



# DRAFT 22/23 Operational Plan and Budget Update





# Purpose

1. Brief the Council on the process & timeframes associated with the draft 2022/23 Operational Plan & Budget
2. Highlight impacting factors on the budget (incl. 2% rate peg)
3. Seek feedback from the Council ahead of seeking endorsement for exhibition





# Overview

1. Context
2. 22/23 Draft Operating Budget.
3. 4 Year Capital Works Program
4. 22/23 Draft Fees and Charges
5. 22/23 Draft Operational Plan
6. Next Steps



# Context



## Reset: *Back to Basics*

1. Refocusing
2. Reinvigorating
3. Rebuilding



## Focus on

- Stabilising the organisation & phase 2 of the structure
- Anticipated in place June/ July
- Will then be looking at value for services in 2022/23



## Fees + Charges

Framed to ensure we:

1. are positioned for the future we have allowed for 4.4% CPI
2. Cover our costs & to ensure that future generation are not burdened – intergenerational equity

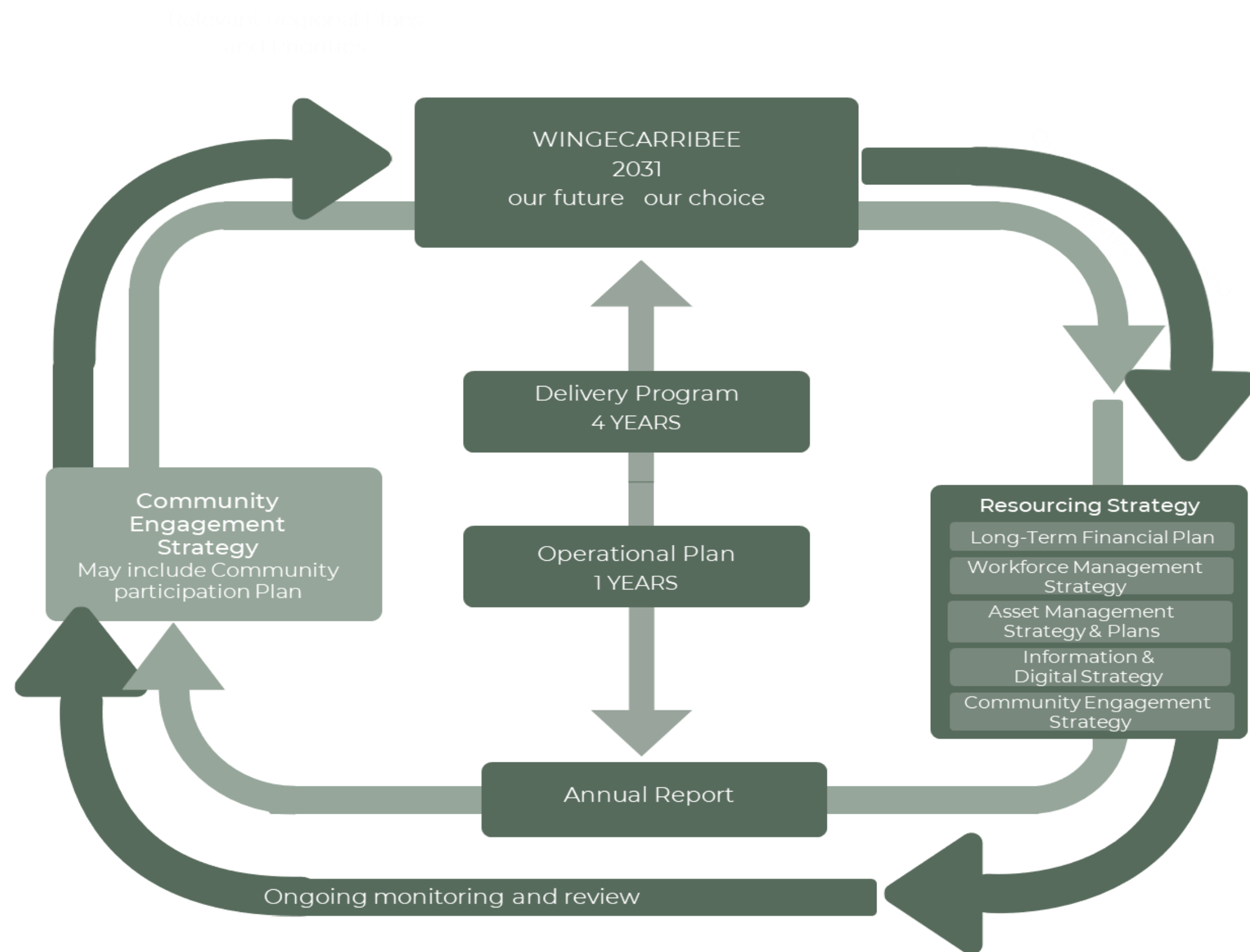




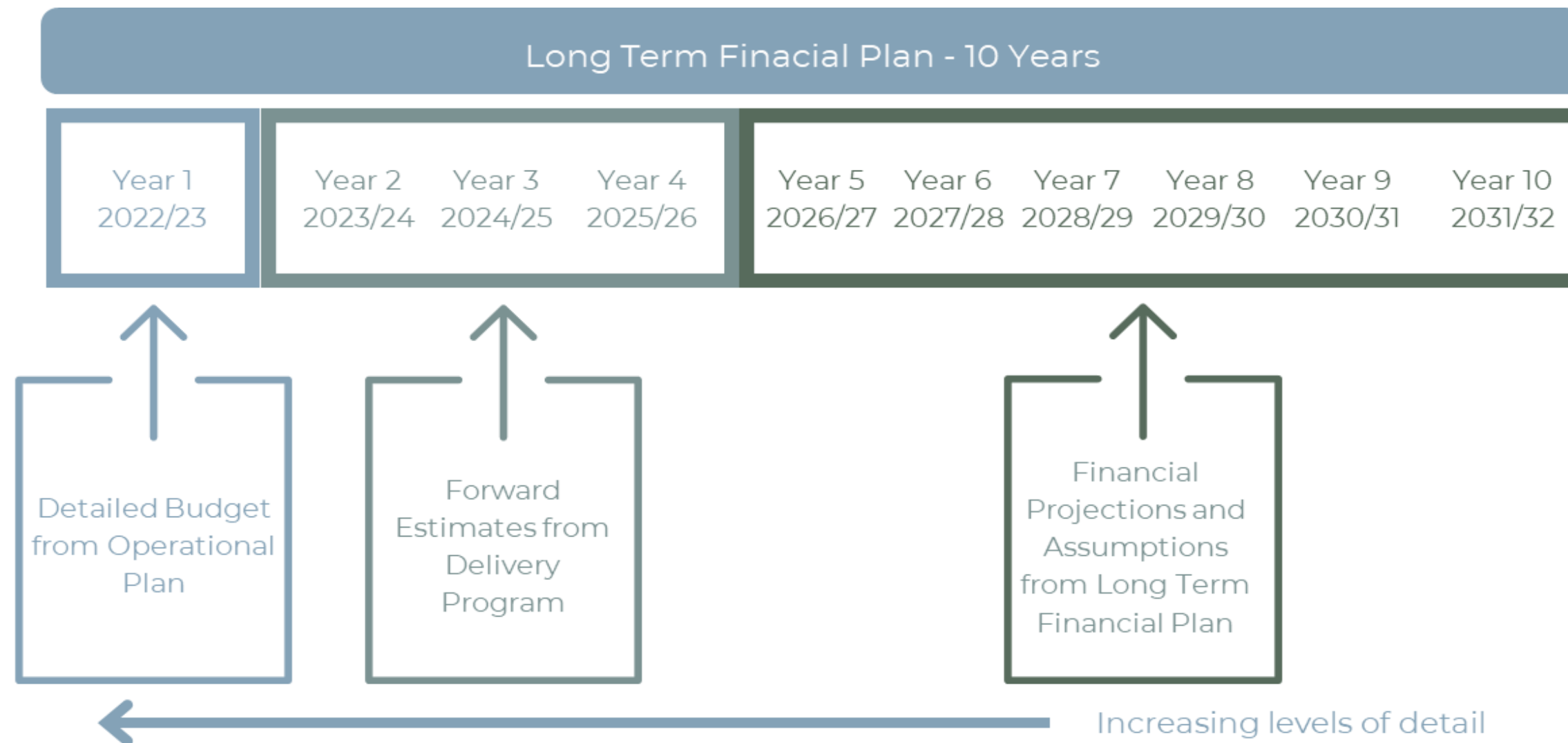
# 22/23 Draft Operating Budget



# IP&R Framework



# Resourcing Strategy: Long Term Financial Plan



# Draft 22/23 Budget - Summary

- Prepared to align to “Business as Usual” service levels\*.
- Has no COVID-19 financial implications factored into the budget.
- Provides a working capital position of \$5M in line with audit recommendation.
- Draft Capital Budget \$69.8M.
- Fees and Charges generally indexed by 4.4%
- Current cash position of all funds (General, Water and Sewer) are all balanced.

*\*Further information provided throughout the presentation.*





# Core Assumptions

- Rates Peg set at 1.2% = 0.7% IPART rates peg + 0.5% Growth
- Rates Correction (ASV) of 0.8% has been incorporated to balance the budget as per Council's adopted LTFP which provided for a 2% increase
- Fees & Charges increased generally by 4.4%
- Domestic Waste Management Charge (DWM) by 5%.
- Salaries & Wages award increase of 2%, Superannuation increasing from 10% to 10.5% and Workers Compensation Premium increase of \$600K
- Operating Expenditure – 2% unless justified by a contract or prescribed expense
- General Fund, Water & Sewer funds are balanced





# Income Statement by Fund

	General Fund 2022/23 (\$M)	Water Fund 2022/23 (\$M)	Sewer Fund 2022/23 (\$M)	Total 2022/23 (\$M)
<b>Operating Income</b>				
Rates & Annual Charges	65.71	3.84	18.25	87.80
User Charges	13.15	8.80	1.20	23.15
Interest	0.51	0.37	0.26	1.14
Other Revenue	2.13	0.25	0.01	2.39
Operating Grants & Contributions	9.91	0	0	9.91
<b>Total Income</b>	<b>91.41</b>	<b>13.26</b>	<b>19.72</b>	<b>124.39</b>
<b>Operating Expenses</b>				
Employee Costs	37.23	3.90	4.27	45.40
Borrowing Costs	0.43	0	0.19	0.62
Materials & Contracts	31.79	6.58	7.02	45.39
Depreciation	19.87	5.40	5.96	31.23
Other Expenses	3.59	0.01	0.01	3.61
<b>Total Expenses</b>	<b>92.91</b>	<b>15.89</b>	<b>17.45</b>	<b>126.25</b>
<b>Operating Result</b>	<b>1.50</b>	<b>2.63</b>	<b>2.27</b>	<b>1.86</b>



# Council Reserves

- An internal review has been conducted on Council's Reserves policy with a view of consolidating a number of reserves.
- Key findings from the review include:
  - a) External Reserves (Statutory) will be maintained.
  - b) Internal Reserves (Council Resolution) will be consolidated from 34 to 13 reserves.
  - c) \$5 million released from internal reserves.
- Draft Reserve policy was tabled at the Audit Risk and Improvement committee in March 2022.
- Proposed Reserves Policy was tabled at the April 2022 Council meeting and is currently on public exhibition.





# Investing in Our Future: SRV

Asset Class	Operating (\$,000)	Capital (\$,000)	Total (\$,000)
Roads	1,509	4,103	<b>5,612</b>
Drainage	264	1,873	<b>2,137</b>
Recreation	384	440	<b>824</b>
Buildings	765	515	<b>1,280</b>
<b>Total</b>	<b>2,923</b>	<b>6,931</b>	<b>9,854</b>





# 22/23 Interim Administrator Budget Requests

- Additional pothole crew \$1.3M: Operating Budget
- Penrose Hall \$400k (funded from LRC Reserve): Capital Budget
- Picnic tables at Wingello State Forest \$60K: Capital Budget
- Hill Top Park Project \$400K: Capital Budget





# Risks of the 2022/23

- Salaries and Wages (largest expense) indexation is double that of the Rates indexation (excluding the rates correction).
- No contingency for further COVID-19 impacts if they eventuate in 2022/23 financial year.
- Inflationary pressures may have further impact on estimated costs for services and capital works.
- Throughput and revenue at SRLX may be impacted by recent floods.
- Flood Clean-up continuing into the 22/23 budget.
- Insurance costs will likely increase due to the floods and number of claims (in future years).
- Future funding strategy for the Welby Tip Rehabilitation.





# Long Term Financial Plan (LTFP) Update

- The draft 2022/23 - 2031/32 Draft LTFP has been prepared to align the draft 2022/23 Operational Plan.
- The LTFP provides two scenarios of which are:
  - Scenario 1 - Business as Usual including the 2% rates peg increase.
  - Scenario 2 – Council is not successful in receiving the 0.8% rates correction determined by IPART, reducing revenue by \$425K.
- The LTFP has been prepared over a 10-year period that includes several assumptions relating to revenue and expenditure and how these measure against industry benchmarks.







## 4 Year Draft Capital Works Program



# Capital Works Program: Buildings

Buildings	
2022/23 Budget	\$1.67M
2021/22 Revotes	\$4.28M
<b>Total</b>	<b>\$5.95M</b>

## 3 Major Projects

- Bowral Memorial Hall
- SH Animal Shelter
- Regional Livestock Exchange



# Bowral Memorial Hall

Total \$6.5M

2022/23 = \$3.1M

Est: 22/23

## Objectives:

- Structural works
- Accessibility upgrades
- Safety upgrades
- Functional use upgrades





# Southern Regional Livestock Exchange

Total \$5.25M

2022/23 = \$1.2M

Est: Oct 2022

## Objectives:

- Install lift to Main Ring
- Livestock Yards Upgrades
- Top Weighbridge Upgrade - complete
- Main Ring Seating Replacement - complete
- Install CCTV - complete
- Access Road Improvements - complete





# Southern Highlands Animal Shelter

Total \$3.8M

2022/23 = \$1M

Est: early 2023/24

Objectives:

- Building
- Carpark
- Animal yards & exercise areas





# Capital Works Program: Buildings

Buildings	
2022/23 Budget	\$1.67M
2021/22 Revotes	\$4.28M
<b>Total</b>	<b>\$5.95M</b>

## Public & Sportsfield Amenities - \$360k

- Berrima Camping Park Public Toilet (design)
- Bundanoon Oval Public Amenities Roof
- Mittagong Oval Clubhouse Accessibility
- Berrima Pony Club Building Refurbishment

## Community Building Works - \$275k

- Stafford Cottage (design & DA)
- Mittagong RFS
- Hill Top Comm Centre



# Capital Works Program: Open Space & Cemeteries

Open Space & Cemeteries	
2022/23 Budget	\$1.87M
2021/22 Revotes	\$1.86M
<b>Total</b>	<b>\$3.72M</b>

## Major Projects:

- Bong Bong Common Stage 1B
- Moss Vale Cemetery Masterplan
- Play Space Renewal Program
- Hill Top Loop Line Lookout (design)





## Bong Bong Common Stage 1B

Total: \$3M

2022/23: \$400k

Est: 2023/24

Objectives:

- Loop walking track
- Viewing platforms
- Interpretive signage





# Moss Vale Cemetery Implementation of Masterplan

Total \$1.95M

2022/23: \$1.45M

Est: early 2023/24

## Objectives:

- Access roads
- Drainage works
- Park furniture





# Play Space Renewal Program

2022/23: \$200k

Priorities driven by:

- Hill Top Loop Line Park: Pending lease terms & design
- 2020 Playspace Strategy





## Hill Top Loop Line Lookout (design)

2022/23 : \$75k

Construction subject  
to grant funding

Objectives:

- Carpark upgrade
- Viewing platform





# Capital Works Program: Open Space & Cemeteries

Open Space & Cemeteries	
2022/23 Budget	\$1.87M
2021/22 Revotes	\$1.86M
<b>Total</b>	<b>\$3.72M</b>

- Park & Sportsfield Furniture Renewal: \$100k
  - Incl Wingello State Forest
- Moss Vale Senior Citizens Retaining Wall: \$200K
- Bundanoon Oval Retaining Walls (design): \$75K
- Water Storage Tanks: \$250K
- Jordans Crossing Dog Park: \$150K
- Loseby Park Tennis Court Refurbishment: \$100K
- Eridge Park Netball Court Lighting Renewal: \$25K



# Capital Works Program - Roads & Transport

Roads & Transport	
2022/23 Budget	\$18.47M
2021/22 Revotes	\$5.65M
<b>Total</b>	<b>\$24.11M</b>

## Major Projects:

- Old South Road
- Station Street
- Moss Vale Bypass



# Old South Road Renewal

Total \$21M

2022/23: \$9M

Est: 2023/24

## Objectives:

- 10km pavement renewal
- Culvert replacement
- Safety improvements





# Station Street Upgrades

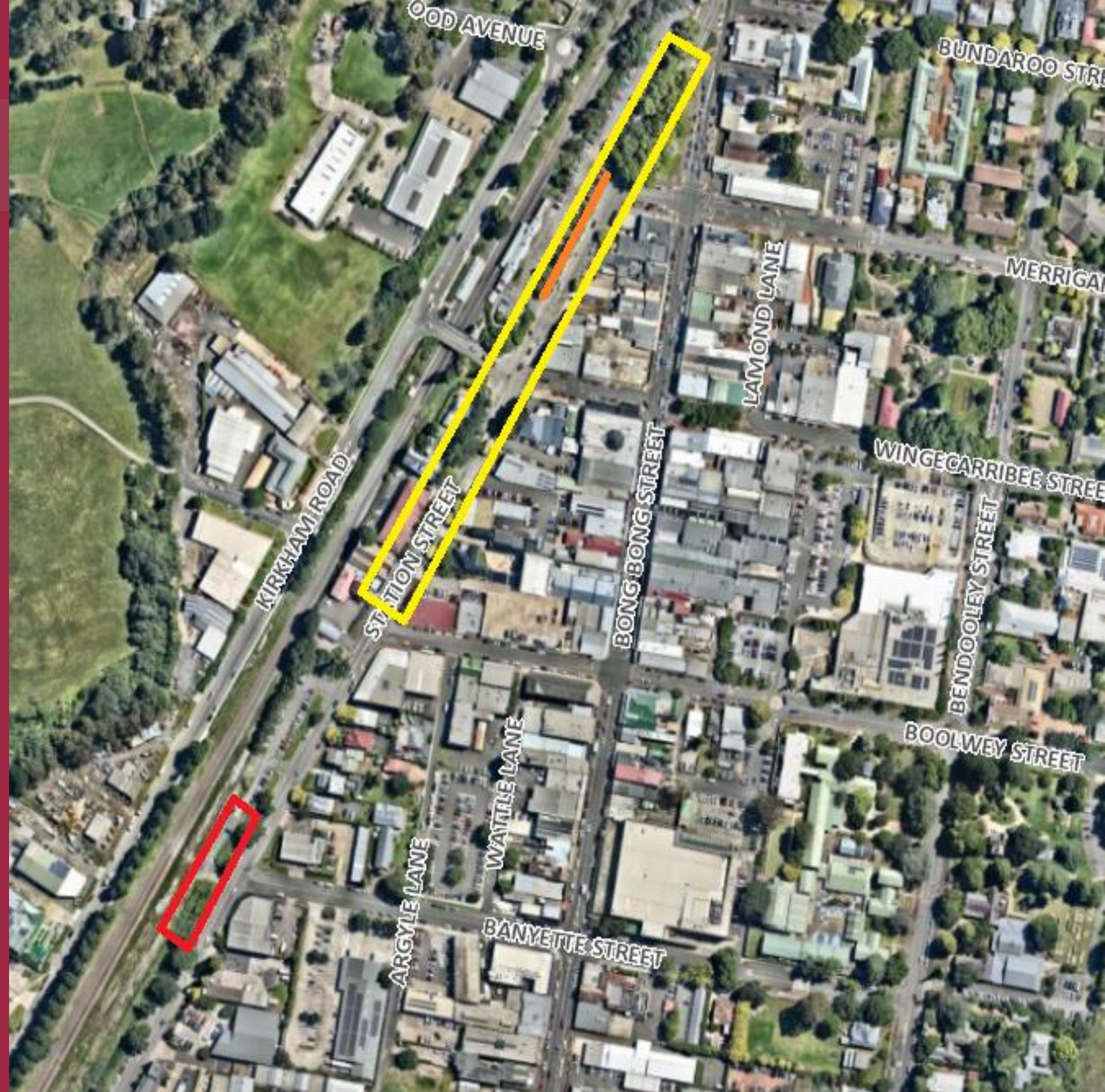
Total \$4.3M

2022/23: \$2.8M

Est: 2022/23

Objectives:

- Pavement renewal
- Kerb & gutter renewal
- Footpath renewal
- Carpark extension  
(130 additional spaces)





# Moss Vale Bypass (design)

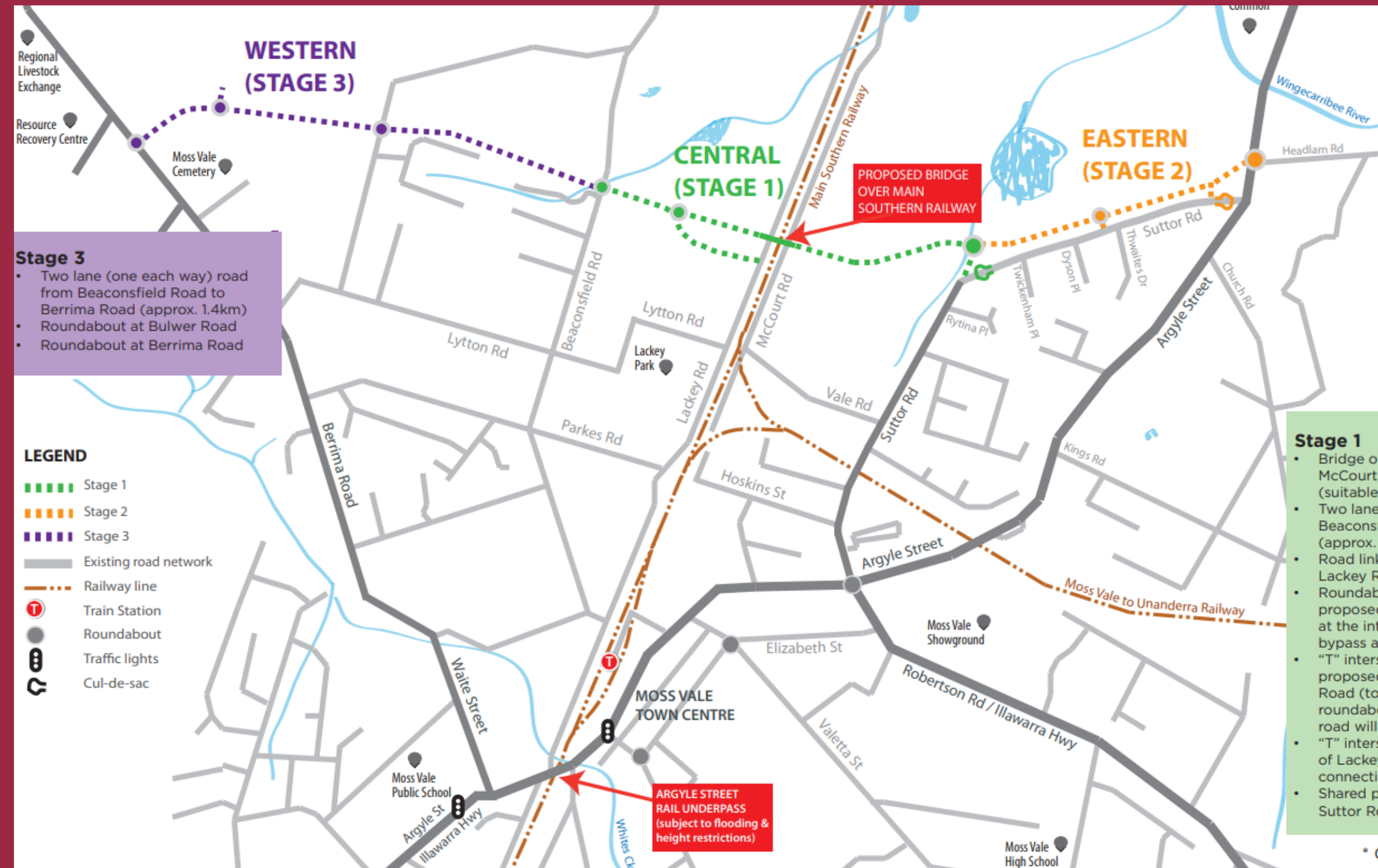
Total \$3.67M

2022/23: \$2.6M

Est: 2023/24

## Objectives:

- Detailed design to enable accurate costs to be identified to seek Government Grant for delivery
- Review of Environmental Factors (REF)





# Capital Works Program - Roads & Transport

Roads & Transport	
2022/23 Budget	\$18.47M
2021/22 Revotes	\$5.65M
<b>Total</b>	<b>\$24.11M</b>

Plus \$6M in road programs:

- Resealing Program
- Resheeting Program
- Heavy Patching Program
- Pavement Rehabilitation Program

And projects:

- Footpath Renewals \$350k
- Four bridge renewals: \$2M
- Kirkham Street Renewal: \$1.5M
- School Pedestrian Crossing Upgrades: \$1M



# Capital Works Program: Stormwater

Stormwater	
2022/23 Budget	\$3.17M
2021/22 Revotes	\$0M
<b>Total</b>	<b>\$3.17M</b>

- Ella Street Drainage
- Jasmine Street Drainage – Stage 3
- Hook Cook Street Drainage
- Argyle Howard Street Drainage
- Bowral Golf Course Basin (design)



# Capital Works Program: Sewer

Sewer	
2022/23 Budget	\$8.35M
2021/22 Revotes	\$8.31M
<b>Total</b>	<b>\$16.66M</b>

## Major Projects

- Bowral STP Upgrade
- Moss Vale STP Upgrade
- Mittagong STP Upgrade
- Robertson & Berrima STPs Upgrades
- Sewer Main Renewals & Upgrades



# Capital Works Program : Water

Water	
2022/23 Budget	\$9.01M
2021/22 Revotes	\$1.78M
<b>Total</b>	<b>\$10.79M</b>

## Major Projects

- Bundanoon Dam to Exeter Reserve
- Moss Vale to Bowral Duplication (design)

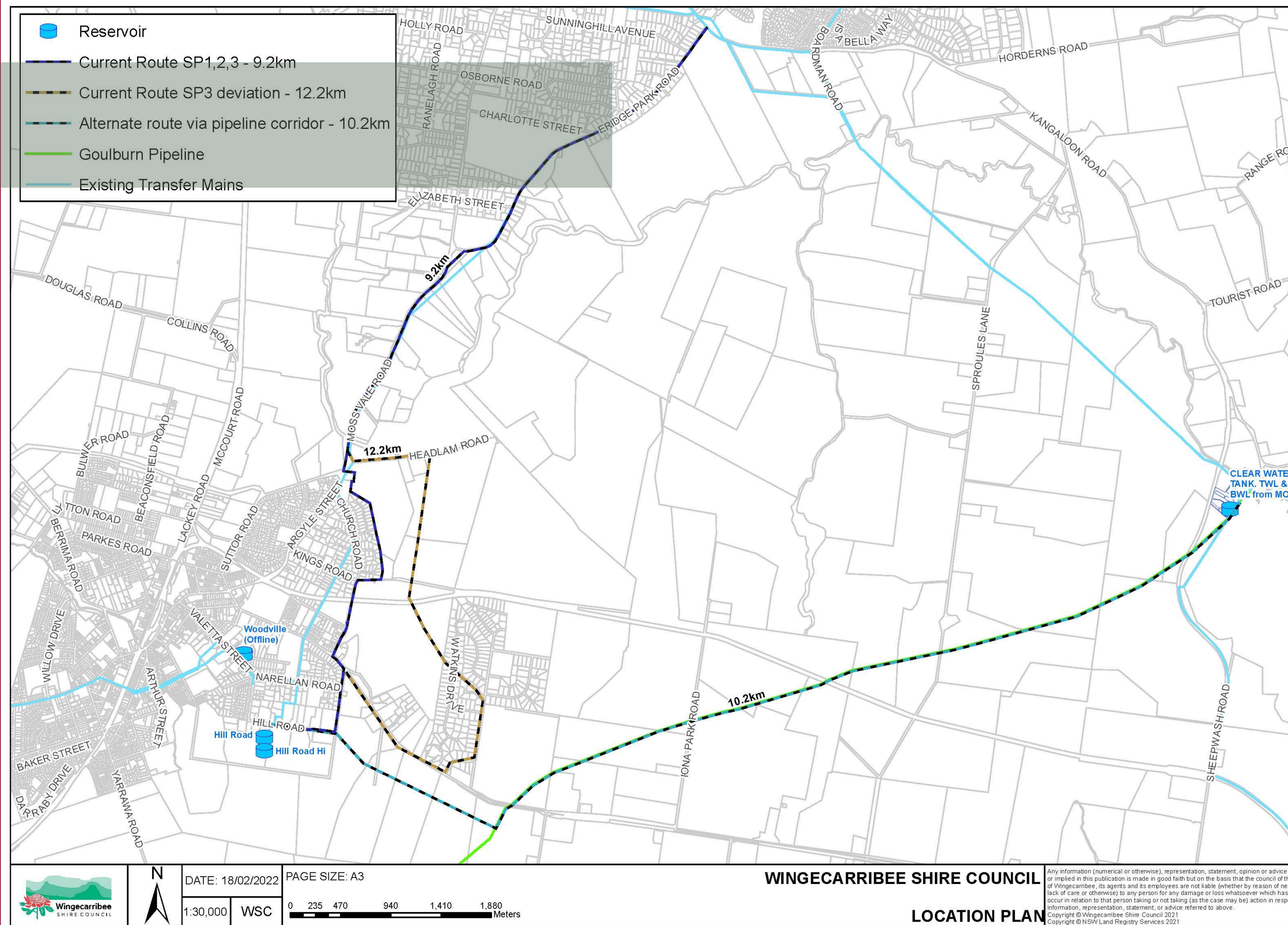


# Moss Vale to Bowral Duplication (design)

2022/23: \$200k  
Construction budget  
TBC

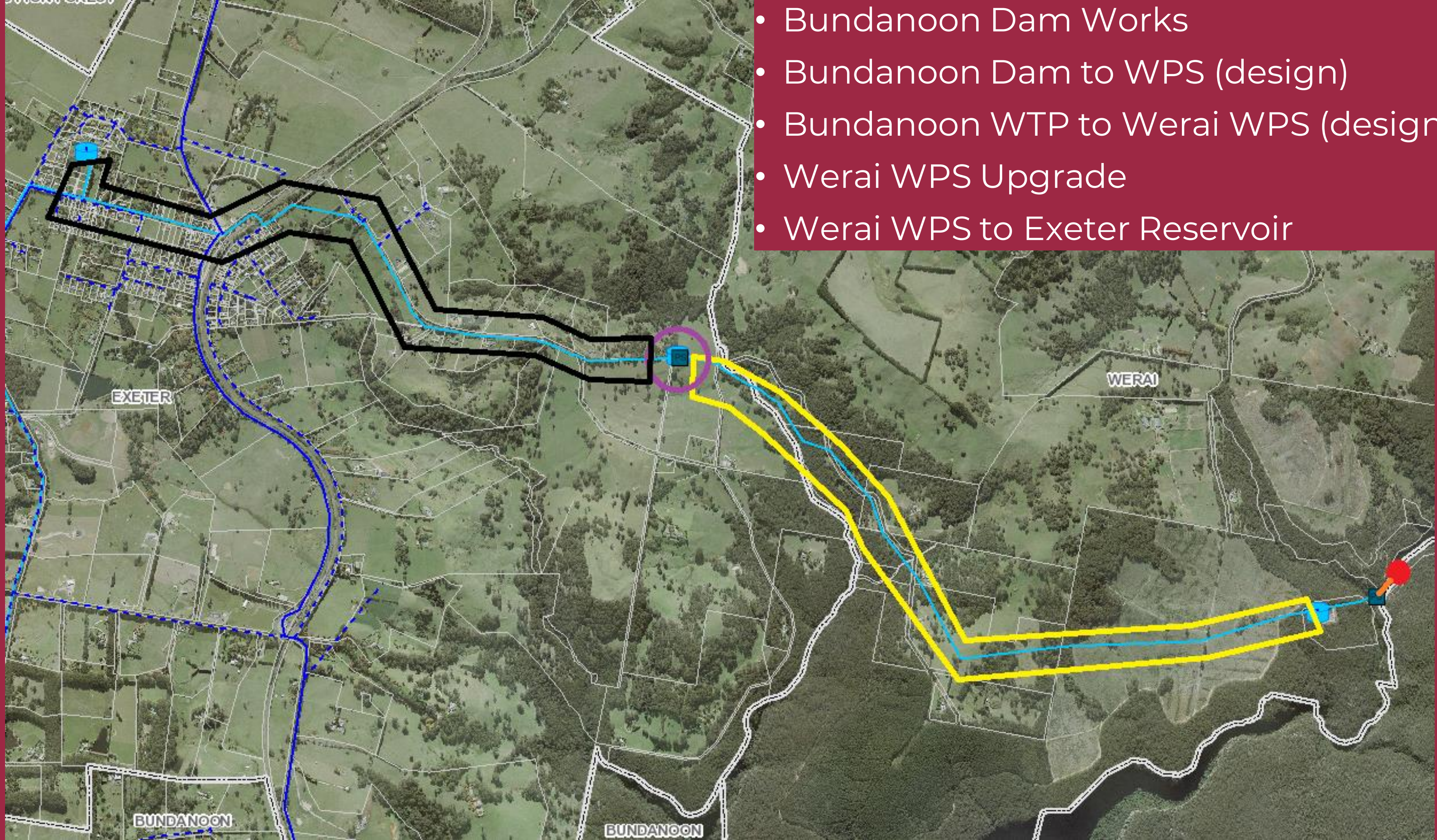
Objectives:

- Upgrade of supply to meet future demand





- Bundanoon Dam Works
- Bundanoon Dam to WPS (design)
- Bundanoon WTP to Werai WPS (design)
- Werai WPS Upgrade
- Werai WPS to Exeter Reservoir








22/23 Draft Fees and Charges



## 2022/23 Draft Fees and Charges Summary

- Fees & Charges increased generally by 4.4% and DWM by 5%.
  - 38 new fees introduced for the first time in 2022/23 financial year
  - 10 fees have been increased by more than 10% from their 2021/22 rate (excl. Rounding)
  - 14 fees and charges have been discontinued.
- 




## Fees & Charges (Residential)

	2021/22	2022/23	Change \$	Change %
DWM charges (80L weekly) service	\$454.70	\$477.40	\$22.70	5.00%
Water access charge (20mm)	\$165.00	\$172.00	\$8.00	4.24%
Water usage charge (Tariff 1 - < 616L per day)	\$1.87kL	\$1.95kL	\$0.08kL	4.27%
Water usage charge (Tariff 2 - > 617L per day)	\$2.79kL	\$2.91kL	\$0.12kL	4.30%
Sewer access charge	\$911.00	\$951.00	\$40.00	4.39%
Stormwater Management Services Charge	\$25.00	\$25.00	--	-



# 2022/23 Draft Fees and Charges Driver Increases

- All Sydney Annual CPI increased by 4.4% during the March 2022 quarter. This will be reflected in costs in providing waste, water and sewer services. The proposed increase will be used to offset some of the cost inflation.
  - Council is currently investing \$189M in capital works for both Water and Sewer projects over the next four years. Funds will be required to fund the increase depreciation of these assets.
  - Forecast loan borrowings to fund some of these capital works will also increase as inflation increases. These need to be recovered as a part of setting the price for water and sewer services.
- 





22/23 Draft Operational Plan



## 2022/23 Operational Plan Update

- Requirement to update the 2022/23 Operational Plan only.
- Revised format includes:
  - Operating Budget by Service
  - Capital Budget by Service
  - Resources by Service (new)
- A proposed revised format to provide meaningful information to residents





Service	Library Services		
Responsibility	Chief Information Officer		
Description	The Library Services provide information, education and recreation opportunities and resources for the Wingecarribee Shire.		
Service Delivery Type	External		
Alignment to Community Strategic Plan	2.1 Our people have the opportunity for a happy and healthy lifestyle		
Applicable Legislation	<ul style="list-style-type: none"><li>• Copyright Act 1968</li><li>• Library Act 1939</li><li>• State Records Act 1998</li></ul>		
Sub Services	<ul style="list-style-type: none"><li>• Branch Libraries Mittagong and Moss Vale</li><li>• Central Library Bowral</li><li>• Outreach Services Mobile Library and Home Library Service</li></ul>		
3Core Business	<ul style="list-style-type: none"><li>• Provide lending services at branches and mobile library</li><li>• Provide lending for the house bound</li><li>• Provide services for children and youth activities, such as story time etc., HSC lectures and Baby Time</li><li>• Provide public access computers and Wi-Fi</li><li>• Provide printing and photo copying facilities</li><li>• Provide study and research facilities</li><li>• Provide Local History, Local Studies and Council archives</li><li>• Provide local Archive Repository for NSW State Archives</li><li>• Provide online databases, eBooks, eAudio and eMagazines</li><li>• Provide events and programs to encourage use and to promote the Library and the Council</li><li>• Investigate and establish mutually beneficial relationships including consortia agreements, Friends of Wingecarribee Library (FOWL)</li><li>• Provide outreach services including school visits, promotional talks, Pop Up Library</li></ul>		
Supporting Strategies and Plans	<ul style="list-style-type: none"><li>• Library Strategic Plan 2011</li></ul>		
Resourcing	<b>Budget</b>	<b>2021/2022</b> <b>\$'000</b>	<b>2022/2023</b> <b>\$'000</b>
	Operating income	-144	-147
	Operating expenditure	1,651	1,631
	Capital income	0	0
	Capital expenditure	184	184
	Net transfers from reserve	0	0
	Net cost of service	1,691	1,668
	FTE – 13.96		
	Assets:		
	3 branch libraries (Mittagong, Bowral and Moss Vale)		
	1 mobile library van (visiting 13 locations in the Shire fortnightly)		
	67,374 items (as at March 2022)		





Service	Water and Sewer		
Responsibility	Group Manager Water and Sewer / Group Manager Capital Projects / Manager Assets		
Description	This service provides a safe and reliable drinking water and sewer network throughout urban locations in the Shire. The service consists of dams, water treatment plants and sewerage treatment plants, pump stations, reservoirs, and network assets.		
Service Delivery Type	Internal and External		
Alignment to Community Strategic Plan	3.4 We have safe, maintained and effective assets and infrastructure		
Applicable Legislation	<ul style="list-style-type: none"><li>Local Government Act 1993</li><li>Protection of the Environment Operations Act 1997</li><li>Public Health Act 2010</li><li>Water Management Act 2000</li></ul>		
Sub Services	<ul style="list-style-type: none"><li>Sewer Management</li><li>Water Management</li></ul>		
Core Business	<ul style="list-style-type: none"><li>Undertake asset planning and strategy development</li><li>Operate and maintain both water and sewage treatment plants</li><li>Operate and maintain both water and sewer network assets</li><li>Manage potable water quality and supply to meet Australian Drinking Water Guidelines, Department of Industry and NSW Health regulations</li><li>Manage sewage operations to meet environmental regulations</li><li>Manage trade waste relating to both commercial and industrial dischargers</li></ul>		
Supporting Strategies and Plans	<ul style="list-style-type: none"><li>Drinking Water Management Plans</li><li>Integrated Water Cycle Management Strategy</li><li>Water Master Plan</li><li>Water and Sewerage Asset Management Plans</li><li>Condition Assessment Strategy</li><li>Asbestos Management Plan</li><li>Development Servicing Plans</li><li>Water and Sewerage Strategic Business Plans</li></ul>		
Resourcing	Budget	2021/2022 \$'000	2022/2023 \$'000
	Operating income	-34,543	-33,905
	Operating expenditure	21,841	22,903
	Capital income	-6,375	-5,023
	Capital expenditure	29,775	27,749
	Net transfer from reserve	-10,697	-11,724
	Net cost of service	0	0
	FTE – 76.31		
	Assets:		
	Mittagong Depot		
	6 Sewage Treatment Plants		
	77 Sewer pumping stations		
	645km sewer mains		
	17,653 properties connected to sewer		
	2 Water Treatment Plants		
	16 Water Pumping Stations		
	709km water mains		
	19,721 properties connected to water		





Service	Waste Management		
Responsibility	Manager Business Services / Manager Assets / Manager Infrastructure Services		
Description	This service is responsible for waste collection, disposal, resource recovery, recycling, waste management and education that enhances the amenity of the Shire and maximises the environmental sustainability of the Shire.		
Service Delivery Type	External		
Alignment to Community Strategic Plan	4.3 Wingecarribee achieves continuous reduction in waste generation and disposal to landfill		
Applicable Legislation	<ul style="list-style-type: none"><li>• <i>Local Government Act 1993</i></li><li>• <i>Protection of Environment Operations Act 1997</i></li><li>• <i>Waste Avoidance and Resource Recovery Act 2001</i></li></ul>		
Sub Services	<ul style="list-style-type: none"><li>• Domestic Waste Collection Services</li><li>• Public Litter Bin Collection</li><li>• Resource Recovery Centre</li><li>• Street and Gutter Cleaning</li></ul>		
Core Business	<ul style="list-style-type: none"><li>• Provide timely, high quality and affordable waste services to the community through the provision of a waste and recycling centre and kerb side collection service</li><li>• Manage domestic waste, recycling and organics collection contracts</li><li>• Provide waste minimisation and recycling education programs</li><li>• Facilitate the reduction of the volume of waste going to landfill</li><li>• Provide public bin and litter collection across the Shire</li><li>• Protect the natural environment from the impacts of waste generation and disposal activities</li><li>• Plan for future waste management strategies/needs</li></ul>		
Supporting Strategies and Plans	Nil		
Resourcing	Budget	2021/2022 \$'000	2022/2023 \$'000
	Operating income	-18,112	-18,873
	Operating expenditure	18,888	18,646
	Capital income	0	0
	Capital expenditure	189	500
	Net transfers from reserve	-965	-273
	Net cost of service	0	0
	FTE – 23.22		
	Assets: Resource Recovery Centre		
Service Delivery Review	A Service Delivery Review of Waste Management was completed in December 2019.		



## 2022/23 Operational Plan: Key Projects

- Complete the Community & Recreational Facilities Strategy
- Completed the Integrated Transport Strategy
- Complete the Bowral Master Plan
- Review of the Community Safety Plan
- Implement Council's Greenhouse Gas Reduction Plan
- Lease of Southern Region Livestock Exchange
- Investigate & plan for an emergency services hub in the Wingecarribee in the medium to long term



## 2022/23 Operational Plan – Key Projects

- Review and implement recommendations from the review of Visitor Information Services
- Preparation of a Property Strategy
- Develop a place based framework
- Increase online services and enabling real time monitoring and processing with Council
- Update the Library Management System to enable online reservations and improve customer engagement





Wrap up & Next Steps



# Community Consultation

## **Public exhibition for 28 days 2022**

Opportunities to provide feedback will be promoted via

- Your Say Wingecarribee project page including an interactive map with capital projects for 2022/23 plus FAQ's
- Weekly e-newsletters
- Weekly Community Update
- Media release and social media posts
- Emails sent directly to village associations and business chambers

Four community drop in sessions held across the Shire:

Bundanoon, Robertson, Hilltop and Civic Centre Moss Vale

**Outcome of public exhibition report to the June 2022 Council meeting.**