

AGENDA

1.	Acknowledgement to Country	2
2.	Apologies / Leave of Absence	2
3.	Pecuniary Interest	2
4.	Addresses to Council	2
5.	Adjournment – Consideration of Addresses to Council.....	2
6.	Administrator’s Statements / Reports / Presentations	2
7.	Administrator’s Minutes	2
8.	Reports	2
8.1	2009/2012 Draft Management Plan (9125613)	3
9.	Urgent Business.....	19

1. Acknowledgement to Country

Shellharbour City Council acknowledges the Traditional Owners and Custodians of the Land on which we are meeting.

2. Apologies / Leave of Absence

3. Pecuniary Interest

4. Addresses to Council

5. Adjournment – Consideration of Addresses to Council

6. Administrator's Statements / Reports / Presentations

7. Administrator's Minutes

8. Reports

8.1 2009/2012 Draft Management Plan (9125613)

To the Administrator

Division: General Manager's Division

Department: Executive Offices

Manager: Brian Weir – General Manager

Author: Paul Henderson – Manager Financial Services; Peggy Macquire – Management Accountant

Summary

Section 406 of the *Local Government Act 1993*, requires that before the end of each year, Council must adopt a Management Plan for the following year after it has been prepared and exhibited for a period not less than 28 days. In deciding on the final plan to be adopted, Council must take into consideration any submissions that have been made concerning the Draft Management Plan.

This report presents the Draft Management Plan and 2009/10 Budget to Council, along with any public submissions and changes that have been made since the Extraordinary Meeting on 21 May 2009. The report also reviews the works to be carried over to the next budget year and formally makes the annual rates and charges for the 2009/2010 financial year.

Recommendation**1. That Council adopt:-**

- **The Management Plan**
- **The Strategic Plan**
- **The Operational, Balance Sheet, Capital Works and Asset Maintenance/Replacement Budgets**
- **The Revenue Policy**
- **The Fees and Charges**
- **The New Items categorised as “Statutory” totalling \$55,500 (net)**
- **The New Items categorised as “Essential” totalling \$198,000 (net)**

as set on 21 May 2009, plus the following changes:

- **The amendments to the Fees and Charges document as detailed later in this report.**
- **The amendments to the Revenue Policy document as detailed later in this report.**

This will result in an overall unrestricted cash deficit of \$4,004.

2. That an ordinary rate, consisting of an Ad-Valorem Rate of zero point three two nine two four cents in the dollar (0.32924) and a Base Amount of two hundred and eighty nine dollars and fifteen cents (\$289.15) per assessment in accordance with section 537 of the Local Government Act 1993 on all rateable land in the City of Shellharbour categorised as "RESIDENTIAL" in accordance with Section 516 of the *Local Government Act 1993* be now made for the period 1 July 2009 to 30 June 2010 and in accordance with section 543(1) of the *Local Government Act 1993*, this rate be named "RESIDENTIAL".

Further that the percentage of the base amount, pursuant to Section 500 of the *Local Government Act 1993* is thirty percent (30%) of the total amount payable by the levying of the rate.

3. That an ordinary rate, consisting of an Ad-Valorem Rate of zero point three zero two six two cents in the dollar (0.30262) per assessment on all rateable land in the City of Shellharbour categorised as "FARMLAND" in accordance with Section 515 of the *Local Government Act 1993* be now made for the period 1 July 2009 to 30 June 2010 and in accordance with section 543(1) of the *Local Government Act*, this rate be named "FARMLAND".
4. That an ordinary rate, consisting of an Ad-Valorem Rate of zero point two seven seven six four cents in the dollar (0.27764) per assessment on all rateable land in the City of Shellharbour categorised as "BUSINESS" in accordance with Section 518 of the *Local Government Act 1993* except all rateable land in the City of Shellharbour determined to be in the business sub-category "GENERAL" be now made for the period 1 July 2009 to 30 June 2010 and in accordance with section 543(1) of the *Local Government Act 1993*, this rate be named "NON-URBAN".
5. That an ordinary rate, consisting of an Ad-Valorem Rate of zero point seven four eight zero nine cents in the dollar (0.74809) per assessment on all rateable land in the City of Shellharbour used or zoned for professional/commercial trade or industrial purposes and determined to be a centre of activity and categorised as "BUSINESS" in accordance with Section 518, sub category "GENERAL" in accordance with section 529(1) of the *Local Government Act 1993* be now made for the period 1 July 2009 to 30 June 2010 and in accordance with section 543(1) of the *Local Government Act 1993*, this rate be named "BUSINESS GENERAL".
6. That a Domestic Waste Service Charge of:
 - i) \$259.00 per annum per 240 litre bin per fortnightly service;
 - ii) \$205.00 per annum per 120/140 litre bin per fortnightly service; and
 - iii) \$60.00 per available service (vacant land)

be now made for the period 1 July 2009 to 30 June 2010 in accordance with Section 496 of the *Local Government Act 1993*.

7. That a Business Waste Service Charge of:

- i) \$267.00 per annum per fortnightly service (garbage, recycling & green waste);**
- ii) \$218.00 per annum per fortnightly service (garbage only);**
- iii) \$65.00 per annum per fortnightly service (recycling only);**
- iv) \$257.00 per annum per fortnightly service (garbage and recycling only);**
- v) \$80.00 per annum per fortnightly service (green waste only); and**
- vi) \$120.00 per annum per fortnightly service (two recycling bins only)**

be now made for the period 1 July 2009 to 30 June 2010 in accordance with Section 501 of the *Local Government Act 1993*.

8. That a Stormwater Management Service Charge of:

- i) \$25 per residential assessment per annum**
- ii) \$12.50 per residential strata unit per annum**
- iii) \$25 per 350m² (or part thereof) per business assessment per annum capped at a maximum charge of \$150**
- iv) Business Strata Lots – pro rata per unit of business calculation per annum**

be now made for the period 1 July 2009 to 30 June 2010 in accordance with Section 496A of the *Local Government Act 1993*.

9. That a rate of nine percent per annum (9% p.a.) accruing daily on rates and charges that remain unpaid after they become due and payable be now set for the period 1 July 2009 to 30 June 2010 in accordance with Section 566 of the *Local Government Act 1993*.**10. a) That Council's voluntary Pensioner rebate be reduced from \$90 to \$60 from the 2009/10 budget year; and**

b) That Council's voluntary Pensioner rebate be restricted to those pensioners registered with Council and eligible for the rebate in 2008/2009, as at 30 June 2009 and that no further pensioners be included in Council's voluntary rebate scheme after 30 June 2009.

11. That the amount of new loan borrowing application be \$1,400,000 with \$1,400,000 to be borrowed if required from recognised banking institutions or government authorities and secured by a mortgage over Council's consolidated fund income and that this loan be utilised for capital works at the Shellharbour Beachside Tourist Park.**12. That the existing Works and Sportsfields ward fund balances plus all future allocations, be categorised and distributed on a city wide priority basis.****13. That Council adopt the projects to be carried over as detailed in the report and also listed in the attachments totalling \$9,690,400.**

14. That the public submissions made, be received, taken into consideration and noted.

Background

At its Extraordinary Council meeting held on 21 May 2009, Council decided to place its Draft Management Plan and 2009/10 Budget on public exhibition. The period of public exhibition commenced on Saturday 23 May 2009 and concluded at the close of business on Monday 22 June 2009. It is a requirement of the *Local Government Act* that Councils place their Draft Management Plans on exhibition for at least 28 days.

Public Submissions

As a result of the public exhibition period for the Draft Management Plan and Budget, some key themes have emerged in submissions and these have been addressed in this report.

Some submissions raised a large number of individual points on a very diverse range of subjects. While this report has not sought to answer each specific issue, Council officers will be available to work through individual questions with residents in the coming weeks.

Ron Costello Oval

A large number of submissions have been received regarding funding for facilities at Ron Costello Oval. All submissions were received prior to the start of the Draft Management Plan exhibition period, which commenced on 23 May 2009.

Council resolved on 16 December 2008 to consider a request from the Shellharbour City Sharks for a \$180,000 contribution to assist with the construction of amenities and grandstand at Ron Costello Oval. All submissions received have requested that Council include this allocation in its 2009/10 budget.

As indicated in the draft Management Plan report to Council on the 21st May 2009, it has been Council's long-term plan to develop sporting facilities at Croom Regional Sporting Complex which are of the highest standard within our City and which are available for significant regional/local sporting events. The Department of Sport and Recreation has supported this initiative and provided substantial grants to develop facilities at the complex.

The proposal by the Shellharbour Sharks to develop Ron Costello Oval into a major football facility is commendable but is inconsistent with Council's adopted plans and not a priority for Council. Council has limited funds to be shared throughout Council's citywide sporting facilities to assist other sporting organisations to develop sport in our local community. It is noted that Council has allocated \$29,000 as a contribution towards works proposed by the club at the oval however the club has not expended these funds to date.

Swimming Pool Budget Reductions

Eight submissions have been received, predominantly in support of swimming clubs, and requests that Albion Park and Warilla Pools not be closed during the swimming shoulder season of October, November and April. Four submissions have also recommended that a small 'user pays' fee be introduced at all Council pools.

The proposed reduction in opening periods for Warilla and Albion Park pools is to reduce the total swimming pool costs by \$100,000. Council's records for attendance figures for these pools indicate that there is low utilisation of the pools during the months of October, November and April. However, in order to support school sport programs the pools will be available through bookings at no charge to the schools during these months.

The proposal to introduce a small general-user fee would fall well short of the savings identified by closing the pools during this period.

A number of submissions from clubs objected to the introduction of a charge for exclusive use of pools. This proposed charge is based on covering the supervisors' wages and will not cover normal pool operating costs. However, this provides the opportunity for organisations to utilise this service if they require.

Pensioner Rebate Changes

Three submissions, two of them from the Member for Shellharbour on behalf of ratepayers, have been received addressing the changes proposed to the voluntary pensioner rebate scheme. Another two submissions objecting to the changes along with a large number of other issues, were received during the public exhibition period. Two residents also discussed their objections to the proposed changes as part of their addresses to Council at the meeting to place the Draft Management Plan on exhibition.

The main issue raised from the submissions received is on the proposed reduction in the voluntary rebate from \$90 to \$60. This issue was discussed in the report to place the Draft Management Plan on exhibition. It was highlighted that from recent information received from 104 NSW Councils, only 21 are paying an additional voluntary rebate above the mandatory \$250 payment. Of those 21 Council pensioner rebate schemes (at either the existing \$90 or proposed \$60 amount), Shellharbour's rebate is still one of the most generous in terms of total rebates paid per pensioner.

The existing rebate amount of \$90, which was doubled from \$45 in 2004, costs Council approximately \$450,000 each year. The total cost of pensioner rebates Council pays out of its rating income exceeds \$1 million annually when combined with the mandatory \$250 rebate.

Poplar Avenue Extension

Two written submissions have been received requesting the extension of Poplar Avenue in Albion Park Rail. The same residents also raised their concerns as part of addresses to Council at the meeting to place the Draft Management Plan on exhibition.

The requested road extension is to enable residents to avoid the dangerous intersection when accessing the Princes Highway. The RTA has refused Council's requests to assist with funding for this project.

Council staff advise that a funding submission has recently been sent to the Federal Government funded Black Spot Program and to the Member for Throsby seeking full funding for the extension of Poplar Avenue to Airport Road, Albion Park Rail.

The outcome of the application should be known early in the 2009/10 financial year.

Shellharbour Beachside Tourist Park Fees and Charges

One written submission and a petition have been received primarily about the proposed increase in the monthly Occupation Agreement fees payable for holiday vans at the Shellharbour Beachside Tourist Park. A comment was also made that there has been no improvement in amenities, facilities, conditions or services to justify the increase.

The fees are being increased from \$298 to \$327 per month to meet the rising operational costs and align the park fees with industry standards.

Included in the recommendation of this report is approval for a new loan borrowing application to be made for the amount of \$1.4 million. This funding is for various improvement works to the park facilities proposed for 2009/10.

The submissions also raised objections to the increase for the fees associated with the Renewal of Existing Occupation Agreements. For 2008/09 this fee is \$75 for a two-year agreement. The agreement has changed in 2009/10 to a three-year term and the fee is \$120. As the fee now covers an additional year it is believed the increase is only modest.

Base Rate

Two submissions have been received on the proposed change to the base rate from 25% to 30%. This issue has also been mentioned along with a number of other items in two other submissions. Two residents also covered this issue in their address to Council at the meeting to place the Draft Management Plan on exhibition.

The main issues raised from the submissions include a perceived lack of community consultation, that the impact of the increase will impact on the less wealthy residents - as they are usually the ratepayers with the lower valued properties - and an opinion that the base rate should be increased to 50% rather than the proposed 30%.

The placement of the Draft Management Plan on exhibition for 28 days represents Council's consultation with the community on its activities for the next three years as

required under the *Local Government Act*. The community has the opportunity to express their views on these activities via the lodgement of submissions. The Act requires Council, before deciding on the final plan to be adopted, to take into consideration any submissions that have been made concerning the Draft Management Plan.

Council's current base rate is 25% and in accordance with the *Local Government Act* can be increased to a maximum of 50%.

The application of a base rate makes the calculation of the rate less dependent on the valuation applied to the property. When a base rate is increased, the higher valued properties rates decrease and the lower valued properties rates increase. The recommendation to increase the base rate will therefore result in the lower valued properties paying more of the rate burden.

There is no right or wrong answer regarding what level the base rate should be set at. The base rate takes into account the necessity to evenly spread the burden of rates for common services over all ratepayers, with the balance of rates calculated on the valuation component.

The overriding principle of Local Government rating as defined by the Department of Local Government is "the amount a ratepayer pays is primarily and predominantly determined by an ad valorem method". That is, rates are calculated according to the land value of properties.

Financial Assistance

Three separate submissions have been received from three organisations requesting that the financial assistance Council currently provides be continued in the 2009/10 budget.

The Warilla Neighbourhood Centre Inc. has requested that consideration be given to increasing their annual allocation.

The Draft 2009/10 Budget does contain amounts for financial assistance to various external organisations including the three who have sent in submissions. There is however no extra assistance on top of the current \$12,000 for the Warilla Neighbourhood Centre. This is based on the fact that they are already the only centre in our city that receives direct funding for youth initiatives from Council.

Golf Course

Four submissions objected to Council's management of the Links Shell Cove golf course and club house, and the relocation of the course from Shellharbour.

Council's decision to relocate the golf club and construct a new course and club house was a policy decision made over a decade ago. Council was left with no alternative but to take possession of the course and club house and restore it to an acceptable condition, ultimately for a review of an appropriate management and operational structure. The shortfall in funds required to operate and enhance the current course and club house, is

intended to be recouped from the sale of the adjoining residential land when market conditions are acceptable.

The new course and club house has been constructed to a very high standard. A quality golf course enhances local property values and provides a destination of interest for tourists, particularly golfing enthusiasts, which in turn provides local economic benefits.

Section 94

Three submissions have questioned the \$2.9 million allocation in the Draft Capital Works Budget for the Civic Centre which is funded under Council's Section 94 plan.

Council considered a report on the Civic Centre at its meeting of 30 September 2008. The following excerpt is provided from that report.

“The option of implementing the current plan has been tested against the creation of a new civic centre with the administration centre, council chamber, civic auditorium and central library being co-located at the one site. This work was carried out with the assistance of external consultants who are expert in the field of researching and compiling a functional design brief for a new public building. The functional design brief was supported by a quantity surveyor's estimate of costs for either option.

Our investigations concluded that:

- *It is less expensive to deliver facilities on a new site in a co-ordinated manner*
- *The ability to co-locate the central library, chambers, administrative, civic and sessional services in the one location will result in operational savings by having one dedicated customer service facility for the entire operation*
- *Lamerton House is a valuable asset that can be used to fund a large part of the cost of these facilities*
- *The new site at Cygnet Avenue is large enough to cater for other community facilities that Council is committed to providing in future years, and may lend itself towards revising our current plans about the location of facilities such as a performance theatre and art gallery.*

After considering reports on this issue, Council gave the authority to take the matter to the design stage and also to purchase the Cygnet Avenue site to preserve this option. “

For further details please refer to that report.

Land & Environment Court Case – Leaking of Confidential Information

Three submissions included questions about provisions for legal costs in the 2009/10 Budget.

There is no provision in the 09/10 Budget for specific funds to meet any further costs associated with the Leaking of Confidential Information court case. The court case costs were predominantly funded within the 06/07 and 07/08 budgets.

Any necessary budget adjustment would be reported to Council at the appropriate time during the year.

Library Strategic Plan

Four submissions questioned the \$20,000 budget allocation for a strategic plan for the library service.

Council committed to the preparation of a Library Strategic Plan at its meeting on 29 January 2009 during the consideration of the possible relocation of Warilla Library. This allocation is in line with that commitment.

This review will ensure a quality assessment process is undertaken to evaluate services and to establish a strategy for future development and improvements of Council's library service. It will include a community consultation process.

General Manager's Performance Review

Three submissions questioned the timeframe for the General Manager's performance review and the budget allocation.

The general terms and the detail of the Performance Agreement between the parties (the Council and the General Manager) have been agreed to. The performance review will be conducted next month.

Following the review John Kleem Consulting will be reporting on the preferred model under which future reviews will be conducted. All fees will be met from existing budget allocations.

Biological Diversity

One submission asked that Council fast-track the development of a policy on biological diversity.

The suggestions made in the submission are noted. This policy will be scheduled for consideration as soon as possible, subject to resources being available.

Reduction of Mowing Budget

One submission raised the possible impact a reduction in mowing services might have on children playing in passive recreation areas.

The reduction in the level of mowing services will be concentrated on open space passive areas. Minimal impact will be apparent on active open space.

Internal Audit

Two submissions asked when Council would implement an Internal Audit program.

This has previously been reported to Council. It is a major objective for the 09/10 Management Plan for internal audit to be implemented.

'User Pays' Policy

Some submissions recommended that Council move to a 'user pays' policy with respect to some of the Council's facilities. This will be considered and submitted to Council prior to the next budget.

Streetscape Funding

One submission asked whether funds for the Albion Park streetscape program had been diverted from streetscape programs for Oak Flats and Shellharbour.

Proposed funds for the Destination - Albion Park Project are made up from accumulated allocations to Albion Park streetscape, our current asset repairs program and anticipated allocations from the RTA. This has not impacted on streetscapes for Shellharbour or Oak Flats and these ongoing programs will be considered in future budgets.

Shell Cove

Two submissions have commented on the \$333,258 net cost in the Shell Cove administration budget for 2009/10.

Any net expenditure associated with the Shell Cove administration budget will be recouped from future Administration Fee income following land sales. Council has not sold off shopping centre property to Australand as this was an option at the time, which was not progressed. Council's decision to enter into agreement with Walker Corporation, now Australand, was a decision taken over a decade ago and will continue into the future.

Council's Financial Management

A number of negative comments have been made about the overall financial and administrative efficiency of the Council.

Each year Council's Auditors report to Council and outline the relevant financial ratios, for example, our debt servicing ratio.

Council's financial ratios have generally been rated by Council's Auditors as being in line with or better than industry standards.

In regard to administrative efficiency, each year the Department of Local Government issues a report showing Comparative Data of all NSW Councils, grouped in sections of

similar size Councils. It must be noted however, that even similar size Councils have different functions – so no two Councils are the same.

In all those ratios, Shellharbour City Council compares very favourably across all categories.

Council staffing levels, a matter referred to in several submissions, are shown to be amongst the lowest in the state for equivalent councils on a staff per capita basis. Notwithstanding Councils low staffing levels the current financial situation has rendered it necessary to carefully review all vacancies and to delay the appointment of some positions.

Therefore the submissions, which are critical of Council's management, are in this regard not substantiated and are refuted. This position is supported by independent evidence.

Operational Budget

Council at its meeting on 28 April 2009 resolved:

- "1. That Council accept the NDMP Grant offer totalling \$400, 000 for the preparation of a Bushfire Emergency Plan and provision of fire hydrants and a dedicated fire main for the Croom Regional Sporting Complex, Albion Park and amend the budget accordingly.*
- 2. That Council allocate \$100,000 from the 2008/2009 budget, City Wide Grant Matching funds and amend the budget accordingly.*
- 3. That the remaining \$100,000 matching funds be identified in the 2009/2010 Budget and form part of the budget process."*

It is proposed that the identification of the remaining \$100,000 matching funds be considered as part of the September Quarter Budget Review process.

Revenue Policy

1. Domestic Waste Management

The following has been added to Council's 2009/10 Draft Revenue Policy document under the section listing domestic waste management collection services Council provides:

"A special weekly collection in a 240 litre mobile garbage bin for households with special collections needs, arising from permanent or long-term medical conditions."

2. Swimming Pools – Non-Heated Pools

The following change has been made to the *Non-Heated Pools* section of Council's 2009/10 Draft Revenue Policy document:

"A fee based on recovery of operational costs, for the booking period only, is charged when exclusive use of the non-heated pool is requested. For all other use of the non-

heated pool, there is no user charge with costs of operations being subsidised totally from general revenue.”

This was changed from “These are provided to the user free of charge with the costs of operations being subsidised totally from general revenue” to acknowledge that there are some charges related to non-heated pools.

Fees and Charges

1. Rates

Council’s valuation register has now been finalised with all new land values being added since the extraordinary meeting on 21 May 2009. The following rates will now apply.

Rate Category	Base Rate (30%)	Ad-Valorem Amount
Residential	\$289.15	0.32924 cents in the \$
Business	n/a	0.74809 cents in the \$
Non – Urban	n/a	0.27764 cents in the \$
Farmland	n/a	0.30262 cents in the \$

The above information is included under the Rates and Charges section of the fees and charges document.

2. Mixed Waste (domestic, commercial, building and demolition)

The fee included in the draft fees and charges document for mixed waste received at the Dunmore Waste Depot was incorrectly included at \$149 per tonne rather than the correct rate of \$159 per tonne. This error was discovered early in the exhibition period and was corrected on Council’s website with a note highlighting the change. A letter was also sent to some of the larger users of this particular service referring them to Council’s website for the new charge for 2009/10.

Proposed New Fee (including GST)

Commercial / bulk (minimum charge \$40)

\$159.00

3. Camping Fees – Shellharbour Beachside Tourist Park

There have been some changes under “Camping Fees – Shellharbour Beachside Tourist Park”.

Dates for the shoulder season have been changed. The dates are now:

Shoulder Season

26 September 2009 to 18 December 2009 (excluding Long Weekend)

28 January 2010 to 25 April 2010 (excluding Easter Long Weekend)

This adjusts the shoulder season in line with the booking demands.

Works to be carried over

Each year there are projects that overlap the June 30 financial year-end. Some projects are work in progress, whilst others are deferred for specific reasons beyond Council's control.

Listed as part of the attachments to this report are Council approved projects that will be carried over and finalised in the next financial year. Most of these projects are fully funded by either grants, Section 94 contributions, or restricted assets and some are funded by general revenue. Both the funding and the obligation to complete the work, are "carried over" to the new year.

The carry over from one financial year to the next is purely a matter of construction program timing. All allocations for jobs to be carried over which are funded from general revenue will be "restricted" as at 30 June 2009 and brought into the 2009/10 Budget as a restricted asset at the September Quarter Budget Review, once the 2008/09 financial year is closed and final project balances have been determined. The "restriction" of funding for carried over works ensures that the year-end result for this year is not positively inflated, due to these unexpended carry over works. When the jobs are revoted next year, there will be no effect to the "bottom line" for 2009 /2010, because the funding for the carried over works is coming from restricted cash.

The result is that no additional funds are being sought and the inclusion of these carried over projects will not be detrimental to Council's overall financial position at the end of 2010.

A total of 146 projects from all sections of Council will need to be carried over from this financial year to the 2009/10 year. These have been identified along with comments in an attachment to this report. A separate attachment also lists these projects including their funding sources.

Consultations**Internal**

Administrator

Directors

All Budget Responsible Officers

ExternalPlaced on public exhibition as required by the *Local Government Act*.

Considerations

Financial/resources implications

Operating Budget	(506,932)	
Balance Sheet Budget	2,766,127	
Capital Works Budget	5,841,473	
Asset Maintenance & Replacement Program	1,381,845	<u>9,482,513</u>
<i>Less</i>		
Non Cash items	9,553,000	
Section 94 funded items	3,368,283	
Restricted Assets	481,397	
Loan Funded Items	0	<u>13,402,680</u>
<i>Add</i>		
Section 94 surplus	2,681,498	
Land Sale (60:40 policy)	0	
Domestic Waste Surplus	770,130	
Community Transport Surplus	219,043	<u>3,670,671</u>
Surplus before new items		(249,496)
Recommended New Items		253,500
Deficit		4,004
<i>It should be noted that the above deficit does not include the carry over projects. These will be included in the 2009/10 budget at the September Quarter Budget Review once the 2008/09 financial year is closed and final project balances determined.</i>		

The Management Plan and Budget are Council's major planning documents for the next 12 months. They determine the type and extent of services that we are to provide to the community.

Legal & policy implications

Compliance has been achieved with all legal requirements of the *Local Government Act*.

Public/social impact

The Draft Management Plan was placed on public exhibition for a period of not less than 28 days as required by the *Local Government Act*.

Options

1. That Council adopt the recommendation.
2. That Council adopt some other recommendation.

Political Donations Disclosure

Not applicable.

Conclusions

The Management Plan and Budget are the culmination of many months' work. They represent our plans for the forthcoming financial year and the benchmark by which our performance will be measured.

The outstanding works to be carried over to the 2009/10 financial year are a direct result of the large number of projects being attempted across the City during the current year. Whilst every effort will be made to complete the outstanding works as quickly as possible, nonetheless it must be recognised that there are very valid reasons why the works have not been completed, as outlined in the earlier section of this report.

As outlined in the report to place the Draft Management Plan and Budget on exhibition, the compilation of the 2009/10 budget has been a difficult process due to the funding restraints Council has again encountered.

The global financial crisis has had a major impact on our budget estimates for next year. The crisis, which has been described as the worst since the Great Depression, has resulted in a significant reduction in our estimate for investment revenue along with other property related income. Council has also faced a substantial increase in superannuation costs for 2009/10. This has resulted directly from the downturn in investments made by the Local Government Superannuation Scheme. These funding issues are not unique to our Council, with all levels of government in Australia experiencing the same problems.

With the shortfall in available funding, hard decisions have had to be made across all areas of Council's organisation, with cuts in some operations and services. These necessary but unpalatable decisions, have been mirrored through the submissions received by Council during the public exhibition period.

Council is still facing long term challenges in maintaining its assets to a satisfactory standard. The 2009/10 budget includes the fourth year of our Asset Maintenance/Replacement program funded via a previously approved special rate increase. While this program greatly assists with our asset maintenance responsibilities, it is still substantially less than what is required.

Council has still not found a sustainable way to address instances of the duplication of assets across the city and the consequential disparity between accumulating asset depreciation and Council's ability to fund that depreciation and to maintain or replace ageing infrastructure. Options to assist in raising the additional funding required will include increasing the instances of "user pays" for our community assets and a further rate increase. These infrastructure challenges are an industry wide problem with a large number of Councils submitting special rate applications this year for this purpose.

The advertised Draft Management Plan and 2009/10 Budget, now presented for adoption, includes over \$67 million in expenditure for 2009/10 with this figure increasing to over \$77 million once the final balances on carry-over works are determined. The adoption of the recommendation in this report I believe will see the continuation of this City's fully planned and sustainable development, whilst Council still remains in a satisfactory financial position.

I commend the Management Plan and Budget for adoption.

Approved for Council's consideration: _____

Attachments: All Issued Under Separate Cover

1. Draft Management Plan 2009-2012
2. Draft Strategic Plan 2009-2019
3. Draft Income Statement
- 3a. Draft Operational Budget
4. Draft Balance Sheet Budget
5. Draft Capital Works Budget
6. Draft Asset Maintenance / Replacement Program
7. Draft Revenue Policy 2009/10
8. Draft Fees and Charges 2009/10
9. Draft New Items for 2009/2010
10. Works to be carried over
11. Comments on Works to be Carried Over
12. Public Submissions

9. Urgent Business