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CONTACT: Graham Kennett  
FOR FURTHER INFORMATION  
Draft Operational Plan 2018/2019  
PLEASE QUOTE THIS REFERENCE

1 June 2018

Kyogle Tidy Towns Committee  
PO Box 795  
KYOGLE NSW 2474

Dear Ms Hayman

### **Submission on draft Operational Plan 2018/2019 and Delivery Program 2018/2022**

Thank you for your submission on Council's draft Operational Plan 2018/2019 and Delivery Program 2018/22. Please see the following responses to the questions raised in your submission.

#### *Page 22: Operating Costs:*

*How can these costs remain constant over the four year period when costs of materials are constantly increasing.*

The budgets for maintenance of Regional Roads shown on page 23 of the draft was fixed for the period as part of the scenario adopted in the Long Term Financial Plan (LTFP). While the cost of materials may be increasing, the budget has been effectively reduced to reflect the high level of capital renewals and improvements occurring during this period.

#### *Page 23: Capital Expenditure: Villages*

*Bonalbo, Woodenbong and Renewals Villages are all shown to receive the same level of investment, surely they would have different needs resulting in different level of expenditure. Also the annual increase would not meet the increasing cost of materials over the four years.*  
The Capital Expenditure Budget for urban streets shown on page 24 of the draft provide an indicative split for budgeting purposes. These budgets are increased in accordance with the scenario and assumptions adopted in the LTFP, which reflects an efficiency dividend, rather than straight CPI.

#### *Page 24: Operating Expenditure.*

*The forecasted expenditure should not remain consistent- costs are continually increasing therefore these estimates MUST indicate a gradual decline in the quality of roads within the LGA.*

The budgets for maintenance of Rural Local Roads shown on page 25 of the draft was fixed for the period as part of the scenario adopted in the LTFP. While the cost of materials may be increasing, the budget has been effectively reduced to reflect the high level of capital renewals and improvements occurring during this period. The last two years operating under this scenario have resulted in an improvement in the quality of roads, rather than a decline.

*Page 25: Non- current revenue: - National Stronger Regions Fund:  
Thought that these funds were to be expended in the villages.*

The National Stronger Regions Fund is an Australian Government program, you may be thinking of the Stronger Country Communities Fund which is a NSW Government Program. See pages 15 and 16 of the draft for a list of projects to be funded under the SCCF.

*Page 26: Quarries:*

*How come Income is showing a sharp decline from the high in 2018/19 and then a gradual increase from 2020/2021/22.*

The quarries budget shown on page 27 of the draft reflect the increased activity in 2018/19 associated with the major grant funded projects such as Culmaran Creek Road. 2018/19 reflects a sharp increase in the average annual income, with the average income returning in 2019/20 and beyond.

*Page 27: Economic Development: Operating Expenditure:*

*This is a ridiculously low figure – the council should be encouraging investment and value adding in the LGA and with this budget it would not be possible. Are the employment costs included in administration or personnel costs?*

Your constructive comments in relation to the Economic Development budget shown on page 28 of the draft are noted. The employment costs associated with Economic Development are not included in administration or personnel, they are as shown in the Economic Development budget on the row titled "Employment Costs".

*Page 28: Domestic Waste Management –Operating Expenditure.*

*Account for the increase of almost \$200k between 20/21, 21/22.*

*Other Waste Management:*

*Domestic Waste Share Costs: Is it correct to assume that the years 2018-2021 are a rough estimate and suddenly in 2021/2022 it is the actual figure an increase in income of \$185k+. how come?*

No, it is not correct to assume that the increase in operating expenditure in the Domestic Waste Management budget on page 29 of the draft is associated with the Domestic Waste contribution towards capital improvements at Council's waste facilities, which are accounted for in the Other Waste Management budget.

*Page 32: Environmental Health:*

*Noxious Weeds: didn't council withdraw from this scheme?*

*On Site Management Systems – what costs are involved?*

*Building Control – Why is this activity not cost neutral?*

Council has an ongoing agreement with ROUS Country Council (Formerly Far North Coast Weeds) for the management of Council's weed control functions. On-site sewerage systems require assessment, approval, construction inspections and ongoing inspections on a regular basis depending on the risk assigned to a particular OSSMS. Building control is not cost neutral primarily because there is limited building activity and many of the applicable fees are statutory in nature and not able to be charged at a full cost recovery basis. Please see also the draft Fees and Charges for more information on the nature of these fees.

*Page 33: What is Regulatory Control?*

Regulatory Control is the control of activities regulated under legislation such as the Protection of the Environment and Operations Act, Local Government Act, Roads Act, Companion Animals Act, and others. These are sometimes referred to as Ranger Services.

*Page 34: Community Services why the fall from the 2018/2019 shown surely there is a constant increase in demand.*

The Community Services budget for 2018/19 shown on page 35 of the draft includes a series of projects on non-Council owned facilities under the Stronger Country Communities Fund mentioned earlier. These projects are effectively treated as a donation and hence accounted for under the Community Services donations budget area rather than as capital expenditure.

*Page 35: Council Chambers – note that the timber surrounds of the windows on the 1<sup>st</sup> floor are in urgent need of attention.*

*KMI Hall – what are these funds used for - \$80k+ has been shown in the budget for a number of years, but to the lay person there is never any obvious maintenance.*

Thank you for your comment on the Council Chamber windows, a Customer Action request has been lodged with the relevant staff in this regard, reference CAR 612374. The community buildings budget shown on page 36 of the draft includes all operating costs such as electricity, rates, insurances, water and sewer charges etc as well as any maintenance and cleaning costs.

*Page 36: Operating expenditure- Concerned that with the planned redevelopment of the Main Street, Alcorn Park etc additional funding will be required for maintenance of these areas in particular Alcorn Park and the extremely modest increase shown may not be adequate. In the past Alcorn Park in particular has been brought back from the wilderness only to revert back because of lack of funding.*

*If council cannot maintain existing infrastructure then stop, consolidate and then move forward e/g. the fence along the front of the Kyogle Cemetery is crying out for a coat of paint and some TLC if it cannot be restored satisfactorily then perhaps replace with a hedge that can be quickly trimmed.*

Your concerns have been noted.

*Overall increases in Budget expenditure do not appear to keep in pace with increases in the CPI which is extremely worrying because it only means that the LGA will be back peddling. Add to this additional activity resulting from Grant money and no funding for upkeep and the goose that lays the golden egg will not be around forever.*

For more details on the financial sustainability strategy of Council, I would encourage you to review the LTFP and annual financial statements. The current LTFP strategy is being implemented and proving to be effective with improvements able to be seen throughout the LGA, and with more to come.

Thank you for your submission. Should you require any further information in regard to this matter, please do not hesitate to call me on 02 6632 0228.

Yours faithfully



Graham Kennett  
**GENERAL MANAGER**

