

Ordinary Council Meeting 19 April 2022
2022/2023 DRAFT BUDGET, FEES AND CHARGES AND DELIVERY PROGRAM AND OPERATIONAL PLAN

Subject: 2022/2023 Draft Budget, Fees and Charges and Delivery Program and Operational Plan
Record No: SU8618 - 17435/22
Division: Corporate Services Division
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Executive Summary

The Local Government Act 1993 requires Council to adopt its annual Operational Plan and Budget by 30 June, outlining the activities to be undertaken in the next financial year (i.e. from 1 July), as part of a Delivery Program. The Local Government Regulation 2005 requires the Operational Plan and Budget include an annual Revenue Policy.

This report presents a draft of the Delivery Program and the Operational Plan 2022/23, Draft 2022/23 Budget together with the Draft 2022/23 Schedule of Fees and Charges. The budget establishes the anticipated operating result for 2022/23 and provides information on key income and expenditure. This report recommends that the Draft Budget 2022/23, Delivery Program and Operational Plan 2022/23 and Fees and Charges 2022/23 be endorsed for public exhibition purposes.

Background

In October 2009, the NSW Government enacted the Local Government (Planning and Reporting) Amendment Act 2009, which set a new framework to integrate the various statutory planning and reporting processes as required by the Local Government Act 1993 and the Environmental Planning and Assessment Act 1979.

The Integrated Planning and Reporting framework requires a number of strategic planning and resourcing documents, with alignment to the term of the elected council. The requirements include a long-term Community Strategic Plan, a Delivery Program for the term of the council and an Operational Plan that sets out Council's projects and activities for the coming 12 months.

Draft Budget for 2022/23

Budget Summary

The Draft Budget 2022/23 (**AT-1**) has been formulated on a 'business as usual' basis. In summary, the following key results and initiatives include:

- The draft operating result budgeted for in the 2022/23 financial year is a deficit of \$355k, before capital grants and contributions. Later in the report Council will seek to obtain approval from IPART to increase rates by 2% in order to raise additional revenue to achieve a balanced budget.
- The Rates and Annual Charges for 2022/23 include a general rate increase of 0.7%, as determined by IPART. It is proposed to levy two (2) Ordinary Rates in 2022/23 in accordance with S.492 and S.497(a) of the Local Government Act.
 - a. An Ordinary Residential Rate of 0.109954 cents in the dollar, on the Land Value of all Rateable Land categorised as Residential in accordance with S.516 of the

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- Local Government Act, (with the exception of heritage properties which are rated on their heritage value), with a Minimum Rate of \$937.50, to yield \$21,428,882.
- b. An Ordinary Business Rate of 0.580576 cents in the dollar, on the Land Value of all Rateable Land categorised as Business in accordance with S.516 of the Local Government Act, with a Minimum Rate of \$957.65 to yield \$5,689,101.
- It is proposed to levy a Car Parking Special Rate on Business premises in Lane Cove of 0.201701 cents in dollar with a minimum rate of \$2 per assessment, to yield \$177,713. This revenue will continue to repay an internal borrowing to finance The Canopy Car Park.
 - A note has been included in the Revenue Policy that Council is making application to IPART for a 2.0% rate increase in 2022/23 (as opposed to the 0.7% rate increase already determined). The note includes what the minimum rate, ad valorem (rate in the dollar) and total rate yield would be if the application was to be approved by IPART.
 - Salary and Wages related expenditure totals \$21.7m, which includes a Local Government (State) Award increase of 2.0% and other employee related expenses.
 - A full schedule of the user fees and charges proposed for the year is included in **(AT-2)**. The proposed fees have been set in accordance with Council's pricing policy, which requires consideration of a number of factors including community service obligations, the cost of service provision, whether the goods or services are provided on a commercial basis, and the capacity of the user to pay.
 - The Draft Budget provides for the levying of a Domestic Waste Management Charge (under S.496 of the Act) of \$474.50 for each 80 litre MGB and recycling service on all rateable and non-rateable residential properties. Charges for DWM services rendered to residential units above business premises, or extra DWM services rendered to other premises, are set out in the Schedule of Fees and Charges for 2022/23.
 - It is proposed to levy a stormwater levy of \$25 per residential or business property and \$12.50 per residential strata unit. The levy is proposed to yield \$321,362.
 - Council continues to fast track Sustainability initiatives utilising the Sustainability Levy. Projects for 2022/23 include:
 - Blackman Park LED Lighting
 - Cooler Spaces Program
 - Toy Library Establishment
 - Woodford Bay Living Seawall Project
 - Community Garden Project
 - Lovetts Reserve Biodiversity Protection
 - Greener Apartments Program
 - Powerful Owl Project
 - Sustainability Lane Expo
 - Longueville Aboriginal Heritage Project

Draft Delivery Program including the Operational Plan 2022/23

The Draft Delivery Program and Operational Plan (**AT-3**) is Council's response to the aspirations contained in the Community Strategic Plan, *Liveable Lane Cove 2035*. The Delivery Program and Operational Plan describes Council's commitment to the community during its term of office and, like the Community Strategic Plan, is presented in the form of the six Strategic Themes. Within each of the six Strategic Themes, community priorities are identified and include strategies, recurrent actions and new initiatives. Also included in the Draft Delivery Program and Operational Plan is a budget allocated for each of the six strategic themes and Council's Revenue Policy.

Major project expenditure items contained in the Draft Delivery Program and Operational Plan 2022/23 include:

New Council Website

\$150,000 has been provided for Council to Implement a new website which incorporates contemporary design and functionality, including mobile compatibility.

Renewable Energy Future

An additional \$100,00 has been provided to create a Renewable Energy Future in Lane Cove to reduce community emissions to achieve a 20% reduction in emissions and water use by 2024 and a 80% reduction by 2036 (based on 2016/17 levels)

St Leonards Public Domain Works

Finalisation of the construction of an over rail plaza and public open green space at St Leonards. \$25.7m has been allocated from funds received via a Voluntary Planning Agreement to complete the works in 2022/23.

Roads, Footpaths, Drainage Asset Renewal Works

Includes a range of civil related asset infrastructure renewal works across the Lane Cove LGA, in accordance with adopted asset management plans. The total value of renewal works to be undertaken during 2022/23 is estimated at \$4.4m.

Bob Campbell Oval Masterplan

Project entails the delivery of works at Bob Campbell Oval in accordance with a revised Master Plan. Total value of works is estimated at \$2.9m.

Drainage – St Leonards South

Council will be undertaking an upgrade of the existing stormwater system as part of the St Leonards South redevelopment plans. These works are estimated to be \$1.3m and will be funded from Developer Contributions.

Bicycle Facilities

The Bicycle Facilities Program includes a new Cycleway along Burns Bay Road, Linley Point. The total value of this program is estimated at \$1.15m.

Building Upgrade Works

A range of building renewal/upgrade works are earmarked for the Greenwich Baths, Greenwich Community Centre, Centrehouse Community Arts Centre, the Civic Centre and Lane Cove Aquatic Centre. The total value of these works is estimated at \$672k.

Playground Upgrades

Playground upgrades are scheduled for Henninghams Playground, Best Street Reserve, Alder Avenue Reserve and Shaw Park. The combined value of these upgrades is estimated at \$360k.

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Toy Library, Library of Things and Mens Shed

This project entails the conversion of a Council building at 47 Burns Bay Road from a child care facility to a facility capable of housing a Toy Library, a Library of Things and a Men's Shed. The total value of works is estimated at \$300k.

Additional Rates Special Variation (IPART)

IPART have released the Additional Special Variation guidelines to assist Councils in making application for an increase above the 0.7% approved rate increase. The guidelines require a specific resolution to be passed by Council, as follows:-

- Whether the resolution is for a temporary or permanent special variation under section 508(2) of the Act; and
- The additional income that council will receive if the special variation is approved; and
- Why the special variation is required; and
- That the council has considered the impact on ratepayers and the community in 2022-23 and, if permanent, in future years if the special variation is approved and considers that it is reasonable.

Council previously resolved on 21 March 2022 to pursue a 2.0% permanent special variation under Section 508(2). Within that report that was considered by Council, the amount of additional income was disclosed (\$350,000), together with the reason why the additional special variation was required (to balance the budget and ensure our key financial indicators meet industry benchmark) and commentary was also provided with respect to the relatively minor impact on average residential and business rates.

Given Council needs to pass a resolution that speaks to each of the above aspects, the recommendation at the end of this report makes specific reference to these requirements.

Community Consultation

It is a statutory requirement that the Draft Budget 2022/23, Delivery Program and the Operational Plan 2022/23 and Fees and Charges 2022/23, following Council's initial consideration, be placed on public exhibition for a period of not less than twenty-eight (28) days. Following this, Council must consider any public comments submitted before the Plans can be adopted.

It is proposed to exhibit these documents from late April 2022 to early June 2022. A report will be prepared for Council's consideration at the 23 June Ordinary Council Meeting advising of the results of the community consultation and recommending final adoption. Until the Delivery Program and Operational Plan (including Budget) is adopted, Council is unable to levy rates and charges for the financial year for which the plan is prepared.

Consultation Statement of Intent

The consultation is designed to provide the community with the opportunity to comment on the proposed initiatives and actions over the next year. Council will consider feedback in determining to adopt the final plans and budget.

The methods of consultation proposed are outlined below.

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Methods

Level of Participation	Inform	Consult
Form of Participation	Open	Open
Target Audience	Whole Community	Whole Community
Proposed Medium	Public and Website Exhibitions eNewsletter	On-line Survey Submissions
Indicative Timing	Late April – Early June 2022	Late April – Early June 2021

RECOMMENDATION

That:-

1. Council adopt, for the purpose of public exhibition, the 2022/23 Draft Budget, Draft Fees and Charges 2022/23 and the Draft Delivery Program and Operational Plan 2022/23;
2. Council undertake community consultation from late April 2022 until early June 2022 as per the consultation outlined in the report;
3. Following public exhibition, the 2022/23 Draft Budget, Draft Fees and Charges 2022/23 and the Delivery Program and Operational Plan 2022/23, together with a report on any submissions received, be considered at the Council meeting to be held 23 June 2022; and
4. Council reaffirm its commitment to pursue an additional Special Rates Variation through IPART and specifically:
 - a. Apply for 2.0% permanent rate increase under Section 508(2) of the Local Government Act, 1993;
 - b. Acknowledge that the additional rate increase will yield approximately \$350,000 in additional rate income;
 - c. Acknowledge that the application for an Additional Special Variation is required to balance Council's 2022/23 Operational Budget and ensure its key financial performance indicators meet industry benchmarks; and
 - d. Acknowledge that the Additional Special Variation is considered reasonable when considering the relatively minor impact on average residential and business rates (an average increase of \$17 per annum for each rateable residential property and \$63 per annum for each rateable business property) and given the Local Government Area is ranked in Australia at the 99th percentile in terms of being the most advantaged in the Australian Bureau of Statistics Socio-Economic Indexes for Areas, SEIFA (2016).

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Corporate Services Division

ATTACHMENTS:

AT-1 View	Draft Budget 2022-23	13 Pages	Available Electronically
AT-2 View	Draft Fees and Charges 2022-23	24 Pages	Available Electronically
AT-3 View	Draft Delivery Program and Operational Plan	96 Pages	Available Electronically