

ATTACHMENT II
INSTRUMENT OF APPROVAL FOR AREAS SRV

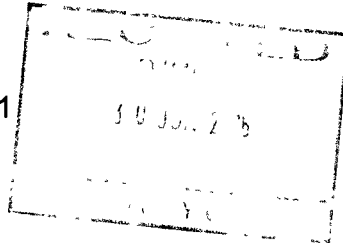
Department of Local Government
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OUR REFERENCE Doc ID
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CONTACT

A55042

Chris Rowe
02 4428 4162

Mr Alan Travers
General Manager
Penrith City Council
PO Box 60
PENRITH NSW 2751



FAXED
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Dear Mr Travers

I refer to Council's application for a special variation to general income for 2006/2007.

In addition to the general variation and adjustments, the Minister has approved of the council increasing its general income by a further 5.22%.

Council's general income is determined as follows:

	\$	%
2005/2006 Notional General Income (Adjusted)	57,086,818	
Plus 2006/2007 General Variation	2,055,125	3.60
Plus Catch up/(Excess) Adjustment	800	0.00
Less Valuation Objections	(\$9,937)	-0.02
Income Adjustment	0	
Special Increase	2,978,310	5.22
	<u>62,111,116</u>	<u>8.80</u>

The approval is subject to the conditions set out in the attached instrument.

The Minister's approval is on the understanding that the council makes and levies its rates according to the provisions of the Local Government Act 1993. It should be noted that this approval is not an endorsement of the council's rating structure or the projects that council is planning to undertake with the additional funding.

It is also on the understanding that council will continue to review its operations to identify where further efficiencies and tangible savings can be achieved.

Council should develop a comprehensive Asset Management Plan containing details of asset maintenance and renewal strategies and outcomes to be achieved. The council is required to provide a report to the Department of Local Government every 6 months to advise the progress of the Plan's development.

It is also noted that Council has not fully complied with some conditions of previous special variation approvals. Council will need to ensure that it is complying with conditions of all special variation approvals.

By applying this special variation all prior period shortfall or excess is eliminated.

Yours sincerely

Ron Howard 27/6/06
for **Garry Payne**
Director General

LOCAL GOVERNMENT ACT 1993

INSTRUMENT UNDER SECTION 508 (2) AND SECTION 548(3)(a)

I, **KERRY HICKEY**, Minister for Local Government:

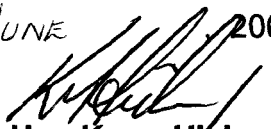
1. in pursuance of section 508 (2) of the Local Government Act 1993 determine that the percentage by which Penrith City Council may increase its general income for 2006/2007 is 8.80% above that for 2005/2006 subject to the following conditions:
 - (i) the Council will raise \$2,978,310 of the increase by additional rates for the costs associated with The Asset Renewal and Established Areas Strategy, as defined by the Council, for a period of 10 years; and
 - (ii) the Council will reduce its general income for the 2016/2017 rating year by \$2,978,310 plus the equivalent cumulative proportion of this increase from any general variation increases or any special variation increases approved for the 2007/2008 to 2015/2016 rating years inclusive; and
 - (iii) the Council clearly reports in its annual report for the period 2006/2007 to 2015/2016 information on the total income received, expenditure per project/program and outcomes achieved; and
 - (iv) the Council develops a comprehensive Asset Management Plan linked to a long-term financial plan. Council is to report to the Department of Local Government on the progress of the Asset management Plan by 31 December 2006.

2. in pursuance of section 548(3)(a) of the Local Government Act 1993 determine that Penrith City Council may make and levy the following minimum ordinary rates for 2006/07:

Farmland	\$627.70
Residential.....	\$627.70
Business.....	\$803.10

This approval is on the understanding that the Council makes and levies its rates according to the provisions of the Local Government Act 1993.

Dated this 26TH day of JUNE 2006


The Hon Kerry Hickey
Minister for Local Government