



QUALITY NATURE - QUALITY HERITAGE - QUALITY LIFESTYLE

ADDENDUM ITEMS FOR ORDINARY COUNCIL MEETING 26 OCTOBER 2022

Notice is hereby given pursuant to Clause 7(1) of Council's Code of Meeting Practice that an **Ordinary Council Meeting** will be held in the Koreelah Room, Council Administration Building, Tenterfield, on **Wednesday 26 October 2022** commencing at **9:30 am**.

Daryl Buckingham
Chief Executive

AGENDA

10. URGENT, LATE & SUPPLEMENTARY ITEMS OF BUSINESS

- (ITEM GOV92/22) TENTERFIELD SHIRE COUNCIL - CONSIDERATION OF PROVIDING CREDIT / CREDITS TO ASSESSMENTS / RATEPAYERS ARISING FROM APPLICATION OF WATER INFRASTRUCTURE CHARGE..... 2
- (ITEM GOV93/22) NOTIFICATION TO IPART OF INTENT TO APPLY FOR A SPECIAL RATE VARIATION..... 7

Department:	Office of the Chief Corporate Officer
Submitted by:	Manager Finance & Technology
Reference:	ITEM GOV92/22
Subject:	TENTERFIELD SHIRE COUNCIL - CONSIDERATION OF PROVIDING CREDIT / CREDITS TO ASSESSMENTS / RATEPAYERS ARISING FROM APPLICATION OF WATER INFRASTRUCTURE CHARGE.

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK	
CSP Goal:	Leadership - Council is a transparent, financially-sustainable and high-performing organisation, delivering valued services to the Community.
CSP Strategy:	Ensure the performance of Council as an organisation complies with all statutory Guidelines, supported by effective corporate management, sound integrated planning and open, transparent and informed decision making.
CSP Delivery Program	Collaborate and deliver resources with other organisations to ensure a variety of cost effective services across the service area.

SUMMARY

The purpose of this report is to seek Council's approval to provide a credit/credits to the selected property assessments in the 2023/2024 budget for those ratepayers who have paid a water infrastructure charge originally levied for the purpose of part funding a loan required for the Tenterfield Water Treatment Plant and also charges levied on localities which did not form part of the previous written resolutions regarding the infrastructure charge.

The impact of this credit will be reflected in adoption of Operational Budget 2023/2024.

OFFICER'S RECOMMENDATION:

That Council:

- 1. Note the review of water charging in relation to the NSW Local Government Act 1993 Section 502 levies for the past four years, acknowledging that the wording of this charge was specific in year one (2019/2020) and that the funding was not required for the intended purpose;**
- 2. Note the specifics of the application of the resolutions relating to water Charges under Section 502 in years (2020/2021, 2021/2022 and 2022/2023) which have been impacted by lack of clarity due to phrasing of resolutions from year 2;**
- 3. Approve the inclusion of a credit to the value of \$77, in the operational budget FY 2023/2024 for assessments charged the water infrastructure charge of \$77.00 under resolution (101/19) as part of the Operational Plan adopted on 24 May 2019 and impacted the localities of Tenterfield, Urbenville and Jennings.**

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- 4. Approve the inclusion of credit to the value of \$77, in the operational budget FY 2023/2024 for assessments within Urbenville and Jennings localities in line with Council resolution (116/20) as part of the Operational Plan adopted on 24 June 2020.**
- 5. Approve the inclusion of credit to the value of \$77, in the operational budget FY 2023/2024 for assessments within Jennings locality in line with Council resolution (120/21) as part of the Operational Plan adopted on 31 May 2021.**
- 6. Approve the inclusion of credit to the value of \$77, in the operational budget FY 2023/2024 for assessments associated with Jennings locality in line with Council resolution (100/22) as part of the Operational Plan adopted on 25 May 2022.**
- 7. Approve the reflection of credit provided as a separate line item on the rate notice for assessments impacted issued in July 2023.**

BACKGROUND

The initial purpose for the water infrastructure charge was for constructing a new Water Treatment Plant in the Tenterfield Local Government Area in 2019 at a cost of approximately \$9.645 Million. Council secured a NSW State Government Grant of \$7 Million through the Safe and Secure Program. To fund the gap of remaining \$2.645 Million Council had intended to borrow from external banking institutions a long- term loan in line with Council Borrowing Policy over a 20 year period. At this time future funding, subsequently obtained for the project, was not available to Council.

To fund the servicing of this loan a Water Infrastructure Charge of \$77.00 was calculated to be added on assessments across the Shire with the intent that the service charge provided was for Tenterfield Shire as a Local Government Area not just the Tenterfield village locality.

REPORT:

Based on the above intention Council on 29 May 2019 resolved through resolution (101/19) as part of Operational Plan 2019/2020 that:

"In accordance with Section 502 of the Local Government Act 1993, makes, fixes and levies a Water Infrastructure Charge per assessment connected to the Tenterfield Water Treatment Plant of \$77 to part fund the loan associated with the new Water Treatment Plant".

The charge came into effect for the financial year commencing 2019/2020 and was charged to assessments in Tenterfield, Urbenville and Jennings connected to Council's Water Supply Network.

On 24 June 2020 as part of the adoption of Operational Plan 2020/2021 Council resolved through resolution (116/20) that:

"In accordance with Section 502 of the Local Government Act 1993, makes, fixes and levies a Water Infrastructure Charge per assessment connected to the Tenterfield Water Treatment Plant of \$77 to part fund infrastructure associated with Council's Water Network".

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The charge continued for the financial year commencing 2020/2021. It is important to note the difference between the two resolutions is the omission of the word loan associated and inclusion of Council's water network.

It is during the course of the financial year 2020/2021 that Council was advised by the Federal Government that it would fund the \$2.645 Million gap for the purpose of constructing a new Water Treatment Plant in Tenterfield.

This formal grant agreement came into effect on 09 October 2020. Due to this confirmation Council was not required to take a loan of \$2.645 Million.

Council continued to charge the \$77.00 to assessments in Tenterfield, Urbenville and Jennings connected to Council's Water Supply Network.

On 31 May 2021 as part of the adoption of Operational Plan 2021/2022 Council resolved through resolution (120/21) that:

"In accordance with Section 502 of the Local Government Act 1993, makes, fixes and levies a Water Infrastructure Charge per assessment connected to the Tenterfield and Urbenville Water Treatment Plants of \$77 to part fund infrastructure associated with Council's Water Network".

It is important to note that at this time the Urbenville Water Treatment Plant was included as part of the adoption.

Council continued to charge the \$77.00 to assessments in Tenterfield, Urbenville and Jennings connected to Council's Water Supply Network.

On 25 May 2022 as part of the adoption of Operational Plan 2022/2023 Council resolved through resolution (100/22) that:

"In accordance with Section 502 of the Local Government Act 1993, makes, fixes and levies a Water Infrastructure Charge per assessment connected to the Tenterfield and Urbenville Water Treatment Plants of \$77 to part fund infrastructure associated with Council's Water Network".

Council continued to charge the \$77.00 to assessment in Tenterfield, Urbenville and Jennings connected to Council's Water Supply Network.

Having investigated the specific charge and its application within the water fund it is clear that the wording of each resolution since adoption in May 2019 was not in line with the original intent to what the charge was levied for in year 1. Additionally the impact on assessments/ratepayers who were charged this fee despite not being part of the locality mentioned in resolutions in year 2, 3 and 4 has also been addressed.

From year two onwards after the formal agreement of grant funding by the Federal Government was finalised it was concluded by Council that this charge would be amended to the purpose of contributing to the funding of infrastructure associated with Council's water network.

The water fund is a separate Council fund and requires considerable financial investments to oversee the maintenance, asset renewal, asset upgrade and installation of new infrastructure to serve the Tenterfield Shire Local Government Area, whilst also

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being required to maintain an operating surplus to conduct an efficient and self-funding service to the Shire as a whole. The financial impact of providing the recommended credits will reduce revenue required for the provision of efficient water supply. Council will need to consider at the time of adopting the operational budget for financial year 2023/2024 the impact of this reduction and how to sustainably manage the water fund.

COUNCIL IMPLICATIONS:

1. Community Engagement / Communication (per engagement strategy)

Nil.

2. Policy and Regulation

In accordance with Section 502 of the Local Government Act 1993, Local Government (General) Regulation 2021.

3. Financial (Annual Budget & LTFP)

- Total Credits to be provided if recommendation adopted – approximately \$199,353.00.
- Council water revenue to be reduced by \$199,353.00 as part of Operational Budget 2023-2024.
- Assessment to be undertaken regarding Availability and Consumption Charge for the Operational Budget 2023-2024 and into the future.
- As at 30 June 2022 Water Infrastructure Network had a Gross Replacement cost of \$66.057 Million. It was identified that 20% of Council's water asset infrastructure is in extreme poor condition and requires urgent renewal or upgrading. This equates to approximately \$13.21 Million.
- The long-term financial plan for water fund over the next four years show an average net operating result of \$1.2 Million before grants and contribution for capital purpose which is significantly lower than the cost required to replace water infrastructure which are at high risk of failure.

4. Asset Management (AMS)

Lack of funding for upgrading plant and equipment, delay in project delivery and potential failures may result in impact on residents with service unavailability.

5. Workforce (WMS)

Nil.

6. Legal and Risk Management

Reduced operational revenue may result in a reduction in service level and asset maintenance and renewals, which may potentially lead to increase instances for New South Wales Health to impose boiled water alerts.

7. Performance Measures

A reduction in water revenue may result in an operating deficit for the water fund if no counter measures are introduced as part of adoption of Operational Budget 2023-2024.

8. Project Management

Nil.

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Kylie Smith
Chief Corporate Officer

Prepared by staff member: Roy Jones
Approved/Reviewed by Manager: Kylie Smith, Chief Corporate Officer
Department: Office of the Chief Corporate Officer
Attachments: There are no attachments for this report.

Department:	Office of the Chief Corporate Officer
Submitted by:	Manager Finance & Technology
Reference:	ITEM GOV93/22
Subject:	NOTIFICATION TO IPART OF INTENT TO APPLY FOR A SPECIAL RATE VARIATION.

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK

CSP Goal:	Leadership - LEAD 14 - Resources and advocacy of Council are aligned support the delivery of the community vision outlined in the Community Strategic Plan.
CSP Strategy:	Council is a financially sustainable organisation, delivering value services to the Community.
CSP Delivery Program	Ensure that financial sustainability and the community's capacity to pay inform adopted community service levels.

SUMMARY

This report recommends that Council proceed with commencement to notify IPART (Independent Pricing and Regulatory Tribunal) of Council's intention to apply for a Section 508 A (Permanent) Special Rate Variation (SRV) for the Financial Year commencing 2023/2024 and 2024/2025.

The proposed Special Rate Variation comprises a permanent Special Rate Variation of 43% (including rate peg) in 2023/2024 and 43% (including rate peg) in 2024/2025, representing a cumulative increase of 104.49%.

The Special Rate Variation is to ensure council maintains and renews assets, maintains service levels to a satisfactory level and condition, ensures and improves financial sustainability and is all the more urgent in the current uncertain economic and environmental conditions, with significant investments required in Council's transport network.

OFFICER'S RECOMMENDATION:

That Council:

- (1) Request the Chief Executive Officer notify the Independent Pricing and Regulatory Tribunal of its intent to apply under section 508A of the Local Government Act 1993 for a Special Rate Variation of 43% (including the rate peg) in 2023/2024 and 43% (including the rate peg) in 2024/2025 to be a permanent increase retained within the rate base, for the purpose of maintaining current service levels, maintenance and renewal of assets and enhancing financial sustainability.**
- (2) Receive the report on Notification to IPART of Intent to Apply for a Special Rate Variation**
- (3) Receive the report on community engagement undertaken between April 2022 to September 2022 and its outcomes.**

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- (4) Receive a further report that will include a draft Application to the Independent Pricing and Regulatory Tribunal (IPART) under section 508A of the Local Government Act 1993 for an increase to the ordinary rate income, on the confirmed percentage increase as resolved by Council as part of this meeting.**

BACKGROUND

Council recognises it must address its current financial sustainability and level of service to address community expectation. Over the last several years, and as recently as March 2022 as part of the quarterly budget review process Council resolved:

"(e) That a plan be developed to increase operational income and further reduce operational expenditure as per previous discussions and comments in Council Reports, may include a Special Rates Variation request with a view to returning Council's operating position to surplus." (resolution 103/22).

As at 30 June 2022 Council's Own Source Operating Revenue was 32.79% which is significantly below the Office of Local Government benchmark of greater than 60%. This indicates that Tenterfield Shire Council is highly dependent on external grants and contributions for operational purposes.

The current Council was elected in December 2021 and inducted in mid – January 2022 and initially conducted a community consultation process as part of the Community Strategic Plan in late January 2022, to understand community needs and expectations of Council. Following this, a second round of community consultation was held in April 2022 across the Shire, with attendance at these events higher than at previous consultations due to the inclusion of the Special Rate Variation scenario in the Long Term Financial Plan to address community expectations.

Council resolved through resolution (156/22) on 27 July 2022 to commence community engagement to support an application to IPART for a proposed Special Rate Variation comprising of a permanent increase of 43% (including rate peg) in 2023/24 and 43% (including rate peg) in 2024/25, representing a cumulative increase of 104.49% using the current rating structure to determine yield.

Community consultations and information sessions were held in September 2022 where Council requested community feedback and provided face to face meetings with executive staff to go through concerns and/or comments regarding the Special Rate Variation.

Additionally, several Councillor Workshops have been held between January 2022 and September 2022 discussing community feedback and the impact of Special Rate Variation on Council's financial sustainability and the impact on community.

The SRV proposed is focused on Council being able to fund asset maintenance and renewal.

The SRV timeframe proposed has been driven by the need to achieve an increase in revenue in a short period. This is to ensure that Council has sufficient cash to fund renewal and maintenance of its assets that have been under pressure due to natural

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disaster in recent years, and prolonged reduction in maintenance and renewal due to budget constraints. There are also cash management difficulties associated with grant expenses compared to the timing of the income and Council's lack of reserves. The extra financial burdens include, but are not limited to:

1. The rate peg for the 2023/24 financial year (4.2% for the FY 2023/24) which will not cover Council's exponential increase in operating expenditure due to high inflation primarily driven by economic conditions.
2. Additional audit and internal costs,
3. Rising emergency services levy costs,
4. Cost shifting proposed by State Government to Tenterfield Shire Council by transferring Rural Fire Service assets and associated depreciation to Council,
5. Increasing inflationary pressures, including but not limited to cost of materials, transport and contract cost, and
6. Real declining value of Financial Assistance Grants by the Commonwealth to Council.

REPORT:

The New South Wales Local Government Act 1993 requires Council to sustainably manage its assets, resources, and finances.

Council on 25 May 2022 adopted its ten year long term financial plan as part of the Integrated Planning and Reporting Framework (Resolution 98/22). The plan forecasts a 'Net Operating Result before Grants and Contributions provided for Capital purposes' deficit range between \$3.5M and \$5.7M in the general fund for the next ten years without a special rate variation.

With this in mind, and noting Council's current financial position, Council has little option but to increase its revenue or significantly reduce costs through service reductions to close the financial gap of continuing forecasted operational deficits. The community engagement undertaken through Councils CSP process has shown strong opposition to service reductions and a preference to see no increase or a decreased percentage increase in rates. In combination, these views result in a financially unsustainable Council. Even with additional income proposed, the current inflationary environment may make it difficult to achieve current service levels used to forecast the increase in income for the application.

This significant challenge is forecasted as a result of:

1. Upgraded core infrastructure assets for Council as a result of grant funded works (e.g. replacing timber bridges with concrete bridges, and widening and sealing of Mount Lindesay Road),
2. New and upgraded community assets (e.g. public toilets, playgrounds and community halls),
3. The increased cost of asset replacement,
4. Increasing cost of managing grants applications and acquittals, and
5. Increased costs due to meeting regulated requirements (e.g. audit costs, emergency services levy, and ongoing disaster recovery management).

For Council to address this type of operating result it has four options available to it. These are:

1. Reducing service levels,
2. Sell and/or dispose of assets that will reduce the associated on-going expenses,

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3. Increase income raised through rates, user fees and charges,
4. A combination of the above options.

The Independent Pricing and Regulatory Tribunal of NSW (IPART) is responsible for setting the amount by which Council may increase its general income, which mainly comprises rate income. This increase is known as the rate peg.

Council's income base from rates is fixed. Any increase is limited to an annual 'rate peg' amount set by the State Government. The rate peg for 2022/23 is 0.7% which is much lower than obligated expense increases (e.g. award wage increases). The rate peg for 2023/2024 determined by IPART is 4.2% for Tenterfield Shire Council. In real terms, the cost to deliver services and maintain community assets to current service levels increases above the rate peg amount each year, compounding the impact on Council's financial position over a number of years leading to the need for additional income.

Councils are under constant pressure to deliver the same services for less which is an unsustainable model. This includes mandatory requirements and costs associated with it to function as a Local Government entity. Tenterfield Shire Council has very limited opportunity to materially increase own source revenue and as a result an increase in rates, combined with further operational efficiencies, is the most viable solution for a financially sustainable Council.

How much does Council need:

Based on current service levels, known asset data and Council's current estimated forecast operating result, the gap in the General Fund between what Council should be spending on assets, compared to current budgets is currently approximately \$4.5m per annum.

This deficit has the potential to be reduced by capital grant income that can be used to offset any operational works, but currently grant funds do not generally allow for undertaking operational works.

This value does not include any funds to address the backlog of works (approximately \$15 million, with the largest areas being roads and buildings).

Council applied for and received an SRV in 2013/14. This application made allowances for \$47 million+ of service level reductions and deferrals of renewals. As a result of this, adjusting service levels will adjust the value of increased income required, however based on current known data there is not enough capacity to cover the full amount through efficiency gains alone.

The Proposed Increase:

A Special Rate Variation (SRV) of 43% in FY 2023/2024 and a 43% Special Rate Variation in Financial Year 2024/2025, resulting in a compound (accumulative) impact of 104.49%.

This will result in an additional income of approximately \$2.081M in the financial year 2023/24 and a further \$2.976M in financial year 2024/25 providing an additional income from rates of \$5.057M over two years. This will be in addition to Council's current rate income of approximately \$4.8M per year.

Attachment -1) Proposed rate model outlining Average Rates per assessment. Please note this model is calculated based on unimproved land values with the 2019 base year.

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Council is due to receive the new unimproved land value in November -December 2022 which may alter the average rate calculation per category.

Overall, it is estimated that average residential rates will increase by \$5 per week over what they would under normal rate increase in 2023/2024. There will be a further average rise of \$8 per week in 2024/2025 compared to the normal rate increase.

Farmland rates are estimated to increase by an average of \$12 in the first SRV year, and a further \$18 per week in the second year. Business rates are estimated to increase by an average of \$7 per week in the first SRV year, with the second year expected to see a further average increase of further \$10 per week.

This additional income will be spent on the maintenance of Council assets. Based on the current information at hand the distribution of this additional income will be as follows;

75% of additional income – Roads, Transport, Stormwater and Drainage.

15% of additional income – Buildings Renewal and Maintenance

10% of additional income – Other assets (e.g. swimming pool, parks and open spaces)

With this, Council will ensure:

- Improved financial sustainability by reducing the General Fund operating deficit,
- Provide additional funding to meet asset renewal funding requirements,
- Improve Council current cash position (unrestricted cash),and
- Meet compliance obligations under the Local Government Act 1993 and other forms of legislation.

In addition to the above, Council has already commenced significant efficiency measures and reduction in operational expenses. This is reflected by Council currently undertaking organisational structural changes to align skills and qualifications of employees to better align with service delivery and organisational requirements. This includes redeployment and internal transfers of employees in consultation with employees, which has also reduced services in some areas.

Council has kept the concerns of ratepayers at the forefront of transparent decision making whilst balancing the challenging financial situation council currently faces and will face in the future. In March 2022, IPART allowed Council to conduct an Additional Special Variation for 2022/2023 of 1.8%. However Council on 27 April 2022 resolved not to proceed with the additional special rate variation of 1.8% for 2022/23 financial year (Resolution 81/22) allowed under IPART, considering that the community engagement had commenced through the IPR Process and flagged the need for the SRV for FY2023/2024 onwards.

Feedback from Community Engagement:

Overwhelmingly the people who engaged with Council through Community Engagement Information Sessions or through submissions were against a Special Rate Variation. The feedback related to how Council were in a position to consider a Special Rate Variation and concerns around the community's capacity to pay.

Many agreed that the road and infrastructure network needs greater maintenance and renewal, however, as demonstrated in the Customer Satisfaction Survey the community regards 'soft services' such as Cinema, Museum, Library, Park, Playgrounds and Cemeteries very highly and do not want a reduction in these services.

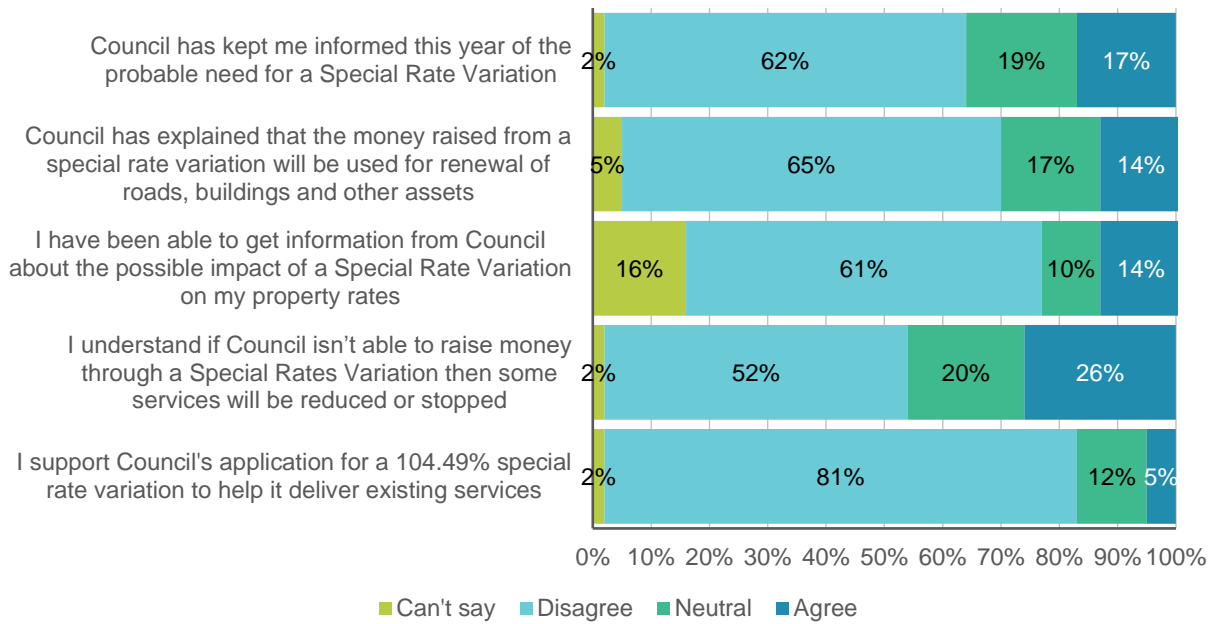
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Attachment 2) Tenterfield Shire Council 2022 Community Engagement Report.

Customer Satisfaction Survey:

As part of Council’s biennial Community Satisfaction Survey 2022 undertaken between 7 August 2022 and 19 August 2022, 300 residents were surveyed on the requirement for a Special Rate Variation. The following results indicated that the majority of those surveyed did not support a Special Rate Variation.

E2. AGREE OR DISAGREE WITH SPECIAL RATES VARIATION STATEMENTS
BASE: ALL RESPONDENTS 2022 (N=300)



The Special Rate Variation was opposed by 81% of residents surveyed, while 5% supported it. 26% of residents surveyed agreed that without the Special Rate Variation, some Council services will need to be reduced or removed.

Tenterfield Shire Council Rate Payers Capacity to Pay

Council engaged an independent firm Morrison Low to undertake a Capacity to Pay assessment to understand the potential impact on the community if the SRV was accepted, to ensure Council can maintain existing service levels into the future. The report provides an analysis and evaluation of relative wealth and financial capacity; and looks at the financial vulnerability and exposure of different community groups within the local government area.

Attachment -3) Tenterfield Shire Council – Capacity to Pay Report prepared by Morrison Low Consultants.

Key Highlights of the report:

- Tenterfield Shire Local Government Area has some of the lowest rates amongst NSW large rural Councils. The average residential rate is in the bottom five of average residential rates for all NSW large rural Council’s.
- Council’s total rates revenue as a percentage of total operating expenditure, for the LGA is only 16%, well below most comparable Councils. This is a strong indication that Council’s rates are below the level required to service the community.

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- Tenterfield Shire Council has a relatively low proportion of outstanding rates at 4.4% (2021) and 4.0% (2022), ranking 5th best amongst all large rural councils compared to Office of Local Government benchmark of 10%. This provides a strong indicator of both capacity and willingness to pay.
- High proportion of fully owned homes (50%) relative to NSW regional averages, and relative low values when it comes to monthly mortgage repayment.
- However, Tenterfield Shire Local Government Area experiences significant levels of disadvantage. This is demonstrated through indicators such as equivalised household income, which measures the economic resources available to a standardised household (77% of the LGA within the lowest two quartiles) and SEIFA (Socio-Economic Indexes for Areas) index, which rank the LGA in the 11th percentiles when measuring socio-economic disadvantages and advantage. This means that 11% of Australia's suburb have a SEIFA index lower than this are (more disadvantaged), while 89% are higher. Individuals in social housing are unlikely to be impacted by a change in rates.

Council acknowledges the disadvantage within the community when bringing rates revenue up to levels required to fund our services similar to other large rural councils. Council proactively monitors its outstanding rates and will continue to proactively review its hardship policy to support the needs of the community.

COUNCIL IMPLICATIONS:

1. Community Engagement / Communication (per engagement strategy)

Initial Community Engagement took place in January 2022, as part of the Community Strategic Plan process.

Community Engagement regarding SRV took place in April 2022 across Shire, with the long term financial plan and Delivery program established.

Council commenced engagement on a Special Rate Variation (SRV) of 43% in FY 2023/2024 and a 43% Special Rate Variation in Financial Year 2024/2025, resulting in a compound (accumulative) impact of 104.49%, in September 2022.

In this period Council conducted Special Rate Variation specific community engagement sessions, in the format of drop in sessions in September 2022 and community sessions.

A copy of Councils 2022 Community Engagement Report is attached – Attachment 2

2. Policy and Regulation

- Local Government Act 1993
- Local Government (General) Regulation 2005
- NSW Local Government State Award
- An SRV requires compliance with S508(a) of the Local Government Act 1993 and associated guidelines and regulations.
- Independent Pricing and Regulatory Tribunal (IPART) processes

3. Financial (Annual Budget & LTFP)

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Nil at the time of the writing of the report, however significant work and staff time is required to consult and develop the proposed application. These costs will be absorbed in current operational budgets through deferral of non-urgent tasks.

Council delayed a consideration for an SRV in FY 2022/2023, which resulted in borrowings in the current operational plan. Council continues to borrow funds from external sources to fund a number of its current Capital Projects as per Council Borrowing Policy, however this is not a viable solution in the long run and will impact Council financial sustainability and Office of Local Government benchmark against the debt service coverage ratio.

4. Asset Management (AMS)

Nil at the time of the writing of the report, however significant work would be required subject to the outcome of the proposed application as it is all focused on meeting the Asset Maintenance and Renewal outlined in the Asset Management Strategy.

5. Workforce (WMS)

Nil at the time of the writing of the report, however significant work would be required subject to the outcome of the proposed application.

6. Legal and Risk Management

Council's operations and rating structure are quite complicated and detailed. There is a risk that SRV information is not well understood by the community.

Should Council not achieve the level of income required to service its asset base, the risk is that assets will deteriorate much quicker and not provide the level of community service required. Without appropriate intervention Council will see an increase in the asset maintenance and renewal gap required for future works.

7. Performance Measures

Nil.

8. Project Management

Nil.

Kylie Smith

Chief Corporate Officer

Prepared by staff member:	Roy Jones	
Approved/Reviewed by Manager:	Kylie Smith, Chief Corporate Officer	
Department:	Office of the Chief Corporate Officer	
Attachments:	<ol style="list-style-type: none"> 1 Council Rate Structure and Rate Model 4 Pages 2 Community Engagement Report Part A - January 2022 5 Pages 3 Community Engagement Report Part B - April - May 2022 114 Pages 4 Community Engagement Report Part C - August - September 2022 129 Pages 	

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5	Capacity to Pay Report - Morrison Low Consultants	28 Pages
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