreation and Buildings. Council also considered and adopted a Fifteen (15) Year Rolling Plant Replacement Program. Council Officers at present are redeveloping those Asset Management Plans for inclusion in Council’s Resource Strategy as part of the Integrated Planning and Reporting Framework.

At the end of 2010/2011 Council for the first time was able to determine its Asset Sustainability which is highlighted by the following table:

ASSET TYPE	Estimated Lifecycle Cost per Annum	Planning Expenditure in Asset Management Plan for Year 1	Sustainability Index at Year 1	Average Maintenance and Capital Renewal Expenditure in the Next 10 Years	10 Year Sustainability Index
Water Supplies	\$1,745,000	\$1,596,000	0.91	\$1,607,800	0.99
Sewerage Services	\$434,000	\$233,000	0.54	\$233,000	0.54
Storm Water	\$98,000	\$20,000	0.20	\$20,000	0.20
Buildings	\$996,240	\$284,740	0.29	\$160,348	0.18
Recreation (Parks, Sporting Grounds, Pool, Cemetery, Street Trees, Landscaping, Racecourse)	\$1,093,000	\$923,900	0.84	\$923,900	0.84
Transport (Roads, K&G, Footpaths)	\$11.1 Million	\$4.3 Million	0.38	\$4.3 Million	0.38

During 2011/2012 Council’s Transport Asset Management Plan will be amended to include Airport/Aerodrome Assets. It is expected that the Sustainability Index of 0.38 for Transport Assets will worsen.

During 2010/2011 Council’s ‘Other Assets’ were revalued in accordance with the Division of Local Government requirements and it is expected that as most of

Council's 'Other Assets' involves recreation facilities the Recreation Asset Sustainability Index of 0.84 will also worsen.

What Council's Asset Sustainability Indexes show is that there are major shortfalls between asset life cycle costs and asset life cycle expenditure. Roads (Transport) for example require on annual expenditure of \$11.1 million, however Council is only able to provide a maximum of \$4.3 Million per annum. Life cycle costs includes operating and maintenance expenditure and asset consumption (depreciation expense).

It is an even worse situation with Building Assets, Stormwater Assets and as mentioned previously Recreation Assets are expected to worsen.

Put simply, Council does not have the funds to properly maintain and repair and upgrade to the same standards its Assets. We are not alone and it is expected that Asset Management Plans by Councils across the state will show that most Councils are not sustainable. Ways have to be found to close that funding gap (life cycle gap) and it should be a combination of loan funds, increased fees and charges, increased levels of grants from higher levels of government, developer charges and increased rates.

Operational Costs of Major Council Assets Recently Upgraded

As previously explained to Council, during the process of investigating the feasibility of undertaking major capital improvements of its Asset base Council should have been undertaking appropriate Capital Expenditure Reviews to ensure Council was aware of the full cost implications of both the capital expenditure and any increased operational costs of an undated/expanded asset.

A good example is the Cobar Memorial Swimming Pool. The upgrade cost \$3.7 Million, no loan funds were obtained, minimal grants were provided to the project and it seems that what was used was a majority of Council's accumulated cash at the time.

However operational expenditure, which will be ongoing forever creates a further problem.

Attachment 1 is a Table that details the Cobar Memorial Swimming Pool Expenses and Income between 2005/06 and 2010/2011 and 2011/2012 to date. The Swimming Pools net cost excluding depreciation since upgrade has gone from a average of approximately \$120,000 per annum to almost \$300,000 per annum. It would also be nice if some or all of the depreciation was funded so funds are available for refurbishment of the facilities at the end of its useful life. This operational increase has been absorbed within Council's overall budget. There were no thoughts of ensuring an appropriate increase in fees & charges or rates to cover the increased costs of operations.

This is one of the many reasons why eventually Council's Budget is no longer adequate.

A similar story can be told for the Cobar Main Street Upgrade which cost a total of \$3.4 Million including investigation and design costs. There was no Capital

Expenditure Review undertaken, no grants obtained for the project and sadly if it had waited perhaps 18 months it could have been a most appropriate project for a Commonwealth Grant during the roll out of Global Financial Crisis Projects. Again there was no thought given to increased operational costs of an improved streetscape –

extra cleaning, litter control, garden maintenance etc. Of course the users of the facility are expecting the new pavers and street furniture to be kept clean and the gardens maintained, etc which is estimated to cost in the order of \$70,000 per annum at minimum. Capital wise this project took the last of Council's cash reserves.

Just these two (2) projects increased operational costs amount to a required increase in General Rates of 10% (\$250,000 per annum). At the time it should have been taken into account and the community fully informed.

Economic and Community Services Operational Costs

Attachment 2 is a copy of the July 2010 determination by the Orana Regional Organisation of Council's contribution to health and health services. Cobar Shire Council like many of the Orana Councils have been heavily involved in health, over the past couple of decades, almost \$9 Million.

A great deal of this \$9 Million would not have been grants and came out of Council's normal operating budget.

Attachment 3 is a copy of a Report provided by the previous Director of Corporate and Community Services that details costs of services provided by Council. I have been advised that depreciation is included but not capital works.

However what isn't taken into account is the Corporate costs of the organisation such as governance, administration, human resources, finance, etc, for Lilliane Brady Village for example this would easily be of the order of \$100,000 per annum. Again Council's normal operating budget subsidised the service provided by Lilliane Brady Village.

However, Council can not easily devolve itself of the typical community services that it provides and it has to be paid for somehow.

2011/2012 Council Financial Plan

Council at its Extraordinary Meeting on the 2 December 2011 considered a report concerning the Quarterly Financial Review of the 2010/2011 Budget to 30 September 2011 and actions to improve Council's financial position. Council subsequently resolved as follows:

229.12.2011 RESOLVED:

1. That where actual spending exceeds 10% of the budgeted amount on budget section items it be brought to Council for approval.

2. That Directors and Managers implement ways to reduce costs in their current budgets by 10%.
3. That where practically possible vacant positions be filled internally in the first instance, and before being externally advertised, the filling of positions be considered by Council.
4. That Council freezes employment of indoor and outdoor staff for the next 12 months.
5. That budget reviews be undertaken monthly.
6. That only Directors and Managers be authorised to sign-off on purchase orders.

Clr Marsden/Clr Sinclair

CARRIED

It was requested that it be recorded that all Councillors present voted for the motion.

230.12.2011 **RESOLVED:** That investigations be undertaken and an appropriate report be provided into how the PCYC and other organisations could take over the running and management of the Cobar Youth & Fitness Centre to reduce Council's costs.

Clr Kings/Clr Sinclair

CARRIED

231.12.2011 **RESOLVED:** That Council does not proceed with the purchase and lease arrangements of the road train dolly and triaxle side tipper.

Clr Kings/Clr Yench

CARRIED

232.12.2011 **RESOLVED:**

1. That Council's existing loan facility be transferred to a new loan facility as at 30 June 2012 to take into account a further \$429,436 required for sewer fund loan repayment and 2011/2012 capital projects detailed within the report that require funding subject to changes made at the meeting.
2. That Council's new loan facility if required be extended if possible to a payment period of 20 years instead of 15 years.
3. That the Mayor and General Manager be authorised to execute under Council's Seal any documentation associated with the new loan facility.
4. That a report be provided to the May 2012 Finance and Policy Committee on the financial status of Council at that time for the final direction in regard to taking up the new loan facility as at 30 June 2012.

Clr Sinclair/Clr Yench

CARRIED

233.12.2011 **RESOLVED:** That the information contained in the September 2011 Quarterly Budget Review Statement be received and noted, and that the budget income and expenditure changes together with the following further changes to provide for an estimated General Fund Surplus as at 30 June 2012 amounting to \$852,531 be approved:

- \$50,000 further reduction of the grant contribution program to nil;
- \$200,000 reduction of the shire roads reseal program to nil;
- \$150,000 reduction of the Roads to Recovery Project – kerb and gutter Cobar Industrial Estate and transfer of these funds to partly fund \$150,000 of \$200,000 of the Shire Roads Causeway Stabilisation Program;
- \$5,800 budget correction in the Noxious Weeds Program;
- \$15,000 budget adjustment for Engineering Services Department supervision costs for Noxious Weeds Inspections;
- \$310,000 capital construction return for leasing of new plant (two (2) rubber tyred rollers);
- \$32,000 removal of budget for the purchase of a road train dolly;
- \$95,000 removal of budget for the purchase of a triaxle side tipper;
- \$50,000 reduction in plant income to cover new plant lease costs;
- \$44,200 removal of budget for Lilliane Brady Village Bathroom Improvements;
- \$90,000 removal of budget for Lilliane Brady Village for lounge room extension by reducing loan requirements;
- \$165,000 removal of budget for the purchase of the caravan park crown land by reducing loan requirements;
- \$40,000 reduction of Bloomfield street car park construction by reducing loan requirements.

Clr Sinclair/Clr Francisco

CARRIED

234.12.2011 **RESOLVED:** That the General Manager arrange an investigation and report on the economic feasibility of selling or leasing to a private operator the Lilliane Brady Village and further that the Commonwealth and State Government be approached in attempt to obtain extra operational funding as an alternative to the selling or leasing of Lilliane Brady Village to ensure the continued quality care of the residents of Lilliane Brady Village so that Council does not continue to subsidise the operations of the facility.

Clr Yench/Clr Sinclair

CARRIED

Councillor Marsden requested his name be recorded as voting against the motion.

235.12.2011 RESOLVED: That the General Manager arrange a further analysis at the December 2011 Quarterly Budget Review to determine further ways to increase the cash surplus of the General Fund that may include further reduction in services, increases in fees and charges, other savings in capital works and reductions in employee costs.

Clr Sinclair/Clr Isbester

CARRIED

236.12.2011 RESOLVED: That if necessary the Mayor and General Manager be authorised to execute under Council's Seal any documentation associated with the new plant leasing arrangements.

Clr Sinclair/Clr Yench

CARRIED

Council's Management Team are currently where practical implementing Council's Resolutions.

A majority of the Resolutions relate to the expenditure side of Council's budget and Councillors were made aware that a great majority of Council's Budget is made up of grants or funds that are tied and can not be adjusted.

Investigations have commenced on the feasibility of selling or leasing to a private operator the Lilliane Brady Village Arrangements for an approach to the Commonwealth Government to obtain operational funding have also been put in train.

Investigations have also commenced into how the PCYC and other Organisations could take over the running and management of the Cobar Youth and Fitness Centre to reduce Council's Costs. However, there is no guarantee that someone else managing the facility will be less costly.

Council Officers are also investigating the status of Council's Children's Services, Roads and Maritime Services (Motor Registry) and Centrelink Services.

Council does have to make a decision whether it is appropriate for a reduction in services or those services be paid for by the community that uses those services. This payment can be by increased fees and charges, better contractual arrangements and/or an increase in Council's General Rates.

Local Member Comments

Available Councillors and Senior Staff met with the Local State Member, the Hon. Kevin Humphries MP on Wednesday 16 November 2011 concerning Council's financial situation.

Attachment 4 is an article from the 23 November 2011 Cobar Weekly which adequately summarizes the discussions held with Mr Humphries:

- Budget over expenditure must be controlled;
- We do not collect an appropriate level of General Rates;
- Priority capital works only;
- Line up peoples expectations to what Council can afford;
- New facilities have to be paid for by the community;
- Get away from aged care.

Comparative information on NSW Council's is discussed further in the Report.

2012/2013 Rate Pegging Limit

The Independent Pricing and Regulatory Tribunal (IPART) has approved a Rate Pegging Limit of 3.6% for 2012/2013.

Attachment 5 is IPART's Local Government – Information Paper, December 2011 that explains the process to determine this limit.

Unless instructed otherwise Council's 2012/2013 Budget (Annual Operating Plan) will incorporate the full 3.6% rate pegging limit for General Fund Rates to ensure that the expected increase in Local Government costs are covered.

Comparative Information on NSW Council's Rates

Attachment 6 is a copy of a Report on Comparative Information on NSW Local Government Council's 2009/10 that was provided to Council's October 2011 Meeting.

The following table summaries comparative data for General Rates for Cobar Shire Council, other Group 11 Council's and the NSW average.

General Rate Type	Cobar Shire Council	Average other Group 11 Councils	NSW Average
Residential	\$396	\$474	\$781
Farmland	\$1,193	\$1,984	\$1,876
Business	\$676	\$987	\$4,151

It is clear that Cobar Shire Council's General Rates are much lower in all categories. Just to bring Cobar's rates to be equivalent of Group 11 Council's (like Council's) a 50% increase is warranted. Council officers have also determined following contact with other 'Mining' Council's that Cobar Shire Council rates for 'Mining' are much lower than other Councils.

There is certainly room to move in regard to rates for a community that reportedly is the fifth highest per capita income shire in NSW.

Cobar Shire 2025 Community Strategic Plan – Consultations

Council has completed its community consultation in regard to formulation of the Cobar Shire 2025 Community Strategic Plan. During the consultation it was found that the community was strongly in favour of increasing Council's income and offered a range of suggestions on how to achieve this.

Attachment 7 is a copy of the Report provided to Council's December 2011 Meeting concerning this issue.

The idea of increasing rates was supported on many occasions, as long as it was used appropriately (it was mostly suggested to provide additional infrastructure).

Guidelines for Preparation of a Special Rate Variation

Attachment 8 is the DLG Circular 11-29 – Guidelines for the Preparation of a Special Rate Variation Application and the actual guidelines.

Councils need to consider carefully the type of special variation they wish to apply for if any. It can follow one of four paths:

- Scenario 1 (s508A): Successive annual percentage increases (for between 2 and 7 years), which remains in the rate based permanently;
- Scenario 2 (s508(2) *continuing*): a one-off (single year) percentage increase that remains in the rate base permanently;
- Scenario 3 (s508(2) fixed for *x* years): a one-off (single year) percentage increase that remains in the rate base for *x* years. At the end of the fixed period the rate base is adjusted to match the rate peg path; or
- Scenario 4 (Rate Peg): IPART determined rate peg applies each year.

What is considered to be warranted to help improve Cobar Shire Council's Asset Sustainability, to help cover operational costs of recent large capital projects (Swimming Pool and Cobar Main Street) and Community Services Operational Costs is as follows:

- A Section 508(2) Application continuing amounting to 10% above the rate pegging limit to cover the increased operational costs of the Swimming Pool and Cobar Main Street, commencing 2012/2013;
- A Section 508(A) Application for between 6% to 7% for 7 years commencing 2013/2014 which remains in the rate base permanently providing at the end an increase of between 50%-60% for transport and community infrastructure and services (2012/2013 would be the year of consultation and application).

Under the Guidelines, Council's had to notify IPART of their intention to apply for a special rate variation by 16 December 2011. To ensure that Cobar Shire Council was in the position to make a decision either way an appropriate advice was provided by the deadline that Council intended to apply for a special rate variation during 2012 for a single percentage variation up to a maximum of 10% above the rate pegging limit

for a continuous period of time (as per Section 508(2) of the NSW Local Government Act 1993), based on the need to fund and maintain essential community and transport infrastructure in the Shire.

Council, however does not need to continue with the application process for 2012/2013 which unfortunately has a deadline for application of Friday 24 February 2012, nor apply for a special rate variation of all of the 10% initially advised to IPART.

However, a 10% general rate increase over and above the 3.6% rate pegging limit equates to approximately \$250,000 per annum that is equivalent to the increased operational costs of the Cobar Memorial Swimming Pool (\$180,000 – 7.2%) and the Cobar Main Street Upgraded Works (\$70,000 – 2.8%).

Appropriate levels of community consultation is discussed further in the report, however consultation is a problem with any proposed application for 2012/2013 due to timing constraints.

There is also concern that as Council officers are currently fully engaged in budget control and checking, budget reviews, and all of what is required for the Integrated Planning and Reporting Framework Council will not have the resources internally to properly undertake the application and community consultation process for any application for commencement in 2012/2013.

An alternative is for only some of what is warranted and the year 2012/2013 would be for the community consultation and application process for a Special Rate Variation under Section 508A of successive annual percentage for say up to 7 years, of perhaps a 6-7% rate increase per annum, which would remain in the rate base permanently. This in the end would be equivalent to a rate increase at the end of the 7 years of a total of between 50% to 60% and eventually bring the General Rates up to an appropriate level in comparison to like Councils and help enormously to cover asset sustainability and community services operational costs.

Proposed Changing of General Rates Burden

Councillors need to be aware that there is the ability to change the burden of paying General Rates.

Councillors also need to be aware that for 2011/2012 where there was only 2.8% general rate increase, in the Mining Rate was only increased by 1%. Similarly any increase in rates, whatever type can have the burden move away from Farmland and Residential to perhaps Mining and somewhat less to Business.

These types of scenarios can be determined at the time to ensure that all of the burden does not just fall on the residential rate payer and perhaps more burden is placed on the industry that is gaining much from Cobar Shire.

By using a combination of the change of land values and relevant changes to the ad valorem Rates the proposed 13.6% rate increase (3.6% rate pegging limit and proposed 10% special rate increase) would see the following increases in rates:

Residential	3.56%
Business	4.49%
Farmland	1.27%
Mining	34.17%

Hence a change in burden to the two (2) main areas benefiting from the resources boom of Cobar Shire (Mining and Business).

It also may be appropriate to change Council's Mining Role Category to have only Mining instead of Mining-Other and Mining-Gold as eventually most mines will be all or a combination of metals mined.

There are many other scenarios that can be explored.

Required Community Consultation for a Special Rate Variation

Attachment 9 is IPART's Fact Sheet for Council's concerning community consultation for special variation applications.

Council's Finance and Policy Committee will be considering this Report on the 9 February 2012. The application to IPART which is to include details and results of the community consultation needs to be provided by Friday 24 February 2012. Council would be making a final decision on whether to apply or not and considering results of any consultation at its meeting on the 23 February 2012, the night before the application is due.

If the committee does do a positive recommendation a decision could be made to commence the required community consultation which at minimum would involve the following:

- One (1) public meeting in Cobar;
- Letter box drop/flyer (urban and rural)
- Radio information;
- Newspaper information;
- Survey on our website;
- The Community Strategic Plan feedback information;
- Consultation discussions with businesses;
- Consultation discussions with industry (mining).

However, Councillors will note that the IPART Community Consultation Fact Sheet states that effective community consultation means that the broad community is informed about the special rate variation application, not just a small section of the community that attends a community meeting or undertakes a survey.

Council is 'between a rock and a hard place'. It is particularly hard to sell an increase in rates even with the known dire financial consequences or reductions in services. Without sufficient time for proper community consultation there could be a great deal of misinformation and the inability to correct that problem. Council needs to be able to show the financial impact of the proposed rate rise and the benefits obtained.

Timetabling and Logistics

As discussed previously, if the Committee determines to recommend to Council to go ahead with a Special Rate Variation, resources would be put in train for the required community consultation and the actual application. This most probably would require the engagement of a suitable consultant(s) for the consultation and the application. Funds from Council's 2011/2012 Budget for Integrated Planning and Reporting would be used.

The results of the community consultation would be reported to Council's Meeting on the 23 February 2012 where a final decision would be made by Council to provide the application to IPART on the 24 February 2012.

If the Committee recommends negatively at its Meeting on the 9 February 2012 no action will be taken for an application for a Special Rate Variation for the year 2012/2013.

Councillors must also realise that there is no guarantee that appropriate consultant(s) will be able to be engaged to properly assist Council Staff for the required community consultation and application.

IPART will not determine any application until 6 June 2012 which times it well in relation to Council finally considering the Four (4) Year Delivery Program and 2012/2013 Annual Operating Plan at its Meeting on the 28 June 2012.

Issues

How to have a successful Special Rate Variation application and a community that is on side?

For a Special Rate Variation to be successful Council must be able to fully inform its community and show the benefits and costs of the proposal.

All of Council, both Councillors and Staff, will need to work together to provide the same information and to be able to react appropriately to any misinformation.

New Council September 2012

A further complication will be that a new Council will be elected in September 2012 after any decision is made for a Special Rate Variation for 2012/2013. The politics of this situation will have to be considered.

Legal Situation

Section 508(A) and Section 508(2) of the NSW Local Government Act 1993 enable councils to apply for a Special Rate Variation to General Income.

IPART have been delegated the authority to regulate Council rate increases.

Council must comply with the relevant guidelines.

Policy Implications

Council has adopted an Asset Management Policy, Asset Management Strategy and various Asset Management Plans. All of this planning is showing that Council does not have the financial resources to properly maintain and update its assets or provide relevant community services expected by its community.

Council can attempt to improve its financial resources by increasing its General Rates that are currently only 14% of its total budget.

Part of the Integrated Planning and Reporting Framework process is to have a minimum ten (10) year long term financial plan that is tied to its Asset Management Plans. Decisions need to be made whether an appropriate level of finances need to be acquired to improve asset sustainability and service provision.

Financial Implications

Council does have an appropriate budget available to help with the resources required for any community consultation and application for a special rate variation in 2012/2013 (approximately \$21,000 available).

Options

If Council believes that at some stage an increase in General Rate income is warranted Council has the following options:

1. Have no special rate variation at all for 2012/2013;
2. Take the necessary action (community consultation and application) for a continuous Special Rate Variation under Section 508(2) of the NSW Local Government Act 1993 amounting up to 10% above the rate pegging limit for the increased operational costs of the Swimming Pool and the Cobar Main Street with the burden being to the Mining and Business Rate area, commencing 2012/2013;
3. Take the necessary action (community consultation and application) for a Special Rate Variation under Section 508(A) of the NSW Local Government Act 1993 amounting up to 6-7% above the rate pegging limit for 7 years for Asset Sustainability and Community Services operations (essential community and transport infrastructure within the shire), with the main burden being to the Mining and Business Rate Area and a lower proportion to Residential and Farmland commencing 2013/2014 and to remain in the rate base permanently;
4. A combination of Options 2 and 3.

RECOMMENDATION

- 1. That no further action be taken on the proposed Special Rate Variation application under Section 508(2) of the NSW Local Government Act 1993 that was proposed to commence in 2012/2013.**
- 2. That Council take the necessary action (community consultation and application) for a Special Rate Variation under Section 508A of the NSW Local Government Act 1993 amounting up to 7% above the rate pegging limit for 7 years for Asset Sustainability and Community Services operations (essential community and transport infrastructure within the shire) with the main burden being to the Mining and Business Rate Area and a lower proportion to Residential and Farmland commencing 2013/2014 and to remain in the rate base permanently.**
- 3. That the Draft Four (4) Year 2012/2013 – 2015/2016 Delivery Program and Minimum Ten (10) Year Long Term Financial Plan take into account the proposed Special Rate Variation.**

**REPORT 2A – CONSIDERATION OF A SPECIAL RATE VARIATION(S)
FOR 2012/2013 AND BEYOND AS PART OF COUNCIL’S MINIMUM TEN
(10) YEAR LONG TERM FINANCIAL PLAN**

FILE: R2-1

AUTHOR: *General Manager, Gary Woodman*

9FP.2.2012

RECOMMENDATION:

4. That no further action be taken on the proposed Special Rate Variation application under Section 508(2) of the NSW Local Government Act 1993 that was proposed to commence in 2012/2013.
5. That Council take the necessary action (community consultation and application) for a Special Rate Variation under Section 508A of the NSW Local Government Act 1993 amounting up to 7% above the rate pegging limit for 7 years for Asset Sustainability and Community Services operations (essential community and transport infrastructure within the shire) with the main burden being to the Mining and Business Rate Area and a lower proportion to Residential and Farmland commencing 2013/2014 and to remain in the rate base permanently.
6. That the Draft Four (4) Year 2012/2013 – 2015/2016 Delivery Program and Minimum Ten (10) Year Long Term Financial Plan take into account the proposed Special Rate Variation.

Clr Francisco/Clr Cox

CARRIED

Councillor Marsden requested his name be recorded as voting against the Motion.

CONFIRMATION OF MINUTES

FINANCE AND POLICY COMMITTEE MEETING (FILE C6-19)

5.2.2012

RESOLVED: That the minutes, and the following recommendations contained therein, of the Finance and Policy Committee Meeting held on Thursday 9 February 2012 be adopted by Council.

Clr Francisco/Clr Cox

CARRIED

REPORT 2A – CONSIDERATION OF A SPECIAL RATE VARIATION(S) FOR 2012/2013 AND BEYOND AS PART OF COUNCIL'S MINIMUM TEN (10) YEAR LONG TERM FINANCIAL PLAN

FILE: R2-1

AUTHOR: General Manager, Gary Woodman

9FP.2.2012

RECOMMENDATION:

1. *That no further action be taken on the proposed Special Rate Variation application under Section 508(2) of the NSW Local Government Act 1993 that was proposed to commence in 2012/2013.*
2. *That Council take the necessary action (community consultation and application) for a Special Rate Variation under Section 508A of the NSW Local Government Act 1993 amounting up to 7% above the rate pegging limit for 7 years for Asset Sustainability and Community Services operations

(essential community and transport infrastructure within the shire) with the main burden being to the Mining and Business Rate Area and a lower proportion to Residential and Farmland commencing 2013/2014 and to remain in the rate base permanently.*
3. *That the Draft Four (4) Year 2012/2013 – 2015/2016 Delivery Program and Minimum Ten (10) Year Long Term Financial Plan take into account the proposed Special Rate Variation.*

Clr Francisco/Clr Cox

CARRIED
