

GO8 – Adoption of Operational Plan 2016/17

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TRIM 5473-9

EXECUTIVE SUMMARY

- The purpose of this report is to present the draft Wollondilly Operational Plan 2016/17 for adoption.
- This plan includes the annual budget and fees & charges and sets out the individual activities and projects that will be undertaken in the forthcoming year to achieve the commitments made in the Delivery Program.
- The Local Government Act 1993 requires Council to publicly exhibit the Operational Plan, consider any submissions received and formally adopt the final document by 30 June 2016.
- This report summarises the outcomes of the exhibition period from 20 April 2016 – 17 May 2016.
- It is recommended that Council adopt the Wollondilly Operational Plan 2016/17 (including the proposed 2016/17 fees and charges) to come into force on 1 July 2016.
- This report also seeks a Council resolution to make the rates and charges for 2016/17 under Sections 494, 496 and 535 of the Local Government Act 1993.

REPORT

The Integrated Planning and Reporting (IP&R) framework for local governments was introduced by the Department of Local Government (now known as the Office of Local Government). IP&R is effectively another name for what most of us would call “business planning”.

In June 2013, Council adopted the full suite of IP&R documents, as follows:

- Wollondilly Community Strategic Plan 2033
- Wollondilly Resourcing Strategy 2013/14 – 2022/23
- Wollondilly Delivery Program 2013/14 – 2016/17
- Wollondilly Operational Plan 2013/14 (including Fees & Charges).

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The Integrated Planning & Reporting Guidelines require that the Community Strategic Plan, Resourcing Strategy and Delivery Program all be reviewed every four years. The development and adoption of an annual Operational Plan (including operational and capital budget, revenue policy and fees and charges) is required to be undertaken annually.

The Operational Plan is a sub-plan of the Revised Delivery Program 2013/14 - 2016/17 (revised February 2015) and demonstrates Council's approach to achieve the outcomes from the Delivery Program. Council adopted a revised Delivery Program 2013/14 - 2016/17 as part of the "Funding Your Future" review of Council's future funding options.

The draft Wollondilly Operational Plan 2016/17 outlines the actions and activities we will undertake to achieve the objectives set in the Delivery Program, which in turn, align with the outcomes identified in the Wollondilly Community Strategic Plan 2033. The Operational Plan allocates responsibilities and resources for each action/activity and details targets and measures to determine our progress towards achieving the Community Strategic Plan outcomes.

The draft Wollondilly Operational Plan 2016/17 was placed on public exhibition from April 20 to May 17 to give the Community the opportunity to provide their input. Eleven (11) public submissions were received during this time.

Layout/Format

During the exhibition, some minor amendments to the Operational Plan were identified and it is proposed that these changes be made to the document. These changes (such as typographical errors, layouts, formats, etc) do not alter the intent or direction of the document and as such do not impact on the exhibition process.

Making of the Rates

Wollondilly Shire Council has adopted an ad valorem rate structure with a minimum rate and the proposed values for 2016/17 are as follows:

| Category | Sub-Category | 2015/16 | | 2016/17 | |
|-------------|-------------------------|-----------------|---------------|-----------------|---------------|
| | | Ad Valorem Rate | Minimum Value | Ad Valorem Rate | Minimum Value |
| Residential | Rural Residential | 0.376285 | 1,044.00 | 0.416585 | 1,156.00 |
| Residential | Residential Town Centre | 0.448996 | 960.00 | 0.497083 | 1,063.00 |
| Residential | Residential Other | 0.381641 | 1,044.00 | 0.422515 | 1,156.00 |

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| | | | | | |
|----------|--------------------------|----------|----------|----------|----------|
| Farmland | Primary Production | 0.242879 | 965.00 | 0.247251 | 982.00 |
| Business | General | 0.655437 | 1,044.00 | 0.726224 | 1,156.00 |
| Business | Light Industrial Centres | 0.476967 | 1,044.00 | 0.528479 | 1,156.00 |
| Mining | Mining Activities | 6.286191 | 1,044.00 | 6.965099 | 1,156.00 |
| Mining | Coal Rights | 0.100000 | 0.00 | 0.100000 | 0.00 |

In accordance with the provision of Section 535 of the Local Government Act 1993, it is necessary for Council to carry a resolution which formally makes the 2016/2017 Rates and Charges.

In addition to the statutory pensioner rebate (Section 575 of the Local Government Act), all eligible pensioners are offered a further voluntary \$45 reduction of rates and 50% reduction of the Domestic Waste Management Charge.

Rate notices will be issued on a quarterly basis and due dates will be on 31 August 2016, 30 November 2016, 28 February 2017 and 31 May 2017.

Making of the Annual Charges

Council entered into a new Waste Collection Contract from 1 July 2015. Under this contract, Council has offered a greater range of bin size options and during the first year of the contract, many ratepayers took advantage of these options. The annual charges associated with each of the bin options are detailed in the Wollondilly Operational Plan 2016/17.

Stormwater Management Charge

The Stormwater Management Charge assists Council to undertake works that will provide improved quality of stormwater being discharged into waterways. The charge is proposed to remain unchanged from 2015/16 amounts and is expected to yield Council approximately \$270,000 towards new stormwater initiatives. The proposed charge and associated works are clearly defined within Council's Asset Management Plan and Wollondilly Operational Plan 2016/17.

Proposed Interest Charges on Overdue Rates and Charges

The interest rate that may be charged by Council on overdue rates and charges is the rate as set by the Minister for Local Government. The rate for the 2016/17 financial year is 8%. (2015/16 = 8.5%)

In accordance with section 566(3) of the Local Government Act 1993, Council will apply the maximum interest rate as determined by the Minister.

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Council staff also undertook a final review of the draft Wollondilly Operational Plan 2016/17. This review considered emerging issues, recent Council resolutions, progress of 2015/16 projects and activities, and funding announcements by other government agencies impacting Council services and projects arising during the exhibition period. In addition, minor amendments to language are proposed to provide greater clarity and removal of any duplication.

Fees and Charges

Since the Wollondilly Operational Plan 2016/17 was placed on exhibition, advice has been received in relation to some Statutory Fees. It was also necessary to amend four fees associated with the Warragamba Pool in order to reflect the proposed fees listed in the current tender documentation. Accordingly, the following amendments have been made to the Fees & Charges section of the Operational Plan:

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Item 7 - Payment Charges: the Minister for Local Government has determined that the interest rate for overdue rates be set at 8% pa. (2015/16 = 8.5%pa)

Item 15 - Section 603 Certificates: the standard base fee has been determined by the Director General of the Office of Local Government to be \$75.00 for the 2016/17 year. (No change from 2015/16).

Infrastructure

Item 27 - Warragamba Swimming Pool

- Family fee reduced from \$13.50 to \$12.90
- Season Pass - Family reduced from \$313.50 to \$304.00
- Season Pass - Adult reduced from \$191.00 to \$185.00
- Season Pass - School Children reduced from \$159.50 to \$154.50.

Operational Budget

The operational budget adjustments that have been made since the draft document was placed on exhibition are as follows:

Rates & Annual Charges (Net increase of \$140,834)

- Additional \$140,834 rate revenue due to advice from Valuer General of additional

Interest & Investment Revenue (Net decrease of \$25,090)

- Interest rates predicted to decrease marginally from those used in original calculation of expected investment revenue.

Employee Costs (Net decrease of \$44,921)

- A review of the proposed capital works program has resulted in a higher proportion of labour being allocated to capital projects rather than maintenance work.

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Materials & Contracts (Net decrease of \$257,640)

- A review of the proposed capital works program has resulted in a higher proportion of plant hire charges being allocated to capital projects rather than maintenance work.

Other Expenses (Net decrease of \$5,197)

- Reduction of \$5,197 for Mayor and Councillor allowances based on recent advice from the Local Government Remuneration Tribunal.

Transfers to Restricted Cash (Net increase of \$423,501)

- The net effect of the abovementioned adjustments is an improvement to the operating result of \$423,501. These savings have been used to bolster Council's restricted cash to assist in the delivery of future projects and improved services.

Capital Works Program

The 2016/17 Capital Works Program has been amended from the exhibited draft due to the re-phasing of some projects over future years. This has resulted in the program decreasing from \$15.0m to \$12.5m for 2016/17. The full four year proposed capital works program (including funding sources) is detailed in the revised 2016/17 Operational Plan document.

| DRAFT 2016/17 CAPITAL WORKS PROGRAM | |
|--|-------------------|
| TRANSPORT | |
| Major Roads & Bridge Works | |
| Pavement Reconstruction Program | 6,848,059 |
| Heavy Patching / Reseal Program | 300,000 |
| Road Upgrade Program | 175,000 |
| Kerb & Gutter Program | 275,000 |
| Footpaths & Cycleways Program | 457,000 |
| Bus Shelter Program | 215,000 |
| Road Safety Improvement Program | 300,000 |
| Other Road Projects | 1,440,000 |
| OPEN SPACE | |
| Open Space Projects* | 950,000 |
| BUILDINGS | |
| Building Renewal Program | 995,000 |
| PLANT & FLEET | |
| Plant Fleet Purchases | 200,000 |
| Car Fleet Purchases | 100,000 |
| STORMWATER DRAINAGE | |
| Stormwater Improvement Program | 285,000 |
| Total | 12,540,059 |

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CONSULTATION

All Managers and Executive have been consulted throughout the process and workshops have been held with Councillors.

Preparation of the draft Operational Plan (including the budget) commenced in December 2015 as each section of Council considered their strategies and actions. This information has been incorporated into the Operational Plan document which has continued to be reviewed and refined with Executive and Councillor input.

At the 18 April 2016 Council Meeting, Council endorsed the draft Operational Plan to be placed on public exhibition to provide the Community with an opportunity to provide relevant feedback to Council on the plans for the year ahead. The exhibition period was advertised in local papers and on Council's website from 20 April 2016 to 17 May 2016.

Eleven (11) submissions were received throughout the exhibition period as detailed in the following table. Each submission has been considered and the recommended course of action is also provided in the table.

FINANCIAL IMPLICATIONS

The 2016/17 Operational Plan includes the allocation of resources required to deliver the services and projects to the Community for the upcoming year. It has been well documented that most Councils across NSW (including Wollondilly Shire Council) have not been able to afford to maintain their infrastructure to a satisfactory standard, resulting in an increasing infrastructure maintenance gap year after year.

In order to close this gap it is necessary to allocate significant funding towards infrastructure maintenance. This was the basis for the special rate variation application approved in 2015. Financial projections based on the approved rate increases and associated program of works have resulted in Council being assessed as "fit for the future" under the State Government's "Fit for the Future" program.

ATTACHMENTS

1. Summary of External Submissions.

RECOMMENDATION

1. That the Wollondilly Operational Plan 2016/17 be adopted, incorporating the changes recommended in this report.
2. That the rates and charges for the period 1 July 2016 to 30 June 2017 as detailed in the exhibited draft Wollondilly Operational Plan 2016/17 be made.

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3. That the exhibited draft Schedule of Fees & Charges 2016/17, as detailed in the exhibited draft 2016/17 Operational Plan be adopted with the amendments contained within this report.
4. That Council approve the budget as detailed in the exhibited draft 2016/17 Operational Plan including the amendments contained in this report and on that basis formally vote these funds for the 2016/17 financial year.

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ATTACHMENT 1 – 5473-9 – 20 JUNE 2016

Draft Operational Plan 2016/17 – Summary of External Submissions

| Name | Submission Summary | Council's Response |
|----------------------------------|---|---------------------------|
| Appin Netball Club | I am the Treasurer from Appin Netball Club. A small local club. We use the netball court for players training, only a few hours a week. We do not play any competition games. We do not believe we should pay any more than currently do, due the very little use and more quality of facility. We currently pay a hire fee for the season for training. We are opposed to these fee changes as this player fee could increase our costs by 250%. A small club cannot afford this increase. We have made many requests to council to supply better facilities but this is never acknowledged but they want to increase fees this huge amount. We are completely opposed to this draft operational plan for small club | Introduce a yearly rate |
| Wollondilly Kennel Club | As advised at that meeting we would like to submit and verify that Wollondilly All Breeds Kennel Club Inc. does not have seasons. We operate from January to December yearly and only collect fees once yearly in June and as such note that we should be paying an annual one off fee as opposed to multiple seasons fees | Introduce a yearly rate |
| Thirlmere Oval Grounds Committee | <p>Thirlmere Oval Sportsground Committee have considered the proposed Fees & Charges for Wollondilly Shire. After considerable discussion the following has been resolved to address with council.</p> <p>Communication, Usage vs. Player/Season Fee, Facilities, Fate a complie and The Role of the Grounds Committee.</p> <p>Summation</p> <p>Our committee has discussed if the continued down grading of fees keeps occurring then our role will diminish purely to a management that may better be handled by council. I'm sure council would have the staff to manage the bookings, finances and running of the facility.</p> <p>Thirlmere Oval Grounds Committee has successfully run for over 25 years acting in the best interests of council. One would think we deserve better treatment than to be sent a draft operational plan that has been developed with no input from the people at the base level.</p> <p>If it was good enough to have a workshop to explain the plan, surely it would have been good enough to have a workshop to develop the plan.</p> <p>Yours faithfully in the best interests of the Thirlmere community</p> | No Change to proposed fee |

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| Name | Submission Summary | Council's Response |
|----------------------------|--|---|
| Razorback PSSA | The cost for a school child to participate at a sporting venue in the Wollondilly shire continues to rise to a point where there will be no gala days or inter school activities. Why do you want PSSA to stop? With the cost of a bus fare, payment to schools for a school teacher to convene an event and now an extra charge on top for students to pay to walk on the ground. Costs are well over \$12 and sometimes more depending on how far a school has to travel. Parents do pay rates! Wollondilly is the only council that charges for school children within the Razorback Zone to play a game of sport. Why do you want school children from your council not to play inter school sport? | New fee proposed P.S.S.A Carnivals and Interschool Gala Days – Half Day (3 hours) \$90.00 New fee proposed P.S.S.A Carnivals and Interschool Gala Days – Full Day \$180.00 |
| Douglas Park Public School | You're now going to try and revenue raise off the children and families in the community. It is difficult enough to encourage active participation in sport and you are asking for an extra \$2 to walk on the grass. Have you not considered how much it is already costing families with the bus and levy, too bad if you have multiple children you need to pay for? I am writing on behalf of the families at my school and the wider community NOT myself. You should try thinking about the families in your community a little more rather than yourselves. This is a disgraceful fee and you should be ashamed of yourselves. I would love to organise a community meeting here or at another public school where you can explain to the parents the extra costing? Come and walk a day in a teacher's shoes, it might open your eyes to the real issues in the community. | New fee proposed P.S.S.A Carnivals and Interschool Gala Days – Half Day (3 hours) \$90.00 New fee proposed P.S.S.A Carnivals and Interschool Gala Days – Full Day \$180.00 |
| Picton Public School | I am very concerned that an additional fee will levied against our families who are rate payers for PSSA Carnivals and Interschool Gala Days. As schools we already pay a carnival hire fee .Even though this is a small amount of money it will impact on our families and may mean some students cannot participate due to financial constraints. Surely this is a service that the council should provide for our community so that all of our students/children can be supported with the promotion of a healthy lifestyle | New fee proposed P.S.S.A Carnivals and Interschool Gala Days – Half Day (3 hours) \$90.00 New fee proposed P.S.S.A Carnivals and Interschool Gala Days – Full Day \$180.00 |
| Resident 1 | I think the proposed \$2.00 charge for PSSA activities per child is outrageous. The majority of students live within Wollondilly Shire and are already paying increased rates which should go towards maintenance of the sporting facilities | New fee proposed P.S.S.A Carnivals and Interschool Gala Days – Half Day (3 hours) \$90.00 New fee proposed P.S.S.A Carnivals and Interschool Gala Days – Full Day \$180.00 |

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| Name | Submission Summary | Council's Response |
|------------|---|--|
| Resident 2 | <p>The draft operational plan on display until Tuesday 17/5/16 states that for a general enquiry a fee of \$43 for 15 mins will be incurred and it will be charged at a minimum of \$86. Now as this is very broad I am sure you could see that council would be able to use its discretion of when and who to apply it to, so for example if someone was to have a meeting with a governance staff member regarding a general enquiry they could in fact be charged \$86 for that conversation according to the draft operational plan that is on display. Now currently due to the fact that council staff can't be held to what they say verbally, does this payment ensure that this paid meeting would have the same standing as a legal document, so therefore in order for that minimum \$86 to stand that meeting would need to be recorded or notes taken and the staff member sign off on it, therefore making it "professional advice". Also is a definition could be implemented to include what a general enquiry is to ensure clear understanding by both staff and residents.</p> <p>Submission also addressed the infrastructure backlog, the application of SRV funds and the level of asset maintenance undertaken in comparison to the recommended amount of asset maintenance as per the Treasury Corporation report prepared in 2013. The submission suggests that Council has applied insufficient funding towards the maintenance of its infrastructure.</p> | <p>Government Information (Public Access) Act 2009 Statutory Fees</p> <p>General Enquires Fee re-named to Non-General Enquiry (including research and administration services) to more accurately describe the purpose of this charge</p> <p>The submission refers to a "recommended amount from the treasury corporation" of \$12,813,000. This figure is the required annual infrastructure maintenance amount quoted in the "Financial Assessment and Benchmarking Report" prepared by NSW Treasury Corporation (TCorp) as part of the 2013 Local Infrastructure Renewal Scheme. The figure used by TCorp in their report was originally taken from Council's Special Schedule 7 in the 2010/11 Annual Financial Statements. (The equivalent amount reported in the 2014/15 statements was \$12.416m.) This figure is simply the amount that Council has estimated would be required to spend on infrastructure maintenance to keep all our infrastructure at a satisfactory standard (assuming that it was already at a satisfactory standard). Council's infrastructure is not currently at that standard and therefore needs to undertake capital works in order to renew its infrastructure and bring it up to the required standard.</p> |

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| Name | Submission Summary | Council's Response |
|-------------------|--|---|
| | | <p>We are currently spending over \$7m per annum on infrastructure maintenance and significantly more on capital repairs/renewal. With the use of SRV, grant and reserve funding, Council has been able to inject additional funds into capital replacement / renewal works to help address the infrastructure backlog. Rather than just trying to maintain infrastructure at its existing condition level, capital works have been undertaken to improve the overall condition of our infrastructure. In 2011, the infrastructure backlog was estimated at \$51.281m. By the end of last financial year, the backlog had been reduced down to \$47.242m.</p> <p>Council's management of its infrastructure is closely monitored and regularly reported to the Audit Committee on a quarterly basis and the Office of Local Government annually via the Fit for the Future reporting requirements. Detailed information is also provided to the Community through the Quarterly Budget Reviews and Annual Report.</p> |
| <p>Resident 3</p> | <p>If you are going to charge a rate to be able to get the information we are entitled to from you, then we will be raising a Class Action against the council for the failure to deliver adequate infrastructure, failure to deliver adequate maintenance of road vegetation and weeds clearance, failure to deliver adequate maintenance of existing buildings & Outdoor Areas, such as school play fields, community halls, Parks and Playgrounds. I could continue for several paragraph's, but some of you know how inadequate you are, and remain to be.</p> <p>If you can please suggest what hourly rate we should charge the Council or any Individual Councillor for the dereliction of their duty???</p> <p>This is going to come back to haunt this council if you proceed with this obnoxious , arrogant and rude intention of charging rate payers for what is clearly your duty as a Councillor , for which you are already paid handsomely , so what exactly does your salary cover !!!!</p> | <p>Government Information (Public Access) Act 2009 Statutory Fees</p> <p>General Enquires Fee re-named to Non-General Enquiry (including research and administration services) to more accurately describe the purpose of this charge</p> |

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| Name | Submission Summary | Council's Response |
|------------|--|---|
| | <p>Look forward to hearing from any of the Councillors that are in favour of perusing this outrageous suggestion. Please I am daring you almost to TRY to explain your justification for the charge!!!</p> | |
| Resident 4 | <p>Can you please tell me if it is true residents are expected to be charged \$30 for every 15 minutes they speak with a Council staff member?? If so why is this?? Surely a resident asking advice or having a problem with Council related issues should be a service for what the staff member is employed to do & already being paid a Council wage to do so ?? Thank you, awaiting your reply.</p> | <p>Government Information (Public Access) Act 2009 Statutory Fees</p> <p>General Enquires Fee re-named to Non-General Enquiry (including research and administration services) to more accurately describe the purpose of this charge</p> |
| Resident 5 | <p>DRAFT OPERATIONAL PLAN 2016/17.just a couple of facts to start with. Page 3, the Shire boundary to the East would be Darkes Forest. Page 10. The township of Warragamba was planned and built by the Metropolitan Water Sewerage and Drainage Board (later Water Board, Sydney Water, Sydney Catchment Authority and now Water NSW) for the construction of Warragamba Dam.</p> <p>The document title is Draft Operational Plan 2016/2017 but within the document, towards the end it has a Financial Summary ending 30 June 2020 and a Works Program also ending 2019/2020.Therefore should the Draft Operational Plan 2016/2017 be consistent with the contents??</p> | <p>Operational Plan will be amended accordingly</p> <p>Title Page will be amended to include Financial Summary & Works Program dates as per Integrated Planning & Reporting requirements</p> |

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