Hawkesbury City Council

special meeting business paper

date of meeting: 8 May 2000

location: Council Chambers

time: 7.30pm

ITEM	SUBJECT	PAGE

AGENDA

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special section 4

reports for determination

ITEM: 172 **Management Plan**

FILE NUMBER: GM001/002 PT04/FNC/ORE08SBX.F01

REPORT:

The 2000/2001 Draft Management Plan which includes the Annual Estimates, is submitted for Council's consideration to enable the advertising in accordance with the Local Government Act, 1993. The Management Plan is to be advertised for 28 (twenty-eight) days following which any submissions received being reported to Council for the adoption of the plan and the making of the 2000/2001 rates and charges.

Included in the 2000/2001 Draft Management Plan is the determination again of Category 1 Businesses under the Guidelines of National Competition Policy and the recognition of potential Category 2 businesses.

Category 1 businesses include Sewerage Services, Waste Management and Hawkesbury Leisure Centres Inc. whilst the potential Category 2 businesses include Bligh Park Joint Venture and Property Management.

One of the core elements of the pricing and costing guidelines is the requirement for councils to include private sector pricing factors within its pricing policy. This seeks to place private and public competitors on a more equal footing in the market. The pricing factors which are identified under competition policy are taxation equivalent payments, debt guarantee fees and rates of return on capital invested. Each of the additional costs have been applied in an approximated manner to the Category 1 business activities as identified by Hawkesbury City Council.

Also included in the 2000/2001 Draft Management Plan's Revenue Pricing Policy are all Council's Fees and Charges which, under the Federal Government's New Tax System, will include a component for the introduction of a broad based consumption tax known as a Goods and Services Tax (GST). All Council's Fees and Charges have been broken up to show their GST status i.e. GST applicable or exempt.

The Australian Consumer and Competition Commission has stated that the cost of many supplies should reduce because of the removal of embedded taxes, the most significant being the wholesale sales tax. At the time of preparing this report, details of any cost savings that may result from the introduction of the New Tax System are not known. As Council has previously been exempt from wholesale sales tax on the majority of goods purchased, it is expected that any cost savings will be minimal.

Council's Draft Revenue Pricing Policy has been prepared using the best available information in relation to the GST impact on the fees and charges at the time of publication. However, there are still a number of fees and charges for which Council is not able to confirm the GST status. Accordingly, if a fee that is shown as being subject to GST is subsequently proven not to be subject to GST, then that fee will be amended by reducing the GST to nil. Conversely, if Council is advised that a fee which is shown as being not subject to GST becomes subject to GST then the fee will be increased but only to the extent of the GST.

RECOMMENDATION:

That the 2000/2001 Draft Management Plan and Estimates be advertised.

ATTACHMENTS:

AT-1 Draft Management Plan (separate document)
AT-2 Draft Financial Estimates (separate document)
AT-3 Draft Executive Summary (separate document)
AT-4 Draft Management Plan Revenue Pricing Policy (separate document)

oooO END OF ITEM 172 Oooo

special

meeting

end of paper