

19 April 2011

Council to examine its costs to ensure long term financial sustainability.

Shoalhaven City Council as part of considerations in adopting its 2011/12 draft budget has considered a report on its Long Term Financial Plan. The Long Term Financial Plan is predicting that growth in operational expenditure will exceed growth in operational revenue in future years due in part to expenses such as fuel and electricity increasing at a greater pace than Council's revenue is predicted to increase. To ensure long term financial sustainability, Council's General Manager and Director of Finance and Corporate Services have last week recommended a review of all operational functions and budgets for each part of Council's operations to assist the organisation in "living within its means".

The review is set to consider the services of council, their value and their effectiveness, with results hoping to outline opportunities for increased productivity, cost saving alternatives, and to identify new revenue opportunities.

Scheduled to be conducted by the General Manager and Group Directors in cooperation with some councillors, the review is due for completion in November 2011, with the output set to be a detailed analysis of the current resource allocations for operations with potential resourcing implications for assets and the workforce looking to the future.

General Manager Russ Pigg said "Financial sustainability and asset management are two of the biggest challenges facing local government at the moment."

"Last year, council decided not to consider 'above rate pegging' any rate increases, so this review will concentrate on cost of operations, the services, the levels of services provided, and their future affordability. The community will play an important role in determining what the highest priority is in the future" Mr Pigg said.

The "findings" from the Review will be reported to Council for consideration, prior to extensive community consultation as part of the next review cycle for the Delivery Program and Operational Plan where council aims to achieve a yearly saving in operational expenditure of \$1 million by 2014/2015.

Shoalhaven City Council Finance and Corporate Services Director Peter Dun said council's commitment to long term sustainability is important to our areas growth. "With increasing fuel and electricity prices and an ever growing population in the Shoalhaven, the council, just like any business, must be committed to financial sustainability" Mr Dun said.

"Its good business practice to stop and take stock of where you are spending your money and council is committed to good business practice" Mr Dun said.

Shoalhaven City Councillor Mayor Paul Green also supported the review saying that self evaluation was the key to success. "Council's commitment to looking forward and not leaving things as they have always been shows a dedication to financial security" Clr Green said. 'Shoalhaven City Council has in the past

been recognised as financially sustainable organisation and we would like to ensure that this remains the case into the future” commented Clr Green.

Council’s budget is set to go on exhibition as part of the Operational Plan from Friday 29th April, 2011.

For further information on Council’s Long Term Financial Plan, you can contact the Media Manager on (02) 4429 3595, or visit Council’s internet site at www.shoalhaven.nsw.gov.au.

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