

ANNEXURE 12

COUNCIL REPORTS AND RESOLUTIONS

Included within Annexure:

- 10-12-12 – J1
Exhibition of Draft Integrated Planning Documents Incorporating the Option of a Special Rate Variation
- 25-02-13 – J3
Exhibition of Draft Integrated Planning Documents Incorporating the Option of a Special Rate Variation
- Council Report – 10 December 2012
- Council Report – 25 February 2013

Minute Extract Council Meeting – 10 December 2012

Referred to Nicole Rogan
CC

Director Governance and Corporate Services

J. Reports from Officers

1. **Subject:** Exhibition of draft Integrated Planning documents incorporating the option of a Special Rate Variation
- Author:** Paul Woods - General Manager (NR)
- Reason for Report:** To seek endorsement to place the Council's draft Integrated Planning documents (including the Community Strategic Plan - Bright Future, Better Lifestyle, the Delivery Program 2013 - 2017, the Operational Plans 2013 - 2017 and the Resourcing Strategy) on public exhibition, incorporating the option of a Special Rate Variation.

1/2012

Resolved: (Platt/Katris)

- a) *That the Community Engagement Strategy annexed to the report, for the exhibition of the draft Integrated Planning Documents, be endorsed.*
- b) *That Kogarah City Council's draft Community Strategic Plan, Bright Future, Better Lifestyle: Kogarah 2020, annexed to the report, be publicly exhibited in accordance with the Engagement Strategy, also annexed to the report.*
- c) *That the draft Resourcing Strategy, annexed to the report, be publicly exhibited in accordance with the Engagement Strategy.*
- d) *That the draft Delivery Program (2013 – 2017) incorporating the 2013/14, 2014/15, 2015/16 and 2016/17 Operational Plans, annexed to the report, be publicly exhibited in accordance with the Engagement Strategy.*
- e) *That the draft Resourcing Strategy referred to in (c) above include the following two (2) options:*
 - i) *Option for a draft budget that includes a Special Rate Variation to set Council's rates at 5.9% for 2013/14 and 4.8% per annum (inclusive of rate pegging) over the subsequent three years commencing 2014/15.*
 - ii) *Option for a draft budget that is based on the assumed rate pegging*

limit of 3.25% over three years commencing 2014/15.

- f) That it be noted that the composition of the variation in year one (1) of the proposed SRV referred to in part e) i) above is identical to that which was previously granted for 2013/14.*
 - g) That a report on all feedback received in response to (b), (c) and (d) above be prepared and submitted to Council in February 2013.*
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Minute Extract Council Meeting – 25 February 2013

Referred to Nicole Rogan
CC

Director Governance and Corporate Services

J. Reports from Officers

3. **Subject:** Exhibition of draft Integrated Planning documents incorporating the option of a Special Rate Variation
- Author:** Paul Woods - General Manager (NR)
- Reason for Report:** To consider adoption of the Integrated Planning documents (including the Community Strategic Plan - Bright Future, Better Lifestyle, the Resourcing Strategy, the Delivery Program 2013 - 2017 and the Operational Plan 2013/14) and option to make application for a Special Rate Variation following public exhibition pursuant to Council's resolution of 10 December 2012 (Min. No 174/2012).

1/2013

Resolved: (Katris/Platt)

- a) *That the Community Strategic Plan – Bright Future, Better Lifestyle annexed to the report be adopted.*
- b) *That the Resourcing Strategy annexed to the report be adopted.*
- c) *That application be made to IPART, under Section 508(A) of the Local Government Act, for a Special Rate Variation of 5.9% minus 0.1% carbon tax advance repayment for 2013/14 and 4.8% per annum (inclusive of rate pegging) over the subsequent three years commencing 2014/15.*
- d) *That the Delivery Program (2013 – 2017) incorporating the 2013/14 Operational Plan and the Statement of Revenue Policy (Section 5 – Financial Information) excluding the draft Schedule of Fees and Charges 2013/14, annexed to the report, be adopted.*
- e) *That in the event that the application referred to in part c) above is unsuccessful, a further report be prepared and submitted to Council.*
- f) *That the Schedule of Fees and Charges 2013/14 be placed on public exhibition in accordance with the details contained within the report.*

**Item J1: Exhibition of draft Integrated Planning documents
incorporating the option of a Special Rate Variation****Author:** Paul Woods - General Manager (NR)**Reason for report:** To seek endorsement to place the Council's draft Integrated Planning documents (including the Community Strategic Plan - Bright Future, Better Lifestyle, the Delivery Program 2013 - 2017, the Operational Plans 2013 - 2017 and the Resourcing Strategy) on public exhibition, incorporating the option of a Special Rate Variation.**Recommendation:**

- a) That the Community Engagement Strategy annexed to the report, for the exhibition of the draft Integrated Planning Documents, be endorsed.
- b) That Kogarah City Council's draft Community Strategic Plan, *Bright Future, Better Lifestyle: Kogarah 2020*, annexed to the report, be publicly exhibited in accordance with the Engagement Strategy, also annexed to the report.
- c) That the draft Resourcing Strategy, annexed to the report, be publicly exhibited in accordance with the Engagement Strategy.
- d) That the draft Delivery Program (2013 – 2017) incorporating the 2013/14, 2014/15, 2015/16 and 2016/17 Operational Plans, annexed to the report, be publicly exhibited in accordance with the Engagement Strategy.
- e) That the draft Resourcing Strategy referred to in (c) above include the following two (2) options:
 - i) Option for a draft budget that includes a Special Rate Variation to set Council's rates at 5.9% for 2013/14 and 4.8% per annum (inclusive of rate pegging) over the subsequent three years commencing 2014/15
 - ii) Option for a draft budget that is based on the assumed rate pegging limit of 3.25% over three years commencing 2014/15
- f) That it be noted that the composition of the variation in year one (1) of the proposed SRV referred to in part e) i) above is identical to that which was previously granted for 2013/14.
- g) That a report on all feedback received in response to (b), (c) and (d) above be prepared and submitted to Council in February 2013.

Background

1. Local councils in NSW are required to undertake planning and reporting activities in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2005.
2. The Local Government Amendment (Planning and Reporting) Act 2009 was assented on 1 October 2009. The reforms contained in this Act replace the former Management Plan and Social Plan with an integrated planning framework. It includes the requirements to prepare a long term Community Strategic Plan, a Resourcing

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Strategy, a four (4) year Delivery Plan and annual Operational Plan, an Annual Report and an End of Term Report.

3. After extensive community consultation, at its meeting of 27 April 2010, Council adopted its first Community Strategic Plan – *‘Bright Future, Better Lifestyle: Kogarah 2020’*.
4. *‘Bright Future, Better Lifestyle’* plans ahead for the next ten (10) years, although it is not expected that the plan be set in stone for that period. Further, it is a requirement of the Local Government Act that the Community Strategic Plan be reviewed every four (4) years.
5. From 2012, each newly elected council must complete this review by 30 June in the year following the local government elections and roll the planning period forward by at least four (4) years, so that it is always a ten (10) year minimum plan.

The Community Strategic Plan – *‘Bright Future, Better Lifestyle’*

6. The purpose of the Community Strategic Plan is to identify the community’s main priorities and expectations for the future of the City of Kogarah and to plan strategies for achieving these goals.
7. As noted above, Council adopted its first Community Strategic Plan at its meeting of 27 April 2010. All Local Government Authorities in New South Wales are required to prepare an integrated plan to manage the medium and long term vision for their Local Government Area.
8. During the development of Council’s first Community Strategic Plan – *‘Bright Future, Better Lifestyle: Kogarah 2020’*, Council undertook extensive community consultation spanning an eighteen (18) month period.
9. The review of *‘Bright Future, Better Lifestyle’* and the subsequent development of the 2013 – 2017 Delivery Program has been based on information and feedback gathered from a series of community consultations conducted over the past three years.
10. In addition, over the past three (3) months Council has sought specific feedback from the whole community on its:
 - Vision statement
 - Strategic objectives that address social, environmental, economic and civic leadership issues identified by the community.
 - Strategies for achieving each objective.
11. The review utilises the outcomes of these consultations, assesses them against current and future needs of the community identified in *‘Bright Future, Better Lifestyle’* and incorporates them into actions in the draft 2013 – 2017 Delivery Program.
12. The draft Plan defines a sustainable direction for our City and sets out the strategic direction which Council will follow in achieving the needs of our community for the next ten (10) years and beyond.

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13. A copy of the draft Community Strategic Plan - *Bright Future, Better Lifestyle* is annexed to this report.

Draft Resourcing Strategy

14. Council does not have full responsibility for implementing and resourcing all of the communities' aspirations that have been identified in the Community Strategic Plan. Other stakeholders, such as State agencies, non-government organisations, community groups and individuals all have a role to play in delivering these outcomes.
15. The draft Resourcing Strategy allows for the provision of resources required by Council to implement the strategies established by the Community Strategic Plan that Council is responsible for.
16. The Resourcing Strategy has been reviewed in accordance with the requirements of the NSW State Government integrated planning and reporting reform legislation and gives consideration to the capacity for Council to deliver on its responsibilities and commitments detailed within *Bright Future, Better Lifestyle*.
17. The Resourcing Strategy consists of three (3) components:
- Workforce Management Planning
 - Asset Management Planning
 - Long Term Financial Planning
18. A copy of the draft Resourcing Strategy is annexed to this report.

Workforce Management Planning

19. Council has developed a four (4) year Workforce Management Strategy which addresses the human resource requirements of Council's Delivery Program.
20. The Workforce Plan provides Council with direction and helps identify the workforce it will require in the future. Further, it contributes to the attraction, retention and development of a capable workforce which delivers Council's strategy and ensures adequate and appropriately skilled staff are employed in the most effective way.

Asset Management Framework

21. Council has also developed an Asset Management Framework as part of the Resourcing Strategy. The Asset Management Framework consists of a number of components, and includes the following:
- Asset Management Policy (AMP);
 - Asset Management Strategy (AMS);
 - Overarching Asset Management Plan (OAMP)
22. Specific detailed Asset Management Plans have also been prepared and sit alongside the OAMP. These plans cover each of the four (4) asset categories as follows:
- Asset Management Plan – Road Reserve Asset Category

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- Asset Management Plan – Water Asset Category
- Asset Management Plan – Parks & Recreation Asset Category
- Asset Management Plan – Building Asset Category

These individual documents should be viewed as constituent elements of an overall framework and will be under continuous review and adjustment as annual budgets and operating plans are developed.

23. The Asset Management Framework is a reflection of Council's intention that the community's infrastructure network be maintained in partnership with other levels of government and stakeholders to meet the needs of the local residents.

Long Term Financial Planning

24. Council has developed a ten (10) year Long Term Financial Plan which is included within the draft Resourcing Strategy, annexed to this report.
25. The Long Term Financial Plan is a decision-making and problem-solving tool. It is a guide for future action and is not set in concrete. It provides Council with the opportunity to identify financial issues at an early stage and to gauge the effect of these issues in the longer term.
26. As Council works through the implementation of its Community Strategic Plan and Delivery Program, the Long Term Financial Plan will increase in detail. The Plan will be updated annually as part of the development of Council's Operational Plan and will be reviewed in detail every four (4) years in conjunction with the four (4) yearly review of the Community Strategic Plan.
27. The Long Term Financial Plan includes:
- Planning assumptions used to develop the Community Strategic Plan;
 - Projected income and expenditure, balance sheet and cash flow statement;
 - Sensitivity analysis (factors/assumptions most likely to affect the plan);
 - Financial modelling for different scenarios; and
 - Methods of monitoring financial performance.

Draft Delivery Program (2013 - 2017) incorporating the 2013/14, 2014/15, 2015/16 and 2017/18 Operational Plans

28. The draft Delivery Program (2013 - 2017) has been developed and outlines the principal activities to be undertaken by Council to implement the strategies established by the Community Strategic Plan, within the resources available under the draft Resourcing Strategy.
29. The Delivery Program addresses the full range of Council operations, financial estimates and allocated levels of responsibility for each action.
30. The Delivery Program includes a number of performance indicators which will be used to measure and determine the effectiveness of the activities detailed in the Delivery Program in achieving its objectives. These performance indicators will be

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measured every four (4) years in addition to the annual outputs from the Operational Plans.

31. Supporting the Delivery Program, Operational Plans for 2013/14, 2014/15, 2015/16 and 2017/18 have been developed which outline the individual projects and activities that Council will undertake in each subject year to achieve the commitments made in the Delivery Program.
32. The Operational Plans include allocated responsibilities for each project, program or activity, with each one assessed against corresponding performance measures.

A copy of the Draft Delivery Program (2013 - 2017) incorporating the 2013/14, 2014/15, 2015/16 and 2017/18 Operational Plans is annexed to this report.

Financing the Implementation of the draft Plans (Setting the rate)

33. The Integrated Planning and Reporting framework has streamlined Council's planning process to enable sound financial planning to be incorporated into long term operational planning.
34. Currently the rate charge for 2013/14 is set at 5.9% with 2013/14 being the final year of Council's current Special Rate Variation (SRV). The current environmental levy of 3% will be removed at the end of 2012/13, and Council is required to repay part of the carbon tax advance, removing an additional 0.1% from the increase. Consequently, the effective increase for ratepayers in 2013/14 will be 2.8%.
35. Council's Long Term Financial Plan has taken the average rate pegging limits over the past eight (8) years and projected rate increases at 3.25% for 2014/15 – 2016/17 of the Delivery Program. This would result in a forecast shortfall of \$1.2 million and will require a decrease in operational service levels over these years.
36. Council's planning and budgets for the following three (3) years shows that from 2014/15 – 2016/17 of Council's draft Delivery Program 2013 - 2017 Council requires an annual rate increase of 4.8% to maintain operational costs to the level detailed in the draft Delivery Program and subsequent draft Operational Plans.
37. The Independent Pricing and Regulatory Tribunal (IPART) has the responsibility for determining applications for Special Rate Variations. Following enquiries by Council Officers, IPART has advised that should Council wish to set the rates over the next four years to ensure service levels outlined in the draft Delivery Program (2013-2017) can be achieved, Council would need to offer to relinquish the variation granted for 2013/14 in conjunction with making an application to IPART under Section 508(A) of the Local Government Act 1993, commencing 2013/14.
38. As a reflection of Council's commitment to its residents and to support the extensive consultation process undertaken prior to the granting of the existing SRV, it is Council's intention that the rate variation for year one (1) of the proposed SRV be identical to that offered to be relinquished (ie 5.9% less 3% representing the removal of the environmental levy at the end of 2012/13 and a further 0.1% repayment of part of the carbon tax advance, resulting in an effective increase for ratepayers of 2.8%).

Item J1 (cont.)

For the remaining three years of the term of the draft Delivery Program (2014/2017), the application under Section 508(A) of the Local Government Act 1993, is proposed to be 4.8% (inclusive of rate pegging).

39. The following table details rate income projected to be generated if rate pegging only is applied. This includes the 2013/14 rate increase of 2.8% as set by the SRV and an estimated rate pegging figure of 3.25% for the subsequent three (3) years.

Council Rate Income if Rate-Pegging Applied					
Year	Variation	Cumulative increase	Total income yield	Change from previous year	Change from base year
2012/13 (Base)	-	-	\$ 22,904,370	\$ -	\$ -
2013/14	2.80%	2.8%	\$ 23,545,692	\$ 641,322	\$ 641,322
2014/15	3.25%	6.1%	\$ 24,310,927	\$ 765,235	\$ 1,406,557
2015/16	3.25%	9.6%	\$ 25,101,033	\$ 790,105	\$ 2,196,663
2016/17	3.25%	13.2%	\$ 25,916,816	\$ 815,784	\$ 3,012,446

* Note that in year 1 the variation is reduced due to the environmental levy ceasing

40. By comparison, the following table details rate income projected to be generated if the application for an SRV is made and approved by IPART to set Council's rates as detailed in paragraph 38 above. It should be noted that in the event of an SRV being endorsed by Council and approved by IPART, it will be inclusive of the rate pegging increases set by IPART throughout the four (4) year duration of the Delivery Program.

Council Rate Income if SRV Applied					
Year	Variation	Cumulative increase	Total income yield	Change from previous year	Change from base year
2012/13 (Base)	-	-	\$ 22,904,370	\$ -	\$ -
2013/14	2.80%	2.8%	\$ 23,545,692	\$ 641,322	\$ 641,322
2014/15	4.80%	7.7%	\$ 24,675,886	\$ 1,130,193	\$ 1,771,516
2015/16	4.80%	12.9%	\$ 25,860,328	\$ 1,184,443	\$ 2,955,958
2016/17	4.80%	18.3%	\$ 27,101,624	\$ 1,241,296	\$ 4,197,254

* Note that in year 1 the variation is reduced due to the environmental levy ceasing

41. Over the duration of the SRV \$1,184,808 more in rate income would be generated compared to that generated if the estimated rate pegging increase of 3.25% is applied.
42. As an indication of the impact of the Special Rate Variation on residential properties, the annual increase in 2014/15 for properties with land values between \$450,000 and \$1 million would range from \$37.02 (\$0.71 per week) to \$82.27 (\$1.58 per week). This compares to \$25.07 (\$0.48 per week) and \$55.70 (\$1.07 per week) respectively if rate pegging is only applied.

Item J1 (cont.)

Community Consultation Process

43. In accordance with legislative requirements, all integrated planning framework documents *must be placed on exhibition for a period of at least 28 days and comments from the community must be accepted and considered prior to the endorsement* of the final documents.
44. It is proposed that the exhibition of the draft integrated planning documents commence on Thursday, 13 December 2012 and be exhibited for a period of eight (8) weeks, concluding on Thursday, 14 February 2013. Details of submissions received will be included in the report that will be subsequently submitted to Council for consideration in conjunction with the proposed setting of rates over the life of the subject Delivery Program.
45. A Community Engagement Strategy has been developed and is annexed to this report. This Strategy details the proposed steps to be undertaken to consult with the community during the exhibition period and to invite feedback. In particular, the following methods of communication and engagement are specified in the Strategy:
- Two (2) advertisements to be placed in the St George & Sutherland Shire Leader, one (1) at the commencement of the exhibition period and one (1) subsequent advertisement during the exhibition period;
 - Information be made available in Council's Customer Service Centre and in Council's Libraries;
 - Detailed information, including forums and feedback opportunities, on Council's online consultation hub, 'Your Say Kogarah', for the duration of the exhibition period;
 - A special edition of 'Kogarahlife' distributed to all local residents during the exhibition period; and
 - Promotion at market stalls at both 'Carols at Twilight' and Australia Day events.

Operational Plan Budget

46. Within budget allocation.

Attachments/Annexures

1	Draft Community Strategic Plan - Bright Future Better Lifestyle	73 Pages	Annexure
2	Draft Resourcing Strategy 2013/14	150 Pages	Annexure
3	Draft Delivery Program 2013 - 2017 incorporating 2013/14 Operational Plan	115 Pages	Annexure
4	Draft Delivery Program 2013 - 2017 incorporating 2014/15 Operational Plan	115 Pages	Annexure
5	Draft Delivery Program 2013 - 2017 incorporating 2015/16 Operational Plan	115 Pages	Annexure
6	Draft Delivery Program 2013 - 2017 incorporating 2016/17 Operational Plan	115 Pages	Annexure

Item J1 (cont.)

End of Report

Item J3: Exhibition of draft Integrated Planning documents incorporating the option of a Special Rate Variation**Author:** Paul Woods - General Manager (NR)**Reason for report:** To consider adoption of the Integrated Planning documents (including the Community Strategic Plan - Bright Future, Better Lifestyle, the Resourcing Strategy, the Delivery Program 2013 - 2017 and the Operational Plan 2013/14) and option to make application for a Special Rate Variation following public exhibition pursuant to Council's resolution of 10 December 2012 (Min. No 174/2012).**Recommendation:**

- a) That the Community Strategic Plan – Bright Future, Better Lifestyle annexed to the report be adopted.
- b) That the Resourcing Strategy annexed to the report be adopted.
- c) That application be made to IPART, under Section 508(A) of the Local Government Act, for a Special Rate Variation of 5.9% minus 0.1% carbon tax advance repayment for 2013/14 and 4.8% per annum (inclusive of rate pegging) over the subsequent three years commencing 2014/15.
- d) That the Delivery Program (2013 – 2017) incorporating the 2013/14 Operational Plan and the Statement of Revenue Policy (Section 5 – Financial Information) excluding the draft Schedule of Fees and Charges 2013/14, annexed to the report, be adopted.
- e) That in the event that the application referred to in part c) above is unsuccessful, a further report be prepared and submitted to Council.
- f) That the Schedule of Fees and Charges 2013/14 be placed on public exhibition in accordance with the details contained within the report.

Background

1. At its meeting on 10 December 2012 Council considered a report on the proposed exhibition of draft Integrated Planning documents (including the Community Strategic Plan – Bright Future, Better Lifestyle, the Resourcing Strategy, the Delivery Program 2013 – 2017, and the Operational Plans 2013 – 2017) incorporating the option of a Special Rate Variation (SRV) and resolved:

- “a) That the Community Engagement Strategy annexed to the report, for the exhibition of the draft Integrated Planning Documents, be endorsed.*
- b) That Kogarah City Council’s draft Community Strategic Plan, Bright Future, Better Lifestyle, annexed to the report, be publicly exhibited in accordance with the Engagement Strategy, also annexed to the report.*
- c) That the draft Resourcing Strategy, annexed to the report, be publicly exhibited in accordance with the Engagement Strategy.*

Item J3 (cont.)

- d) *That the draft Delivery Program (2013 – 2017) incorporating the 2013/14, 2014/15, 2015/16 and 2016/17 Operational Plans, annexed to the report, be publicly exhibited in accordance with the Engagement Strategy.*
- e) *That the draft Resourcing Strategy referred to in (c) above include the following two (2) options:*
- i) *Option for a draft budget that includes a Special Rate Variation to set Council's rates at 5.9% for 2013/14 and 4.8% per annum (inclusive of rate pegging) over the subsequent three years commencing 2014/15.*
- ii) *Option for a draft budget that is based on the assumed rate pegging limit of 3.25% over three years commencing 2014/15.*
- f) *That it be noted that the composition of the variation in year one (1) of the proposed SRV referred to in part e) i) above is identical to that which was previously granted for 2013/14.*
- g) *That a report on all feedback received in response to (b), (c) and (d) above be prepared and submitted to Council in February 2013."*
2. In accordance with legislative requirements, all integrated planning framework documents were placed on public exhibition for a period of eight (8) weeks, commencing Thursday, 13 December 2012 and concluding on Thursday, 14 February 2013.
3. The following was undertaken to inform the community of the exhibition of the draft Integrated Planning documents (including the Community Strategic Plan – Bright Future, Better Lifestyle, the Resourcing Strategy, the Delivery Program 2013 – 2017, and the Operational Plans 2013 – 2017) and the Statement of Revenue Policy excluding the draft Schedule of Fees and Charges 2013/14, in conjunction with the option of Council pursuing a Special Rate Variation (SRV) with feedback invited:
- Information was placed in Council's Customer Service Centre and in Council's libraries from Thursday, 13 December 2012 for the duration of the exhibition period.
 - Detailed information, including forums and feedback opportunities were placed on Council's online consultation hub, 'Your Say Kogarah', from Thursday, 13 December 2012 for the duration of the exhibition period.
 - Detailed information was placed on Council's website from Thursday, 13 December 2012 for the duration of the exhibition period and was highlighted on the home page.
 - Two (2) advertisements were placed in the St George and Sutherland Shire Leader on Thursday, 20 December 2012 and Thursday 24 January 2013.
 - A special edition of 'Kogarahlife' was distributed to all properties in the Local Government Area (LGA) in January 2013 outlining the details and financial impacts of the proposed SRV.

Item J3 (cont.)

- Information and feedback opportunities at market stalls was available at both the ‘Carols at Twilight’ event on Saturday 15 December 2012 and Australia Day celebrations on 26 January 2013 at Carss Bush Park. These sessions provided the community with the opportunity to meet Council staff and discuss any issues in relation to the Integrated Planning documents and the proposed SRV.
- A dedicated consultation session regarding the proposed SRV was held with Council’s Community Reference Group on Wednesday, 23 January 2013.
- Details were presented at the Connells Point Progress Association meeting on Tuesday, 5 February 2013.

Community Strategic Plan – *Bright Future, Better Lifestyle*

4. The purpose of the Community Strategic Plan is to identify the community’s main priorities and expectations for the future of the City of Kogarah and to plan strategies for achieving these goals.
5. Council adopted its first Community Strategic Plan at its meeting of 27 April 2010. All Local Government Authorities in New South Wales are required to prepare an integrated plan to manage the medium and long term vision for their Local Government Area.
6. During the development of Council’s first Community Strategic Plan – ‘*Bright Future, Better Lifestyle: Kogarah 2020*’, Council undertook extensive community consultation spanning an eighteen (18) month period.
7. The review of ‘*Bright Future, Better Lifestyle*’ and the subsequent development of the 2013 – 2017 Delivery Program has been based on information and feedback gathered from a series of community consultations conducted over the past three (3) years.
8. In addition, from September to November 2012 Council sought specific feedback from the whole community on its:
 - Vision statement
 - Strategic objectives that address social, environmental, economic and civic leadership issues identified by the community.
 - Strategies for achieving each objective.
9. The review utilises the outcomes of these consultations, assesses them against current and future needs of the community identified in ‘*Bright Future, Better Lifestyle*’ and incorporates them into actions in the draft 2013 – 2017 Delivery Program.
10. The Plan defines a sustainable direction for our City and sets out the strategic direction which Council will follow in achieving the needs of our community for the next ten (10) years and beyond.
11. During the exhibition of the draft Community Strategic Plan *Bright Future, Better Lifestyle*, Council did not receive any submissions relating to the plan and no changes have been made to the document.

Item J3 (cont.)

12. A final copy of the plan, *Bright Future, Better Lifestyle* is annexed to the report.
13. It is recommended that the Community Strategic Plan – *Bright Future, Better Lifestyle* be adopted.

The Resourcing Strategy

14. Council does not have full responsibility for implementing and resourcing all of the communities' aspirations that have been identified in the Community Strategic Plan. Other stakeholders, such as State agencies, non-government organisations, community groups and individuals all have a role to play in delivering these outcomes.
15. The Resourcing Strategy allows for the provision of resources required by Council to implement the strategies established by the Community Strategic Plan that Council is responsible for.
16. The Resourcing Strategy has been reviewed in accordance with the requirements of the NSW State Government integrated planning and reporting reform legislation and gives consideration to the capacity for Council to deliver on its responsibilities and commitments detailed within *Bright Future, Better Lifestyle*.
17. The Resourcing Strategy consists of three (3) components:
 - Workforce Management Planning;
 - Asset Management Planning; and
 - Long Term Financial Planning.
18. During the exhibition of the draft Resourcing Strategy, Council did not receive any submissions relating to the Strategy and no changes have been made to the document.
19. A final copy of the Resourcing Strategy is annexed to this report.
20. It is recommended that the Resourcing Strategy be adopted.

Financing the Implementation of the Plans (Setting the rate)

21. Council sought feedback from the community as part of the exhibition of the draft Integrated Planning documents regarding the option to make a formal application to IPART, under Section 508(A) of the Local Government Act 1993, for a variation to general income of 5.9% minus 0.1% carbon tax advance repayment in 2013/14 and 4.8% (inclusive of rate pegging increases) in the subsequent three (3) years in line with Council's draft Delivery Program.
22. Currently the rate charge for 2013/14 is set at 5.9% with 2013/14 being the final year of Council's current Special Rate Variation (SRV). The current environmental levy of 3% will be removed at the end of 2012/13, and Council is required to repay part of the carbon tax advance, removing an additional 0.1% from the increase. Consequently, the effective increase for ratepayers in 2013/14 will be 2.8%.

Item J3 (cont.)

23. Council's Long Term Financial Plan has taken the average rate pegging limits over the past eight (8) years and projected rate increases at 3.25% for 2014/15 – 2016/17 of the Delivery Program. This would result in a forecast shortfall of \$1.2 million and will require a decrease in operational service levels over these years.
24. Council's planning and budgets for the following three (3) years shows that from 2014/15 – 2016/17 of Council's draft Delivery Program 2013 - 2017 Council requires an annual rate increase of 4.8% to maintain operational costs to the level detailed in the draft Delivery Program and subsequent draft Operational Plans.
25. Information presented in conjunction with the public exhibition demonstrated that this gradual increase over the four (4) year period would ensure Council can remain financially sustainable over the same period, enabling Council to deliver the priorities and expected levels of services expressed by the community and detailed in the Integrated Planning documents (annexed to the report).
26. The following table details rate income projected to be generated if the application for the SRV is made and approved by IPART. It should be noted that if the SRV becomes applicable there will be no associated rate pegging increase throughout the four (4) year duration of the SRV.

Council Rate Income if SRV Applied					
Year	Variation	Cumulative increase	Total income yield	Change from previous year	Change from base year
2012/13 (Base)	-	-	\$ 22,924,669	\$ -	\$ -
2013/14	2.80%	2.8%	\$ 23,576,308	\$ 651,639	\$ 651,639
2014/15	4.80%	7.7%	\$ 24,707,971	\$ 1,131,663	\$ 1,783,302
2015/16	4.80%	12.9%	\$ 25,893,953	\$ 1,185,982	\$ 2,969,284
2016/17	4.80%	18.3%	\$ 27,136,863	\$ 1,242,910	\$ 4,212,194

* Note that in year 1 the variation is reduced due to the environmental levy ceasing

Feedback from the Exhibition relating to Setting the Rate

27. As detailed earlier in this report, Council undertook an extensive consultation program to ensure that all ratepayers within the Kogarah LGA were aware of the proposed SRV including a special edition of Kogarahlife which was distributed to all properties in January 2013. Extensive information was also placed on Council's website with a direct link from the homepage, making the information highly visible to visitors to the website.
28. During the exhibition period five (5) residents visited Council's website and viewed the information relating to the SRV.
29. During the exhibition period Council's online consultation hub, 'Your Say Kogarah', featuring detailed information, including forums and feedback opportunities; received ninety seven (97) visitors to the site. In addition forty nine (49) of those visitors downloaded copies of each of the following documents:

Item J3 (cont.)

- Community Strategic Plan – Bright Future, Better Lifestyle
 - Delivery Program (2013 – 2017) incorporating 2013/14 Operational Plan
 - Delivery Program (2013 – 2017) incorporating 2014/15 Operational Plan
 - Delivery Program (2013 – 2017) incorporating 2015/16 Operational Plan
 - Delivery Program (2013 – 2017) incorporating 2016/17 Operational Plan
 - Resourcing Strategy
 - Financial Impact on Residential Residents – Setting Rate
 - Financial Impact on Residential Residents – Rate Peg
30. The following two (2) forum questions were placed on Council’s online consultation hub, ‘Your Say Kogarah’, encouraging local residents to share their thoughts and concerns with Council:
- “(i) Council's financial modelling indicates a shortfall of \$1.2 million over the next 4 years to deliver services that our community has indicated they want and use. For a few extra dollars per week (ranging from \$0.70 - \$1.74) our community can continue to enjoy these services.*
- What are your thoughts?*
- (i) Should the community decide that they do not wish to pay a few extra dollars per week, then annual rate increases consistent with the rate peg set annually by IPART will still apply resulting in a short fall of approximately \$1.2 million to Council's budget over the next 4 years. This shortfall will require Council to make decisions regarding which services to provide and which ones to review.*
- What services would you like to see Council continue to provide and what services would you like Council to review?”*
31. During the exhibition period thirty seven (37) and forty (40) residents respectively viewed the above forum questions, although Council did not receive any comments for either question.
32. Council’s Customer Service Centre did not receive any phone calls during the exhibition period regarding the proposed SRV.
33. In addition to the information provided by Council to the public, the following information / articles appeared in the media regarding the proposed SRV:
- The St George and Sutherland Shire Leader published one (1) article on Tuesday, 5 February 2013 regarding Council’s SRV proposal, titled ‘Council seeks comments rate hike plan’.
 - Kogarah City Council was mentioned as a council considering a SRV in an article published by the Daily Telegraph on Saturday, 12 January 2013.

Item J3 (cont.)

34. Council received sixteen (16) formal submissions regarding the proposed SRV. Eight (8) of the submissions received were in opposition to the SRV, seven (7) were in support of the SRV and one (1) was neutral, calling for a referendum on the proposal. In total nine (9) submissions were received via email and seven (7) by post. Copies of these submissions have been distributed to Councillors under separate cover.
35. The following issues were raised in the submissions received:

Issue	Number of times issue raised
In favour of proposed rate increases to maintain the current standard of services	7
Rate increase proposed is preferable to reducing current service levels	4
Council should aim to improve efficiencies and cut costs	4
Council needs to re-examine core functions of Local Government	3
Council has presented sound planning and financial management	2
Council should utilise investment funds to achieve core functions	2
Insufficient information was provided regarding the actual cost of individual services	2
Council rates are too high for the services currently being offered	2
Council is not maintaining streets and public spaces to an acceptable standard	2
Proposed rate increases are well above CPI	2
Council needs to be more open and transparent regarding the annual capital works program	1
Ratepayers are already burdened by the increases in other household and domestic expenses	1
Ratepayers have been paying rates above the rate pegging limit for the past three years	1
Council currently charges an annual stormwater levy	1

36. In 2010, Council established the Community Reference Group which comprises a selection of residents or rate payers of the Kogarah LGA who provide feedback to Council on the implementation of the Key Strategic Directions contained within *Bright Future, Better Lifestyle; Kogarah 2020*, Council's Community Strategic Plan.
37. The objectives of the Community Reference group are to:
- Operate as a mechanism for reviewing the status of the strategies contained within *Bright Future, Better Lifestyle; Kogarah 2020*.
 - Provide review of the expenditure of funds raised through Council's SRV that are allocated against the priorities identified in the Community Strategic Plan.

Item J3 (cont.)

- Be an equitable forum for community members to have an opportunity to be involved in discussion with Council staff on relevant issues.
 - Complement other elements of Council's broader consultation framework and act as a regular forum through which Council can refer items where consultation is required.
38. Council currently has forty (40) members on the Community Reference Group who self nominated to be involved in the group and then were selected based on demographic statistics to ensure a cross representation of the community.
39. Council conducted a consultation session dedicated to the proposed SRV with the Community Reference Group on Wednesday, 23 January 2013. All members of the reference group were invited to attend and sent background information regarding the content of the session. Fourteen (14) members attended the consultation. An anonymous vote conducted at the end of the session showed nine (9) members were in favour of the proposed SRV and three (3) members were opposed.
40. It is predictable that submissions would be received in opposition to a proposal that would result in an increase in Council rates, particularly as Council has consulted extensively on the option to consider implementation of a SRV. Notwithstanding, the volume of such submissions received is extremely modest, by comparison to the LGA's population with the submissions being almost equally divided between support of and opposition to a SRV.
41. However, the most consistent feedback received from the submissions is that the community continues to expect a continuation of the provision of a high level of services and facilities. This reinforces the feedback Council has received in the development of the Community Strategic Plan – *Bright Future, Better Lifestyle*, and the Delivery Program 2013 – 2017.
42. Based on the above feedback, it is recommended that Council pursue the application for the proposed SRV in accordance with the requirements of the Independent Regulatory and Pricing Tribunal.

Delivery Program 2013 – 2017 incorporating the 2013/14 Operational Plan

43. The Delivery Program (2013 - 2017) has been developed and outlines the principal activities to be undertaken by Council to implement the strategies established by the Community Strategic Plan, within the resources available under the Resourcing Strategy.
44. The Delivery Program addresses the full range of Council operations, financial estimates and allocated levels of responsibility for each action.
45. The Delivery Program includes a number of performance indicators that will be used to measure and determine the effectiveness of the activities detailed in the Delivery Program in achieving its objectives. These performance indicators will be measured every four (4) years in addition to the annual outputs from the Operational Plans.

Item J3 (cont.)

46. Supporting the Delivery Program, Operational Plans for 2013/14, 2014/15, 2015/16 and 2016/17 have been developed which outline the individual projects and activities that Council will undertake in each subject year to achieve the commitments made in the Delivery Program. All four (4) Operational Plans were placed on public exhibition.
47. The Operational Plans include allocated responsibilities for each project, program or activity; with each one assessed against corresponding performance measures.
48. The budget outlined in the Delivery Plan 2013- 2017 incorporating the 2013/14 Operational Plan is based on the Planned Scenario as set out in Council's Long Term Financial Plan contained within the Resourcing Strategy.
49. The planned scenario includes the previously approved special rate variation of 5.9% in the 2013/14 financial year. The first year of the plan sees the cessation of Council's environmental levy of 3% and the first repayment of 0.01% carbon tax advance. Therefore, ratepayers will see an effective rating increase of approximately 2.8% in the first year of the Delivery Plan.
50. The planned scenario also includes a proposed application of a special rate variation of 4.8% per annum (inclusive of the rate-pegging limit) for years two (2), three (3) and four (4) of the Delivery Plan. The special rate variation will provide the resources required to fund the draft four (4) year Delivery Plan. This will ensure that service levels provided to the community continue to meet their on-going expectations and growing needs. It will also allow Council to maintain the condition of infrastructure to a satisfactory level and not unduly burden future generations.
51. The effect to ratepayers of the proposed rate increases included in the Delivery Plan 2013- 2017 incorporating the 2013/14 Operational Plan, are detailed in the Financial Information in Section 5 of this document.
52. If Council does not proceed or is unsuccessful with its application for a SRV then the Delivery and Operational Plan budgets will need to be revised and resubmitted to a future Council meeting for consideration.
53. During the exhibition of the draft Delivery Program (2013 - 2017) incorporating the 2013/14, 2014/15, 2015/16 and 2016/17 Operational Plans and Statement of Revenue Policy (Section 5 – Financial Information), Council did not receive any submissions relating to the documents and no changes have been made to the documents.
54. A draft Schedule of Fees and Charges 2013/14 has now been included in the Delivery Program (2013 – 2017) incorporating the 2013/14 Operational Plan.
55. A final copy of the Delivery Program (2013 – 2017) incorporating the 2013/14 Operational Plan is annexed to this report.
56. It is recommended that the Delivery Program (2013 – 2017) incorporating the 2013/14 Operational Plan, the Statement of Revenue Policy and excluding the Schedule of Fees and Charges 2013/14 be adopted.

Item J3 (cont.)

Statement of Proposed Revenue Policy and 2013/14 Schedule of Fees and Charges

57. In accordance with the Local Government Act 1993, the 2013/14 Operational Plan must include a statement of proposed revenue policy and a 2013/14 schedule of fees and charges. It is proposed that the 2013/14 Schedule of Fees and Charges be now placed on exhibition.
58. Section 405 of the Local Government Act 1993 requires that the period of public exhibition must not be less than twenty eight (28) days. It is proposed that the public exhibition period be between Friday, 1 March 2013 and Friday, 29 March 2013. Notice of the exhibition of the plan and an invitation for submissions will appear in the St George and Sutherland Shire Leader.
59. Submissions will be able to be made by either of the following methods:
- By mail addressed to:

General Manager
Kogarah City Council
Locked Bag 8
Kogarah NSW 2217
 - By email addressed to:

mail@kogarah.nsw.gov.au
60. Following the conclusion of the public exhibition period a future report will be submitted to Council for consideration.
61. The draft Schedule of Fees and Charges 2013/14 is included in the Delivery Program (2013 – 2017) incorporating the 2013/14 Operational Plan, annexed to this report.

Operational Plan Budget

62. Within budget allocation.

Attachments/Annexures

1	Community Strategic Plan - Bright Future, Better Lifestyle	73 Pages	Annexure
2	Resourcing Strategy	161 Pages	Annexure
3	Delivery Program (2013 - 2017) incorporating the 2013/14 Operational Plan	184 Pages	Annexure

End of Report