

GLEN INNES SEVERN COUNCIL

BUSINESS PAPER



**FOR THE ORDINARY
COUNCIL MEETING**

**TO BE HELD ON
THURSDAY,
23 JUNE 2022**



GLEN INNES SEVERN COUNCIL

Notice is herewith given of an
ORDINARY MEETING

That will be held at the Glen Innes Severn Learning Centre,
William Gardner Conference Room, Grey Street, Glen Innes on:
Thursday, 23 June 2022 at 9.00am

ORDER OF BUSINESS

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Craig Bennett
General Manager

7 MATTERS OF AN URGENT NATURE

REPORT TITLE: 11.1 ADOPTION OF THE OPERATIONAL PLAN AND BUDGET FOR THE 2022/2023 FINANCIAL YEAR

ECM INDEXES:

Subject Index: CORPORATE MANAGEMENT: Planning
GOVERNANCE: Planning
FINANCIAL MANAGEMENT: Budgeting

Customer Index: NIL

Property Index: NIL

AUTHOR: Ann Newsome - Chief Financial Officer

APPROVER/S: Anna Watt - Director of Corporate and Community Services

PURPOSE

The purpose of this report is for Council to adopt its **Operational Plan and Budget for the 2022/2023 Financial Year (OP)** and to make and levy rates and charges, along with other fees and charges for the 2022/2023 Financial Year (**Annexure A – under separate cover**).

RECOMMENDATION

THAT:

- 1. The expenditure amounts set out in the Draft Operational Plan and Budget for the 2022/2023 Financial Year as exhibited and amended as per this report and attached to the Business Paper as a part of Annexure A, be confirmed and voted for the carrying out of the various works and services of the Council for the 2022/2023 Financial Year.*
- 2. The Draft Operational Plan and Budget for the 2022/2023 Financial Year, as exhibited in accordance with the provisions of Section 405 of the Local Government Act 1993, and amended as per this report and attached to the Business Paper as part of Annexure A, be adopted by Council as the Operational Plan and Budget for the 2022/2023 Financial Year.*

- 3. The Schedule of Fees and Charges exhibited as part of Council's Draft Operational Plan and Budget for the 2022/2023 Financial Year and amended as part of this report and attached to the Business Paper as part of Annexure A, be made, fixed and charged for the 2022/2023 Financial Year.**
- 4. In accordance with the provisions of Section 535 of the Local Government Act 1993 (NSW), Council makes, fixes and levies the rates for the year ending 30 June 2023 for the following rating categories:**

Farmland:

A Farmland rate of 0.002840961 (2%) cents in the dollar on the current land values of all rateable land in the Local Government Area being farmland, with a base rate of \$430 (2%) per annum (the total revenue collected from this base amount represents 13.25% (2%) of the total revenue collected from this category of land);

Residential – Non-Urban:

A Residential – Non-Urban rate of 0.008048340 (2%) cents in the dollar on the current land values of all rateable land which is not within a Centre of Population in the Local Government Area, with a minimum rate of \$568 (2%) per annum;

Residential – Deepwater:

A Residential – Deepwater rate of 0.010500470 (2%) cents in the dollar on the current land values of all rateable land in the village of Deepwater, with a minimum rate of \$568 per annum;

Residential – Dundee:

A Residential – Dundee rate of 0.004778987 (2%) cents in the dollar on the current land values of all rateable land in the hamlet of Dundee, with a minimum rate of \$568 per annum;

Residential – Emmaville:

A Residential – Emmaville rate of 0.008494827 (2%) cents in the dollar on the current land values of all rateable land in the village of Emmaville, with a minimum rate of \$568 per annum;

Residential – Glencoe:

A Residential – Glencoe rate of 0.006602214 (2%) cents in the dollar on the current land values of all rateable land in the village of Glencoe, with a minimum rate of \$568 per annum;

Residential – Red Range:

A Residential – Red Range rate of 0.006616770 (2%) cents in the dollar on the current land values of all rateable land in the village of Red Range, with a minimum rate of \$568 per annum;

Residential – Wellingrove:

A Residential – Wellingrove rate of 0.009615585 (2%) cents in the dollar on the current land values of all rateable land in the hamlet of Wellingrove, with a minimum rate of \$568 per annum;

Residential – Glen Innes (including postponed rates):

A Residential – Glen Innes rate of 0.018616173 (2%) cents in the dollar on the current land values of all rateable land in the town of Glen Innes, with a minimum rate of \$568 per annum;

Business – Non-Urban:

A Business – Non-Urban rate of 0.018160168 (2%) cents in the dollar on the current land values of all rateable land which is not within a Centre of Population within the Local Government Area, and which cannot be categorised as either Farmland or Residential, with a minimum rate of \$568 per annum;

Business – Deepwater:

A Business – Deepwater rate of 0.014826927 (2%) cents in the dollar on the current land values of all rateable land in the village of Deepwater, which cannot be categorised as either Farmland or Residential, with a minimum rate of \$568 per annum;

Business – Dundee:

A Business – Dundee rate of 0.013415282 (2%) cents in the dollar on the current land values of all rateable land in the village of Dundee, which cannot be categorised as either Farmland or Residential, with a minimum rate of \$568 per annum;

Business – Emmaville:

A Business – Emmaville rate of 0.015785595 (2%) cents in the dollar on the current land values of all rateable land in the village of Emmaville, which cannot be categorised as either Farmland or Residential, with a minimum rate of \$568 per annum;

Business – Glencoe:

A Business – Glencoe rate of 0.013419430 (2%) cents in the dollar on the current land values of all rateable land in the village of Glencoe, which cannot be categorised as either Farmland or Residential, with a minimum rate of \$568 per annum;

Business – Red Range:

A Business – Red Range rate of 0.033384003 (2%) cents in the dollar on the current land values of all rateable land in the village of Red Range, which cannot be categorised as either Farmland or Residential, with a minimum rate of \$568 per annum;

Business – Wellingrove:

A Business – Wellingrove rate of 0.059719597 (2%) cents in the dollar on the current land values of all rateable land in the hamlet of Wellingrove, which cannot be categorised as either Farmland or Residential, with a minimum rate of \$568 per annum;

Business – Glen Innes:

A Business – Glen Innes rate of 0.021287438 (2%) cents in the dollar on the current land values of all rateable land in the town of Glen Innes, which cannot be categorised as either Farmland or Residential, with a minimum rate of \$568 per annum;

Mining:

A Mining rate of 0.007091164 (2%) cents in the dollar on the current land values of all rateable land in the Local Government Area where the dominant use is for a coal mine or metalliferous mine, with a minimum rate of \$329 (2%) per annum.

5. **In accordance with the provisions of Section 552 and Section 501(1) of the Local Government Act 1993, Council makes, fixes and levies a Water Supply Charge on all land rateable to the Water Supply Charge for the year ending June 2023:**
- a. **Meter connection: Connected - \$363 per annum;**
 - b. **Meter connection: Unconnected - \$363 per annum;**
 - c. **Meter connection: 20mm - \$363 per annum;**
 - d. **Meter connection: 25mm - \$430 per annum;**
 - e. **Meter connection: 32mm - \$502 per annum;**
 - f. **Meter connection: 40mm - \$646 per annum;**
 - g. **Meter connection: 50mm - \$1,076 per annum;**
 - h. **Meter connection: 63mm - \$1,762 per annum;**
 - i. **Meter connection: 80mm - \$2,581 per annum;**
 - j. **Meter connection: 100mm - \$4,309 per annum;**
 - k. **Meter connection: 150mm - \$9,151 per annum;**
 - l. **Meter connection: 200mm - \$18,302 per annum.**

The proposed charge for water consumed by residential customers in both Glen Innes and Deepwater is to be charged by measure of metered water consumption at the rate of \$2.79 per kilolitre for water consumption between nil (0) and 450 kilolitres, and \$4.28 per kilolitre for water consumed over 450 kilolitres.

The supply of water at Emmaville shall be charged to customers by measure of metered water consumption and shall be charged at the rate of \$1.31 per kilolitre. Such rate shall only apply to those customers currently connected to the Emmaville system.

The supply of water for Council Sporting Fields shall be charged by measure of metered water consumption and shall be charged at the rate of \$0.51 per kilolitre.

The proposed charge for water consumed by commercial and non-rateable customers is to be charged by measure of metered water consumption at a rate of \$2.79 per kilolitre.

The proposed charge for water consumed from a standpipe/overhead fill point will be charged at the rate of \$3.18 per kilolitre.

6. *In accordance with the provisions of Section 501(1) of the Local Government Act 1993 Council makes, fixes and levies a Drainage Charge of \$105.00 on all land assessments on which the charge may be levied for the year ending June 2023.*
7. *In accordance with the provisions of Section 501 and Section 552 of the Local Government Act 1993, Council makes, fixes and levies Sewerage Services Charges on all land rateable to the Sewerage Services Charges for the year ending June 2023 as follows:*

Residential Sewerage – Glen Innes:

Sewerage availability charge of \$601 per annum per assessment (unconnected \$451 per annum) – intended to represent a contribution towards the cost of providing and maintaining the infrastructure.

Residential properties discharging septic tank effluent into the sewerage system will also be charged an annual sewerage availability charge of \$601 per connection.

Residential Sewerage – Deepwater:

Sewerage availability charge of \$480 per annum per assessment (unconnected \$361 per annum) – intended to represent a contribution towards the cost of providing and maintaining the infrastructure.

Commercial and Non-Rateable Sewerage – Glen Innes and Deepwater:

A Sewerage Access Charge will be incurred proportional to the customer's water connection diameter plus a nominal charge for sewerage discharge, calculated in accordance with the following connection options and the formula following subparagraph "l" below:

- a. *Meter connection: Connected - \$242 per annum;*
- b. *Meter connection: Unconnected - \$242 per annum;*
- c. *Meter connection: 20mm - \$242 per annum;*
- d. *Meter connection: 25mm - \$375 per annum;*
- e. *Meter connection: 32mm - \$619 per annum;*
- f. *Meter connection: 40mm - \$967 per annum;*
- g. *Meter connection: 50mm - \$1,509 per annum;*
- h. *Meter connection: 63mm - \$1,762 per annum;*
- i. *Meter connection: 80mm - \$3,866 per annum;*
- j. *Meter connection: 100mm - \$6,027 per annum.*
- k. *Meter connection: 150mm - \$13,969 per annum;*
- l. *Meter connection: 200mm - \$24,473 per annum.*

Annual Non-Residential Sewerage Bill * = SDF x (AC + C x UC), where:

SDF is the Sewer Discharge Factor (dependent on the type of business, assumed to be 0.95 unless stated otherwise within Council's Trade Waste Policy. This factor may be reduced upon evidence from the customer of reduced discharge to the sewerage system.

C is the Customer's Annual Water Consumption.

UC is the Sewer Usage Charge (\$1.28/kL).

AC is the Access Charge.

Commercial and non-rateable customers discharging septic effluent into the sewerage system will also be charged as detailed above.

Trade Waste:

The Liquid Trade Waste fees and charges are calculated in accordance with the Glen Innes Severn Council Liquid Trade Waste Regulation Policy.

The fees and charges for the 2022/2023 Financial Year are set out below:

Trade Waste Application Fee	(\$)
Category 1 Discharger	Nil
Category 2 Discharger	125
Category 3 Discharger	228
Trade Waste Approval Renewal Fee (5 years)	(\$)
Category 1 Discharger	Nil
Category 2 Discharger	66
Category 3 Discharger	113
Change of Ownership (no change to conditions of Trade Waste approval)	26
Reinspection Fee	97
Non compliance penalty	210
Annual Trade Waste Fee	(\$)
Category 1 Discharger	107
Category 2 Discharger	211
Large Discharger	748
Industrial Discharger	748
Re-inspection Fee	100
Trade Waste Usage Charges	(\$)
Category 1 Discharger with appropriate equipment	Nil
Category 1 Discharger without appropriate pre-treatment	1.95/kL

Category 2 Discharger with appropriate pre-treatment	1.95/kL
Category 2 Discharger without appropriate pre-treatment	17.99/kL
Food Waste Disposal Charge	32.54 per bed
Non-compliance pH charge(k value)	0.48
Value of coefficient K in equation 3 of Liquid Trade Waste Policy	0.49
Excess Mass Charges – 2022/2023	
	Price/kg
Substance	(\$)
Aluminium	0.86
Ammonia* (as N)	3.52
Arsenic	88.26
Barium	44.13
Biochemical oxygen demand* (BOD)	0.86
Boron	0.86
Bromine	17.63
Cadmium	405.44
Chloride	No charge
Chlorinated hydrocarbons	44.13
Chlorinated phenolics	1,765.41
Chlorine	1.79
Chromium	31.26
Cobalt	17.99
Copper	17.99
Cyanide	88.26
Fluoride	4.40
Formaldehyde	1.79
Oil and Grease* (Total O&G)	1.62
Herbicides/defoliants	883.40
Iron	1.80
Lead	44.13
Lithium	8.83
Manganese	8.83
Mercaptans	88.26
Mercury	2,942.78
Methylene blue active substances (MBAS)	0.86
Molybdenum	0.86
Nickel	29.43
Nitrogen* (Total Kjeldahl Nitrogen – Ammonia) as N	0.25
Organoarsenic compounds	883.98

<i>Pesticides general (excludes organochlorines and organophosphates)</i>	883.80
<i>Petroleum hydrocarbons (non-flammable)</i>	2.94
<i>Phenolic compounds (non-chlorinated)</i>	8.83
<i>Phosphorous* (Total P)</i>	1.79
<i>Polynuclear aromatic hydrocarbons</i>	17.99
<i>Selenium</i>	62.13
<i>Silver</i>	1.64
<i>Sulphate* (SO4)</i>	0.22
<i>Sulphide</i>	1.79
<i>Sulphite</i>	1.94
<i>Suspended Solids* (SS)</i>	1.11
<i>Thiosulphate</i>	0.34
<i>Tin</i>	8.64
<i>Total dissolved solids* (TDS)</i>	0.07
<i>Uranium</i>	8.64
<i>Zinc</i>	17.47

Council has identified its sewerage supply service as a Category Two (2) Business and operates this in accordance with the Competitive Neutrality Guidelines 1997.

Tanked Waste:

Licence to discharge trucked septic waste (via designated manhole Wilson Park) \$33 per month.

Onsite Sewerage

Fee to operate an onsite sewerage system \$105 per annum levied on the annual Rate Notice.

- 8. In accordance with the provisions of Section 501 of the Local Government Act 1993, Council makes, fixes and levies a Waste Management Charge of \$76.00 on all rateable land for the year ending 30 June 2023, to assist with the recovery of costs associated with the management of Council's waste facilities and other environmental initiatives.***
- 9. In accordance with the provisions of Sections 496 and 502 of the Local Government Act 1993, Council makes, fixes and levies a Waste Collection Service Charge for the year ending 30 June 2023 as follows (with the understanding that one (1) Waste Collection Service entitles a property owner to a 240 litre fortnightly recycling service and a 140 litre weekly garbage service per assessment – unless otherwise indicated):***
 - a. Domestic: Occupied (140l Waste, 240l Recycling) - \$342 per annum;***
 - b. Domestic: Additional standard waste service per assessment - \$174 per additional standard waste service;***
 - c. Domestic: Occupied (240l Waste, 240l Recycling) - \$468 per annum;***

- d. Domestic: Additional large waste service per assessment - \$253 per additional large waste service;*
 - e. Domestic: Vacant land within scavenging area - \$153 per annum;*
 - f. Business/Commercial: Occupied (140l Waste, 240l Recycling) - \$342 per annum;*
 - g. Business/Commercial: Additional standard waste service per assessment - \$174 per additional waste service;*
 - h. Business/Commercial: Occupied (240l Waste, 240l Recycling) - \$468 per annum;*
 - i. Business/Commercial: Additional large waste service per assessment - \$253 per additional large waste service;*
 - j. Business/Commercial: Vacant land within scavenging area - \$153 per annum;*
 - k. Non-rateable: Occupied (140l Waste, 240l Recycling) - \$342 per annum;*
 - l. Non-rateable: Additional standard waste service per assessment - \$174 per additional standard waste service;*
 - m. Non-rateable: Occupied (240l Waste, 240l Recycling) - \$468 per annum;*
 - n. Non-rateable: Additional large waste service per assessment - \$253 per additional large waste service;*
 - o. Non-rateable: Vacant land - \$153 per annum.*
- 10. Council, in accordance with the provisions of Section 566(3) of the Local Government Act 1993, determines that the extra interest charges on overdue rates and charges will be levied at the maximum rate allowable and as advised by the Office of Local Government on a daily simple interest basis for the financial year ending 30 June 2023. The rate for the 2022/2023 Financial Year is six percent (6%) per annum (6% for 2021/2022).*
- 11. Council, in accordance with the provisions of Section 405(6) of the Local Government Act 1993, places a copy of its adopted Operational Plan and Budget for the 2022/2023 Financial Year on its website within 28 days of it being formally adopted.*
- 12. Council requests the Director of Corporate and Community Services to write letters of thanks to the residents who have taken the time to put in submissions pertaining to the Operational Plan and Budget for the 2022/2023 Financial Year.*

REPORT

(a) Background

In accordance with Council resolution 12.04/22 of the Thursday, 28 April 2022 Council Meeting, Council's Draft OP was placed on public exhibition for the required 28 days, from Thursday, 5 May 2022 until close of business on Wednesday, 1 June 2022, with a submission closing date of Wednesday, 15 June 2022 at the close of business.

Seven (7) public submissions were received and are summarised within the commentary section of this report. There have been some minor changes to the OP as a result of new information coming to light since the adoption of the Draft OP. These changes are discussed in the commentary section below.

The *Local Government Act 1993* (NSW) states the following in **Section 405**, regarding the **Operational Plan**:

- 1) *A council must have a plan (called its "operational plan") that is adopted before the beginning of each year and details the activities to be engaged in by the council during the year as part of the delivery program covering that year.*
- 2) *An operational plan must include a statement of the council's revenue policy for the year covered by the operational plan. The statement of revenue policy must include the statements and particulars required by the regulations.*
- 3) *A council must prepare a draft operational plan and give public notice of the draft indicating that submissions may be made to the council at any time during the period (not less than 28 days) that the draft is to be on public exhibition. The council must publicly exhibit the draft operational plan in accordance with the notice.*
- 4) *During the period of public exhibition, the council must have for inspection at its office (and at such other places as it may determine) a map that shows those parts of its area to which each category and sub-category of the ordinary rate and each special rate included in the draft operational plan applies.*
- 5) *In deciding on the final operational plan to be adopted, a council must consider any submissions that have been made concerning the draft plan.*
- 6) *The council must post a copy of its operational plan on the council's website within 28 days after the plan is adopted.*

(b) Discussion

Council's OP provides a direct link to the three (3) year Delivery Program, and in turn the 10 Year **Community Strategic Plan (CSP)**. The Delivery Program was reduced by 12 months by the **Office of Local Government (OLG)** to align with the next Local Government election and will finish 30 June 2025, thus becoming a new 3-year Delivery Program due to COVID-19.

The CSP contains five (5) strategic objectives. They are:

- An Attractive Quality of Life;
- Prosperous Local Economy;
- Fit for Purpose Public Infrastructure;
- An Appealing Sense of Place; and
- Recognised for Local Leadership.

The strategic objectives cascade down to 38 strategic goals, which then cascade into the three-year Delivery Program of principal activities that cascades into the annual Operation Plan Actions.

In line with the provisions of the *Local Government Act 1993* and requirements of the **Integrated Planning and Reporting Framework (IP&R)**, Council is required to develop an annual Operational Plan and Budget that is derived from the three (3) year Delivery Program, which in turn is developed from the 10-year CSP.

The OP consists of a “written part” where strategies and actions have been developed for the 2022/2023 Financial Year in order to achieve the goals and objectives that are identified in the CSP. The “financial part” of the OP provides for the financial resources to enable the CSP strategies and actions to be implemented and pursued during the course of the 2022/2023 Financial Year.

Snapshot of Council’s Financial Position and the 2022/2023 Budget:

Council’s OP comprises the following (with last year’s figures in brackets as a comparison):

- | | |
|---|------------------------------------|
| • Operating Income (including Capital Grants and Contributions) | \$48,185,908 (\$46,705,006) |
| • Operating Income (excluding Capital Grants and Contributions) | \$36,983,667 (\$35,533,460) |
| • Operating Expenditure | \$36,964,116 (\$34,913,459) |
| • Capital Expenditure | \$19,534,216 (\$17,464,451) |
| • Loan Principal and Lease Repayments | \$ 2,276,992 (\$ 2,325,790) |

The OP shows an operating position with small surplus of \$19,551 after excluding Capital and Grants Contributions.

Council's Capital Works Program Budget of \$19,534,216 is broken down into the following projects:

	\$
Projects funded from Roads to Recovery Grants	889,200
Projects funded through the Bridge Renewal Program	2,027,083
Projects (roads and footpaths) funded from the General Fund	987,713
Projects (bridges) funded through the LIRS* loans scheme	50,000
Plant and Equipment funded from the General Fund	1,108,000
Projects funded from the Water Fund	711,854
Projects funded from the General Fund	431,720
Projects funded from Regional Roads Grants	590,000
Projects funded from the Sewer Fund	641,117
Projects (roads and plant) funded from the Glen Innes Aggregates surplus	300,000
Projects funded from other grants and contributions	11,068,529
Projects funded from borrowings	300,000
Projects funded from the Stormwater / Drainage Restricted Funds	429,000

*Local Infrastructure Renewal Scheme

The 2022/2023 Financial Year Operating Performance Ratio forms part of the NSW Local Government's Fit for the Future criteria. This ratio measures Council's ability to contain operating expenditure within operating revenue.

The benchmark for this ratio is 0% or better to break even average over three (3) years. The ratio excludes capital grants and contributions from Operating Revenue.

Council is expected to meet this target in the 2022/2023 Financial Year. The neutral ratio of 0.05% shows that Council has sufficient operational revenue to cover its operational expenditure without the need to access capital revenue.

Council will continue to look at ways to reduce its operational expenditure or alternatively find ways to increase its operational income.

The annual rate peg amount this year has been announced at 0.7%, whilst salary and wages under the award are budgeted to increase by two percent (2%) and superannuation is budgeted to increase by 0.5% to 10.5%. As a result, Council's revenue stream has not increased in real terms from that source of income. The OLG has acknowledged this rate peg creates an untenable position for sustainability for many councils and has allowed Council to apply for an additional increase in rate peg.

Council's application to have its rate peg increased to two percent (2%) was approved on Monday, 20 June 2022.

This OP continues to fulfil the requirement to demonstrate how Council can continue to remain a stand-alone sustainable Council, providing effective and efficient services and further developing the scale and capacity needed to meet the needs of the community into the future.

Public Submissions

Quarry Weighbridge Fee for Cattle - Submission 1 and Submission 2

Two (2) submissions were received (**Annexure B and Annexure C**) objecting to the fee for weighing cattle.

Comment: The argument for implementing a fee for weighing cattle at the quarry weighbridge is to support the Glen Innes saleyards by removing the cheaper alternative. Currently the fee for weighing cattle at the saleyards on a per head basis is significantly more than the fee for weighing at the quarry weighbridge on a vehicle basis.

Council has considered this fee carefully over the last three years, and has received strong community representation from some sectors of the community supporting an increase in the charge to match the saleyards fee for weighing of cattle on a per head basis. Council has also received strong representation from landholders who utilise the quarry weighbridge for the weighing of cattle.

The following commentary was provided for the consideration of Council in June 2021.

“The reality is that the two (2) services are not like for like, with cattle having to be unloaded and run individually through the scales at the saleyards, where at the quarry the whole truck is weighed. Respondents have noted that weighing at the saleyards creates additional work plus stress on livestock if the stock are not passing through the yards for another purpose.

In the six (6) months leading up to May 2021, 61 loads of cattle were weighed at the quarry, comprising of 1,682 head of cattle in total. The application of the current weighbridge fee has resulted in income of \$1,860.50.

The proposed fee structure would have returned \$8,410 for weighing the same number of cattle. Based on observed numbers the average fee for weighing cattle at the quarry would be \$140 per load, increased from the proposed standard weighbridge ticket fee of \$31.

While implementing the same fee at the quarry may prompt some operators to return to weighing cattle at the saleyards, it is possible, given the scale of the price increase, that a proportion of users will simply do something else. This could be weighing at another public weighbridge potentially taking business out of Glen Innes altogether.

If all current users ceased weighing cattle at Council facilities, as a result of the new charge, a reduction in income of \$3,721 would be observed. If all current quarry weighbridge users continued to weigh cattle in Council facilities, additional revenue would be \$13,100 per annum. The actual impact will depend on how producers respond to the new charge.

One option that Council may wish to consider is to implement a reduced per head fee at the quarry, noting that the service is different to what is provided at the saleyards. This reduced price option could possibly be combined with a base charge equal to the standard weighbridge ticket price.

This also deals with the issue that a load of six (6) cattle or less would be cheaper than the standard weighbridge ticket under the original proposal. Table one (1) provides different scenarios for an average load of 28 cattle.

Table 1:

	Option 1	Option 2	Option 3	Original Option	Status Quo
Base fee	\$ 31	\$ 31	\$ 31	\$ -	\$ 31
Additional per head fee	\$ 1	\$ 2	\$ 3	\$ 5	\$ -
Average fee	\$ 59	\$ 87	\$ 115	\$ 140	\$ 31
Potential income	\$ 7,198	\$ 10,614	\$ 14,030	\$ 17,080	\$ 3,782

Council resolved to not levy a separate fee for the weighing of cattle at the quarry when the Operational Plan and Budget for the 2021/2022 Financial year was adopted.

Due to the current workload of staff and natural disaster impacts recent analysis has not been undertaken to review the figures provided last year, however the figures are understood to provide a reasonable analysis of the numbers involved.

It should be noted that the Glen Innes Aggregates quarry business operates as a category 1 business unit of Council, and as such must report and keep separated all income and expenses from other activities of Council. This means that any charge for the weighing of Cattle must remain in the quarry business unit and is not able to be transferred to the saleyards. The benefit to the saleyards would only be realised if cattle were weighed at that location as a result of the increased charge.

Ultimately the decision to increase fees to match the saleyard fees could and has been argued in either direction, and given the strong community representation from both perspectives a decision is required at the level of the elected representatives.

Drainage Fee - Submission 2

One (1) submission was received (Annexure C) requesting that the drainage charge be separated into rural and urban fees for the sake of transparency.

Comment: One respondent has suggested that the drainage charge be separated into rural and urban fees for the sake of transparency.

This concept has some merit but would increase the administrative burden of reporting. It is not recommended that this suggestion be taken up in the current year but be reviewed as part of the development of the Operational Plan and Budget for the 2023/2024 Financial Year.

Onsite Sewerage System Management (OSSM) Fee - Submission 2

One (1) submission was received (Annexure C) regarding OSSM fees.

Comment: High risk Onsite Sewerage Management Systems are approved for a 12 month period. An annual inspection fee is charged for properties with disposal systems that are considered high risk in accordance with Council's Onsite Sewerage Management Policy. Properties with high risk systems have approvals issued that indicate classification and approval dates.

Council's health and building staff undertake Onsite Sewerage Management Systems inspections as required for which salary has been budgeted.

A quotation has been obtained for a private consultant to undertake Onsite Sewerage inspections within the Local Government area at a cost of \$165 per inspection.

Dividends from Water and Sewerage Funds to General Fund - Submission 2

One (1) submission was received (Annexure C) regarding dividends from Water and Sewerage Funds to General Fund.

Comment: Council has two (2) options with regard to paying dividends from water and sewer fund profits. The first option is to pay the minimum dividend based on the number of assessments. Alternately Council may elect to pay a calculated maximum dividend based on actual profits. Council is proposing to only pay the minimum required dividend, and to maintain profits in the funds where the profit has been generated to fund asset renewal activities for water and sewer systems.

Weed Management - Submission 2

One (1) submission was received (Annexure C) regarding weed management outcomes.

Comment: There is limited evidence to suggest that taking back the weed management function internally would deliver any benefit given that Council would lose the benefit of economy of scale of being part of a County Council.

Nine Mile Road, Dundee Re-sheeting - Submissions 3, 4, 5, 6 and 7

Five (5) submissions were received from residents (**Annexure D, E, F, G and H**) regarding the re-sheeting of Nine Mile Road, Dundee.

Comment: The current budget allows for at least 7km of gravel re-sheeting in the highest cost scenario.

The location of a gravel pit on site should mean that the works could be extended substantially further. That said, it is a new pit and therefore production is unknown.

At this time the extent of flood recovery works and how much of the road will be repaired using the additional funds available under that program is unknown.

Council supports the notion that all three (3) roads are brought to standard, this may be achieved or at least very close with the adopted budget.

Council preference would be to see how far we get with the current budget and seek additional funding at the time if required.

Council needs to be careful not to overbudget and have grant funds unspent.

Changes identified by staff during the consultation phase

Five (5) changes were identified by staff to the OP. Minimal financial change was made to the total net position, as savings were made in overhead costs.

The changes were made are summarised below:

- \$20K Fire Services expenses added to the building budget area;
- \$3K for Mayoral Donations;
- \$5K to be included under Cultural Events for preparatory works (wages and plant) for the Glen Innes Show;
- \$10K additional expenditure for the Legislative Compliance Database; and
- \$12K for Councillor/Mayoral Superannuation.

Changes identified during Councillor workshops

One (1) change was identified during a Councillor workshop on reserves with an additional \$10K being set aside for future Council election costs.

Changes to Fees and Charges

Companion Animal charges were updated in line with legislation.

New Fees and Charges

The need for new charges in Waste were identified, proposed as follows:

Disposal of Waste materials

- Single mattress \$10;
- Double/Queen/King mattress \$20;
- Single Lounge \$10;
- Two/Three Seater Lounge \$20; and
- Waste Management for Public Events – by quotation.

c) Options

Council has the option to vary sections of the OP.

IMPLICATIONS TO BE ADDRESSED

(a) Financial

The OP has a significant impact on the financial position of Council as it contains the operational and capital revenue and expenditure that Council has committed to for the 2022/2023 Financial Year.

(b) Governance/Policy

If adopted by Council, the OP will set the overarching policy direction for Council for the next financial year.

(c) Legislative/Statutory

Council must ensure that it endorses its draft budget in accordance with various provisions in the *Local Government Act 1993* (the Act) and the *Local Government (General) Regulations 2005*.

- Section 405 of the *Local Government Act 1993*:
 - (1) *A council must have a plan (called its “operational plan”) that is adopted before the beginning of each year and details the activities to be engaged in by the council during the year as part of the delivery program covering that year.*
- Section 494 of the *Local Government Act 1993*:
 - (1) *A council must make and levy an ordinary rate for each year on all rateable land in its area.*
 - (2) *Each category or subcategory of ordinary rate is to apply only to land of the same category or subcategory.*
- Section 496 of the *Local Government Act 1993*:
 - (1) *A council must make and levy an annual charge for the provision of domestic waste management services for each parcel of rateable land for which the service is available.*
- Section 496A of the *Local Government Act 1993*:
 - (1) *A council may, in accordance with the regulations, make and levy an annual charge for the provision of stormwater management services for each parcel of rateable land for which the service is available.*

- Section 501 of the *Local Government Act 1993*:
 - (1) *A council may make an annual charge for any of the following services provided, or proposed to be provided, on an annual basis by the council:*
 - *Water supply services*
 - *Sewerage services*
 - *Drainage services*
 - *Waste management services (other than domestic waste management services)*
 - *Any services prescribed by the regulations.*

- Section 502 of the *Local Government Act 1993*:

A council may make a charge for a service referred to in section 496 or 501 according to the actual use of the service.

- Section 552 of the *Local Government Act 1993*:
 - (1) *A special rate or charge relating to water supply may be levied on:*
 - (a) *Land that is supplied with water from a water pipe of the council, and*
 - (b) *Land that is situated within 225 metres of a water pipe of the council whether the land has a frontage or not to the public road (if any) in which the water pipe is laid, and although the land is not actually supplied with water from any water pipe of the council.*

(d) Risk

The preparation of the OP required considerable cost reduction in all areas to cover uncontrollable increases in expenses in areas such as insurance cost, wages, and depreciation. The rates increase was not of a sufficient level to offset these cost increases.

(e) Social

This OP forms part of the direction that the community communicated to Council through the extensive Community Engagement that took place for the development of the newly adopted CSP and Delivery Program. This document forms an integral part in the journey to achieve the outcomes of the aforementioned documents.

(f) Environmental

Council's OP identifies a number of environmental strategic objectives, strategies and actions.

(g) Economic

All Council officials have been mindful of the economic implications in the preparation of Council's OP.

(h) Asset Management

All Council officials have been mindful of the asset management implications in the preparation of Council's OP. Whole of life asset and depreciation cost considerations are important drivers in Council's future financial direction.

CONSULTATION

(a) External

Council's Draft OP went on public exhibition for 28 days from Thursday, 5 May 2022 until Wednesday, 1 June 2022. During this time submissions were invited from the community.

Council advertised the Draft OP in the Glen Innes Examiner (Our Council) on the Glen Innes Severn Council website under Public Notices, and on Council's Facebook page and display the relevant documents at the Emmaville Post Office, Deepwater Post Office and Glencoe Post Office.

(b) Internal

The OP has been prepared with full collaboration and input from all Managers and the **Management Executive (MANEX) Team**.

LINK/S TO THE DELIVERY PROGRAM/OPERATIONAL PLAN (DPOP)

The OP is required to be prepared in accordance with the Integrated Planning and Reporting Framework. Accordingly, it provides a direct link to the three (3) year Delivery Program, and in turn the 10 Year CSP.

CONCLUSION

Council's OP provides a direct link to the three (3) year Delivery Program, and in turn the 10 Year CSP. The Delivery Program was reduced by 12 months by the OLG to align with the next Local Government election and will finish on 30 June 2025, thus becoming a new 3-year Delivery Program.

The CSP contains five (5) strategic objectives. The strategic objectives cascade down to 38 strategic goals, which then cascade into the three-year Delivery Program of principal activities that in turn cascades into the annual Operational Plan Actions.

In summary, Council's 2022/2023 OP shows an operating position with a small surplus of \$19,551 after excluding Capital and Grants Contributions and comprises the following (with last year's figures in brackets as a comparison):

• Operating Income (including Capital Grants and Contributions)	\$48,185,908	(\$46,705,006)
• Operating Income (excluding Capital Grants and Contributions)	\$36,983,667	(\$35,533,460)
• Operating Expenditure	\$36,964,116	(\$34,913,459)
• Capital Expenditure	\$19,534,216	(\$17,464,451)
• Loan Principal and Lease Repayments	\$ 2,276,992	(\$ 2,325,790)

ATTACHMENTS

Annexure A	Operational Plan and Budget for the 2022/2023 Financial Year
Annexure B	Submission 1
Annexure C	Submission 2
Annexure D	Submission 3
Annexure E	Submission 4
Annexure F	Submission 5
Annexure G	Submission 6
Annexure H	Submission 7