

15.1 INTEGRATED PLANNING & REPORTING DOCUMENTS

Author:	Director Corporate & Community Services
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Attachments:	<ol style="list-style-type: none">1. Draft Delivery Program 2025-20292. Draft Operational Plan 2025-263. Draft Appendices

Link to Community Strategic Plan:	Delivery Plan Action CL1.2 - Ensure the long term financial sustainability of Council through effective and prudent financial management (CSP Strategy CL1 - Effect resourceful and respectful leadership and attentive representation of the community).
Cost to Council:	Nil
Use of Reserve Funds:	Nil

RECOMMENDATION

That:

1. The report of the Director of Corporate & Community Services on the Integrated Planning & Reporting Documents be received.
2. The Draft Delivery Program 2025-2029 and Draft Operational Plan 2025-2026 be approved for public exhibition.
3. Both documents be placed on public exhibition from 30th April 2025 until 30th May 2025.
4. Any submissions received be reported to Council at its Meeting on 17th June 2025.

BACKGROUND

To present the Draft Delivery Program 2025-2029 and Draft Operational Plan 2025-2026 for consideration to be placed on public exhibition.

REPORT

Staff have now completed the preparation of the Delivery Program and Operational Plan for consideration. The Draft plans have been prepared in accordance with s402-406 *Local Government Act 1993*.

Information on various aspects of the documents have been distributed and discussed at recent Councillor briefing sessions throughout February, March and April 2025.

Background

The Delivery Program and Operational Plan are two key plans in the suite of Integrated Planning and Reporting documents.

The intended purpose of the Delivery Program is to detail the activities to be undertaken by Council during its 4-year term to implement the strategies contained within the Community Strategic Plan. The plan is also required to include a method of assessment to determine the effectiveness of each principal activity detailed in the Plan.

The intended purpose of the Operational Plan is to detail the activities engaged in by Council during the year in question (in this case 2025/26) as part of the Delivery Program covering that year. The

Operational Plan also includes the budget, capital works program, fees and charges and the statement of revenue policy for 2025/26.

The Long-Term Financial Plan outlines Council's projected financial performance/position over a 10 year period has also been prepared. This document will form part of the Resourcing Strategy (along with the Workforce Plan and Asset Management Plan) which will be presented to Council for its endorsement in July.

Budget Philosophy

The Budget philosophy is based on taking a conservative approach to income generation to ensure that incomes are not optimistically overstated, which could result in an adverse effect if they are not received to the level expected. Grant incomes are also not included unless there is a reasonable degree of certainty for their receipt. Expenditure has been included at realistic levels based on the best available professional and technical assessment. As always, factors throughout the year may result in variations to both income and expenditure that will be dealt with as part of the quarterly review process.

Capital Works Program

The Capital Works Program is presented for the current year plus three forward years. A detailed 2025/26 works program has also been included.

The Draft Capital Works Program was provided to Council and discussed at Councillor briefing sessions in February and March 2025.

The program includes a number of major and exciting projects that have been proposed for 2025/26 including:

- Currawang Road Causeway and Road Upgrade
- Footpath replacement around Victoria Park, Goulburn High School and Goulburn Base Hospital
- Major renewal works on Marulan Water Treatment Plant.
- Major renewal works on Marulan Waste Water Treatment Plant.
- Goulburn Waste Water Treatment Plant extension.
- Ongoing major renewal works on both Water and Sewer reticulation assets.

A number of large projects underway in 2024/25 will also be completed during 2025/26. The unexpended components of these projects will be introduced into the budget during the public exhibition period of the draft Operational Plan (and reported to Council on 17 June) or through the carry-over process in July/August.

Sewer Charges

An increase of 1% is proposed to the Sewerage Availability Charges for 2025/26.

The Sewer User Charge is also proposed to increase by 1%.

Water Charges

Water Availability Charges are proposed to increase by 5% in 2025/26.

Water Usage Charges for Goulburn are also proposed to increase by 5%.

Domestic Waste Charge

The Domestic Waste charge is proposed to increase by 3% in 2025/26 to \$443 per property. The rural waste fee is proposed to be set at \$172 which represents an increase of 3% (\$5) on the 2024/25 fee.

Stormwater Levy

There is no intent to formally charge a Stormwater Levy for 2025/26.

Financial Constraints

The task of preparing the Budget has been undertaken in the context of the following constraints:

Financial Assistance Grant – as with rates, the annual increases in the Financial Assistance Grants (FAG) are not keeping pace with the inflation or other cost indexes relevant to Council expenditure. The current budget allows for an annual increase of 4% over the four years presented.

In previous years, the Government has made an “advanced payment” of a large percentage of the following year’s FAG in May/June. Council will continue to ensure that this “advanced payment” is placed in a reserve to ensure that Council has money set aside if the Government ceases this practice.

Other Grants – Council continues to seek and apply for grants when available. At the stage of this report being written, grant applications are currently being assessed and/or prepared for a number of projects. Should these grant announcements be made during the public exhibition period, the budget will be updated to reflect these announcements in the form of a budget submission to the June Council meeting.

Interest Revenue – Recent interest rate rises has seen our return on investments continue to increase during 2024/25. Despite a recent reduction in the official cash rate, it has been assumed that the current levels of interest will continue in the short to mid-term.

Loan Borrowings/Debt Service ratios – at this stage, no further borrowings are proposed in the forward capital works program. Council’s Debt Service Ratio and Debt Service Cover Ratio will both remain well within accepted limits despite these proposed borrowings.

Other Constraints – other constraints continue to include:

- Increasing contribution to pensioner rebates due to the ageing population.
- Limited ability to access new income sources.
- Traditional expectation for Council to subsidise recreational, cultural and heritage services and the limited community contributions to them.

Plant & Equipment

Plant and Equipment will be replaced in accordance Council’s 10-year replacement program. A review of Council’s fleet management practices will be undertaken in the coming months to ensure that we are utilising our fleet in the most efficient way and that our turnover in fleet minimises the lifecycle costs of each item of plant.

Other Cost Pressures

While inflation has reduced in the past 12 months, it still remains relatively high.

Several other expenses faced by Council have increased by amounts well in excess of the inflation rate, including:

- Insurances continue to have increased by approximately 10%.
- Information Technology cost increases continue to outstrip inflation. Amounts spent on Cybersecurity continues to increase as the risk becomes greater. Changes to licensing arrangements for major providers such as Microsoft have also had a major impact on Council’s ongoing expenses.

- While Council has successfully negotiated much improved rates from Energy suppliers for electricity, the ongoing upwards shift in these costs, and the need to seek renewable power sources in the future remains a financial challenge.

Salaries & Wages

The current Local Government (State) Award came into effect on 1 July 2023. The award set out increases to salaries & wages for its 3-year period as follows:

2023/24	4.5%
2024/25	3.5% plus \$1,000 per employee Additional Award Payment
2025/26	3.0% plus \$1,000 per employee Additional Award Payment

The additional award payment for 2025/26 equates to an additional 0.75% on top of the 3% increase. A new award will be negotiated during the 2025/26 year to come into effect on 1 July 2026. For the purpose of future budgets, a 3.5% annual increase has been factored in for the 26/27 financial year and beyond.

Superannuation

In the absence of a change to the Federal legislation, the Superannuation Guarantee Levy (SGL) is due to increase from 11.5% to 12% as of 1 July meaning an increase in Council's superannuation obligations. At this stage, 12% is the maximum SGL contribution that will be required in the future.

Fees and Charges

Where possible, discretionary fees & charges have generally increased between 3-5%.

A number of fees are recommended to remain at their 2025/26 levels due to them being subject to larger increases in previous years.

A review of some of Council's more entrepreneurial fees has been completed to ensure that the fees are reflective of the actual cost of providing the service. These fees, including planning fees such as those for Development pre-lodgement meetings have been recommended for significant increases.

A review has also been undertaken for the fees in relation to Water and Sewer 305 application fee under the Water Management Act 2000. The new charges have been calculated to include design review, administrative charges and inspections (including any reinspections). The redesign of these charges is aimed at giving the applicant more certainty upfront of the total cost to acquire a 307 certificate and reducing the administrative burden of having to issue follow up invoices for additional inspections.

Where fees & charges are set by statutory means and no advice has been received from the relevant statutory body, no assumption has been made on what change will be applied to the particular fee(s) involved (fees marked as TBA). Once advice on the fees is received, it will be reported to Council as an internal submission following the public exhibition period.

Rate Pegging – IPART has set the rate pegging limit for 2025/26 at 4.2%. Rates for 2025/26 will be levied for the first time using the valuation with the base date of 1 July 2024. Due to the use of the new valuation, movement in individual rate notices will vary significantly. A large number (approximately 4,600) of properties will see a reduction in their general rates while approximately 1,200 properties will see their rates increase by more than 10%.

The General Fund

The following table shows the projection of the level of reserves in the General Fund over the next four years.

EXTRA ORDINARY COUNCIL MEETING AGENDA
TUESDAY, 29 APRIL 2025

	2025/26	2026/27	2027/28	2028/29
Internal Restrictions	13,000,104	13,664,493	14,375,298	14,783,603
External Restrictions	11,032,365	12,155,618	14,139,249	16,315,249
Unrestricted Cash	318,940	-61,753	-161,829	-1,749

It can be seen that the unrestricted cash is projected to be in the negative in 2026/27. Further significant work needs to be undertaken during 2025/26 to ensure the projection of the unrestricted cash level is increased and Council becomes more financially sustainable into the future. Council has commenced a program of service reviews. Additional service reviews will be undertaken over the next two to three years and beyond.

The Other Funds

The projected cash balances for the Domestic Waste Management, Water and Sewer Funds are as follows:

Domestic Waste Management				
	2025/26	2026/27	2027/28	2028/29
Internal Restrictions	116,568	116,568	116,568	116,568
External Restrictions				
Unrestricted Cash	3,896,267	4,578,573	5,265,868	5,999,131

Water Fund				
	2025/26	2026/27	2027/28	2028/29
Internal Restrictions				
External Restrictions	16,543,546	9,634,700	9,835,465	10,036,230
Unrestricted Cash	11,804,827	5,164,339	5,935,308	3,617,307

Sewer Fund				
	2025/26	2026/27	2027/28	2028/29
Internal Restrictions	20,168,944	15,882,641	14,460,790	14,460,790
External Restrictions	31,877,316	14,467,353	2,008,805	2,390,163
Unrestricted Cash	27,796,225	20,066,951	33,804,549	32,952,959

While the funds show relatively healthy projected cash balances, it must be noted that the Water and Sewer funds in particular have some major high risk projects currently underway or being developed where the budgeted amounts may not be sufficient depending on the final requirements and standards set by the authorising agencies.

These projects include:

- Marulan WWTP Upgrade (Sewer)
- Marulan WTP Upgrade (Water)
- Goulburn WWTP Extension (Sewer)

There will also be a requirement to upgrade the entire Marulan Sewer reticulation system in conjunction with the Marulan WWTP upgrade project. Both funds also have ageing infrastructure that will require significant investment in renewal works in the years beyond 2027/28.