



Extra-Ordinary Council Meeting

Agenda

30 May 2023

**Notice is hereby given in accordance with the provisions of the
Local Government Act 1993 that an
Extra-Ordinary Meeting of Warrumbungle Shire Council
will be held in the Council Chambers, John Street,
Coonabarabran
on Tuesday, 30 May 2023 commencing at 5:00 pm.**

Mayor: Cr Ambrose Doolan

Councillors: Kodi Brady
Dale Hogden
Zoe Holcombe
Aniello Iannuzzi (Deputy Mayor)
Carlton Kopke
Jason Newton
Kathryn Rindfleish
Denis Todd

Please note:

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Council's Vision
Excellence in Local Government

Mission Statement

We will provide:

- Quality, cost effective services that will enhance our community's lifestyle, environment, opportunity and prosperity.
- Infrastructure and services which meet the social and economic needs and aspirations of the community now and in the future.
- Effective leadership and good governance, by encouraging teamwork, through a dedicated responsible well trained workforce.

Values

- ✓ **Honesty**
Frank and open discussion, taking responsibility for our actions
- ✓ **Integrity**
Behaving in accordance with our values
- ✓ **Fairness**
Consideration of the facts and a commitment to two way communication
- ✓ **Compassion**
Working for the benefit and care of our community and the natural environment
- ✓ **Respect**
To ourselves, colleagues, the organisation and the community, listening actively and responding truthfully
- ✓ **Transparency**
Open and honest interactions with each other and our community
- ✓ **Passion**
Achievement of activities with energy, enthusiasm and pride
- ✓ **Trust**
Striving to be dependable, reliable and delivering outcomes in a spirit of goodwill
- ✓ **Opportunity**
To be an enviable workplace creating pathways for staff development

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ACKNOWLEDGEMENT OF COUNTRY – Council acknowledges the Traditional Custodians of the Land at which the meeting is held and pays its respects to Elders both past and present and extends that respect to other Aboriginal people who are present.

Turn Off Mobile Phones

Audio Recording of Council Meetings

Apologies/Leave of Absence

Disclosure of Interest

Pecuniary Interest

Non Pecuniary Conflict of Interest

Reports to Council

Reports to be considered in Closed Council

Conclusion

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ROGER BAILEY
GENERAL MANAGER

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Item 1 Draft Operational Plan 2023/2024

Division:	Corporate and Community Services
Management Area:	Financial Services
Author:	Director Corporate & Community Services
CSP Key Focus Area:	Local Government and Finance
Priority:	GF4 Council governance and organisation structure reflects the vision, directions and priorities outlined in the Community Strategic Plan

Reason for Report

Following consultation and public exhibition, and in line with Council's Integrated Planning and Reporting Framework, the draft 2023/24 Operational Plan and Budget, are presented to Council for consideration and endorsement.

The draft Operational Plan on public exhibition shows that operating revenue for 2023/24 is projected to be around \$65.2m, including Capital Grants and Contributions of \$9.6m and Operational Grants and Contributions of \$30.8m. Operating expenditure is projected as \$55.55m.

Therefore, the expected projected consolidated result is a surplus of \$25k before Capital Grant and Contributions and a projected net operating result surplus of \$9.64m after Capital Grant and Contributions.

There is a projected General Fund Operating Result deficit of \$480k before Capital Grant and Contributions and a projected net Operating Result surplus of \$5.1m after Capital Grant and Contributions (includes Waste).

A copy of the draft Operational Plan 2023/24 is provided as an attachment to this report. The draft also includes projected capital expenditure of \$22.48m.

Submissions on the Operational Plan closed on Friday 19 May 2023, with 10 submissions received for Council's consideration. Submissions are included in the attachments.

Background

The draft 2023/24 Operational Plan and Budget sets out Council's proposed budget for next financial year. The budget is presented in the form of consolidated statements and schedules, together with a more detailed breakdown at a functional and/or by fund level.

The draft plans have been prepared following a series of budget meetings and workshops with managers, executive, and councillors over the past 4 months.

A workshop was held with councillors on:

- Thursday 20 April 2023

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There are also a number of significant impacts that have affected Council's financial result in this financial year and will impact future financial year results. These include:

- Advance payment of Financial Assistance Grants;
- Impact of ongoing Asset Revaluation and the subsequent variation in depreciation;
- Emergency services contributions;
- Ongoing cost shifting from other levels of government although improved capital related grants are generally noted;
- Ongoing impact of rate pegging and the ability of an ageing population with limited means to pay;
- The impact of the natural disasters and the effects of the Covid-19 pandemic.

The *Local Government Act 1993* ('the LGA'), section 8B, provides an overview of principles of sound financial management for councils noting that the following principles of sound financial management apply to councils:

- (a) *Council spending should be responsible and sustainable, aligning general revenue and expenses.*
- (b) *Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.*
- (c) *Councils should have effective financial and asset management, including sound policies and processes for the following:*
 - i. performance management and reporting,*
 - ii. asset maintenance and enhancement,*
 - iii. funding decisions,*
 - iv. risk management practices.*
- (d) *Councils should have regard to achieving intergenerational equity, including ensuring the following:*
 - i. policy decisions are made after considering their financial effects on future generations,*
 - ii. the current generation funds the cost of its services.*

The LGA, section 405, also outlines requirements in relation to Operational Plans, stating 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*

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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.*

Following the April Council meeting, Council placed the draft Operational Plan 2023/24 on public exhibition closing on Friday 19 May 2023.

The notice indicated that the plans were on public exhibition and that submissions may be made to the Council at any time during the period of public exhibition.

Issues

Operational Plan 2023/24

The main features of the draft Operational Plan for 2023/2024 public exhibition are:

- The draft consolidated income statement shows that total revenue for 2023/2024 is projected to be around \$65.2m. This total includes Capital Grants and Contributions of \$9.6m and Operational Grants and Contributions of \$30.8m. A projected consolidated result surplus of \$25k before Capital Grant & Contributions and a projected net Operating Result surplus of \$9.6m after Capital Grant & Contributions.
- A projected General Fund Operating Result deficit of \$480k before Capital Grant & Contributions and a projected net Operating Result surplus of \$5.1m after Capital Grant & Contributions (includes Waste).
- A projected Water Fund Operating Result surplus of \$330k before Capital Grant & Contributions and a projected net Operating Result surplus of \$1.8m after Capital Grant & Contributions.
- A projected Sewer Fund Operating Result surplus of \$175k before Capital Grant & Contributions and a projected net Operating Result surplus of \$2.7m after Capital Grant & Contributions.

Rates, Annual Charges and Fees and Charges

The rates model proposed as part of the Operational Plan includes a 3.7% rate increase for general rates in line with the cap determined by the NSW Independent Pricing and Regulatory Tribunal (IPART). Additionally, the Operational Plan proposes a 3.7% increase in waste charges, a 3.7% increase in sewer charges, and a 3.7% increase in water access charges. Water usage charges will increase by 5%. Maps that show those parts of Council's area to which each category and sub-category of the ordinary rate and each special rate included in the draft Operational Plan applies is included in the documentation.

- Council has recently received the new property valuations used for rating purposes as from 1 July 2023. Though Council applies the rate pegging

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increase on each rating category variations of valuation changes across the Shire area produces differences in the rate amounts ultimately levied from the increase. Councillors were made aware of the effect of the rating valuation changes at the last Councillor Budget Workshop held Thursday 20 April 2023.

Sections 501 and 502 of the LGA provide information on what services Council can impose an annual charge and charges for actual use.

Section 501 states:

(1) A council may make an annual charge for any of the following services: provided, or proposed to be provided, on an annual basis by the council:

- *water supply services*
- *sewerage services*
- *drainage services*
- *waste management services (other than domestic waste management services)*
- *any services prescribed by the regulations.*

(2) A council may make a single charge for two or more such services.

(3) An annual charge may be levied on each parcel of rateable land for which the Service is provided or proposed to be provided.

Section 502, in relation to charges for actual use, states that, a council may make a charge for a service referred to in section 496 or 501 according to the actual use of the service.

In line with this, Council has developed its Revenue Policy, including fees and charges for the 2023/24 financial year. Council has proposed a number of increases in fees and charges for the 2023/24 financial year.

Rate Increase

In December 2022 IPART announced that the amount that councils will be able to increase the revenue they can collect from rates will depend on their level of population growth. The Warrumbungle Shire Council's approved rate peg for 2023/2024 a 3.7% increase.

Water Fund

In order for the Water Fund to be self-sufficient, as is required by the NSW Government, a change in fees and charges has been proposed at 3.7% for access charges and 5% for user charges. The 2023/2024 result has been modelled on achieving a net operating result before capital grants and contributions of a surplus of \$330k.

The 2023/2024 draft budget includes the final Mendooran Water Treatment Plant additional charge. This annual charge is \$295 per user and yields \$79,945 p.a.

Sewer Fund

In order for the Sewer Fund to be self-sufficient, as is required by the NSW Government, a change in fees and charges has been proposed at 3.7% for access

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charges and 5% for user charges. The 2023/2024 result has been modelled on achieving a net operating result before capital grants and contributions of a small surplus of \$175k.

Waste

Section 496 of the Local Government Act, in relation to making and levying of annual charges for domestic waste management services, states that:

- (1) A council must make and levy an annual charge for the provision of domestic waste management services for each parcel of rateable land for which the service is available.*
- (2) A council may make an annual charge for the provision of a domestic waste management service for a parcel of land that is exempt from rating if:
 - (a) the service is available for that land, and*
 - (b) the owner of that land requests or agrees to the provision of the service to that land, and*
 - (c) the amount of the annual charge is limited to recovering the cost of providing the service to that land.**

Further to this, section 504 states that, in relation to domestic waste management services:

- (1) A council must not apply income from an ordinary rate towards the cost of providing domestic waste management services.
 - (1A) Subsection (1) does not prevent income from an ordinary rate from being lent (by way of internal loan) for use by the council in meeting the cost of providing domestic waste management services.**
- (2) Income to be applied by a council towards the cost of providing domestic waste management services must be obtained from the making and levying of annual charges or the imposition of charges for the actual use of the service, or both.*
- (3) Income obtained from charges for domestic waste management must be calculated so as to not exceed the reasonable cost to the council of providing those services.*

In line with these requirements, an increase in the service charge has been proposed, of 3.7%. The 2023/2024 result has been modelled on achieving a net operating result before capital grants and contributions of a small surplus of \$298k. Waste is normally included as part of General Fund activities.

Public Exhibition Net Operating Results before Capital Grants and Contributions

The draft 2023/24 Operational Plan budget, as it currently stands, results in a consolidated Operating Result surplus of \$25k.

OLG Circular 23-02 / 08 May 2023 / A849639 'Information about Ratings 2023/24

The Circular prescribes the following four changes in the Ratings 2023/24, out of which only the second one would impact the Council:

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- The maximum boarding house tariffs for 2023/24 have been determined. This is not applicable to the Council.
- The maximum interest rate payable on overdue rates and charges for 2023/24 has been determined. This is further elaborated below.
- The section 603 certificate fee for 2022-23 has been determined.
- The statutory limit on the maximum amount of minimum interest rates for 2023/24 has been determined for commencement on 1 July 2023.

In regards to interest rates payable, the Circular states that pursuant to section 566(3) of the LGA it has been determined that the maximum rate of interest payable on overdue rates and charges for the period 1 July 2023 to 30 June 2024 (inclusive) will be 9.0% per annum.

Submissions

In all, 10 comments, submissions and recommendations were received from members of the public as summarised in the table below.

Description	Staff comment	Recommendation
Rainwater tank, fittings, and pump for the Goolhi hall.	Funds were received from Crown Lands in 2021 for improvements to the facility, including replacement of a water tank. Once the grant has been acquitted, this project may be reconsidered.	No change to the current Operational Plan.
Add Wentworth Avenue, Coolah to the programme of street sweeping.	Any streets in the Warrumbungle Shire Council area that do not have kerb and gutter are not swept with the street sweeper. Wentworth Avenue, Coolah has no kerb and gutter, is a single lane sealed road. The road is built up above the natural ground level and has a drain approximately 500mm deep either side of the carriage way. Council will not be undertaking sweeping of Wentworth Avenue.	No change to the current Operational Plan.
Allowance for maintenance of road verges so that road side grasses never get longer than 200-300mm.	Included in normal operational expenditure. Works are subject to weather conditions.	No change to the current Operational Plan.
Increase the annual budget for Baradine's Wellington St garden maintenance.	If the budget was to increase this would need to offset by	No change to the current Operational Plan.

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	reducing the budget in another area.	
Road budget seems a bit low and does not seem to keep up with the depreciation rates of the straight-line curve.	If the budget was to increase this would need to offset by reducing the budget in another area.	No change to the current Operational Plan.
Better GPS for graders.	Grader improvements are considered during the changeover process. While improved GPS functionality of graders would be ideal they are not essential.	No change to the current Operational Plan.
An amount of \$1,500 from the Baradine Memorial Hall painting allocation of \$42,500 for the purchase and installation of a bench seat at the front of the hall.	That the addition of a bench seat be considered at a future date if there is funding left in the Baradine Memorial Hall painting allocation. This would also provide staff the opportunity to investigate the need for the seat and to determine the most suitable bench seat for the area. A seat would require ongoing maintenance.	No change to the current Operational Plan.
Query whether amounts included for aerodrome works includes regional airport grant funds.	<p>The forecast spending at the Coonabarabran Aerodrome does not include grant funding. No funding available in 2023/24. Former regional and rural airport funding not extended in Federal Budget.</p> <p>The funding allocation of \$35,000 will be used to complete line marking of the aerodrome and assist Council with CASA audit outcome compliance. The requirement for resealing will be assessed and depending on the outcome the funding may be pushed out another year of the condition of the strip is acceptable.</p>	No change to the current Operational Plan.
Request for works at Coolah Pandora Gallery (leak mark on ceiling).	The facility will be inspected and if the scheduled carpeting works are not required in the 23/24	No change to the current Operational Plan.

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	financial year they may be deferred and another more urgent project brought forward.	
Queries on location for softfall at Coolah; accuracy of forward estimates for Black Stump Rest Area. Submission to swap renewal of carpet at Pandora Gallery and Library for remedial works on ceiling.	<ul style="list-style-type: none">• Bowen Oval Playground – staff will inspect and perform any maintenance works required to the fence and bubbler. Upgrades that cannot be funded in existing budgets will be prioritised and included in future budgets.• Black Stump Rest Area – anecdotally this is used on a daily basis with high visitation on weekends, public holidays and school holidays. The costs are estimates and will be revised closer to the preparation of the 2024/25 budget when the first year of expenditure is planned.• Pandora Gallery & Library – the facility will be inspected and if the carpeting works are not required in the 23/24 financial year they may be deferred and another more urgent project brought forward.	No change to the current Operational Plan.

Annual Donations Policy applications

A total of 11 applications were received and these are currently being assessed against the Financial Assistance Grant Guidelines and the budget provision available in the 2023/2024 draft budget.

In line with the Donations Policy, requests for Annual Donations will be assessed based on the contribution the activities of the organisation and/or group make to the achievement of the aims and objectives of the Warrumbungle Shire Community Strategic Plan.

Options

Council may adopt the draft Operational Plan 2023/24 as presented, or with amendments. Any material amendment will be required to be placed on public exhibition before adoption.

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Financial Considerations

As outlined in the draft documents.

Community Engagement

The level of engagement for this item is Inform.

The community is informed through publication of the business paper; the Ordinary Council meeting; Council's website; print and social media.

Attachments

1. Draft Operational Plan 2023/24
2. Draft Revenue Policy, Fees and Charges incorporating the Annual Donations Policy and Rate Maps.
3. Submissions received during the public exhibition period.

RECOMMENDATION

That Council endorses the draft Operational Plan 2023/24 and the Revenue Policy as placed on Public Exhibition.