

## 9.12 Draft Delivery Program 2022/26 and Draft Operational Plan 2022/23

REPORT BY THE MANAGER FINANCE  
TO 20 APRIL 2022 ORDINARY MEETING  
GOV400088, FIN300340, GOV400098

### RECOMMENDATION

#### That Council:

1. receive the report by the Manager Finance on the draft Delivery Program 2022/26 and draft Operational Plan 2022/23 ;
2. endorse the Draft Delivery Program 2022/26 and Draft Operational Plan 2022/23 to go on public exhibition for a period of 28 days commencing Friday 22 April ; and
3. request a further report be presented following the exhibition period including a review of any submissions made on the Draft Delivery Program 2022/26 and Draft Operational Plan 2022/23.

### Executive summary

Following extensive community consultation and in line with Councils Integrated Planning and Reporting requirements, the draft Delivery Program 2022/26 (the Delivery Program) and draft Operational Plan 2022/23 (the Operational Plan) are presented to Council and the community. This report seeks Council resolution to place the Delivery Program/Operational Plan on exhibition, with a subsequent report to be presented to Council in May considering any submissions made, and a further report to the ordinary meeting in June recommending adoption of the final Operational Plan and Delivery Program.

### Disclosure of Interest

Nil

### Detailed report

Under the Local Government Act (1993), Council must have an annual Operational Plan, adopted before the beginning of each financial year, outlining the activities to be undertaken in that year, as part of the Delivery Program.

The Delivery Program details all of the principal activities Council will undertake to achieve the goals established in Council's Community Plan *Towards 2040*. The draft Operational Plan for 2022/23 has been integrated into the Delivery Program and sets out the annual projects and activities to which Council are committed and includes detailed budgets for the projects and services identified under each theme, together with appropriate measures and timeframes for completion. The document includes budgets for the four years from 2022/23 to 2025/26. If endorsed by Council, the draft documents will be published on Council's website from Friday 22 April 2022 for a period of 28 days.

### **Draft Operational Plan 2022/23**

Residents were encouraged to make Community Plan Proposals to be considered in the Draft Operational Plan 2022/23 from 24 November 2021 to 14 January 2022. The draft Operational Plan

has been prepared following a series of budget workshops with budget managers, executive, and Elected Members over the past 3 months. The draft Operational Plan sets out Council’s proposed budget for next financial year, and the three years thereafter. The budgets are presented in the form of consolidated statements and schedules, together with a more detailed breakdown at a functional level.

Operating revenue is forecast at \$80.8 million for 2022/23, plus an estimated \$31 million in Capital Grants & Contributions, taking total anticipated income to a budget of \$112 million.

Operating expenditure is budgeted at \$78 million.

The draft Operational Plan includes additional borrowings of:

| Project                            | Fund    | 2022/23             | 2023/24            | 2024/25            | 2025/26 |
|------------------------------------|---------|---------------------|--------------------|--------------------|---------|
| Solar Array                        | General | \$4,000,000         | -                  | -                  | -       |
| Mudgee Valley Park Expansion       | General | \$2,750,000         | -                  | -                  | -       |
| Waste Site Rehabilitation          | Waste   | \$3,272,000         | -                  | -                  | -       |
| Rylstone Kandos Sewer Augmentation | Sewer   | -                   | \$5,000,000        | -                  | -       |
| Mudgee Water Augmentation          | Water   | -                   | -                  | \$3,000,000        | -       |
| <b>Total</b>                       |         | <b>\$10,022,000</b> | <b>\$5,000,000</b> | <b>\$3,000,000</b> | -       |

### **Revenue Policy**

The Rates Model proposed as part of the Operational Plan includes an increase to all rating categories of the IPART capped rate of 0.7%, distributed evenly. Land rating categories are:

- Farmland
- Residential
- Business; and
- Mining

Rate assessments are based upon property valuations (ad valorem), with minimum amounts applied where appropriate. No base amounts apply to the proposed 2022/23 rate structure.

### Community Plan implications

| Theme    | Good Governance  |
|----------|--|
| Goal     | Strong civic leadership  |
| Strategy | Provide clear strategic direction through the Community Plan, Delivery Program and Operational Plans |

### Strategic implications

#### **Council Strategies**

Relevant Integrated Planning and Reporting Strategies are taken into account during the process of developing the revised Delivery Program 2022/26 and draft Operational Plan 2022/23, including the Community Strategic Plan, and Resourcing Strategies.

#### **Council Policies**

Relevant Integrated Planning and Reporting Policies may impact the way the Delivery program and Operational Plan are developed, for example the Financial Reserves and Asset Management Policy.

**Legislation**

| DUE DATES/ FREQUENCY  | PLAN/STRATEGY    | LEGISLATIVE REFERENCE  |
|---|------------------|--|
| From 2012, adopt by 30 June in year following election. Exhibit for at least 28 days.   | Delivery Program | s404(1)– (5) (Act)   |
| Adopt prior to beginning of financial year. Exhibit for at least 28 days. Post copy on website within 28 days of council endorsement. | Operational Plan | s405(1)– (6)<br>s532<br>s610B – s610F<br>s706(2) (Act)<br>cl201(1) |

Financial implications

The draft Operational Plan 2022/23 as attached to this report recommends to Council the proposed budget for the next four years.

The table below shows whether the proposed ratios meet benchmarks.

| Budget Year  | Operating Performance Ratio | Own Source Revenue | Building & Infrastructure Renewal |
|--------------|-----------------------------|--------------------|-----------------------------------|
| 2022/23      | ✓                           | ✗                  | ✓                                 |
| Future Years | ✓                           | ✓                  | ✓                                 |

Associated Risks

Not applicable

KHUSH KUMAR  
MANAGER FINANCE

NEIL BUNGATE  
ACTING CHIEF FINANCIAL OFFICER

4 April 2022

Attachments: 1. Draft MWRC Operational Plan 22-23. (separately attached)

APPROVED FOR SUBMISSION:

BRAD CAM  
GENERAL MANAGER