

EC2 – Adoption of 2018/19 Operational Plan

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EXECUTIVE SUMMARY

- The purpose of this report is to present the draft Delivery Program 2017/18-2020/21 including 2018/19 Operational Plan and Budget for adoption.
- This plan includes the annual budget and fees & charges and sets out the individual activities and projects that will be undertaken in the forthcoming year to achieve the commitments made in the Delivery Program.
- The Local Government Act 1993 requires Council to publicly exhibit the Operational Plan, consider any submissions received and formally adopt the final document by 30 June 2018.
- This report summarises the outcomes of the exhibition period from 24 April to 21 May 2018.
- It is recommended that Council adopt the Delivery Program 2017/18 - 2020/21 including 2018/19 Operational Plan and Budget (including the proposed 2018/19 fees and charges) to commence operations from 1 July 2018.
- This report also seeks a Council resolution to make the rates and charges for 2018/19 under Sections 494, 496 and 535 of the Local Government Act 1993.

REPORT

The Integrated Planning and Reporting (IP&R) framework for local governments is effectively another name for what most of us would call “corporate planning”.

In June 2017, Council adopted the full suite of IP&R documents, as follows:

- Community Strategic Plan 2033
- 2017/18 – 2026/27 Resourcing Strategy
- 2017/18 – 2020/21 Delivery Program
- 2017/18 Operational Plan (including Fees & Charges)

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The Integrated Planning and Reporting Guidelines require that the Community Strategic Plan, Resourcing Strategy and Delivery Program all be reviewed every four years. The development and adoption of an annual Operational Plan (including operational and capital budget, revenue policy and fees and charges) is required to be undertaken annually.

The Operational Plan is a sub-plan of the Delivery Program 2017/18 - 2020/21 and demonstrates Council's approach to achieve the outcomes from the Delivery Program.

The draft 2018/19 Operational Plan outlines the actions and activities we will undertake to achieve the objectives set in the Delivery Program, which in turn, align with the outcomes identified in the Community Strategic Plan. The Operational Plan allocates responsibilities and resources for each action/activity and details targets and measures to determine our progress towards achieving the Community Strategic Plan outcomes.

The draft Delivery Program 2017/18 - 2020/21 including 2018/19 Operational Plan and Budget was placed on public exhibition from 24 April to 21 May 2018 to give the Community the opportunity to provide their input. Council only received one public submission was received during this time which didn't require any change to the document to be considered.

Layout/Format

During the exhibition, some minor amendments to the Delivery Program 2017/18 - 2020/21 including 2018/19 Operational Plan and Budget were identified and it is proposed that these changes be made to the document. These changes (such as typographical errors, layouts, formats, etc) do not alter the intent or direction of the document and as such do not impact on the exhibition process.

Making of the Rates

Wollondilly Shire Council has adopted an ad valorem rate structure with a minimum rate and the proposed values for 2018/19 are as follows:

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Category	Sub-Category	2017/18		2018/19	
		Ad Valorem Rate	Minimum Value	Ad Valorem Rate	Minimum Value
Residential	Rural Residential	0.307415	1,280.00	0.341357	1,418.00
Residential	Residential Town Centre	0.372828	1,177.00	0.413242	1,304.00
Residential	Residential Other	0.309746	1,280.00	0.343305	1,418.00
Farmland	Primary Production	0.208301	1,088.00	0.230608	1,205.00
Business	General	0.659820	1,280.00	0.731280	1,418.00
Business	Light Industrial Centres	0.471893	1,280.00	0.523070	1,418.00
Mining	Mining Activities	7.714215	1,280.00	8.550859	1,418.00
Mining	Coal Rights	0.100000	0.00	0.100000	0.00

In accordance with the provision of Section 535 of the Local Government Act 1993, it is necessary for Council to carry a resolution which formally makes the 2018/2019 Rates and Charges.

In addition to the statutory pensioner rebate (Section 575 of the Local Government Act), all eligible pensioners are offered a further voluntary \$45 reduction of rates and 50% reduction of the Domestic Waste Management Charge.

Rate notices will be issued on a quarterly basis and due dates will be on 31 August 2018, 30 November 2018, 28 February 2019 and 31 May 2019.

Making of the Annual Charges

Under the existing Waste Collection Contract, Council is able to offer ratepayers a variety of bin size options. The annual charges associated with each of the available bin options are detailed in the Delivery Program 2017/18 - 2020/21 including 2018/19 Operational Plan and Budget.

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Stormwater Management Charge

The Stormwater Management Charge assists Council to undertake works that will provide improved quality of stormwater being discharged into waterways. The charge is proposed to remain unchanged from 2017/18 amounts and is expected to yield Council approximately \$277,000 towards new stormwater initiatives. The proposed charge and associated works are clearly defined within Council's Asset Management Plan and 2018/19 Operational Plan.

Proposed Interest Charges on Overdue Rates and Charges

The interest rate that may be charged by Council on overdue rates and charges is the rate as set by the Minister for Local Government. The rate for the 2018/19 financial year is 7.5%. (2017/18 = 7.5%)

In accordance with section 566(3) of the Local Government Act 1993, Council will apply the maximum interest rate as determined by the Minister.

Council staff also undertook a final review of the draft Delivery Program 2017/18-2020/21 including 2018/19 Operational Plan and Budget. This review considered emerging issues, recent Council resolutions, progress of current year projects and activities, and funding announcements by other government agencies impacting Council services and projects arising during the exhibition period. In addition, minor amendments to language are proposed to provide greater clarity and removal of any duplication.

Fees and Charges

Since the draft 2018/19 Delivery Program 2017/18 - 2020/21 including 2018/19 Operational Plan and Budget 2018/19 was placed on exhibition, advice has been received in relation to some Statutory Fees. It was also necessary to amend some non-statutory fees as a result of further information becoming available since the document was placed on exhibition. The proposed adjustments are to be workshopped with Councillors and management. A summary of the outcomes will be tabled and the adopted amendments will be made to the Fees and Charges section of the Delivery Program document.

Operational Budget

The operational budget adjustments what have been made since the draft document was placed on exhibition and are as follows:

Rates Income - (\$79,482)

- Additional revenue from supplementary levies raised since the exhibition period commenced. Funds to be transferred to restricted cash for the future provision of infrastructure to cater for the increasing population.

IT Operating Lease Expenditure - \$46,857

- Upcoming IT equipment leasing obligations

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Staff Training Expenditure - \$34,400

- Identification of additional training requirements, funded from Organisational Development Reserve

Preparation of Master Plans - \$125,000

- In relation to various locations across the Shire, funded from Future Infrastructure Reserve

Net Transfers to/(from) Restricted Cash - (\$126,400)

CONSULTATION

All Managers and Executive have been consulted throughout the process and workshops have been held with Councillors.

Preparation of the draft Delivery Program 2017/18 - 2020/21 including 2018/19 Operational Plan and Budget commenced in December 2017 as each section of Council considered their strategies and actions. This information has been incorporated into the Delivery Program 2017/18 - 2020/21 including 2018/19 Operational Plan and Budget document which has continued to be reviewed and refined with Executive and Councillor input.

At the 16 April 2018 Council Meeting, Council endorsed the draft Delivery Program 2017/18 - 2020/21 including 2018/19 Operational Plan and Budget to be placed on public exhibition to provide the Community with an opportunity to provide relevant feedback to Council on the plans for the year ahead. The exhibition period was advertised in local papers and on Council's website from 24 April to 21 May 2018.

Only one public submission was received during the exhibition period. This submission did not require consideration of any changes to the exhibited document.

FINANCIAL IMPLICATIONS

The 2018/19 Operational Plan includes the allocation of resources required to deliver the services and projects to the Community for the upcoming year. It has been well documented that most Councils across NSW (including Wollondilly Shire Council) have historically not been able to afford to maintain their infrastructure to a satisfactory standard, resulting in substantial infrastructure maintenance gaps.

Efficient and Effective Council
Report to the Ordinary Meeting of Council held on Monday 18 June 2018

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In order to close this gap it has been necessary to allocate significant funding towards infrastructure maintenance. This was the basis for the special rate variation application approved in 2015. Financial projections based on the approved rate increases and associated program of works resulted in Council being assessed as "fit for the future" under the State Government's "Fit for the Future" (FFTF) program. The updated financial projections continue to predict Council's achievement of the FFTF benchmarks.

ATTACHMENTS

There are no attachments to this report. A summary of amendments to the changes to the exhibited Fees & Charges will be tabled at the meeting and a copy of the revised "Delivery Program 2017/18 - 2020/21 including 2018/19 Operational Plan" will be provided under separate cover.

RECOMMENDATION

1. That the *Delivery Program 2017/18 - 2020/21 including 2018/19 Operational Plan and Budget* be adopted, incorporating the changes recommended in this report.
2. That the rates and charges for the period 1 July 2018 to 30 June 2019 as detailed in this report be made.
3. That the annual charges for the period 1 July 2018 to 30 June 2019 as detailed in the exhibited draft *Delivery Program 2017/18 - 2020/21 including 2018/19 Operational Plan and Budget* be made.
4. That the exhibited draft Schedule of Fees and Charges 2018/19, as detailed in the exhibited draft *Delivery Program 2017/18 - 2020/21 including 2018/19 Operational Plan and Budget* be adopted with the amendments contained within this report.
5. That Council approve the budget as detailed in the exhibited draft *Delivery Program 2017/18 - 2020/21 including 2018/19 Operational Plan and Budget* including the amendments contained in this report and on that basis formally vote these funds for the 2018/19 financial year.