



**COFFS HARBOUR CITY COUNCIL  
SUPPLEMENTARY BUSINESS PAPER  
COUNCIL CHAMBERS  
COUNCIL ADMINISTRATION BUILDING  
COFF AND CASTLE STREETS, COFFS HARBOUR  
20 MARCH 2008**

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**COFFS HARBOUR CITY COUNCIL**  
**SUPPLEMENTARY BUSINESS PAPER**  
**20 MARCH 2008**

Mayor and Councillors

**GENERAL MANAGER'S REPORT**

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**4 2008/2011 MANAGEMENT PLAN - PROPOSED RATE VARIATIONS**

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**Purpose:**

To formalise Council's proposal to seek a Special Variation to General Income in its 2008/2011 Management Plan.

**Description of Item:**

In recent years, Council has been open about the challenge it faces in attempting to meet the expectations of the Coffs Harbour community without adequate funding. There is a constant demand for new and expanded programs and services. There is also an obligation to comply with a widening range of State and Federal legislative requirements and the additional pressure of 'cost shifting', where those levels of government pass their own responsibilities over to local councils.

Council needs greater financial resources to accommodate this greater workload. The NSW and Australian Governments have demonstrated a general reluctance to provide assistance, even in facilitating programs that have traditionally been their responsibility. The local government sector is hamstrung in its own revenue-raising by the State's 'rate pegging' policies which mean that council rates no longer keep pace with inflation.

In this hostile financial environment, Council is hard-pressed to maintain existing program and service levels – in fact, there is no option but to make cuts across the full range of Council activities in 2008/2009.

However, there are a number of important programs Council must initiate in 2008/2009. To pursue these, Council has no option but to seek a Special Variation to General Income – a rate rise.

#### 4 2008/2011 Management Plan - Proposed Rate Variations ...(Cont'd)

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It is anticipated that the NSW Government will again limit rate rises to 3.5% or thereabouts in 2008/2009. On top of this, Council proposes to apply (in accordance with Section 508(2) of the Local Government Act, 1993) for a further 2.5% increase in Residential, Farmland and City Centre Business rates and an additional 6% (2.5% + 3.5%) increase in the citywide Business rate in 2008/2009.

Council also proposes to apply (in accordance with Section 508(A) of the Local Government Act, 1993) for these increases to be continued for the subsequent five years (i.e. until 2013/2014).

The revenue from the 2.5% General Rate variation (applied to all rating categories) would meet the costs associated with the implementation of a schedule of proposed infrastructure projects. Works in 2008/2009 would include:

- the replacement of Little Nymboida Bridge (\$147,500)
- the replacement of Houlahans Bridge (commencement) (\$204,850)
- the construction of footbridges and boardwalks (\$55,000)
- major repairs to cycleways (\$32,900)
- footpaths construction (\$212,250)

Ongoing maintenance costs associated with these infrastructure items will be accommodated in normal works programs in subsequent years.

The revenue from the additional 3.5% Business Rate variation would fund a package of Economic Development initiatives including Events Facilitation (\$50,000) and Business Development Workshops (\$15,000), City Centre marketing (\$30,000) and a Cultural Trails project (\$33,000) being implemented with additional assistance from the Economic Development Unit, Coffs Coast Marketing and grant funding.

With additional revenue to secure these new projects, Council will still be able to continue with a range of other valuable programs and services demanded by the community. These include:

- Airport improvements
- Information Technology systems and upgrades
- Library resource additions
- Community Facility improvements
- Regional Roads improvements
- Local Roads improvements
- Stormwater and Flood Mitigation Works
- Coastal Hazard and Estuary Projects

For the typical residential ratepayer, the proposed variation (including the rate-pegging allowance) would represent an actual increase of approximately 4.92% on all rates, annual charges and water usage charges in 2008/2009. This amounts to an increase of \$105.40 per annum or \$2.03 per week.

**Sustainability Assessment:**

- **Environment**

Apart from printing and energy costs associated with compiling the documents, there are no environmental impacts associated with the preparation of an Application for Special Variation to General Income or the development of the Management Plan.

The Management Plan encompasses strategic directions and programs - including schedules for the delivery of projects funded through the Environmental Levy - which address environmental issues relating to Council and the city. By ensuring the Management Plan is adequately funded, Council can be confident that these initiatives will be implemented effectively and within an appropriate timeframe.

- **Social**

The provision of adequate funding for Council programs and services is essential if they are to be effective in enhancing Coffs Harbour as a diverse, connected and sustainable community. It has to be acknowledged, however, that an increase in rates places pressure on the financial resources of ratepayers and this can impact on their social well-being.

There is evidence that hardship may already be affecting ratepayers' ability to pay. A recent analysis of Council's outstanding rates ratio showed an increase in the percentage of outstanding rates debt from approximately 6.7% (at 30 June 2007) to approximately 8% (at 10 March 2008). This percentage increase indicates that Council's outstanding rates debt has risen slightly over the last 8 months.

- **Economic**

**Broader Economic Implications**

Affordability has to be a consideration in the setting of rates at any time. The proposed rate variation will have an additional impact on ratepayers who are already struggling with increased interest rates, escalating fuel prices and a rising cost of living.

At the same time it should be recognized that Council is experiencing exactly the same financial pressures.

The programs supported by the variation are designed to contribute to the sustainable economic development of the city.

**Management Plan Implications**

Council is faced with the prospect of cutting a range of programs and services in order to achieve a balanced budget in 2008/2009. The proposed reductions include foregoing a 3% "CPI" increase in funding across Council, effectively limiting Council funding allocations to 2007/2008 levels. This will certainly lead to additional cuts in services as Council falls further behind in trying to meet escalating costs.

#### **4 2008/2011 Management Plan - Proposed Rate Variations ...(Cont'd)**

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While enabling a number of important works to proceed, the proposed rate variation will assist Council to minimize the impact of other budget reductions on the 2008/2011 Management Plan.

The Department of Local Government has requested that applications for rate variations be submitted by 31 March 2008. As the draft management plan exhibition period extends beyond this date, applications should be submitted and details of the feedback to the draft management plan consultation forwarded to the Department as soon as the exhibition period has expired. The Department therefore has requested that any council intending to apply for special variations in 2008/09 should ensure that its Draft Management Plan is placed on public exhibition as early as possible.

The preparation of the proposed Section 508(2) application for 2008/2009 is to be completed by the 31 March 2008 deadline. It was originally intended that Council consider the Draft Management Plan for adoption on 3 April 2008. The process of addressing the deficit – through extensive restructuring of the budget in consultation with Councillors and staff – is, by necessity, time consuming. At this stage, it is anticipated that the Draft Management Plan will be ready for consideration at the meeting on 17 April 2008.

The proposed Section 508(A) application (rate increases over a period of 5 years) will involve Finance staff resources and the development of materials which can not be commenced until late 2008. This delay is due to resource limitations and the pending development of Council's Asset Management systems.

The assessment of applications made under Section 508(A) is extensive and usually requires on-going consultation between the Department of Local Government and a council before an appropriate recommendation can be made to the Minister. It is therefore unlikely that approval will be granted for the entire period sought in the year the application is lodged. Therefore if the required material to support this application is not submitted until 2009, Council may need to apply again for a rate increase for 2009/2010 in accordance with Section 508(2) provisions.

Generally, applications under Section 508(A) will only be considered by the Department after:

- An exhaustive examination of alternate funding options has been done (and)
- The additional income is deemed necessary to implement essential and strategically significant initiatives.

As part of its Section 508(A) application, Council will be required to submit to the Department a rigorous 10 year financial plan (which separately identifies additional income generated through the Special Variation). Council will also need to demonstrate its progress in the area of integrated planning, policy development and benchmarking of standards for its maintenance and construction operations.

It is expected by the Department that all special variation applications (under either Section 508(2) or Section 508(A)) will relate to initiatives of a specific and strategic nature.

Council is also required to demonstrate that broad community support has been received for its initiatives.

**Consultation:**

- **Consultation with Councillors and Staff**

Workshops have been held with Councillors on 13 and 20 February and 5, 12 and 19 March 2008 to review Council's Vision and Strategic Directions and to identify and consolidate budget priorities. From the commencement of 2008, senior staff and managers have also participated in a comprehensive and ongoing re-appraisal of strategic directions, programs and budgets.

- **Community Consultation**

In adopting the 2007/2010 Management Plan, Council made it clear that it could not support the ongoing development of services and facilities without a greater level of assistance from the NSW and Australian Governments. Since then, Council has made a number of approaches to both tiers of government – both directly and via local elected representatives - to ask for help. While Council will continue to lobby for assistance, it remains to be seen whether this process will result in any meaningful increase in support for the local government sector.

With no alternative funding option available, the rate variation will be a central strategy in Council's 2008/2011 Draft Management Plan. When adopted, the Draft Management Plan will be placed on public exhibition for at least 28 days. The exhibition process will include a public meeting, displays at prominent public locations and the opportunity for ratepayers to meet with Councillors and Staff. Through these measures, as well as advertising and media promotion, the community will be encouraged to study the proposals and make submissions to Council.

An application for programmed rate variations for a period of five years, pursuant to Section 508(A), will involve further and more rigorous community consultation during the development of the materials required by the Department.

**Related Policy and / or Precedents:**

In recent years, Council has made a number of applications to the Department of Local Government for variations to General Income.

- In July 2000, Coffs Harbour City Council secured Ministerial approval for an increase in general income of 5.0% to meet costs associated with Council's planned City Centre improvements. The City Centre Revitalisation remains an unqualified success in reinvigorating the area. Council introduced an extraordinary business rate (referred to as the CBD Rate) to provide the basis for \$5.0m in loan funding across a 10 year period. Annual loan repayments of \$704,855 continue to be adequately serviced from the rate variation and CBD-related revenues. Council intends to seek the extension of the CBD Rate (to fund maintenance and refurbishment works in the City Centre) prior to its expiry date (the 2011/2012 financial year being the last year of this rate).

#### 4 2008/2011 Management Plan - Proposed Rate Variations ...(Cont'd)

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- In June 2005, Council applied for a Special Variation to General Income of 21.32% to support a proposed \$86.7m schedule of infrastructure works. The application was unsuccessful.
- In March 2006, Council sought a Special Variation of 9.56% to support a proposed \$21.5m schedule of capital works. The Minister for Local Government approved the application on 26 June 2006. The approval was conditional on Council developing a comprehensive Asset Management Plan linked to a long term financial plan. Staged over the term of the 2006/2009 Management Plan, the Community Facilities Program has involved the successful development of eleven major projects including the Hogbin Drive Extension, the Orara Valley Community Pool, the replacement of the Middle Creek and Coral Street Bridges, and town centre improvements at Woolgoolga, Sawtell, Nana Glen and the Jetty.

#### **Statutory Requirements:**

Councils can apply for a Special Variation to General Income under Sections 508(2) or 508(A) of the Local Government Act 1993. Applications must be completed in accordance with the Department of Local Government's 'Special Variation Guidelines' document available at [www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au)

Section 402-407 of the Local Government Act 1993 outlines the requirements for Council's Draft Management Plan.

Council is required, among other things, to adopt a Management Plan by 30 June each year. The draft plan must be placed on public exhibition for a period of 28 days. Council must consider submissions received on the draft plan before adopting the final plan.

#### **Issues:**

- **Proposed Rate Variation**

Council proposes to apply – under Section 508 (2) of the Local Government Act, 1993 – for a 'Special Variation to General Income' in 2008/2009 of 6.47%. This percentage incorporates the following percentage increases against Council's rating structure:

- Residential (ordinary rate) (3.5% rate pegging + 2.5% variation) = 6%
- Farmland (ordinary rate) (3.5% rate pegging + 2.5% variation) = 6%
- Business - CBD (ordinary rate) (3.5% rate pegging + 2.5% variation) = 6%
- Business (ordinary rate) (3.5% rate pegging + 6.0% variation) = 9.5%
- Environmental (special rate) (3.5% rate pegging + 2.5% variation) = 6%

Under Section 508(A) of the Act, Council proposes to apply for a continued 'Special Variation to General Income' at the same percentage increases in the years 2009/2010, 2010/2011, 2011/2012, 2012/2013 and 2013/2014.

All of these percentage increases are proposed to be perpetual.

#### 4 2008/2011 Management Plan - Proposed Rate Variations ...(Cont'd)

- **Impact on Typical Residential Ratepayer for 2008/2009**

If the proposed 6.47% special variation to general income is approved, the impact on residential rates, annual charges and water usage charges in 2008/2009 will represent an actual increase of approximately 4.92% - or \$105.40 per annum (for the typical residential ratepayer - see Table below). This equates approximately to an extra \$2.03 per week.

Rate or Charge Type	2007/2008	2008/2009	Increase	
	\$	\$	Amount (\$)	%
Residential Rate	694.26	735.82	41.56	6.0*
Environmental Levy	29.97	31.81	1.84	6.1*
Sewerage Access Charge	600.00	630.00	30.00	5.0
Water Access Charge	108.00	113.00	5.00	4.6
Water Usage (200kl pa)	378.00	396.00	18.00	4.8
Domestic Waste Service	305.00	314.00	9.00	3.0
Stormwater Management	25.00	25.00	0.00	0.0
<b>Total</b>	<b>2,140.23</b>	<b>2,245.63</b>	<b>105.40</b>	<b>4.92</b>

\* Includes an anticipated rate pegging increase of 3.5%.

The following comments should be considered in conjunction with the above information:

1. The typical residential rate and environmental levy has been determined using a land valuation of \$160,000 (base date 1 July 2005).
2. The above impact statement incorporates a proposed 6.47% increase in General Income for 2008/2009 (inclusive of the anticipated 3.5% rate pegging increase).
3. Water, Sewerage, Stormwater Management and Domestic Waste Service charges are not subject to rate restrictions.

- **Impact on Typical Residential Ratepayer (Subsequent 5 years)**

If the proposed 2.5% increase to the residential ordinary rate for the subsequent five years (from 2009/2010 to 2013/2014) is approved, the impact on residential rates, annual charges and water usage charges will represent an actual increase of approximately 5% per annum (assuming that annual and usage charges will increase between 3% and 5% yearly).

The following table shows the approximate rate burden to be met by the typical residential ratepayer after the last proposed 2.5% special variation is applied in the 2013/2014 financial year.

#### 4 2008/2011 Management Plan - Proposed Rate Variations ...(Cont'd)

The table also shows that total rates and charges payable in 2007/2008 (\$2,140.23) will increase to a level of \$2,870.66 in 2013/2014. This increase of \$730.43 represents a weekly increase of \$14.05 (or 34.1%) when compared to 2007/2008 rates and charges.

Rate or Charge Type	2007/2008	Annual Increase	2013/2014	Increase from 2007/08	
	\$	%	\$	Amount (\$)	%
Residential Ordinary Rate	694.26	6*	984.69	290.43	41.8
Environmental Levy	29.97	6*	42.56	12.59	42.0
Sewerage Access Charge	600.00	5	804.00	204.00	34.0
Water Access Charge	108.00	5	144.00	36.00	33.5
Water Usage (200kl pa)	378.00	5	505.41	127.41	33.7
Domestic Waste Service	305.00	3	365.00	60.00	19.3
Stormwater Management	25.00	0	25.00	0.00	0.0
<b>Total per Annum</b>	<b>2,140.23</b>	<b>5</b>	<b>2,870.66</b>	<b>730.43</b>	<b>34.1</b>
<b>Total per Week</b>	<b>41.16</b>		<b>55.21</b>	<b>14.05</b>	<b>34.1</b>

\* Percentage inclusive of 3.5% rate pegging increase

It should be noted that above amounts assume a uniform percentage increase in annual and usage charges for the next 6 years (as shown in the third column – 'Annual Increase'). It should also be noted that the predicted amounts for the Residential ordinary rate assume uniform land valuation movements and an annual rate pegging increase of 3.5% in future years.

- **Impact on Business Ratepayer for 2008/2009**

For the average business ratepayer, the proposed variation will represent an increase of approximately 12% in the total cost of rates, annual and usage charges in 2008/2009. (A 12% increase can range from anywhere between \$100.00 to several thousands of dollars increase per annum, depending on the size and type of the business).

It should also be noted that the percentage increase for some individual businesses will vary significantly above 12%. This is due to changes in the Water and Sewerage charge structure for 2008/2009 (discounts in water and sewer access charges reducing from 60% to 40%) as well as the introduction of trade waste usage charges from 2008/2009 for those businesses discharging liquid trade waste.

#### 4 2008/2011 Management Plan - Proposed Rate Variations ...(Cont'd)

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- **Impact on Business Ratepayer (Subsequent 5 years)**

The following table shows what affect the proposed 6% increase to the business rate for the subsequent five years (from 2009/2010 to 2013/2014) will have on the average business property (not including annual and usage charges).

The table shows a total increase to the average business ordinary rate from \$2,783.36 in 2007/2008 to \$4,797.93 for 2013/2014. This is an increase of \$2,014.57 (or 72.4%) and represents a weekly increase of \$38.74 when compared to 2007/2008 figures.

<b>Year</b>	<b>Average Business Ordinary Rate (pa)</b>	<b>Cost per Week</b>
	<b>\$</b>	<b>\$</b>
2007/2008	2,783.36	53.53
2008/2009	3,047.78	58.61
2009/2010	3,337.31	64.18
2010/2011	3,654.36	70.28
2011/2012	4,001.52	76.95
2012/2013	4,381.67	84.26
2013/2014	4,797.93	92.27

It should be noted that the above predicted amounts for the average business ordinary rate assume uniform land valuation movements and an annual rate pegging increase of 3.5% in future years.

Other factors which will have an effect on the total amount of rates and charges payable by business properties will be the increases in annual and usage charges in future years. Average costs for business properties relating to these charges are difficult to calculate due to their varying nature and service requirements; nevertheless, the following future changes to Council's charging structure should be noted:

- Discounts in regards to water and sewerage annual charges will be reduced from 60% to 40% in 2008/2009.
- Discounts in regards to water and sewerage annual charges will be reduced from 40% to 20% in 2009/2010.
- Discounts in regards to water and sewerage annual charges will be reduced from 20% to 0% in 2010/2011 (therefore no discount applied).
- The charging structure for the Stormwater Management Charge will be changed from next financial year (pursuant to departmental guidelines) for those business properties having an impervious surface area greater than 1 hectare. The discounting regime for larger properties used in 2007/2008 will be abolished and all impervious area will be levied a charge of \$25.00 per 350 square metres from 2008/2009.

#### 4 2008/2011 Management Plan - Proposed Rate Variations ...(Cont'd)

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- User charges for liquid trade waste for those non-residential properties discharging liquid trade waste into Council's sewerage system are to be introduced from 1 July 2008. This charge is to be based on water usage and a predetermined discharge factor similar to the method used for sewerage usage charges. The base for liquid trade waste charge is anticipated to be \$0.40 per kilolitre in 2008/2009 with increments to approximately \$0.80 per kilolitre in 2009/2010 and \$1.20 per kilolitre in 2010/2011.

- **Economic Implications**

Council's fiscal policy and budget preparation aim to deliver a balanced budget. This approach is consistent with Council's cost-reduction strategies and enhanced efficiencies and also reflects sound financial management practice, especially at a time when the industry is under increasing financial pressure.

However, achieving a balanced budget remains a difficult task. In adopting the 2007/2008 Management Plan, Council forecast a deficit of \$2.7m in 2008/2009 on the understanding that cuts would have to be made to deliver a balanced result. The initial Draft Budget for 2008/2009 indicated a \$3.8m deficit. There are two principal factors that have contributed to this additional shortfall:

- the lack of untied revenue to match the increase in operational costs, and
- the lack of revenue funds to meet capital works.

Through an exhaustive budget reappraisal – in consultation with Councillors, Senior Staff and Managers – a range of cuts and adjustments have been identified which, if implemented along with the proposed rate variation, will enable Council to deliver a balanced result.

The Minister has not announced the rate pegging limit for 2008/2009 as yet. It was 3.4% for 2007/2008. The anticipated rate pegging increase of 3.5% will achieve an additional \$913,500 in increased ordinary rate income for the year. The rate variation, if approved by the Minister, will provide an additional \$780,000 in ordinary rate to income making the total ordinary rate yield increase approximately \$1,693,500.

#### **Options**

Under existing funding arrangements, Council's activities are unsustainable. Traditional revenue sources are not keeping pace with rising costs and are inadequate to fund Council's ever-increasing workload. Council has moved to increase its income base through entrepreneurial ventures; while successful, these initiatives have tended to mitigate costs rather than generate extra revenue. Appeals for assistance from the NSW and Federal Governments have not borne fruit.

#### 4 2008/2011 Management Plan - Proposed Rate Variations ...(Cont'd)

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Unless additional funding is secured, Council has two options:

- Option 1. Cut programs and services to a level where they can be accommodated by available funding. This course of action will mean some community demands will go unmet. Almost certainly, it will necessitate a reduction in the Council workforce.
- Option 2. Embark on a systematic program of deficit budgeting, drawing on all available funds and reserves to support programs and services at an optimum level. While this would allow community demands to be met in the short term, it would inevitably leave Council insolvent and unable to function. If the Department of Local Government did not intervene beforehand, Council would soon have no alternative but to pursue the strategy outlined in Option 1 above.

By securing a rate rise, Council can proceed with important new projects without impacting further on funding resources that are already under strain in meeting existing programs and services. It is critical that an allowance be made in any strategy to generate funding for the ongoing operation and maintenance of the new programs and infrastructure established through the rate rise. Failure to do so will simply see Council's funding base spread even more thinly than it is now. As it is, a rate rise tied to a specific new program will do little to relieve the wider impact of inflation on Council's existing budget. In short, Council eventually must confront Option 1.

Council is here to serve the community. The issue of raising rates should be determined according to the best interests of the community. There is no question that a rate rise will have an impact on the people of Coffs Harbour, especially if it coincides with other increases in the cost of living (including increased Council fees and charges). At the same time, under the *user pays* principle, Council is required to ensure that those who benefit from a program or service contribute to the cost of its provision.

Consequently, central to any rate rise strategy is a need to be certain that the proposed new works or services are a response to community expectations and demands. It is understood that Council's existing strategic directions and budget priorities reflect the outcome of community consultation. A rate rise proposal must undergo the same process.

Coffs Harbour City Council has a proud record of sound financial management in both its day to day business and the administration of major infrastructure projects worth hundreds of millions of dollars. Council has played an integral part in the growth of Coffs Harbour, planning and delivering the services needed to establish and develop a dynamic regional city.

There are an endless number of new projects worthy of Council's support to help consolidate Coffs Harbour as a major regional centre. Unfortunately Council does not have the resources to pursue these projects. In fact, the cost of maintaining existing services and infrastructure now exceeds Council's total revenue. Coffs Harbour is not alone in this - it is the scenario faced by the vast majority of councils in NSW.

At this point, the only responsible course of action is for Council to pursue a balanced budget in 2008/2009; this will require cuts to some services and works.

#### **4 2008/2011 Management Plan - Proposed Rate Variations ...(Cont'd)**

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The new projects – identified as critical needs in 2008/2009 – can only be funded by diverting resources from existing programs or through a rate rise. Either of these options requires the demonstrated support of the local community.

Whatever approach Council adopts for 2008/2009, the emphasis must remain on prudent financial management. Council is in the process of developing a ten-year City Strategic Plan including a review of community needs and the direction the city should take into the future. A new, long-term financial planning strategy is also being developed to provide greater certainty in the delivery of programs and outcomes. Underpinning these endeavours will be a re-evaluation of the activities that make up Council's core business.

#### **Implementation Date / Priority:**

Subject to Council approval, an application for Special Variation to General Income 2008/2009 (in accordance with Section 508(2) of the Act) will be lodged with the Department of Local Government prior to the closing date (31 March 2008).

It is anticipated the 2008/2011 Draft Management Plan – including the rate variation proposal - will be considered by Council at its meeting on 17 April 2008. Once adopted, the Draft Management Plan will be reproduced, distributed and placed on public exhibition for a period of at least 28 days.

Advertisements will be placed in local newspapers advising of the exhibition period and inviting public submissions to the Draft Management Plan. A public meeting will also be staged to help raise awareness about the Draft Management Plan and to encourage community submissions.

At the conclusion of the exhibition period, the community response will be collated and communicated to the Department of Local Government. Submissions will also be presented in a document to the Council for consideration prior to the adoption of the 2008/2011 Management Plan in June 2008.

**Recommendation:**

1. That Coffs Harbour City Council applies to the NSW Department of Local Government for a Special Variation to General Income in 2008/2009 of 2.97% (exclusive of an anticipated 3.5% rate pegging increase) to be applied perpetually.
2. That the 2008/2009 application be made pursuant to Section 508(2) of the Local Government Act 1993 and contain a rating structure for 2008/2009 which incorporates the following rate increases:
  - Residential (ordinary rate) (3.5% Rate pegging + 2.5% Variation)
  - Farmland (ordinary rate) (3.5% Rate pegging + 2.5% Variation)
  - Business - CBD (ordinary rate) (3.5% Rate pegging + 2.5% Variation)
  - Business (ordinary rate) (3.5% Rate pegging + 6.0% Variation)
  - Environmental (special rate) (3.5% Rate pegging + 2.5% Variation)
3. That Coffs Harbour City Council applies to the NSW Department of Local Government for a Special Variation to General Income for a 5 year period starting from the 2009/2010 financial year incorporating the following percentage increases to Council's rating structure:
  - Residential (ordinary rate) (Rate pegging + 2.5% Variation)
  - Farmland (ordinary rate) (Rate pegging + 2.5% Variation)
  - Business - CBD (ordinary rate) (Rate pegging + 2.5% Variation)
  - Business (ordinary rate) (Rate pegging + 6.0% Variation)
  - Environmental (special rate) (Rate pegging + 2.5% Variation)

This application is to be made in accordance with Section 508(A) of the Local Government Act 1993 and Departmental guidelines.
4. If required materials in support of a Section 508(A) application can not be supplied to the Department of Local Government to allow for adequate assessment timeframes, an application for a Special Variation to General Income be again made for 2009/2010 in accordance with Section 508(2) provisions.