

EXTRAORDINARY COUNCIL MEETING

AGENDA

Notice is hereby given that an Extraordinary Council Meeting will be held at the:

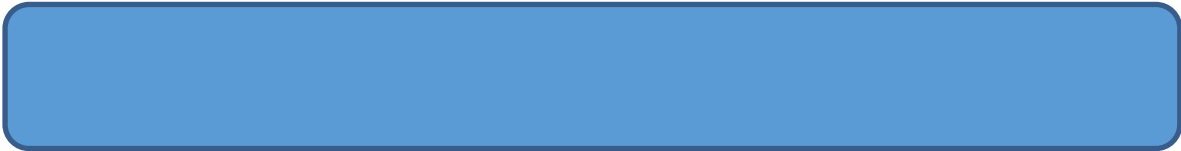
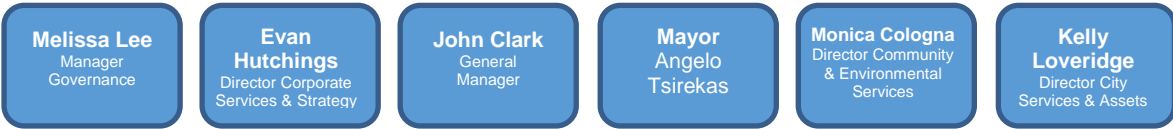
Council Chambers, City of Canada Bay Civic Centre, Drummoyne

Tuesday, 28 June 2022

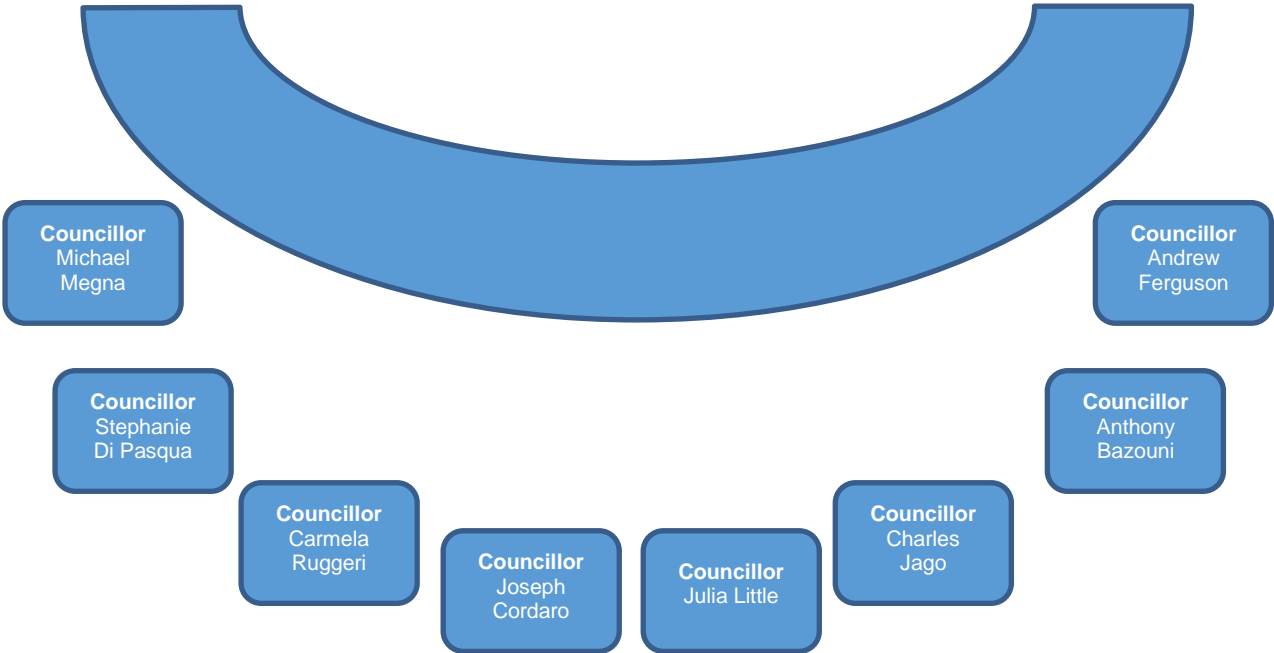
Beginning at 5.30pm for the purpose of considering and determining matters included in this agenda.



John Clark
General Manager



Councillors
City of Canada Bay



Statement of Ethical Obligations

The Mayor and Councillors are bound by the Oath/ Affirmation of Office made at the start of the Council term to undertake their civic duties in the best interests of the people of the City of Canada Bay and to faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the Local Government Act or any other Act, to the best of their skill and judgement.

It is also a requirement that the Mayor and Councillors disclose conflicts of interest in relation to items listed for consideration on the Agenda or which are considered at this meeting in accordance with Council’s Code of Conduct and Code of Meeting Practice.

**Agenda for an Extraordinary Council Meeting
to be held on Tuesday 28 June 2022
at the Council Chambers, City of Canada Bay Civic Centre, Drummoyne
Commencing at 5.30pm**

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1 ACKNOWLEDGEMENT OF COUNTRY

The City of Canada Bay acknowledges the Wangal clan, one of the 29 tribes of the Eora nation and the traditional custodians of this land.

The City's Council pays respect to Elders past and present and extends this respect to all Aboriginal people living in or visiting the City of Canada Bay.

2 APOLOGIES AND APPLICATIONS FOR LEAVE OF ABSENCE BY COUNCILLORS

In accordance with clauses 6.3, 6.4 and 6.5 of Council's Code of Meeting Practice, apologies must be received and accepted from absent Councillors and a leave of absence from the Council Meeting may be granted.

3 DISCLOSURES OF INTERESTS

In accordance with Part 16 of Council's Code of Meeting Practice, all Councillors must disclose and manage any conflicts of interest they may have in matters being considered at the meeting.

4 PUBLIC FORUM

In accordance with Part 5 of the Code of Meeting Practice, residents, ratepayers, applicants or other persons may request to address Council in relation to any one matter related to the general business of Council but not the subject of a report on the agenda (Public Forum) and no more than two matters listed for consideration on the agenda (Public Address).

5 CORPORATE SERVICES AND STRATEGY DIRECTORATE REPORTS

ITEM 5.1 DRAFT COMMUNITY STRATEGIC PLAN - OUR FUTURE 2036

Reporting Manager Director Corporate Services and Strategy

Attachments:

1. Our Future 2036 - Community Strategic Plan
2. Our Future 2036 - Summary of Public Exhibition Submissions and Amendments

RECOMMENDATION OF DIRECTOR CORPORATE SERVICES AND STRATEGY

That:

1. The submissions received in response to the public exhibition of the draft Community Strategic Plan – Our Future 2036, as summarised in attachment 2 to the report, be noted.
 2. The Community Strategic Plan – Our Future 2036 attached to the report, with amendments contained in Attachment 2 to the report and included under ‘Additional Amendment’ within the body of the report, be adopted
 3. The adopted Community Strategic Plan – Our Future 2036 be promoted through Council’s communication channels.
 4. Those who made submissions be advised of Council’s resolution.
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PURPOSE

To consider submissions made in response to the public exhibition of the draft Community Strategic Plan – Our Future 2036, with a view to adoption of the Plan.

EXECUTIVE SUMMARY

This report presents the draft Community Strategic Plan - Our Future 2036 for Council’s consideration for adoption.

The document was placed on public exhibition for 28 days from Friday, 22 April to Friday, 20 May 2022.

A summary of the submissions received in response to the public exhibition are attached to the report.

STRATEGIC CONNECTION

This report supports YOUR future 2030 Outcome area:

VSA 5.1.1 The Council governs efficiently and effectively on behalf of the Community.

BACKGROUND/DISCUSSION

Section 402 of the Local Government Act 1993 states:

- (1) Each local government area must have a community strategic plan that has been developed and endorsed by the council. A community strategic plan is a plan that identifies the main priorities and aspirations for the future of the local government area covering a period of at least 10 years from when the plan is endorsed.
 - (2) A community strategic plan is to establish strategic objectives together with strategies for achieving those objectives.
 - (3) Following an ordinary election of councillors, the council must review the community strategic plan before 30 June following the election. The council may endorse the existing plan, or
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develop or endorse a new community strategic plan, as appropriate, to ensure that the area has a community strategic plan covering at least the next 10 years. At its meeting of 19 April 2022, Council resolved the following:

1. *THAT the draft Community Strategic Plan titled 'Our Future 2036' attached to the report be placed on public exhibition for a period of 28 days in accordance with the requirements in the Local Government Act 1993.*
2. *THAT the period of exhibition be from 22 April to 20 May 2022.*
3. *THAT following the public exhibition period a further report, including details of any submissions, be prepared and submitted to Council.*

Draft Community Strategic Plan — Our Future 2036

In accordance with the legislative requirements, a new (draft) Community Strategic Plan has been developed that identifies the main priorities and aspirations of the City of Canada Bay community to 2036. The name of the new plan is Our Future 2036.

Our Future 2036 includes the following five key directions based upon the issues identified throughout the community engagement:

1. Connected community
2. Sustainable and thriving environment
3. Vibrant urban living
4. Infrastructure and transport
5. Civic leadership

These directions also address civic leadership, social, environmental, and economic issues in an integrated manner. Each direction has a series of goals (strategic objectives) describing where the community wants to be in 2036.

Public exhibition

In accordance with legislative requirements, the draft Community Strategic Plan - Our Future 2036, was placed on public exhibition for a period of 28 days from Friday, 22 April to Friday, 20 May 2022.

Methods

Feedback was invited and received through surveys on Council's engagement website, Collaborate Canada Bay. Council also invited feedback via mail and email.

Promotion

Hard copies of the document were available for viewing at the Drummoyne Civic Centre and at Five Dock and Concord Libraries, and The Connection, Rhodes. The document was also made available on Council's website and engagement site, Collaborate Canada Bay.

Exhibition promotion included:

- Posters in Five Dock, Concord Libraries, The Learning Space Rhodes, and Civic Centre Drummoyne along with physical copies of the draft documents
- Two rounds of email notification to all participants in the development of Our Future 2036 with a reach of 6,154
- Facebook — 3 posts reaching 4,927
- Instagram — 2 posts reaching 3,851
- City of Canada Bay print newsletter — 38,000 homes
- @Rhodes enews May — reaching 1,704

- Information in CALD (culturally and linguistically diverse) language papers — Sydney Korean Herald, Daily Chinese Herald, La Fiamma
- Council messages on hold voicemail message throughout May
- Website home page tile
- Emails to Council committees
- Local schools engagement — emails to all schools with discussion activity

Community submission summary (25 submissions received)

- 23 survey submissions
- 2 email submissions
- 1700 visits to Collaborate
- 259 downloads of the document
- 1003 reads of the document on the web browser

From the submissions received, the key findings were as follows:

- 68% of participants like or love the vision statement
- The key directions were prioritised in the following order:
 1. Infrastructure and transport
 2. Sustainable and thriving environment
 3. Connected community
 4. Vibrant urban living
 5. Civic leadership

Schools submission summary

In the round of consultation associated with the Public Exhibition of the Plan, submissions were received from respective representatives of the following three schools:

- Concord Public School — Year 6 Leadership Team
- Abbotsford Public School — Student Leadership Team
- Domremy College — groups from year 9, 10 and 11 Human Society and its Environment classes

From these submissions, the key findings were as follows:

- Overall, students agreed that the draft vision is inspiring and they agree with the vision.
- They see the issues of inclusion/diversity and sustainability as central to their futures. The desire to act now on climate change is very clear in the students' responses.
- The idea of making a commitment as a community is seen as significant and constructive.
- Council needs to work harder to educate the community on the suite of plans and how they all link to one another (Community Strategic Plan, Delivery Program and Operational Plan).
- Similar to various other submissions, several students highlighted more detailed improvements they believe were important, including:
 1. Roads and traffic upgrades and improvements
 2. Indigenous recognition, education, and celebration
 3. Sustainability programs

4. Parks upgrades
5. Volunteering

Recommendations in response to submissions

A summary of each of the submissions received in response to the public exhibition, along with associated recommendations relating to the contents of the draft Community Strategic Plan – Our Future 2036, is provided in Attachment 2.

Additional Amendment

On page 24 of the exhibited draft Community Strategic Plan – Our Future 2036, there is reference to the City of Canada Bay's growing population that brings an associated increasing demand for more services, facilities, and assets to service our growing community. Also mentioned is the need to ensure that everyone in our expanding community has access to services and facilities and that they are provided to the standard that is either expected or desired by our community. The draft Plan includes commentary that this may make it necessary to identify and pursue funding sources to meet the additional costs.

It is considered appropriate to elaborate upon that section by amending the wording to emphasise that a Special Rate Variation is an option Council will consider in ensuring financial sustainability over the longer term. The Plan has been amended accordingly with that wording appearing on page 26 of the attached draft Community Strategic Plan document.

TIMING

Adoption of a Community Strategic Plan is required prior to 30 June of the year following a council election. The Council elections were conducted in December 2021, with adoption of the Community Strategic Plan to occur no later than 30 June 2022.

FINANCIAL CONSIDERATIONS

There are no financial implications directly associated with this report. However, Our Future 2036 will inform the Council's long-term Financial Plan, Delivery Program 2022–26 and annual Operational Plans and budgets.

LEGISLATIVE AND POLICY CONSIDERATIONS

To comply with Section 402 of the Local Government Act 1993.

ITEM 5.2 DELIVERY PROGRAM 2022-2026 AND OPERATIONAL PLAN 2022-2023**Reporting Manager** Director Corporate Services and Strategy**Manager Finance**

- Attachments:**
1. **Delivery Program 2022-26 and Operational Plan 2022-23**
 2. **Overcharging Resourcing Strategy 2022–32**
 3. **Asset Management Strategy 2023–32**
 4. **Long Term Financial Plan 2023–33**
 5. **Workforce Management Plan 2022–26**
 6. **Capital Program 2022–23 to 2025–26**
 7. **Delivery Program and Operational Plan Summary of Public Exhibition Submissions and Amendments**
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RECOMMENDATION OF DIRECTOR CORPORATE SERVICES AND STRATEGY

That:

1. The submissions received in response to the public exhibition of the draft Delivery Program 2022-26 and Operational Plan 2022-23, as summarised in Attachment 7 to the report, be noted.
2. The Delivery Program 2022–26 (including the Overarching Resourcing Strategy, and the Asset Management Plan and Long Term Financial Plan components of the Strategy) and Operational Plan 2022–23 (including the 2022-23 Budget, 2022-23 Revenue Policy and Schedule of Fees and Charges) attached to the report, with amendments as included in Attachment 7 to the report and under 'Additional Amendments' within the body of the report, be adopted.
3. The Workforce Management Plan component of the Overarching Resourcing Strategy contained within the Delivery Program 2022-26 be endorsed.
4. It be noted that the 2022-23 budget is based upon continuation of the Sustainable Assets and Sustainable Services resourcing scenario contained within the Long Term Financial Plan.
5. In accordance with Section 494 of the Local Government Act, 1993, the following Ordinary Rates and Charges be now made for the 2022-2023 rating year as follows:

Residential - Ordinary Rate

An ad valorem rate in the \$ of 0.000936155 with a Minimum Rate of \$761.71

The Residential - Ordinary Rate is to be applied to all land categorised Residential throughout the whole of the Local Government Area.

Business - Ordinary Rate

Ad valorem rate in the \$ of 0.002231247 with a Minimum Rate of \$761.71

The Business Rate is to be applied to all land categorised as Business throughout the whole of City of Canada Bay Council Area.

Residential - Stormwater Management Charge

A stormwater management service charge amounting to \$25 per residential allotment.

A stormwater management service charge amounting to \$12.50 per residential strata allotment.

Business - Stormwater Management Charge

A stormwater management service charge amounting to \$25 per business allotment per 350m² or part thereof.

For a lot in a strata scheme that is categorised as business - the greater of:

\$5 or

the relevant proportion of the maximum annual charge that would apply to the land subject to the strata scheme if it were a parcel of land categorised as business.

6. Ordinary Rates and Charges included in 5 above are to be made in respect to the twelve month rating year commencing 1 July 2022 in accordance with Section 534 of the Local Government Act, 1993;
 7. If the levying of a minimum rate would apply unfairly, or cause hardship to a rateable person who is rateable in respect of two or more separate parcels of land subject to the rate, then it may aggregate the land values of such of the parcels as it determines and levy the rate on the aggregated land values in accordance with sections 548A and 531B of the Local Government Act, 1993.
 8. Pursuant to Section 566(3) of the Local Government Act 1993, interest on overdue rates be set at 6.0% per annum simple interest for the period 1 July 2022 to 30 June 2023 (inclusive), subject to Council reserving the right to vary the interest chargeable on overdue rates to accord with any variations made to the Local Government Act, 1993 and regulations there under.
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PURPOSE

To submit the draft Delivery Program 2022-26, (including the Resourcing Strategy documents) and the draft Operational Plan 2022-23, including the draft 2022–2023 Budget and draft Statement of Revenue Policy, incorporating the draft Schedule of Fees and Charges, and submissions received in response to the public exhibition of the documents, for consideration and adoption/endorsement as appropriate.

EXECUTIVE SUMMARY

The draft Delivery Program 2022–26 and Operational Plan 2022–23 have been developed with reference to Council's new Community Strategic Plan — Our Future 2036 — which has been submitted to this meeting of Council (28 June 2022) as a previous item on the agenda for consideration for adoption. This report is submitted to Council for consideration subject to the adoption of that Plan.

This report presents the Delivery Program 2022–26 (including the Overarching Resourcing Strategy, and the Asset Management Plan, Long Term Financial Plan and Workforce Management Plan components of the Strategy) and the Operational Plan 2022–23 (including the 2022/23 Budget, and 2022/23 Revenue Policy and Schedule of Fees and Charges) for consideration and adoption.

The documents were placed on public exhibition for 28 days from Friday, 22 April to Friday, 20 May 2022.

Attachment 7 to the report provides a summary of the public submissions relating to the exhibited draft documents.

STRATEGIC CONNECTION

This report supports YOUR future 2030 Outcome area:

- | | |
|-----------|--|
| VSA 5.2.3 | Ensure Council's long-term financial sustainability by providing effective Financial Management. |
| VSA 5.1.1 | The Council governs efficiently and effectively on behalf of the Community. |

BACKGROUND/DISCUSSION

At its meeting of 19 April 2022, Council considered the draft Delivery Program 2022–26 and draft Operational Plan 2022–23 and resolved as follows:

1. *THAT the draft Delivery Program 2022-26, (including the Resourcing Strategy documents) and draft Operational Plan 2022-23, including the draft 2022–2023 Budget and draft Statement of Revenue Policy, incorporating the draft Schedule of Fees and Charges, attached to the report be placed on public exhibition for a period of 28 days in accordance with the requirements in the Local Government Act 1993.*
2. *THAT the period of exhibition be from 22 April - 20 May 2022.*
3. *THAT a further report be prepared and submitted to Council following the exhibition period.*
4. *THAT pursuant to S508(2) of the Local Government Act 1993 Council applies for the Additional Special Variation of the maximum allowed of 2.5% with the additional income received, should approval be granted, amounting to \$556,000 for 2022-23 being retained as a permanent adjustment to Council's permissible rating income base into the future.*
5. *THAT Council note the financial need for the Additional Special Variation income adjustment resulting from the following budgetary pressures:*
 - *an increasing burden as a result of cost shifting from other levels of*
 - *government*
 - *continuing impacts of Covid on revenue and expenditure*
 - *additional costs of construction, operating and maintaining new assets*
 - *because of growth and development*
 - *increasing costs to procure goods and services being consistently higher*
 - *than rate pegging increases as determined by IPART*
 - *downward pressure on investment income*
 - *lower than expected rates growth*
6. *THAT it be noted that Council has considered the impact of the proposed 2.5% Additional Special Variation rate increase on ratepayers and the community for 2022-23 and for future years as detailed in the report, and considers that the Additional Special Variation, if approved, is reasonable.*

In relation to part 4 of that resolution, Council received confirmation from IPART on 20 June 2022 that the Additional Special Variation Application to raise permissible income by the maximum allowed of 2.5% was approved. Therefore, the 2022-23 budget presented through this report is based upon that determination.

Draft Delivery Program 2022–26 and Operational Plan 2022–23

The draft Delivery Program 2022–26 and Operational Plan 2022–23 document carries through the directions and goals from Our Future 2036. The draft Delivery Program itemises what Council aims to achieve in the identified four-year period, and the actions that Council will undertake in 2022–23, with associated budgetary information, are included in the Operational Plan.

In line with legislative requirements the draft Delivery Program 2022–26 and Operational Plan 2022–23 was placed on public exhibition for a period of 28 days from Friday, 22 April to Friday, 20 May 2022.

The exhibition of the document was advertised in the printed City of Canada Bay news, and on social media. Hard copies of these documents were available for viewing at the Drummoyne Civic Centre and at Five Dock and Concord Libraries and The Learning Space at The Connection, Rhodes. The document was also made available on Council's website and engagement site, Collaborate Canada Bay.

The draft Delivery Program 2022–26 and Operational Plan 2022–23, including amendments recommended through this report, is provided as an attachment under separate cover.

Resourcing Strategy

The draft Delivery Program incorporates the draft Overarching Resourcing Strategy (2022-2032) with the Strategy including three components, being the Long Term Financial Plan (LTFP) 2023–2033, Asset Management Strategy 2023–2032, and Workforce Management Plan 2022–2026. These documents are provided under separate cover.

The Overarching Resourcing Strategy and associated components identify the key resource challenges for the City of Canada Bay over the coming years, and options to address them. It presents these challenges in such a way as to continue the conversation with the community about the future of the City of Canada Bay, and how Council and its residents might work in partnership to bring this about in the most effective way.

As part of the engagement process for the development of Our Future 2036 community members were surveyed on the level of importance they place on facilities and spaces managed by Council, as well as the services it provides.

Currently Council operates under its LTFP Base Case Scenario of Sustainable Assets and Services which draws down on cash reserves as required to fund asset renewal and maintenance, while also addressing the infrastructure backlog over the term of the LTFP. It also incorporates a range of revenue growth initiatives and expenditure reduction options identified through the ongoing Horizontal Service Review which commenced in 2018.

Council faces a fundamental imbalance between its annual operating revenues and the annual operating costs, inclusive of depreciation. This imbalance is projected to grow over the term of the LTFP as presented in the growth scenario. Further, the growth scenario highlights that the generation of new assets and services through growth and increasing user demand for services would require additional revenue or greater cost savings in other areas to fund these activities.

Council's budget continues to face significant pressures including:

- an increasing burden as a result of cost shifting from other levels of government
- additional costs of construction, operating and maintaining new assets because of growth and development
- costs to procure goods and services increasing and being consistently higher than rate pegging increases as determined by IPART
- downward pressure on investment income
- greater competition in the allocation of external funding such as the Financial Assistance Grants.

The above factors mean that, as with many growing councils in NSW, particularly those with significant growth in population, Council is faced with an income gap, with costs increasing at a greater rate than revenues. This income gap to date has been addressed by way of productivity gains and efficiency savings. Council also actively pursues grants, works collaboratively with neighbouring councils and carefully manages its income and expenditure through the use of sound financial reporting systems and regular budgetary monitoring.

During the 2021-22 financial year, the achievement of annual improvement savings of \$1.7 million has been offset by the decrease in investment income, short term COVID-19 impacts and lower than expected rates growth, further increasing the cost burden placed on Council. Growth and service

demand are key drivers in generating operating deficits in the growth scenario. Accordingly, Council may need to give consideration to a Special Rate Variation (SRV) or a reduction in non-core services to sustain and fund any expansion in its asset base and service demand in the future.

Council has worked hard to absorb as much of this financial impact as it can and aims to achieve a balanced budget each year without affecting service levels, which is largely the outcome of the base scenario, with small operating deficits for the first two years and small operating surplus for the last eight years, resulting in a small surplus over the ten-year period.

The Resourcing Strategy 2022-32 proposes the continuation of the Base Case “Sustainable Assets and Sustainable Services Scenario”.

2022-2023 Budget – Operational Plan

Council’s 2022-2023 Budget has been prepared on the basis of working within overall rate revenue increasing by 2.5%. Other fees and charges have been adjusted to reflect service cost increases, but in the main fall within the range of 2% to 3%.

The 2022-2023 Budget presents an operating budget deficit of \$804,000. The Capital Budget includes funding for projects in excess of \$90 million in 2022-2023. For the following three years 2023-24, 2024-25 and 2025-26 capital expenditure will average at \$46 million per year should anticipated State and Federal Government funding be secured.

A summary of the 2022-2023 Budget is provided in the table below:

Operational		2022-2023 \$000
Income	Rates and Annual Charges	60,462
	User Fees and Charges	20,223
	Interest	1,883
	Other Revenue	6,758
	Rental Income	3,546
	Grants and Contributions-Operational	7,596
	Total Operating Income	100,468
Expense	<i>Employee Costs</i>	41,999
	<i>Borrowings</i>	698
	<i>Materials & Contracts</i>	37,540
	<i>Depreciation</i>	15,379
	<i>Other Expenses</i>	5,656
	Total Operating Expenditure	101,272
	Operational result - surplus/(deficit)	
Capital		
Income	<i>Grants And Contributions-Capital</i>	38,206
	<i>Proceeds From The Disposal Of Assets</i>	5,439
	Total Capital Income	43,645
Expense	<i>Capital Expenditure</i>	90,099
	<i>Capital Expenditure - Principal Loan</i>	1,341
	<i>Capital Expenditure - Other</i>	584
Total capital expenditure		92,024
Capital result - surplus/(deficit)		(48,379)

Funding Movements		
	<i>Add Back Depreciation & Amortisation - Non Cash Item</i>	15,379
	<i>Transfer From Reserve</i>	48,300
	<i>Transfer To Reserve</i>	14,602
Total Funding Movements		49,077
Net result - surplus/(deficit)		(106)
Operating Ratio	Operating Ratio	-0.8%

The proposed Capital Works Program for 2022-23 is detailed in the attached draft Operational Plan. Some changes have been made to the exhibited Capital Works Program, where Council's priorities have changed and opportunities have presented or been identified during the exhibition period. Changes have also been made to the proposed operational budget. These changes are detailed in Attachment 7 to this report and have been incorporated into the version of the attached draft Operational Plan, including associated amendments to the budget. In relation to the Capital Works Program, these changes may mean deferral of some projects proposed for future years.

Highlights for 2022-23 include:

Project	2022/23
Rhodes Recreation Centre	\$14,319,000
Redevelopment of Concord Oval	\$9,202,261
Massey Park Landfill Protection Renewal	\$6,650,000
Regional Cycleway Upgrade	\$5,954,995
McIlwaine Park River Activation	\$5,137,019
Majors Bay Reserve Recreation Precinct	\$4,550,000
Road Resurfacing Program	\$2,000,000
Howley Park East Upgrade	\$1,908,826
Charles Heath Reserve Upgrade	\$1,759,060
Five Dock Leisure Centre Renovation	\$1,200,000
Timbrell Park Fields Upgrade	\$1,000,000
Buildings Renewal	\$1,000,000

Council's four year Capital Program is summarised as follows:

Area	2022-2023	2023-2024	2024-2025	2025-2026
Buildings and Property	\$7,471,223	\$15,152,200	\$4,029,700	\$20,941,700
Finance	\$1,340,615	\$1,173,605	\$791,543	\$826,456
Fleet Services	\$3,160,000	\$2,896,000	\$2,840,000	\$2,896,000
Information Systems	\$583,966	\$0	\$0	\$0
Library and Community Services	\$759,471	\$565,039	\$576,504	\$598,993
Major Projects	\$33,470,477	\$1,774,053	\$1,818,404	\$1,863,864
Parks and Recreation	\$17,363,469	\$7,326,019	\$3,595,000	\$2,410,000
Roads and Traffic	\$15,080,996	\$11,432,000	\$12,573,000	\$17,244,564
Waste and Sustainability	\$0	\$0	\$0	\$3,500,000
Strategic Assets-Drainage and Marine Structures	\$12,793,478	\$11,770,030	\$8,402,901	\$7,412,389
Grand Total	\$92,023,695	\$52,088,947	\$34,627,053	\$57,693,967

Draft 2022-23 Schedule of Fees and Charges

The proposed fees and charges contained with the Operational Plan have increased in line with the Local Government Cost Index used by IPART to determine the allowable increase. Exceptions to these were identified in the Report to Council prior to its exhibition.

Submissions and Amendments to the draft Delivery Program 2022–26 and Operational Plan 2022–23

Council received five separate submissions on the draft Delivery Program 2022–26 and Operational Plan 2022–23, including the draft Fees and Charges. The submissions covered matters such as biodiversity, recreation facilities, active transport, and asset management. A summary of each of the matters raised along with respective recommendations is provided under separate cover in Attachment 7 referred to previously in this report. It is noted that no changes are recommended in response to these submissions.

It is also noted that changes have been made to the Capital Works Program and Operational Budget from the version that was publicly exhibited. These changes are referred to earlier in this report and are also detailed in Attachment 7 to this report.

Additional Amendments

Statutory fees - Increase to companion animal registration fees - In June of each year, Council is advised of increases to cat and dog lifetime registration fees as required by the Companion Animals Regulation 2018. Increases to companion animal fees for 2022/23 were advised on 2 June 2022 and are now reflected in Council's Fees and Charges. These fees are listed in the Animal Management section of the document.

On page 36 of the draft Delivery Program 2022–26 and Operational Plan 2022–23 that was publicly exhibited, there is reference to the City of Canada Bay facing an income gap, with costs increasing more than revenue.

Also mentioned is the action taken by Council to continually search for opportunities that would result in a stronger favourable operating position to ensure financial sustainability to meet increased demand for services.

It is considered appropriate to elaborate upon that section of the Plan by amending the wording to emphasise that, in order to meet the demands associated with the increased population and to

continue to provide the increased services, additional revenue will be required. This includes that Council is reviewing various options for this increase in revenue, including a Special Rate Variation. The additional information is recommended to also state that Council is committed to consulting the community of Canada Bay on such options. The relevant page of the Plan has been amended accordingly.

TIMING

Adoption of the Operational Plan prior to 30 June 2022 provides the ability to undertake expenditure from 1 July 2022 and the levying of rates.

FINANCIAL CONSIDERATIONS

The Draft 2022-2023 Budget has been prepared within the parameters of the Long Term Financial Plan modelling of base case - "Sustainable Assets and Services" (status quo). A second scenario has also been developed that builds on the base case and includes an uplift and fast track of investment in asset and some service improvements. This scenario models growth in services and assets.

Under the base case scenario, a 10 year asset renewal program has been developed to mitigate any significant deterioration of Council's current asset base. The program has been structured to ensure all classes of assets have funds allocated to deal with the timely renewal of current assets. The total infrastructure renewal program for the 10 years is \$167.2 million, along with asset maintenance programs that maintain the assets in a fit for purpose condition.

The base case scenario broadly models the continuation of Council's services as currently provided and funds current asset renewal in accordance with the Asset Management Strategy.

This scenario projects operating within IPART's rate peg determinations and relies on utilisation of cash reserves and capital revenues as required to fund the planned level of asset renewals expenditure.

Deficit budgets are projected to continue to 2023-2024 after which small surpluses are achieved. The improving operating position is largely based on the projected additional rateable dwellings anticipated over the next ten years, improving investment portfolio returns and with maintaining services and facilities at current levels. The base case scenario is sustainable financially over the 10 year forecast period, however ongoing savings through business improvement initiatives are required to ensure sustainability.

The second scenario "Growth" takes into consideration the challenges of a growing population over the next 10 years. Known challenges include urban transformation, as new residential developments change the urban environment. More people in the same space will place pressure on open space and service provision and there is a greater expectation from the community that services and facilities will be accessible for all. Council will continue to welcome communities from many cultural backgrounds, and this will influence service delivery. Smart technology will change the way we do business and retaining the local knowledge and practices of an ageing workforce as they leave, and strengthening a highly skilled, flexible, and motivated workforce will also continue to be a challenge.

Under this scenario, the level of asset expenditure increases by \$56 million over 10 years, with the bulk of this expenditure in the initial years of the forecast period. The scenario includes proposals to increase services in parks, streetscapes, community safety and additional development and strategic planning resources.

As mentioned previously, the proposed budget is based upon the base case scenario sustainable assets and services for 2022–2023. In view of the matters relating to population growth identified in the Resourcing Strategy documents, the following actions are programmed to be undertaken in advance of 2023-24 budget cycle:

1. Detailed assessment of new assets and services, resulting developer contribution plans, associated additional services and increase in demand for current services

2. Based upon one above, undertake further modelling on the growth assets and services scenario as more clarity is achieved over the timing and certainty of the delivery of new assets and services and the subsequent funding options for a financially sustainable Council operation.

LEGISLATIVE AND POLICY CONSIDERATIONS

The Integrated Planning and Reporting (IP&R) legislation requires Council to review and confirm the Council's 4-year Delivery Program and adopt the annual Operational Plan, including the budget and rating structure.