

10.5.2. LATE REPORT - FIN - 26/06/2023 - Delivery Program 2022-2026 and Operational Plan 2023-2024

Prepared by Deborah McGrath - Corporate Planning and Communications Officer
Ross Gurney - CFIO

Department Corporate Planning and Communications

Authorised by Chief Financial & Information Officer

Summary

The Draft 2023/24 Operational Plan document suite was placed on exhibition for public comment from 25 April to 23 May. The Draft Operational Plan consists of the following documents:

- Combined 2022/23 - 2025/26 Delivery Program and Draft 2023/24 Operational Plan (including the draft 2023/24 operational budget and Capital Works Program);
- Draft Schedule of Fees and Charges 2023-2024; and
- Draft Statement of Revenue Policy 2023-2024.

This report provides a summary of the results of the community engagement program and submissions received for the Draft 2023/24 Operational Plan.

Extensive commentary is provided about the Council's proposal to increase rates above the rate peg. The significant measures that Council has taken to reduce the impact of the increase are detailed. These measures mean that the increase for the residential, farmland and business general categories (which capture more than 99% of rateable properties) will increase by 27.7%. The long term improved financial sustainability that Council will derive is also canvassed. So too are the outcomes that will be delivered.

The final documents are presented to Council for adoption.

Commentary

IPART (Independent Pricing and Regulatory Tribunal) SRV Determination

The significant aspect of the Operational plan and budget for the year ahead (and going forward in the case of the budget) is the proposal for an increase to the revenue that Council derives from land rates. This proposal is known as a Special Rate Variation (SRV) because it seeks an increase above the level which is regulated by the NSW Government (the rate peg).

An SRV is subject to particularly close examination by the Independent Pricing and Regulatory Tribunal, who assess such applications against the six criteria that have been set by the NSW Government. The criteria are –

- Financial need
- Community awareness
- Reasonable impact on ratepayers
- Integrated planning and reporting documentation
- Productivity improvement and cost containment, and,
- Other matters

On 15 June 2023, IPART announced that it had decided to approve the proposed Special Rate Variation (SRV) in full. IPART determined that the Council's application met all of the criteria.

The approved overall increase to land rates for the 2023/24 year is 45.78% (including the 3.7% rate peg). During the extensive exhibition and community consultation processes for the SRV, the Council is constrained in how it explains the SRV to the community. Significant emphasis must be placed on the total increase in revenue that is being requested (45.78%). But most responsibly, the Council committed to limiting the increase that will be carried by the general community. Council did this by limiting the residential, farming and business (general) rating categories to a 27.7% increase (including the 3.7% rate peg), with the balance of the increase to be levied against the business power generation sub-category, mining category and a new quarrying business sub-category or sub-categories.

From the above, it is very important to highlight that the effect of Council's regard for the impact of a rate increase and the policy approach it has taken, is that more than 99% of rateable properties (residential, farmland and business general) will be in those categories where the average increase is 27.7%. It is noted that many of the other councils approved this year have actual increases of more >50% and in some cases much higher.

In its determination, IPART stated that it agreed with Council's forecasts. Without the SRV, Council was facing a deteriorating financial position and requires a more sustainable financial base to enable it to renew infrastructure and continue delivering the services the community needs.

IPART determined that the impact of the increase is reasonable. IPART and Council acknowledge that there are some ratepayers that are more vulnerable to increases in rates under the SRV. IPART was satisfied that Lithgow City Council is aware of the impacts on its community, considered other funding sources available to it, and undertook actions to reduce the impact of the proposed SRV on vulnerable ratepayers where possible in preparing its application. Council will increase the level of subsidy provided for pensioners.

Council's average rates with the SRV will be similar to those of neighbouring and comparable Councils. Council recognises the impact of the SRV increase on the community at a time of cost of living pressures. Council will carefully monitor any hardship sustained by any ratepayer and work with them to achieve a satisfactory outcome.

A summary of 2023/24 permissible general income is shown in the table below:

Table 5.3 Permissible general income in 2023-24

	Increase approved (%)	Cumulative increase approved (%)	Increase in PGI above rate peg(\$'000)	Total increase in PGI (\$'000)	PGI ^d (\$'000)
2023-24	45.78	45.78	6,240.1	6,811.9	21,669.3
Total above rate peg	45.78		6,240.1		

Source: Lithgow City Council Application Part A, Worksheets 1 and 4 and IPART calculation

The SRV was approved subject to the following conditions:

- 1) The Council use the Additional Income for the purpose of funding the Proposed Program.
- 2) The Council report in its annual report for each Year from Year 2023-24 to Year 2027-28 (inclusive):
 - i. the program of expenditure that was actually funded by the Additional Income, and any differences between this program and the Proposed Program;
 - ii. any significant differences between the Council's actual revenues, expenses and operating balance and the projected revenues, expenses and operating balance as outlined in its Long-Term Financial Plan, and the reasons for those differences;
 - iii. the outcomes achieved as a result of the Additional Income;

- iv. the productivity savings and cost containment measures the Council has in place, the annual savings achieved through these measures, and what these savings equate to as a proportion of the Council's total annual expenditure; and
- v. whether or not the Council has implemented the productivity improvements identified in its application, and if not, the rationale for not implementing them.

A copy of IPART's Special Variation Determination Report is included as an attachment.

Endorsement of the Approved SRV – Financial Sustainability / Capacity to Pay – a comment from the General Manager

In her foreword to Council's SRV determination, IPART Chair Carmel Donnelly stated "We note that, within the total rates revenue approved by IPART, it remains the responsibility of councillors to set rates in a way that takes into account the circumstances of their constituents. Councillors also have the authority to provide hardship programs that lessen the impact on people who cannot afford increased rates."

The Rating Review Technical Paper stated that *as most of the more significant impact falls in business categories (including mining) for which staggered implementation would not be purposeful, we recommend introducing the full increase to the Notional General Income in the 2023/2024 financial year.*

Morrison Low's assessment of capacity to pay found that Lithgow Council's residential rates, when compared with similar regional city councils (OLG group 4 classification), are currently the lowest, on average. The review also found that residential rates are estimated to be an average of **\$4.01 per week** higher than they would be under normal rate increases (rate peg). This would mean that average residential rates will still rank towards the lowest amongst similar regional city Councils.

Further, compared to similar Councils, Lithgow has low levels of rates income as a percentage of operating expenses, indicating capacity of ratepayers to absorb rises. Council also has low levels of outstanding rates (in 2021, despite the impact of COVID-19, only climbing as high as 7%, and in 2022 it was 5%), and has been consistently below regional benchmarks (10%), indicating strong capacity and willingness to pay.

To reduce the impact of the SRV on vulnerable ratepayers, Council will increase the pensioner rebate from \$250 to \$300 to offset most of the impact of the increase for pensioners. Ratepayers can utilise Council's Hardship Policy if they require assistance with meeting their payment obligations.

Any delay to introducing the full approved 45.78% overall increase will impact Council's Financial Sustainability Plan with the structural deficit growing by an estimated \$6M per annum without the SRV or equivalent service reductions. Council would also miss the compounding improvement in its financial position and the ability to clear asset maintenance and renewal backlogs without the full \$6.2M SRV. There would be an immediate imperative to cut services, and in a higher inflation environment the Council will likely be unable to close the gap between the deterioration of assets and the level of funding needed to arrest this. As a result, service cuts would need to be increased every year. Even then, unacceptable levels of debt would flow to future generations necessitating higher increases to rates above those now being advanced.

For all of the above reasons, as well the bases outlined in the preceding section of this report, I firmly recommend that Council take up the full SRV approved amount commencing in the 23/24 year.

Financial Sustainability Plan

Before considering applying for an SRV, Council's administration developed a Financial Sustainability Plan to identify the key actions Council will undertake to achieve its objective of delivering sustainable best value to the community. The broad suite of actions in the plan ensures that a cross-organisational commitment is made, and sustained, for continuous responsible financial management and improvement.

The SRV was also informed by a Technical Paper. This identified an initial target that \$1.3M in productivities and improvements be implemented with an SRV. The planned productivity improvements have been modelled in full, in the Long Term Financial Plan.

The 2023/24 budget actually includes **\$3.7M** of savings and additional income strategies, to be implemented as part of the Financial Sustainability Plan.

Ongoing Rating Review Actions – Harmonisation of Rating Categories

There are other ongoing actions planned in the year ahead to ensure that rating policy is always contemporary and that there are not disparities between categories and locations. The Rating Review report recommended that further harmonisation of Council rating sub-categories be considered. The administration will develop a range of multi-year rates harmonisation options during the 2023/24 year for presentation to Council. The review recommendations include:

- Each of the **urban residential** sub-categories of general rating should be harmonised – preferably by introducing a single new sub-category.
- The **urban business** sub-categories should be harmonised into a new 'Business – Urban' sub-category.
- The ad valorem amount for the '**Residential – Other**' sub-category should be harmonised with the new '**Residential – Urban**' sub-category.
- A Farmland Category Application form should be introduced to improve Council's categorisation assessment process (to be implemented in 2023/24).

Proposed SRV Funded Program

Due to the limited time to finalise a program for adoption as part of the 2023/24 Operational Plan, some specific SRV funded projects require further development to ensure that best value is achieved. Further details of specific projects will be included in quarterly budget review reports to Council.

The table below provides details of the proposed 2023/24 SRV Program. A simple description of the outcomes is provided at the base of the table. The total for the SRV Program is \$6,251,863.

Special Rate Variation Program 2023/24						
s508 (2) of the Local Government Act 1993						
General Asset Transport Maintenance				Measurement	Reporting	
Enhanced management	evidence-based	asset	\$162,954	Maintenance works completed.	Report on progress & works completed in the Six-Monthly Progress Report and Annual Report	
Transport management	maintenance	project	\$150,000			
Sealed Road Maintenance	Condition 2	Preventative	\$121,500			
Sealed Road Maintenance	Condition 3	Preventative	\$607,500			

Sealed Road Condition 4 Preventative Maintenance	\$486,000		
High risk road safety signage & barrier improvements	\$136,862		
Total General Asset Transport Maintenance Program	\$1,664,816		
Roads Renewal		Renewal completed.	works
Sunny Corner Road Portland- from Sofala to Falnash Street- 470m	\$196,000		
Corderoy Place, Wallerawang – Full length – 75m	\$105,000		
Brays Lane, Wallerawang – Blackberry Lane to No. 175 – 1200m	\$181,745		
Main Street, Wallerawang – blackberry Lane to Railway Line – 1120m	\$890,000		
Total Transport Renewal Program	\$1,372,745		
General Asset Stormwater Maintenance (Diverting water from roadways)		Maintenance works completed	
Urban kerb and gutter replacement (double the 2022/23 program)	\$150,000		
Rural roadside drain reformation	\$129,390		
Total General Asset Stormwater Maintenance	\$279,390		
Stormwater Drainage Renewal		Renewal completed.	works
Actions priorities of the Flood Plain Risk Management Plan	\$179,623		
General Other Asset Classes Maintenance		Maintenance works completed	Report on progress & works completed in the Six-Monthly Progress Report and Annual Report
Natural Area Management	\$117,392		
Natural Area Management Projects	\$93,410		
Fast track by 12 months of Asset Management Plans - Stormwater and Buildings	\$90,000		
Comprehensive building asset inspection (Condition and attributes)	\$95,000		
Total General Other Asset Classes Maintenance	\$395,802		
Other Asset Classes Renewal		Renewal completed	works
Playground Renewal and Safety	\$200,000		
Accelerate reduction of Plant replacement backlog (down from 10 years to 6 years)	\$317,487		
Total Other Asset Classes Renewal	\$517,487		

Governance & Strategy Capacity			Programs Implemented	Report on progress & works completed in the Six-Monthly Progress Report and Annual Report
Governance, risk and internal audit capacity improvement	\$250,000			
Capacity Building				
Business improvement - including service planning and other "budget bid" initiatives focused on improving productivity.	\$250,000			
Transitions Management			Programs Implemented	Report on progress & works completed in the Six-Monthly Progress Report and Annual Report
Economic Development Management	\$276,872			
LEEP Priority Action Fund (Incl. Adaptive Skills Hub)	\$915,128			
Total Transitions Management Program	\$1,092,000			
Contingency – Transfer to Reserve			Transfer - completed	
Surplus operating result (before capital), funds to be held in a reserve for future shocks	\$250,000			

Outcomes from the above include -

- The SRV Transport maintenance program of \$1.665M will nearly double the cash budget for roads maintenance.
- The SRV Roads Renewal Program of \$1.373M will more than double the own source revenue allocation to roads renewal.
- The current kerb and gutter program will be doubled.
- A new program of proactively reforming the drains of rural roads will commence, preventing deterioration and increased later costs for repair.
- Works will be undertaken (\$180K) in the Lithgow flood plain to reduce risks to residents and properties – as guided by the floodplain risk management plan's actions.
- A new program of natural area management will be introduced – dealing with watercourses, roadside vegetation management, weeds control,
- Some asset management plans will be delivered earlier ensuring funds are better matched to the assets of greatest need.
- The playgrounds renewals and safety program will be increased by 75%.
- The plant replacement backlog will be overcome 4 years earlier, with workers having the correct, quality equipment they need for the job.
- There will be improvements to risk management, governance and audit – all of which assist ongoing financial sustainability.
- A \$250,000 revolving fund will be established to support productivity projects which achieve ongoing savings.
- There will be close to \$1.1m directed to the critical task of diversifying the local economy and attracting investment to the city.

Operational Plan - Updated Budget Consolidated Operating Result

The updated 2023/24 budget consolidated operating result (before capital) is **\$13.583M**.

Included in the budget consolidated income is **\$11.337M** of natural disaster income. Excluding this income, the 2023/24 budget consolidated operating result (before capital) is **\$2.246M**.

The Office of Local Government (OLG) considers a Council's operating result (before capital) to be a key indicator of financial sustainability. The OLG pays particular attention to the **General Fund** operating result (before capital) (i.e. excluding the water and sewer business units).

Included in the budget General Fund income is **\$11.337M** of natural disaster income. Excluding this income, the 2023/24 budget General Fund operating result (before capital) is **\$371K**. The budget operating result exceeds the OLG benchmark for both the General Fund and consolidated funds.

Natural disaster income is taken as operating income in Council's financial statements, although all of the 2023/24 expenditure is capital in nature. In other words, the manner in which these disaster income and expenses budgets must be presented in the financial statements is masking Council's true financial results.

The updated budget consolidated operating result is shown in the table below:

Lithgow City Council - Profit & Loss			
Description	2023/24 Budget @ April 2023	2023/24 Budget Final	Variance
Rates and annual charges	32,018	39,153	7,135
User charges and fees	7,921	8,911	990
Interest and investment revenue	1,662	1,662	0
Other revenues	1,389	1,388	(1)
Grants and contributions provided for operating purposes	12,283	20,690	8,407
Grants and contributions provided for capital purposes	17,766	20,623	2,857
Disposal of Assets	21	22	1
Revenue Total	73,060	92,449	19,389
Employee Benefits & On-costs	20,746	21,589	843
Borrowing Costs	552	552	0
Materials & Contracts	10,416	14,469	4,053
Depreciation & Amortisation	14,985	14,985	0
Other Expenses	7,622	6,648	(974)
Expenses Total	54,321	58,243	3,922
Operating Result	18,739	34,206	15,467
Operating Result before Capital	973	13,583	12,610

Details are provided below of key changes to revenue and expenditure categories since the 24 April 2023 meeting.

Revenue

- **SRV income:** \$6.2M of SRV rates income has been added.
- **Rates income:** \$139K increase due to supplementary valuations and rating team diligence in identifying discrepancies.
- **Annual fees and charges:** \$230K increase due to additional properties identified by the rating team.

- **FOGO service income:** \$1M additional fees & charges income due to \$50 per tonne waste levy, \$87K increase in Domestic Waste Charge income from \$10 extra per service.
- **Operating Grants:** \$8.4M increase in operating grants, mainly due to the rephasing of natural disaster projects.
- **Capital Grants:** \$2.8M increase in capital grants, mainly due to the rephasing of 2022/23 capital projects.

Expenditure

- **Employment costs:** allowance for a 4.5% award increase (original draft budget included 3%) - \$270K organisation-wide.
- **Emergency Service Levy:** \$270K increase due to the cessation of the NSW Government subsidy plus 9% increase in the levy.
- **SRV Expenditure:** \$3.5M additional expenditure for the SRV operational program (mainly materials and contract with some employment costs).
- **FOGO service expenditure:** \$591K.
- **Finance Officer – Rates & Revenue:** \$93K for new position, more than funded from additional rates and annual charges income.

Consolidated Operating Result

- The budget consolidated operating result has improved from **\$973K surplus** to **\$12.61M surplus** with the inclusion of natural disaster income. Excluding this income, the 2023/24 budget consolidated operating result (before capital) has improved to **\$2.246M**.

Proposed Amendments to the Draft 2023/24 Operational Plan – Capital Works Program

There have been a large number of changes to the draft 2023/24 Capital Works Program during the Operational Plan exhibition period.

\$10.9M of natural disaster projects have been added to the program, including the Rural Roads Rehabilitation Program (approved by Council at the 27 February 2023 meeting – Min. No. 23-30) and the Wolgan Gap Realignment Study.

The natural disaster works are being project managed with NSW Public Works. Staff will need to work closely with NSW Public Works to ensure that invoices are timed with claims approvals to maintain effective cashflow management.

In total, there have been \$3.5M of projects which have been fully or partly rephased between the 2022/23 and 2023/24 Capital Works Program. \$1.7M of projects have been deferred for 12 months due to the size and capacity to deliver the draft program.

Finally, \$2.07M of SRV funded projects has been added to the draft 2023/24 Capital Works Program.

The budget for the Capital Works Program has grown from **\$40.5M** to **\$52.5M**. This represents a exceedingly large capital works program for the year ahead – more commentary is provided about this later in this report.

The changes to the draft 2023/24 Capital Works Program are summarised in the table below:

Draft 2023/24 Capital Works Program Total - April	\$ 40,511,623	
Natural Disaster Works	\$ 10,906,884	Rephased from 2022/23

Addition of SRV Capital Program	\$ 2,069,855	New
South Bowenfels Link Road	\$ 481,075	New
Main Street CBD Footpath Revitalisation - Stage 2	\$ 478,230	Partly rephased from 2022/23
Coco Creek Bridge - Glen Davis Road, Glen Davis	\$ 434,246	Rephased from 2022/23
Sweeper Truck	\$ 426,339	Rephased from 2022/23
Rural Roads Rehabilitation Program - ARGN	\$ 355,180	Rephased from 2022/23
Airlie Creek Bridge - Glen Davis Road, Capertee	\$ 350,000	Rephased from 2022/23
Rydal Toilet Block	\$ 300,000	Rephased from 2022/23
Hartley Valley Road Path	\$ 250,000	Rephased from 2022/23
Maple Crescent Path	\$ 200,000	Rephased from 2022/23
High Street Portland Path	\$ 165,000	Rephased from 2022/23
Blast Furnace lighting and performance stage	\$ 156,774	Rephased from 2022/23
Asset Management & Asset Management Plans - General Other	\$ 110,000	Rephased from 2022/23
Barton Avenue Path	\$ 110,000	Rephased from 2022/23
Lake Pillans Upgrades	\$ 98,780	Rephased from 2022/23
Cullen Bullen Path	\$ 90,000	Rephased from 2022/23
Kremer Park Portland - Retaining wall renewal	\$ 71,390	Increase in amount rephased from 2022/23
Lithgow Store Construction	\$ 67,274	Restore Previous Amount to include inventory module
Cook Street Plaza Shade Structure	\$ 49,074	Rephased from 2022/23
Union Theatre Kitchen Upgrade	\$ 39,600	New
Pindari Place Path	\$ 39,000	Rephased from 2022/23
Tony Luchetti Showground Drainage Upgrades 22/23	\$ 30,280	Rephased from 2022/23
Red Hill Road Bridge Fixing Country Bridges - Round 2	\$ 5,025	Increase in amount rephased from 2022/23

Capital works related to Lithgow City Council Waste Strategy	-\$ 900,000	Projects partly deferred
Active Transport Plan - Walking and Cycling Projects	-\$ 854,000	Double up of 6 projects combined
Main Street / Cupro Street Stormwater Drainage improvement - R4R R9	-\$ 720,459	Reduce Project 100840
Glen Davis Detour & Construction - AGRN1012	-\$ 500,000	Project not feasible to proceed
Main St Footpaths - Resources for Regions	-\$ 450,000	Reduce Main St Project 30%
Ridge Street, Portland	-\$ 389,741	Returned to 2022/23 Program
Main Street CBD Footpath Revitalisation - Stage 2	-\$ 318,716	Reduce Main St Project 30%
Regravel of Jerrys Meadow Road	-\$ 291,867	Deferred to 2024/25
Portland Toilet Block Portland Central	-\$ 253,000	Deferred to 2024/25
Gravel resheeting of Anarel Road, Sodwalls	-\$ 238,721	Deferred to 2024/25
Asset Management & Asset Management Plans - General Other	-\$ 110,000	Moved to Operational Projects
Charles Street Bridge Fixing Country Bridges - Round 3	-\$ 94,973	Decrease in amount rephased from 2022/23
Lithgow Store Construction	-\$ 67,274	Decrease in amount rephased from 2022/23
Fixing Country Bridges - Round 2	-\$ 64,128	2022/23 expenditure
Cook Street Plaza Shade Structure	-\$ 49,074	Project deferred
R4R8 - Kremer Park - Grandstand Improvements	-\$ 16,800	Decrease in amount rephased from 2022/23
Draft 2023/24 Capital Works Program Total - June	\$ 52,476,875	

Size of Capital Works Program and Capacity to Deliver

At \$52.5M, the draft 2023/24 Capital Works Program is an ambitious program to deliver, compared with the scale and value of capital works projects completed in recent years.

The table below shows the value of Capital Works budgets spent in the past three years.

Year	2019/20	2020/21	2021/22	2022/23 YTD
Amount Spent	\$12.873M	\$11.794M	\$10.193M	\$31.659M

The key reasons for the size of the draft 2023/24 Capital Works Program are:

- The draft program includes over \$13M of natural disaster recovery works. Much of these budgets will be cashflow managed with NSW Public Works.
- Excluding the natural disaster works, the program includes \$18.5M of other grant funded projects which need to progress in 2023/24.

- \$2.07M of SRV funded projects has been added to the draft 2023/24 Capital Works Program.

The 2023/24 Capital Works Program will be thoroughly reviewed at each quarterly budget review. Projects may need to be rephased to a future year if the 2023/24 budget is not likely to be spent in the financial year. Cashflow will need to be carefully managed to fund the program.

Community Engagement

Council, at the Ordinary Meeting of 24 April 2023, resolved to place the Draft 2023/24 Operational Plan and associated documents on public exhibition for a period of 28 days from 25 April to 24 May 2023.

The Framework consists of the following documents:

- Our Place, Our Future Combined 2022-2026 Delivery Program & 2023/24 Operational Plan;
- Our Place, Our Future 2023/24 Statement of Revenue Policy; and
- Our Place, Our Future 2023/24 Schedule of Fees & Charges.

Copies of the plan were made available at the following locations:

- Councils' Our Place Our Future website: www.ourplaceourfuture.lithgow.com/ipr/ with a direct link from the council website www.council.lithgow.com ;
- Council Administration Centre;
- Lithgow Library Learning Centre;
- Wallerawang Library; and
- Portland Library.

Council developed a comprehensive community engagement strategy which was designed to enable community members to make informed submissions to the Draft 2023/24 Operational Plan and associated documents.

- Four Media Releases were distributed to local and regional media.
 - Have your say on the 2023/24 Draft Operational Plan
 - \$42m Multi-year Transport Infrastructure Program
 - \$2.7m Water Infrastructure Program
 - \$7.8m Sewer Infrastructure Program
- Council Column in the Village Voice and Lithgow Mercury published weekending 12 and 26 May.
- Community Update (full page advert) in the Village Voice & Lithgow Mercury week ending 12 May.
- Promotion of media releases via:
 - Council Connections – weekly subscriber eNewsletter – 1,130 subscribers.
 - Lithgow Business & Tourism Matters – Monthly eNewsletter – 1, 422 subscribers (141 opens)
 - School Newsletter - 51 subscribers (141 opens)

Posts to Council's Facebook Page					
Post	Post Reach	Post Engagement	Reactions	Shares	Link Clicks
Council is inviting submissions to the Draft Operational Plan – 28 April – Pinned to top of page	1,837	101	2	2	15

Have you taken the opportunity to view the Draft 2023/24 Operational Plan – 17 May	534	1		1	
Don't miss your chance to have your say on the 2023/24 Draft Operational Plan – 22 May	323	5			1
\$2.7m Water Infrastructure Program	350	4		1	2
\$7.8m Sewer Infrastructure Program	384	4			3
\$42m Multi-Year Transport Program	302	8		1	5
Have your say in the 2023/24 Draft Operational Plan – 2 May	1,036	78	3	9	4

- **Reach** - The number of people who saw your post at least once. Reach is different from impressions, which may include multiple views of your post by the same people. This metric is estimated.
- **Facebook Post reactions** - The number of reactions on your post. The reactions button on a post allows people to share different reactions to its content: Like, Love, Haha, Wow, Sad or Angry.
- **Facebook post shares** - The number of shares of your post.
- **Link clicks** - The number of clicks on links within the ad that led to destinations or experiences, on or off Facebook. For ads promoting Instagram profile views, link clicks include clicks on the ad header or comments that led to the advertiser's profile.
- **Link clicks were to** www.ourplaceourfuture.lithgow.com

The Integrated Planning Framework document suite was included on Council's [Our Place Our Future website](#). Visitors to the site were able to view the documents of interest to them and make a submission relevant to the document this included the Major Projects and Programs excerpt from the Draft 2023/24 Operational Plan which was downloaded 64 times and the Agenda Item from the Ordinary Meeting of Council which was downloaded 44 times. During the exhibition period there the Draft Operational Plan Webpage received at total of 179 page views.

Summary of community submissions

The following table provides a summary of the submission received which is relevant to the Integrated Planning Framework and requires the consideration of Council. No other submissions were received.

Operational Plan (2022/23)	Action(s)	NE2 – To work together to enhance, manage and maintain the Lithgow region's distinct and exceptional natural environment for the enjoyment of current and future generations.
Summary of Community Submission		I am unable to find any expenditure on weed control along rural roads. Council has a legal requirement to undertake weed control and a Biosecurity duty to do so. This Inaction. Is affecting farmers and is costing significant money. Council does not see farms as businesses that generate income. All the focus goes into creating business opportunities for businesses in Lithgow, whilst neglecting rural ratepayers

Officers Response	<p>The 2023/24 Operational Plan be updated to include:</p> <p>NE2.4.1- We will implement weed management strategies across our local government area.</p> <p>Deliverable</p> <ul style="list-style-type: none"> • Council work in partnership with Upper Macquarie County Council (UMCC) to: <ul style="list-style-type: none"> ○ Undertake a Gap Analysis to understand the scale of the problem across the Lithgow LGA. ○ Communicate relevant changes to the roadside spraying program with the broader Lithgow community. • A prioritised program be developed to address the backlog of Roadside Weed Management across the Lithgow LGA. • A three-year rotation program across the LGA be developed and identified in the Delivery Program. • Standard Working Procedure/s be developed/reviewed in accordance with Biosecurity obligations to ensure Machinery Hygiene, slashing and spraying protocols. (pp114-115) <p>NE2.4.1 – Weed Management Program – Membership – Upper Macquarie County Council - \$224,651 (p149)</p>
--------------------------	---

Integrated Planning and Reporting Framework Documents

- Draft Combined Delivery Program 2022-2026 and Operational Plan 2023-2024
- Draft Schedule of Fees and Charges 2023-2024
- Draft Statement of Revenue Policy 2023-2024

Due to the short timeframe following the SRV approval, the Operational Plan 2023-2024 will have SRV Program projects and changes to the Capital Works Plan updated prior to the Operational Plan being uploaded to the website.

The making of Rates and Annual charges for the 2023/24 rating year and the adoption of the following IP&R documents is the subject of a separate report:

- a) Schedule of Fees & Charges 2023-2024,
- b) Statement of Revenue Policy 2023-2024, and
- c) Rating Maps 2023-2024.

Policy Implications

N/A

Financial Implications

As detailed in this report.

Legal and Risk Management Implications

N/A

Attachments

1. Delivery Program 2022 2026 Operational Plan 202324 v 1 [**10.5.2.1** - 148 pages]
2. L G- Determination- Lithgow- City- Council- Special-variation-application-2023-24 [**10.5.2.2** - 55 pages]

Recommendation

THAT Council:

1. Note that, in response to a community submission, the 2023/24 Operational Plan will be updated to include **NE2.4.1- We will implement weed management strategies across our local government area.**
 - a. Council work in partnership with Upper Macquarie County Council (UMCC) to:
 - i. Undertake a Gap Analysis to understand the scale of the problem across the Lithgow LGA.
 - ii. Communicate relevant changes to the roadside spraying program with the broader Lithgow community.
 - b. A prioritised program be developed to address the backlog of Roadside Weed Management across the Lithgow LGA.
 - c. A three-year rotation program across the LGA be developed and identified in the Delivery Program.
 - d. Standard Working Procedure/s be developed/reviewed in accordance with Biosecurity obligations to ensure Machinery Hygiene, slashing and spraying protocols. (pp114-115)
 - e. **NE2.4.1 – Weed Management Program** – Membership – Upper Macquarie County Council - \$224,651 (p149).
2. Adopt the 2023/24 Draft Operational Plan, including the full Special Rate Variation approved by IPART, consisting of the following documents:
 - Combined 2022/23 - 2025/26 Delivery Program and Draft 2023/24 Operational Plan; and;
 - The draft 2023/24 operational budget and Capital Works Program with the SRV Program included.
3. Note that the Operational Plan 2023-2024 will have the SRV Program projects and changes to the Capital Works Plan updated prior to the Operational Plan being uploaded to the website.
4. Approve the changes to the 2023/24 operating budget and capital works program.
5. Respond to the submission received, providing a copy of the Council report.
6. Note that the 2023/24 budget includes \$3.7M of savings and additional income strategies, to be implemented as part of the 5 Pillars for Financial Sustainability. Also, that there will be ongoing consideration of rates harmonisation opportunities.