

9.7 2023/24 Operational Plan and 2023/27 Delivery Program

REPORT BY THE MANAGER FINANCE
TO 21 JUNE 2023 ORDINARY MEETING
GOV400067, A0000000, FIN300202, GOV400098

RECOMMENDATION

That Council:

1. receive the report by the Manager Finance on the 2023/24 Operational Plan and 2023/27 Delivery Program;
 2. amend the transfer to the Waste Fund financial reserve in 2024/25 to \$3,100,000, to ensure the financial reserve has sufficient funds for upcoming large capital projects;
 3. adopt the Operational Plan for 2023/24 and Delivery Program for 2024-2027, including the Fees & Charges Schedule;
 4. makes the following rates and charges for the 2023/24 financial year:
 - 4.1 A Residential Rural Rate of 0.324440 cents in the dollar on the land value as at 1 July 2023 of all land so categorised as Residential, with a minimum rate of \$742.29;
 - 4.2 A Residential Urban Rate of 0.324440 cents in the dollar on the land value as at 1 July 2023 of all land so categorised as Residential and further subcategorised as Residential Urban, with a minimum rate of \$742.29;
 - 4.3 A Farmland Rate of 0.246498 cents in the dollar on the land value as at 1 July 2023 of all land so categorised as Farmland, with a minimum rate of \$742.29;
 - 4.4 A Business Rate of 0.548190 cents in the dollar on the land value as at 1 July 2023 of all land so categorised as Business, with a minimum rate of \$742.29;
 - 4.5 A Business Rylstone Aeropark Rate of 0.189277 cents in the dollar on the land value as at 1 July 2023 of all land so categorised as Business and further subcategorised as Business Rylstone Aeropark, with a minimum rate of \$243.67;
 - 4.6 A Mining Rate of 0.972172 cents in the dollar on the land value as at 1 July 2023 of all land so categorised as Mining, with a minimum rate of \$742.29;
 - 4.7 A Hunter Valley Catchment Contribution Rate of 0.01046 cents in the dollar on the land value as at 1 July 2023 of all land within the catchment contribution area that has a land value in excess of \$300 and is rateable for the time being under the Local Government Act 1993. Council contributes to the provision of watercourse management in the area controlled by Hunter Local Land Services. A Hunter Valley Catchment Special Rate, which is determined by the authority, is to be applied for the purposes of the Local Land Services Regulation 2014.
 - 4.8 The interest to be charged on overdue rates and charges shall be calculated at a rate of 9% per annum for the 2023/24 financial year, on a daily simple interest basis;
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- 4.9 A Domestic Waste Management Charge of \$331 for all rateable and non-rateable properties within the service areas. Where there is more than one service the annual charge will be multiplied by the number of services;
- 4.10 A General Waste Disposal Charge of \$250 for all rateable and non-rateable properties with the exception of certain Farmland properties that can identify in the manner required by Council that they have a landholding comprised of multiple assessments with a lesser number of residences than assessments; they will be charged for the number of residences. Where there is more than one service the annual charge will be multiplied by the number of services;
- 4.11 A Business Waste Management Charge of \$256 for all rateable and non-rateable Business category properties where a service is rendered. Where there is more than one service the annual charge will be multiplied by the number of services;
- 4.12 Water charges for rateable and non-rateable properties within the water supply area of:

Charge Type	Detail	Amount
Service Availability	20mm meter	\$177
	25mm meter	\$277
	32mm meter	\$453
	40mm meter	\$708
	50mm meter	\$1,106
	80mm meter	\$2,832
	100mm meter	\$4,425
	150mm meter	\$9,956
Usage - per kL	Residential	\$3.59
	Business	\$3.59
	Raw Water	\$1.48
	Standpipe	\$6.54

In relation to any multi-unit residential development, including any strata development, each unit will be levied a 20mm service availability charge. In relation to vacant land where a water meter is not connected, each property will be levied with a 20mm service availability charge.

- 4.13 Sewer charges for rateable and non-rateable properties within the sewer service area of:

Charge Type	Detail	Amount
Service availability	Residential	\$982
	Non-Residential	\$548
Usage - Non Residential	Based on kL's of water that would reasonably be deemed to enter MWRC sewer schemes	\$3.14
Liquid Trade Waste	Category 1	\$108

- Annual Charge	Discharger	
	Category 2	
	Discharger	\$215
	Large Discharger	\$715
	Industrial Discharger	\$215-\$705
	Re-inspection Fee	\$105
Liquid Trade Waste - Category 1 without appropriate equipment	Per kilolitre	\$2.06
Liquid Trade Waste - Category 2 with appropriate equipment	Per kilolitre	\$2.06
Liquid Trade Waste - Category 2 without appropriate equipment	Per kilolitre	\$18.00

Executive summary

At the Extraordinary Council Meeting on 24 May 2023, Council considered all public and management submissions to the draft Operational Plan. Council resolved to amend the 2023/24 Operational Plan and 2024/27 Delivery Program, and that it be brought back to Council at the June Ordinary Meeting for endorsement.

Disclosure of Interest

Nil

Detailed report

Council has been through an extensive planning process over the past few months to determine an appropriate annual plan, culminating in the Draft 2023/24 Operational Plan and 2024/27 Delivery Program.

In April 2023, Council placed its' Draft 2023/24 Operational Plan and 2024/27 Delivery Program on exhibition. In this time, Council received a number of submissions that were considered on 24 May 2023.

Waste Fund Financial Reserve

Due to recent amendments approved within the Waste Fund to allow additional budget for the landfill extension project, the transfer of funds to the Waste Fund financial reserve requires increasing. There is sufficient unrestricted cash within the Waste Fund to allow an increase of \$1,500,000 in 2024/25, making the total transfer for that year \$3,100,000.

RATES MODEL

The Rates Model proposed as part of the Draft 2023/24 Operational Plan and 2024/27 Delivery Program includes an increase to all rating categories of the IPART capped rate of 4%, distributed evenly.

Land rating categories are:

- Farmland;
- Residential;
- Business; and
- Mining

It should be noted that changes to land valuations and categorisation of properties will impact the net increase of a rating category, which may result in an adjusted movement of more or less than the 4% capped rate.

Council notes that Notional General Income calculations including compliance with the rate pegging provisions of the Local Government Act are subject to audit by the NSW Auditor General, whose findings are referred to the Office of Local Government to ensure compliance.

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 draft Delivery Program and draft Operational Plan, 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

The below sections of the Local Government Act 1993 have been referenced in this report, and/or have been taken into consideration for the recommendation set out in this report.

LOCAL GOVERNMENT ACT 1993 - SECT 405

405 Operational Plan

(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.

LOCAL GOVERNMENT ACT 1993 - SECT 494

494 Ordinary rates must be made and levied annually

(1) A council must make and levy an ordinary rate for each year on all rateable land in its area.

(2) Each category or subcategory of ordinary rate is to apply only to land of the same category or subcategory.

LOCAL GOVERNMENT ACT 1993 - SECT 509

509 Maximum general income for a year

(1) A council must not make rates and charges for a year so as to produce general income of an amount that exceeds the notional general income of the council for the previous year as varied by the percentage (if any) applicable to the council under section 506, 508 (2) or 508A for the year for which the rates and charges are made, except as provided by section 511 or 511A.

(2) The "notional general income of a council for the previous year" is the amount that would have been derived if the same rates and charges as were made to produce the general income for that previous year had been so made but, in the case of rates, had been made in respect of:

- a) the valuations of rateable land in the council's valuation record applicable as at 1 July in that previous year and required under this Act to be used in that previous year for the making and levying of rates (not including valuations of those parcels of rateable land for which supplementary valuations referred to in paragraph (b) have been furnished), and
- b) supplementary valuations of rateable land having the same base date as those valuations and furnished to the council under the Valuation of Land Act 1916 during that previous year, and
- c) any estimates of increase in value of rateable land that are provided to the council under section 513 in respect of that previous year.

LOCAL GOVERNMENT ACT 1993 - SECT 532

532 Publication of Draft Operational Plan

A council must not make a rate or charge until it has given public notice (in accordance with section 405) of its draft operational plan for the year for which the rate or charge is to be made and has considered any matters concerning the draft operational plan (in accordance with that section).

LOCAL GOVERNMENT ACT 1993 - SECT 533

533 Date by which a rate or charge must be made

A rate or charge must be made before 1 August in the year for which the rate or charge is made or before such later date in that year as the Minister may, if the Minister is of the opinion that there are special circumstances, allow.

Financial implications

All financial information is shown in the attached Draft Operational Plan 2023/24 and Draft Delivery Program 2024/2027.

Associated Risks

Not Applicable

NEIL BUNGATE
MANAGER FINANCE

LEONIE JOHNSON
CHIEF FINANCIAL OFFICER

8 June 2023

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

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER