

DRAFT COMBINED DELIVERY PROGRAM 2018-2021 AND OPERATIONAL PLAN 2019-2020

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RECOMMENDATION

That Council:

1. Place the draft combined Delivery Program 2018-2021 and Operational Plan 2019-2020, including the Statement of Revenue Policy (containing the annual budget and fees and charges), at Attachment A, on public exhibition for a period of 28 days in accordance with section 405 of the *Local Government Act 1993*.

BACKGROUND

Under section 404 of the *Local Government Act 1993* ("the Act"), councils must adopt a Delivery Program detailing the principal activities they will undertake to achieve the objectives identified in their Community Strategic Plan.

Councils are also required under section 405 of the Act to have an annual Operational Plan adopted by the beginning of each financial year outlining the planned activities for the year as part of the Delivery Program. The draft Operational Plan includes the Statement of Revenue Policy (which contains the annual budget and fees and charges) and must be publicly exhibited for a period of not less than 28 days. Any submissions received during the public exhibition period must be considered prior to the draft Operational Plan being adopted.

ISSUE/DISCUSSIONActions for 2019-20

Council's Community Strategic Plan, *Edward River 2030*, includes five strategic outcome areas addressing social, environmental, economic and civic leadership issues:

- Outcome 1 – A great place to live
- Outcome 2 – A prosperous and vibrant economy
- Outcome 3 – A valued and enhanced natural environment
- Outcome 4 – A region with quality and sustainable infrastructure
- Outcome 5 – A community working together to achieve its potential

In 2019/20, Council is proposing to undertake 125 actions to deliver against the Delivery Program principal activities across these five strategic outcome areas.

Highlights of the draft combined Delivery Program and Operational Plan 2019-2020 include:

- Delivery of projects funded through the Federal Government's Drought Communities Programme and Murray Darling Basin Regional Economic Diversification Program, including completion of the Napier Street reconstruction and commencement of the Deniliquin CBD and Riverfront revitalisation works;
- Completion of projects funded through the NSW Government's Stronger Communities Fund and Stronger Country Communities Fund, including the Deniliquin Town Hall Revitalisation Project;
- Implementation of renewal energy projects at various Council buildings;
- Implementation of the Telemetry Replacement Program;
- Delivery of four actions from Council's Economic Development Strategy aimed at supporting economic development and increased visitation to the region, including

- facilitating a Major Projects Summit for local contractors and suppliers and hosting roundtable forums with the local business sector to identify skill and employment gaps;
- Delivery of two actions from Council's Open Space Strategy, including preparation of detailed designs and costings for the reinvigoration of the North Deniliquin Tennis Court;
 - Delivery of nine actions from Council's Workforce Management Plan aimed at improving organisational performance and enhancing Council's reputation as an employer of choice, including implementation of an emerging leader development program and the Equal Employment Opportunity Management and Diversity Plan; and
 - Various actions aimed at strengthening Council's governance and compliance framework, in line with Auditor's recommendations and recent Office of Local Government reforms, including introduction of Council meeting webcasting.

Annual Budget for 2019-20

The 2019-20 budget has been prepared using the previous year's Long-Term Financial Plan as a base, adjusted for known variations and new demands, and will deliver a budget totalling \$24.2m, investing \$22.3m in capital works (\$11.7m new works and \$10.6m Grant Funded Major Project works carried forward) and returning an operating surplus of \$1.9m

The \$1.9m operating surplus is made up of three funds:

- General \$0.5 million
- Sewer \$0.2 million
- Water \$1.2 million

Revenue

Rating revenue increases in accordance with the Independent Pricing and Regulatory Tribunal (IPART) rate peg determination, which is 2.7 per cent for 2019-20, with a projected total rates revenue of \$7.5 million.

Generally, user charges and fees have been set to increase by 2.4 per cent, although there are exceptions where individual fees have been assessed and will increase at a different rate, whilst others are prescribed by the NSW State Government – with Council having no discretion in the setting of those fees.

Interest on overdue rates, charges and deferred debts is budgeted at \$81,800.

An optimistic approach has been taken with budgeting for the Financial Assistance Grant. An annual increase of 3% has been budgeted for, prior years have shown the annual percentage increase has proven to be unpredictable. For 2019/20 the Financial Assistance Grants is budgeted to be \$5.4 million.

Costs

As at March 2019, Council employed 107.13 full time equivalent staff.

Employee-related costs, which include salaries, entitlements, insurances, taxes, travel and training costs, are estimated to be \$9.2 million, including the anticipated award increases and growth through salary progression. There are four additional staff, two fixed term employees funded from merger grant funding and another two for the Noxious Weeds Program.

Council will fix the annual fee paid to Councillors to the maximum determination made by the Remuneration Tribunal for the category Rural area, with an increase of 2.5 per cent for 2018-19 in accordance with Remuneration Tribunal determination.

Council currently has no loan portfolio and does not foresee the requirement for borrowings in the forecast period.

Materials and contracts estimate for the 2019-20 has reduced from the previous year, which is attributed to having developed actual financial data (as a merged Council), for improved financial forecasting.

Under section 356 of the Act, Council provides a range of financial assistance programs. Council's Community, Annual and Quick Response Grants operate within Council's Grants Program Policy, with other financial assistance programs operating under different instruments, such as Memoranda of Understanding or State and Federal Funding agreements. Council's net financial assistance programs for 2019-20 is \$209,000.

Other expenditures are set to increase by 2.4 per cent.

Operating Budget Initiatives

The 2019-20 operating budget provides an additional \$92k expenditure for the following one-off projects, programs, or funded items:

- Business development workshops: \$15,000
- Companion animal de-sexing and free microchipping program: \$20,000
- Town planning strategic planning statement: \$30,000
- Council meeting live webcasting: \$15,000
- Cadet engineer trainee program: \$12,000

Capital Program

The 2019-20 budget has a new capital program totalling \$11.65 million. Highlights include:

- Civic Centre (Estates Building) and Administration Building Renewal Project (planning currently under development and allowance included in the budget): \$2 million
- Annual Local Roads Renewal Programs: \$2.8 million
- Annual Regional Roads Renewal Program: \$800,000
- Water and Sewer infrastructure renewal programs: \$2.1 million
- Renewable Energy Projects for Council's operational buildings, sewer and water treatment plants \$73,000 (for annual operating expenditure savings of \$130,000 per annum).
- Plant disposal and acquisition program: \$1 million

Grant Funded Major Projects Program

Council have set out a program of Major Projects to improve facilities, urban roads, rural villages, and recreational spaces, and to produce important strategic master planning documents to guide future projects and development. Much of these projects are underway, with some projects completed 2018-19 financial year. The 2019-20 budget contains the forecasted continuing program for 2019-20 financial year of \$10.54 million.

Community Engagement

The statutory public exhibition period is scheduled for 27 May 2019 to 14 June 2019. During this period, it is proposed to undertake additional engagement activities with the community, including a series of community forums to be arranged for Blighty, Conargo, Wanganella, and Deniliquin.

Following completion of the public exhibition period, the combined draft Delivery Program and Operational Plan, as well as any submissions received during that period, will be considered for adoption Council at its Ordinary Meeting on 27 June 2019.

STRATEGIC IMPLICATIONS

The combined Delivery Program and Operational Plan is a core component of Council's Integrated Planning and Reporting framework. The draft document has been prepared in accordance with the Office of Local Government's Integrated Planning and Reporting Guidelines.

COMMUNITY STRATEGIC PLAN

The combined draft Delivery Program and Operational Plan is the document which translates the community's vision contained in Council's Community Strategic Plan into tangible actions. The activities and actions contained in the combined draft Delivery Program and Operational Plan detail the services, projects, programs and events Council will undertake in the 2019/20 year to deliver against the five strategic outcomes contained in Council's Community Strategic Plan.

FINANCIAL IMPLICATIONS

The combined draft Delivery Program and Operational Plan includes the Statement of Revenue Policy (containing the annual budget and fees and charges) for the 2019/20 year.

LEGISLATIVE IMPLICATIONS

Local Government Act 1993

- Section 404 – Delivery program
- Section 405 – Operational plan
- Section 406 – Integrated planning and reporting guidelines

Local Government (General) Regulations 2005

- Clause 201 – Annual statement of council's revenue policy

ATTACHMENTS

Nil

Attachment A - Draft Combined Delivery Program 2018-2021 and Operational Plan 2019-2020 (separately attached)