

Report of the Extraordinary Meeting held at 7.00pm on Tuesday, 1 May 2012.

APOLOGIES

DECLARATIONS OF INTEREST

Pecuniary Interests

Non Pecuniary – Significant Interests

Non Pecuniary – Less than Significant Interests

ITEM	TITLE	PAGE
1.	BUSINESS: REPORT OF THE DIRECTOR BUSINESS SERVICES	3
1.1	Draft 2012-2013 Operational Plan, Budget, Fees and Charges, 2012-2016 Delivery Program and 2012-2022 Community Strategic Plan	3

Minutes of the Extraordinary Meeting of the Campbelltown City Council held on 1 May 2012

Present His Worship the Mayor, Councillor A Chanthivong
Councillor F Borg
Councillor J Bourke
Councillor S Dobson
Councillor W Glynn
Councillor G Greiss
Councillor P Hawker
Councillor R Kolkman
Councillor M Oates
Councillor A Rule
Councillor M Thomas

Apology It was **Moved** Councillor Greiss, **Seconded** Councillor Dobson that the **APOLOGIES** from Councillors Matheson, Rowell, Thompson and Lake be received and accepted.

67 The Motion on being Put was **CARRIED**.

Acknowledgement of Land

An Acknowledgement of Land was presented by the Chairperson Councillor Chanthivong.

DECLARATIONS OF INTEREST

There were no Declarations of Interest at this meeting.

EXTRAORDINARY MEETING OF THE CAMPBELLTOWN CITY COUNCIL TO BE HELD ON 1 MAY 2012

1. BUSINESS: REPORT OF THE DIRECTOR BUSINESS SERVICES

1.1 Draft 2012-2013 Operational Plan, Budget, Fees and Charges, 2012-2016 Delivery Program and 2012-2022 Community Strategic Plan

Attachments

1. 2012-2013 Draft Operational Plan (previously distributed under separate cover)
2. 2012-2016 Draft Delivery Program (previously distributed under separate cover)
3. 2012-2022 Draft Community Strategic Plan (previously distributed under separate cover)
4. 2012-2022 Draft Resourcing Strategy (previously distributed under separate cover)
5. 2012-2022 Draft Asset Management Policy, Strategy and Plan (previously distributed under separate cover)
6. 2012-2022 Draft Long Term Financial Plan (previously distributed under separate cover)
7. 2012-2016 Draft Workforce Management Plan (previously distributed under separate cover)

History

The new integrated Planning and Reporting Framework for NSW local government was introduced in 2009. The framework replaces the former Management Plan, Budget and Social Plan with an integrated framework, which includes a new requirement to prepare a long term Community Strategic Plan, Delivery Program, Operational Plan and Resourcing Strategy.

Transitional provisions were made for phasing in the legislative requirements of the framework over a three year period. At the meeting of 17 November 2009 Council resolved to commence the new framework in 'Group 3'. This required Council to adopt the package of Integrated Planning and Reporting documents by 30 June 2012.

The 2012-2016 Draft Delivery Program and 2012-2022 Draft Community Strategic Plan was previously distributed to the Councillors and the subject of a briefing on 17 April 2012. The 2012-2013 Draft Operational Plan was previously distributed to Councillors and was the subject of a briefing on 24 April 2012.

Report

In accordance with Section 402, 404 and 405 of the *Local Government Act 1993*, Council's Draft Operational Plan incorporating the Budget and Draft Fees and Charges, the Draft Delivery Program and the Community Strategic Plan are required to be publicly exhibited for a period of at least 28 days. This report recommends to Council that these documents be placed on public exhibition for the prescribed period.

Operational Plan

Supporting the Delivery Program is the annual Operational Plan. This document features the individual services, functions, programs and activities that will be undertaken for the 2012-2013 year to achieve the commitments made in the Delivery Program.

Council's financial framework focuses on continuing to ensure that the financial parameters, principles and objectives applied in developing the Budget achieve a balance between financial stability, asset maintenance, construction and the provision of services to the Campbelltown Community. Supported by a responsible and conservative borrowings program, Council's financial plan does not rely on rate increases above the announced rate variation of 3.6% as determined by the Independent Pricing and Regulatory Tribunal of NSW (IPART) under delegation by the Minister for Local Government.

It is proposed in this budget to apply for \$5m of borrowings under the Local Infrastructure Renewal Scheme. This will fund additional capital road renewal works and reduce the infrastructure backlog. Should Council be successful, Council will receive a 4% interest subsidy from the State Government and the debt service ratio will remain at an acceptable level of around 4%.

The current economic and financial environment presents challenges for Council, all levels of Government, the community and the business community. The 2012-2013 Budget is being delivered within the limitations of the rate peg. Despite these constraints along with the cost of materials and the provision of services increasing well above the Consumer Price Index (CPI), Council remains in a strong financial position through a conservative and responsible approach to financial management.

The continual escalation of non-discretionary costs that have a direct impact on Council services include the increase in public utilities, domestic waste landfill levy, and agency charges, coupled with downward pressure on revenue streams, however Council will continue to maintain its current level of investment in core public and community services and provide a value for money operation.

As reported to Council in previous years, the financial objective has been to budget a surplus to improve Council's liquidity ratio. As Council is aware, the liquidity ratio has improved significantly and reached a satisfactory level and, as such, a balanced budget is proposed for the 2012-2013 financial year.

The proposed Capital Expenditure Program for the 2012-2013 year amounts to \$18.59m. This year's program contains a number of major projects including bridge/culvert construction, cycleway construction, Sport and Recreation projects, roads and footpath construction/reconstruction as well as the programmed childcare centre playground refurbishment.

In this budget there has been more emphasis placed on the funding of asset maintenance in an attempt to upgrade Council's infrastructure however there remains a significant shortfall in the funding required to maintain all Council assets at a 'good' level in accordance with the Division of Local Government's Asset Condition Benchmarking Standard. This budget focuses on improving safety, quality and range of infrastructure, community facilities and open space and is demonstrated in the Capital Works and Asset Maintenance Programs.

Domestic Waste Management

Domestic Waste Management Service Charge is subject to many factors, however is most impacted by collection and disposal costs. The processing and disposal charges of domestic waste are affected by the State Government Waste Levy which is estimated to increase by 15.5% or \$29.10 on 1 July 2012. This increase includes an anticipated effect of the Carbon Pricing Mechanism on the disposal and collection costs within the Local Government Area. This results in Council not being able to deliver the service for any less than the proposed annual Domestic Waste Management Service Charge of \$280.20 as there can be no cross-subsidisation between the Domestic Waste Management Service and the General Fund. The proposed Domestic Waste Management Availability Charge for vacant land is \$30.90, an increase of \$2.00 per annum.

Rating Structure

The Operational Plan comprises an increase to Council's general rates income of 3.6%. This increase is in accordance with the maximum rate peg as determined by IPART under delegation by the Minister for Local Government. In December 2011, IPART announced the percentage variation using a newly developed Local Government Cost Index. This was calculated to be a 3.4% increase, from which a 0.2% productivity factor had been deducted with a 0.4% allowance added for the anticipated effects on the Carbon Pricing Mechanism to arrive at the 3.6% variation amount. It is important to note that it is the intent of IPART to reverse the 0.4% over the following two years with 0.1% in 2013-2014 and 0.3% in 2014-2015.

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 the same as the previous year which yielded Council approximately \$880,000 towards new stormwater initiatives. The proposed charge and associated works are clearly defined within Council's Revenue Pricing Policy, appendix one of the Operational Plan. It is proposed that the Stormwater Management Charge remain at \$20 per annum for residential properties and \$10 per annum for residential strata properties.

Delivery Program

The 2012-2016 Draft Delivery Program details the services, functions and programs of works including activities that Council will undertake, within the resources available under the Resourcing Strategy, to implement the objectives and strategies established by the Community Strategic Plan. The Delivery Program also includes a method of assessment to determine the effectiveness of each program of work in implementing the strategies and achieving the strategic objectives at which the principal activity is directed.

Community Strategic Plan

The Community Strategic Plan is the highest level plan that Council prepares. The purpose of the plan is to identify the community's main priorities and aspirations for the future and to plan strategies for achieving these goals. In doing this, the planning process will consider the issues and pressures that may affect the community and the level of resources that will realistically be available to achieve the aims and aspirations. While Council has a custodial role in initiating, preparing and maintaining the Community Strategic Plan on behalf of the local government area, Council is not wholly responsible for its implementation. Other partners such as State agencies and community groups may also be engaged in delivering the long term objectives of the plan.

Summary

The 2012-2013 Operational Plan shows the commitment to responsible and proactive governance. It demonstrates sound management of the community's assets and aims to develop a sustainable city which is responsive to community needs whilst providing value to the ratepayers.

The 2012-2016 Delivery Program and 2012-2013 Operational Plan provides for the continued delivery and maintenance of services, and requires minimal borrowings to achieve the identified outcomes. Council has prepared a budget which seeks to balance the demand for services and infrastructure with the community's capacity to pay.

Council is delivering a responsible Delivery Program and Operational Plan, maintaining service levels and programs within the constraints of available funding, whilst adopting the IPART determined rate variation of 3.6%. Council is also delivering a number of major projects through the allocation of Capital Expenditure and Asset Maintenance funding as detailed earlier in this report and highlighted within the Draft Operational Plan.

In particular, over the past several years Council has made significant gains in improving the financial position and working towards achieving long term financial and community objectives detailed within the Community Strategic Plan. These prudent fiscal management decisions now see Council well placed to deal with the present economic challenges that face Local Government.

It is recommended that Council adopt the 2012-2013 Draft Operational Plan including the 2012-2013 Draft Fees and Charges, 2012-2016 Draft Delivery Program and the 2012-2022 Community Strategic Plan, and these documents be placed on public exhibition for a period of at least 28 days in accordance with Sections 402, 404 and 405 of the *Local Government Act 1993*. During this period, public submissions are invited and will be considered when Council considers formal adoption of the documents at the Extraordinary Meeting to be held on 19 June 2012.

Officer's Recommendation

1. That the 2012-2013 Draft Operational Plan incorporating the 2012-2013 Draft Fees and Charges and Revenue Pricing Policy, 2012-2016 Draft Delivery Program and the 2012-2022 Draft Community Strategic Plan be placed on public exhibition for a period no less than 28 days.
 2. That a report be submitted to Council on any submissions received in regard to the Draft documents prior to consideration of the formal adoption of the documents for the 2012-2013 financial year.
-

It was **Moved** Councillor Greiss, **Seconded** Councillor Borg:

1. That the 2012-2013 Draft Operational Plan incorporating the 2012-2013 Draft Fees and Charges and Revenue Pricing Policy, 2012-2016 Draft Delivery Program and the 2012-2022 Draft Community Strategic Plan be placed on public exhibition for a period no less than 28 days.
2. That a report be submitted to Council on any submissions received in regard to the Draft documents prior to consideration of the formal adoption of the documents for the 2012-2013 financial year.

68 The Motion on being Put was **CARRIED**.

There being no further business the meeting closed at 7.07pm.

Confirmed by Council on

..... General Manager Chairperson
