
Minutes Summary

Extraordinary Meeting held at 7.00pm on Tuesday, 26 April 2016.

APOLOGIES

DECLARATIONS OF INTEREST

Pecuniary Interests

Non Pecuniary – Significant Interests

Non Pecuniary – Less than Significant Interests

Other Disclosures

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1.1	Draft 2016-2017 Operational Plan, Budget, Fees and Charges, and 2013-2017 Delivery Program	3

Minutes of the Extraordinary Meeting of the Campbelltown City Council held on 26 April 2016

Present His Worship the Mayor, Councillor P Hawker
Councillor F Borg
Councillor G Brticevic
Councillor W Glynn
Councillor G Greiss
Councillor R Kolkman
Councillor D Lound
Councillor M Oates
Councillor T Rowell
Councillor R Thompson

Apologies It was **Moved** Councillor Rowell, **Seconded** Councillor Brticevic that the **APOLOGIES** from Councillors Chanthivong, Dobson, Lake, Matheson and Mead be received and accepted.

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

Acknowledgement of Land

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

Council Prayer

The Council Prayer was presented by the General Manager.

DECLARATIONS OF INTEREST

There were no Declarations of Interest at this meeting.

EXTRAORDINARY MEETING OF THE CAMPBELLTOWN CITY COUNCIL MEETING TO BE HELD ON 26 APRIL 2016

1. BUSINESS: REPORT OF THE DIRECTOR BUSINESS SERVICES

1.1 Draft 2016-2017 Operational Plan, Budget, Fees and Charges, and 2013-2017 Delivery Program

Attachments

1. 2016-2017 Draft Operational Plan (previously distributed under separate cover and available via the web link below)
2. 2016-2017 Draft Fees and Charges (previously distributed under separate cover and available via the web link below)
3. 2013-2017 Draft Delivery Program (previously distributed under separate cover and available via the web link below)

Note: All of the above attachments are available via this web link:

<http://www.campbelltown.nsw.gov.au/HaveYourSay/Integrated-Planning-and-Reporting-Documents>

History

The Integrated Planning and Reporting Framework for NSW require local government to prepare a long term Community Strategic Plan, Delivery Program, Operational Plan and Resourcing Strategy.

Council is required to review Integrated Planning and Reporting documents before 30 June following an ordinary election of Councillors. This requirement is in accordance with the *Local Government Act 1993*.

The Independent Pricing and Regulatory Tribunal (IPART) rate peg determination of 1.8% has been applied in the Draft 2016-2017 Operational Plan.

The 2016-2017 Draft Operational Plan including 2016-2017 Draft Fees and Charges were distributed to Councillors on 1 April 2016 in conjunction with a briefing night held on 5 April 2016.

Report

In accordance with Section 404 and 405 of the *Local Government Act 1993*, Council's Draft Operational Plan incorporating the Budget and Draft Fees and Charges, and the Draft Delivery Program are required to be publicly exhibited for a period of at least 28 days. A summary of the content included in each of the documents is provided in this report.

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 in the 2016-2017 year to achieve the commitments made in the Delivery Program.

The 2016-2017 financial year will reflect a change in the organisational structure to meet the demands of growth in being a Regional City Centre. The new structure aims to implement strategies in meeting future demands of the city, while ensuring that as an organisation, Council caters for the current needs of the community.

There has been an increase in allocation of resources that relate to the strategic direction of the city through the implementation of a structure that reflects Council's enthusiasm in promoting our city to an array of businesses and communities outside of the Local Government Area (LGA). Further funds have been allocated to Council's Destination Management Plan to increase tourism opportunities, creating a boost to the economy for local businesses.

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 community. The Special Rate Variation (SRV) received in the 2014-2015 financial year has strengthened Council's financial position and provides a means to renew and revitalise the city's assets and ultimately address Council's asset maintenance and renewal backlog.

The current economic and financial environment presents challenges for Council, all levels of government, businesses and the community as a whole. There are a number of major policy issues being considered by the State Government at present that may have an impact on Council over the next 12 months. This includes the Action Plan originating from Destination 2036 involving the review of the *Local Government Act 1993*, Fit for the Future and the recommendations of the Independent Local Government Review Panel.

In submitting Council's response to the Fit for the Future findings, the organisation is expected to deliver a 1% productivity saving each year as it relates to operational expenditure. It is vital Council maximises the resources that are available in delivering services. This will require an innovative approach and a realignment of the organisational structure to continue to deliver and improve levels of service. Council currently receives a biannual report through the Innovation and Performance Sub Committee to monitor productivity savings and innovative work practices. To date a cumulative total of over \$12.2m in savings has been achieved.

Council's ongoing financial sustainability is assisted by the amount of land holdings owned by Council throughout the city. There are three significant precincts that were identified in Council's Fit for the Future response which will enhance the diversification of Council's revenue stream. These Council owned precincts include Menangle Park Urban Release Area, Farrow Road precinct, and numerous strategically located major land holdings within the Campbelltown Central Business District (CBD).

1.1 Draft 2016-2017 Operational Plan, Budget, Fees And Charges, And 2013-2017 Delivery Program

These land holding opportunities have significant potential for Council to create outcomes that will ensure financial sustainability and allow Council to diversify income through ongoing rental revenue and the sale of strategic parcels. The development of Council's land portfolio must provide significant community benefit.

For the 2016-2017 budget, Council has applied the rate peg limit of 1.8% as set by the Independent Pricing and Regulatory Tribunal (IPART). Invariably, rate pegging increases are less than the actual increases in costs faced by Council. The continual escalation of non-discretionary costs that have a direct impact on Council services include, the increases in public utilities, domestic waste landfill levy, and agency charges, coupled with downward pressure on revenue streams. Council will continue to maintain its current level of investment in core public and community services and provide a value for money operation, as well as addressing the declining condition of existing infrastructure assets and reducing the infrastructure backlog. The review of services will continue to be undertaken to ensure sustainability and cost effective outcomes and achieved while improving service delivery to the community.

As reported in previous years, the financial objective has been to budget a surplus to improve Council's liquidity ratio. The liquidity ratio has improved significantly over the last few years and has reached a satisfactory level. As such, a balanced budget is proposed for the 2016-2017 financial year.

The proposed Capital Expenditure Program for the 2016-2017 year amounts to \$20.99m. This year's program contains a number of major projects including bridge/culvert construction, cycleway construction, sport and recreation projects, building renewal as well as roads and footpath construction/reconstruction.

In this budget, there has been continued emphasis placed on the funding of asset maintenance and renewal in an attempt to upgrade Council's infrastructure. The additional revenue provided by the previous SRV and the Local Infrastructure Renewal Scheme (LIRS) will address the shortfall in the funding required to maintain all Council assets at an appropriate level in accordance with the Office 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.

It is proposed in this budget to continue with a borrowing allocation of \$2.5m, however to borrow from internal reserves rather than external sources. This strategy will reduce Council's Loan Liability, maintain a low Debt Service Ratio, Operating Performance Ratio and more importantly, free up resources in the medium term to provide capacity for borrowings from external sources for major infrastructure requirements.

Council is now at a critical point in addressing a range of important strategic planning opportunities that will present themselves as a result of the City's enhanced growth and development prospects, as well as, the announcement of Campbelltown-Macarthur as a Regional City Centre. Council's new Economic Development function will provide a more formal involvement with economic and business development to help sustain the creation of new investment into local job creation and helping to make Campbelltown a more sustainable community. Council will invest through the 2016-2017 budget in promotion and marketing opportunities for Campbelltown as a contemporary and vibrant hub for investment and urban growth at a regional scale.

Domestic Waste Management

The Domestic Waste Management Service Charge is subject to many factors, and is mostly impacted by collection and disposal costs. The processing and disposal charges of domestic waste include the compulsory Waste Levy (section 88) which the processing contractor must pay to the State Government. These factors have resulted in Council being able to deliver the service for the proposed annual Domestic Waste Management Service Charge of \$329.40, noting that there cannot be any cross-subsidisation between the Domestic Waste Management Service and the General Fund. This is an increase of \$2.90 from the 2015-2016 fee. The proposed Domestic Waste Management Availability Charge for vacant land will increase to \$40.30 per annum.

Rating Structure

The increase allowed under the rate pegging limit as determined by IPART under delegation by the Minister for Local Government was 1.8%. In December 2015 IPART announced the percentage variation the Local Government Cost Index to be 1.78%. There was no adjustment for a productivity factor with the final determination rounded up to 1.8%.

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 estimated to yield Council approximately \$1.16m 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. The Stormwater Management Charge will increase from \$20 to \$25 per residential property (per annum) and from \$10 to \$12.50 per residential strata property (per annum). This is the first increase in the charge since it was originally levied in 2007-2008.

Council has recently completed a detailed flood study for the Bow Bowing Bunbury Curran Creek system where a number of improvements have been identified to reduce the impacts of flooding within the LGA. Significant funding is now required to facilitate these improvement works including Council's income from the stormwater management charge and applications for funding assistance from the State Government.

Delivery Program

The 2013-2017 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. The Delivery Program is required to be reviewed following the election of a new Council.

Summary

The 2016-2017 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, while providing value to ratepayers.

The 2013-2017 Delivery Program and 2016-2017 Operational Plan provides for the continued delivery and maintenance of services. This budget is the third year of a ten year strategy to significantly address the asset maintenance and renewal backlog with \$5.8m rates and an additional \$1m reserve funds directed towards asset renewal. This strategy is on track to eliminate Council's infrastructure backlog within the eight years.

Council is also delivering a number of major projects through the allocation of capital 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.

The 2016-2017 budget demonstrates the ongoing priority of Council responding to community needs for a broad range of high quality services, and the provision of infrastructure to meet the current and future needs of the city.

The 2016-2017 Operational Plan demonstrates that Council has the scale and capacity to remain Fit for the Future. This plan is supported by a budget that meets all seven financial benchmarks as determined by NSW Treasury Corporation. Of particular interest is Council's improvement in the Operating Performance Ratio which has been strengthened by increased rates and revenue generating opportunities provided by Council land holdings and productivity and efficiency gains. The Long Term Financial Plan forecasts that Council will continue to exceed the financial benchmarks and continue to be financially sustainable.

It is recommended that Council adopt the 2016-2017 Draft Operational Plan including the 2016-2017 Draft Fees and Charges and the 2013-2017 Draft Delivery Program. These documents will then be placed on public exhibition for a period of at least 28 days in accordance with Sections 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 28 June 2016.

Officer's Recommendation

1. That the 2016-2017 Draft Operational Plan incorporating the 2016-2017 Draft Fees and Charges and Revenue Pricing Policy, 2013-2017 Draft Delivery Program 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 2016-2017 financial year.

Council Meeting 26 April 2016 (Kolkman/Glynn)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 65

That the Officer's Recommendation be adopted.

Councillor Rowell asked for his name to be recorded in opposition to the increase to the fees and charges for animal surrender and impounding.

There being no further business the meeting closed at 7.05pm.

Confirmed by Council on

..... General Manager Chairperson
