

9.8 Draft Delivery Program 2023/27 and Draft Operational Plan 2023/24

REPORT BY THE MANAGER FINANCE
TO 19 APRIL 2023 ORDINARY MEETING
GOV400105, FIN300417

RECOMMENDATION

That Council:

1. **receive the report by the Manager Finance on the Draft Delivery Program 2023/27 and Draft Operational Plan 2023/24;**
2. **endorse the Draft Delivery Program 2023/27 and Draft Operational Plan 2023/24 to go on public exhibition for a period of 28 days commencing Thursday 20 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 2023/27 and Draft Operational Plan 2023/24.**

Executive summary

Following extensive community consultation and in line with Councils Integrated Planning and Reporting requirements, the draft Delivery Program 2023/27 (the Delivery Program) and draft Operational Plan 2023/24 (the Operational Plan) are presented to Council and the community. This report seeks a 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 2023/24 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 2023/24 to 2026/27. If endorsed by Council, the draft documents will be published on Council's website from Thursday 20 April 2022 for a period of 28 days.

Draft Operational Plan 2023/24

Residents were encouraged to make Community Plan Proposals to be considered in the Draft Operational Plan 2023/24 from 28 November 2022 to 9 January 2023. 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 \$80.6 million for 2023/24, plus an estimated \$20.9 million in Capital Grants & Contributions, taking total anticipated income to a budget of \$109.5 million.

Operating expenditure is budgeted at \$85.8 million.

The draft Operational Plan includes additional borrowings of:

Project	Fund	2023/24	2024/25	2025/26	2026/27
Rylstone Kandos Sewer Augmentation	Sewer	-	\$1,000,000	-	-
Total			\$1,000,000		

Statement of Revenue Policy

The Rates Model proposed as part of the Operational Plan includes an increase to all rating categories at the IPART capped rate of 4%, 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 2023/24 rate structure.

Council has received updated 2022 base date land valuations for all properties within our Local Government area, superseding the previous 2019 base date values. These new values will be used for rating purposes effective from 1/7/2023.

Council's overall rate revenue is capped by IPART at 4%. As the land valuations have changed, the rates that Council sets for 23/24 need to be adjusted so as the resulting rate revenue does not exceed the rate cap. Council therefore does not receive additional revenue from the increased land values. Although the Land Value change is revenue neutral for Council, the effect on rates for individual property owners will vary, depending on the individual Land Value change compared to other land in the category.

Community Plan implications

Theme	Good Government
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 2023/27 and draft Operational Plan 2023/24, 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) s532 s610B – s610F s706(2) (Act) cl201(1)

Financial implications

The draft Operational Plan 2023/24 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
2023/24	✓	✓	✓
Future Years	✓	✓	✓

Associated Risks

Not Applicable

NEIL BUNGATE
MANAGER FINANCE

LEONIE JOHNSON
CHIEF FINANCIAL OFFICER

24 March 2023

Attachments: 1. MWRC Draft Operational Plan 23-24 (separately attached).

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER