

Item 9: Finance

9.1 Submissions to the Draft 2022/23 Operational Plan and 2023/26 Delivery Program

REPORT BY THE FINANCIAL PLANNING COORDINATOR
TO 25 MAY 2022 ORDINARY MEETING
GOV400087, FIN300201, GOV400098

RECOMMENDATION

That Council:

1. receive the report by the Financial Planning Coordinator on the Submissions to the Draft 2022/23 Operational Plan and 2023/26 Delivery Program;
 2. receive all public submissions to the Draft 2022/23 Operational Plan and 2023/26 Delivery Program as listed below, with the General Manager required to respond to each submissions as follows:
 - 2.1 Ms Sandra Smith be thanked for her submission and Council confirms that the demand for road sealing is higher than what Council can fund;
 3. make the following amendments to the Draft 2022 Operational Plan and 2023/26 Delivery Program including Fees & Charges as exhibited;
 - 3.1 Management Submissions
 - 3.1.1 \$290,000 reduction for IT upgrades which was funded from unrestricted cash for each of the 2022/23, 2023/24, 2024/25 and 2025/26 budgets
 - 3.1.2 \$610,832 increase for Interest expense and \$198,799 reduction for principal repayments on the loan for Mudgee Valley Park total over the 2022/23, 2023/24, 2024/25 and 2025/26 budgets
 - 3.1.3 \$1,728,000 plant replacement budget transferred from 2021/22 to 2022/23, funded from plant replacement reserves
 - 3.2 March 2022 Quarterly Budget Review Statement amendments where budgets are transferred from 2021/22 to 2022/23; and
 4. make the following changes to the 2022/23 Fees and Charges as exhibited:
 - 4.1 Change Description in 2022/23 Fees and Charges for Fee FC0584 - Application Fee (non-refundable) Road Closure - Council Road Reserve Fee to "Processes include preliminary internal investigations, status search/report and report back to applicant with investigation result and may also include administration and submission of a report to Council to
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determine if a road closure application will be accepted or refused for progression to the next Stage of the process”.

- 4.2 Change Description in 2022/23 Fees and Charges for Fee FC0585 - Application Progress Fee (non-refundable) Road Closure– Council Road Reserve to “Process includes Council administration of notification requirements under S38B of the roads act, review of submissions, and compilation of final report to Council seeking approval or rejection of the application”.**
 - 4.3 Change Description in 2022/23 Fees and Charges for Fee FC0586 - Formal Road Closure Processing Fee (non-refundable) to “Process includes Council administration, internal/external department referrals, and contractor sourcing, engagement and management. Where actual costs exceed this fee, Council will invoice for the balance. The fee does not include the costs for survey/s, valuation/s, legal fees or value of the land which is subject to negotiation in accordance with Council’s Land Acquisition Disposal Policy, valuation and any other relevant considerations”.**
 - 4.4 Remove Part of the Description under the fees subheading 'All Other MWRC Sports Complexes excluding Glen Willow' which states “The hire and use of Council community buildings is subject to the relevant terms and conditions, which covers aspects such as access, payment terms, and cancellation fees. Prior to entering into a facility hire arrangement, users should review the applicable terms and conditions. A cancellation fee of 50% of the hire fee will apply when less than 21 days’ notice is provided of cancellation.”**
 - 4.5 Change Fee amount for Fee FC0321 ‘Filing Fee - Statement Liquidated Claim \$0.01 to \$20,000 – Corp’ from \$212 to \$290**
 - 4.6 Change Fee amount for Fee FC0321 ‘Filing Fee - Statement Liquidated Claim \$20,001 to \$100,000 – Corp’ from \$518 to \$600**
 - 4.7 Add a fee unit of “Per Hour” for Fee FC0330 ‘Preparation Fees - other documents’**
- 5. note that the amended 2022/23 Operational Plan and 2023/24 Delivery Program will be brought back to Council at the June Ordinary Council Meeting for endorsement, including making of the rates.**

Executive summary

Council has been through an extensive planning process over the past few months to determine which projects and initiatives would be undertaken across the next four financial years, culminating in the Draft Delivery Program 2023/26 and Draft Operational Plan 2022/23.

Following the public exhibition period, which closes 20 May 2022, this report seeks to consider submissions and make recommended changes based on those submissions. At the time of writing this report, the exhibition period had not yet closed, therefore some submissions may be tabled at the Council Meeting.

Disclosure of Interest

Nil

Detailed report

At its meeting of 20 April 2022, Council endorsed the Draft Delivery Program 2023/26 and Draft Operational Plan 2022/23 to be placed on public exhibition for a period of 28 days. The exhibition period closes on Friday 20 May 2022, with one public submissions received to date (refer to Attachment 1). Submissions received between the finalisation of this report and closure of the exhibition period will be added as late attachments.

FROM	SUMMARY OF SUBMISSION	COUNCIL RESPONSE
2.1 Sandra Smith (Attachment 1)	Tarring of Cypress Drive, Yarrawonga which was supposed to be tarred 20 years ago.	Council is currently undertaking some seal extension work where funding is available however, unfortunately, Council has a limited amount of resources, and the demand for road sealing is higher than what Council can fund.

In addition to community submissions, management submissions are also discussed below. These include some new initiatives and also carry forward of projects deferred at the March 2022 Quarterly Budget Review.

The following submissions have been received from Council's Management Team:

3.1.1 IT Network Upgrades – Enterprise Resource Planning System Upgrade

The IT Network upgrades included budget for the Enterprise Resource Planning System, however this had already been budgeted for under the IT Operations project thus resulting in a duplication of budget. The budgets for 2022/23, 2023/24, 2024/25 and 2025/26 will need to be amended to reduce each year by \$290,000.

3.1.2 Loan Interest and Repayments

Council has received updated quotes as at 10 May 2022 with the lowest rate being 5.06%. The previous estimated rate was 2.7% and thus the Operational Plan will need to be amended as follows:

Financial Year	Original Estimated Interest	Revised Estimated Interest	Interest Change	Original Estimated Principal Repayment	Revised Estimated Principal Repayment	Principal Repayment Change
2022/23	195,416.00	369,266.20	173,850.20	653,928.00	583,163.18	-70,764.82
2023/24	177,640.00	336,317.78	158,677.78	671,704.00	616,008.59	-55,695.41
2024/25	159,382.00	305,722.32	146,340.32	689,962.00	646,604.05	-43,357.95
2025/26	140,627.00	272,590.28	131,963.28	708,717.00	679,736.09	-28,980.91
Total	673,065.00	1,283,896.58	610,831.58	2,724,311.00	2,525,511.91	-198,799.09

3.2 March Quarterly Budget Review Statement

The March Quarterly Budget Review Statement which is also presented at this Council meeting proposes to defer some budgets from 2021/22 to 2022/23. Therefore it is recommended that any budgets that are approved to be deferred are also reflected in an amended Operational Plan for 2022/23.

Once these recommendations have been approved, the changes will be incorporated into the 2022/23 Operational Plan and presented to Council at the June 2022 Ordinary Council Meeting for adoption, with the Long Term Financial Plan.

3.3 Plant Replacement Budget transferred to 2022/23

It is recognised that some plant replacement items will not be delivered this financial year and it is appropriate to transfer the budget to 2022/23. It is important to note that a number of large items are currently ordered awaiting delivery and there is uncertainty whether they will be received before financial year end. The table below lists what is currently known:

Item	Status
Hooklift Waste Truck	Ordered, will not be delivered until 22/23
Front lift Waste Truck	Ordered, will not be delivered until 22/23
Passenger cars x 2	Awaiting recruitment of staff to order
Roads maintenance trucks x 3	Building specifications for procurement
Light commercials x 2	Building specifications for procurement
Excavator	In procurement stage

CHANGES TO THE 2022/23 FEES AND CHARGES AS EXHIBITED

Recommended changes to fees and charges after exhibition are:

4.1 Change Description of Fee FC0584

The description of Fee FC0584 - Application Fee (non-refundable) Road Closure -Council Road Reserve Fee should be updated to include further details on the administration and submission of the preliminary investigations to the Council to determine whether it will accepted or refused.

Current Description: Processes include preliminary internal investigations, status search/report and report back to applicant with investigation result and whether a road closure application will be accepted.

Proposed Description: Processes include preliminary internal investigations, status search/report and report back to applicant with investigation result and may also include administration and submission of a report to Council to determine if a road closure application will be accepted or refused for progression to the next Stage of the process.

4.2 Change Description of Fee FC0585

The description of Fee FC0585 - Application Progress Fee (non-refundable) Road Closure – Council Road Reserve is should be updated to provide further information and make reference to legislation.

Current Description: If the application is accepted, Progress processes incur costs which include those revolving around Council administration and the compilation of the 1st report to Council.

Proposed Description: Process includes Council administration of notification requirements under S38B of the roads act, review of submissions, and compilation of final report to Council seeking approval or rejection of the application.

4.3 Change Description of Fee FC0586

The description of Fee FC0585 - Formal Road Closure Processing Fee (non-refundable) should be updated to simplify the existing description.

Current description: Formal Road Closure processes incur costs which include those revolving around Council administration, neighbour and notification referrals, advertising, review of submissions, dealing with any objections, the compilation of the 2nd report to Council and notice lodgements. Where actual costs exceed this fee, Council will invoice for the balance. The fee does not include the value of the land which is subject to negotiation in accordance with Council's Land Acquisition Disposal Policy, valuation and any other relevant considerations.

Proposed description: Process includes Council administration, internal/external department referrals, and contractor sourcing, engagement and management. Where actual costs exceed this fee, Council will invoice for the balance. The fee does not include the costs for survey/s, valuation/s, legal fees or value of the land which is subject to negotiation in accordance with Council's Land Acquisition Disposal Policy, valuation and any other relevant considerations.

4.4 Change Description under fees subheading 'All Other MWRC Sports Complexes excluding Glen Willow'

The Description under fees subheading 'All Other MWRC Sports Complexes excluding Glen Willow' needs to be updated to remove part of the description as this has now been covered under the fees 'Parent Heading', thus resulting in inconsistent descriptions.

Description to remove: "The hire and use of Council community buildings is subject to the relevant terms and conditions, which covers aspects such as access, payment terms, and cancellation fees. Prior to entering into a facility hire arrangement, users should review the applicable terms and conditions. A cancellation fee of 50% of the hire fee will apply when less than 21 days' notice is provided of cancellation."

4.5 Change Fee amount for Fee FC0321

The Filing fee for the Statement Liquidated Claims is a statutory charge as set by the NSW Local Court. The 'Filing Fee - Statement Liquidated Claim \$0.01 to \$20,000 – Corp' has been changed by the NSW Local Court from \$212 to \$290.

4.6 Change Fee amount for FC0322

The Filing fees for the Statement Liquidated Claims is a statutory charge are set by the NSW Local Court. The 'Filing Fee - Statement Liquidated Claim \$20,001 to \$100,000 – Corp' has been changed by the NSW Local Court from \$518 to \$600.

4.7 Add Fee unit for Fee FC0330

The Charge for the 'Preparation Fees - other documents' currently has no Fee unit. This needs to be updated to "Per Hour".

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 2023/26 and draft Operational Plan 2022/23, including the Community Strategic Plan, and Resourcing Strategies.

Council Policies

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

Legislation

Section 405 of the Local Government Act 1993 requires that:

1. A council must have a plan (its "operational plan") that is adopted before the beginning of each year and details the activities to be engaged in by the council during the year as part of the delivery program covering that year.
2. An operational plan must include a statement of the council's revenue policy for the year covered by the operational plan. The statement of revenue policy must include the statements and particulars required by the regulations.

3. A council must prepare a draft operational plan and give public notice of the draft indicating that submissions may be made to the council at any time during the period (not less than 28 days) that the draft is to be on public exhibition. The council must publicly exhibit the draft operational plan in accordance with the notice.
4. During the period of public exhibition, the council must have for inspection at its office (and at such other places as it may determine) a map that shows those parts of its area to which each category and sub-category of the ordinary rate and each special rate included in the draft operational plan applies.
5. In deciding on the final operational plan to be adopted, a council must consider any submissions that have been made concerning the draft plan.
6. The council must post a copy of its operational plan on the council's website within 28 days after the plan is adopted.

The revised Delivery Program 2023/26 and draft Operational Plan 2022/23 documents will be brought back to Council at the June Ordinary Council Meeting for endorsement, and will then be made available on Council's website.

Financial implications

Operating Performance Ratio – this ratio will decline due to additional expenditure.
Own Source Revenue - this ratio will decline due to acceptance of external funding.

Budget Year	Operating Performance Ratio	Own Source Revenue	Building & Infrastructure Renewal
2019/20	-	-	-
Future Years	X	-	-

Associated Risks

Not applicable

AMANDA COVER
FINANCIAL PLANNING COORDINATOR

NEIL BUNGATE
ACTING CHIEF FINANCIAL OFFICER

10 May 2022

Attachments: 1. Submission - Cypress Drive Tarring - Sandra Smith.

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER

Draft Operational Plan 2022/23



Submission date: 27 April 2022, 9:40PM
Receipt number: 4
Related form version: 3

Before you begin

Please read and accept the [privacy statement](#) and any applicable [terms and conditions](#). If a fee or charge is required, payment must be made before submitting the form.

Your Details

First name Sandra

Last name Smith

Email

A copy of your submission will be sent to this email address.

Your Submission

What section of the 2022/23 Draft Operational Plan would you like to provide feedback on? Roads

Please give a title for the section you'd like to provide feedback on Cypress Dr , Yarrawonga

Please provide a detailed description of your submission

Just wondering why my road isn't on the list to be tarred? Was removed from the list approx. 18 years ago. Should be a priority as it was on the list in the past. Now an increase in population. Wondering why Coxs Creek road will be tarred? Large properties, small population? Is there a mine going in or been applied for in the area?. As I know there has been applications for mines on the Bylong Valley way. When will the council start to look after all its community ?. There are homes in my area selling for almost \$1 million. For that people don't get a road, they don't get garbage pick up, they don't get water, or sewerage, no street lights. Surely you can tar a road that was meant to be tarred 20 years ago. I'm sure residents would be happy for a small increase in rates to cover the cost. Most people here have paid for the road 5 times over. We get minimal to nothing for our rates.

Declaration

Privacy Statement & Terms and Conditions

I have read and accept the [privacy statement](#), any above statements and applicable [terms and conditions](#) as stated on Council's website.

I have read and accept the above and any applicable terms and conditions.

Signature

