

2. REDUCING THE COST OF COUNCIL OPERATIONS

The Director of Operations reported on an appropriate target to be recommended to the Annual Plan Subcommittee in order to achieve an acceptable level of rate increases over the next few years. The report identified the following methods for achieving savings of the order recommended (\$10m):

- Continuation of further efficiencies.
- Reductions in services or levels of service, particularly in areas of more discretionary expenditure.
- Alternative or modified sources of funding, including consideration of the Council's revenue policy under the new Local Government Act.

The Committee supported the savings target recommended by the Director of Operations and **decided** to recommend to the Annual Plan Subcommittee that it include the following statement in the 2003 Financial Plan and Programme:

The Council will set in place processes to identify opportunities to achieve cost reductions and revenue increases in its operational budget totalling at least \$10 million by the financial year 2005/06.

The Committee also **decided** to refer the report to the City Manager with the request that it be included on the agenda for the next City Manager's briefing of Community Boards.