

ENCL: 1ST ORDINARY COUNCIL MEETING/CONF
YES

AGENDA ITEM: C28.4

DRAFT 2017/18 MUNICIPAL PLAN AND BUDGET

REPORT No.: 17TC0024 VG:ph COMMON No.: 2100136

DATE: 16/05/2017

Presenter: Manager Strategy & Outcomes, Vanessa Green

Approved: Executive Manager, Mark Blackburn

PURPOSE

The purpose of this report is to endorse the Draft 2017/18 City of Darwin Municipal Plan (DMP), which incorporates the annual budget, for public consultation.

LINK TO STRATEGIC PLAN

The issues addressed in this Report are in accordance with the following Goals/Strategies as outlined in the 'Evolving Darwin Towards 2020 Strategic Plan':-

Goal

5 Effective and Responsible Governance

Outcome

5.5 Responsible financial and asset management

Key Strategies

5.5.1 Manage Council's business based on a sustainable financial and asset management strategy

KEY ISSUES

- The DMP (**Attachment A**) details Council's Annual Budget and Annual Service Delivery Plan to work towards achieving the goals of the *Evolving Darwin Towards 2020 Strategic Plan*.
- General rates in this budget are proposed to increase by 1.9%, the DMP details the factors that impact on the general rate increase.
- The capital works program of \$21.63M includes \$12.82M for the replacement / renewal of assets.
- The DMP will be available for public consultation for a period of not less than 21 days as prescribed by the *Local Government Act*. Consultation commences on Wednesday 17 May 2017 and concludes at 5.00pm on Friday 9 June 2017.
- Public feedback will be considered and presented with the final Municipal Plan for adoption at the 2nd Ordinary Meeting scheduled for Tuesday 27 June 2017.

RECOMMENDATIONS

- A. THAT Report Number 17TC0024 VG:ph entitled Draft 2017/18 Municipal Plan and Budget, be received and noted.
- B. THAT Council adopt the Draft 2017/18 City of Darwin Municipal Plan contained in **Attachment A** to Report Number 17TC0024 VG:ph entitled Draft 2017/18 City of Darwin Municipal Plan, for the purpose of public consultation.
- C. THAT pursuant to Section 103 of the *Local Government Act*, the staffing plan approved by Council for the 2017/18 financial year be based on a total budget for employee costs of \$32.3M and an approved establishment full time equivalent (FTE) of 349.4 staff, noting that short-term projects may temporarily change the number of staff employed.

BACKGROUND

Section 22 of the *Local Government Act* states that each Council must have a plan for its area, for municipal councils it is to be called a Municipal Plan. The Municipal Plan must be adopted by Council between 1 April and 31 July each year and undergo a minimum of 21 days public consultation. Development of the Plan must be in accordance with the requirements of the Local Government Act.

In February 2017 the Chief Executive Officer amended Council's organisational structure with the addition of a City Futures Department. Other key amendments included:

- Community and Cultural Services renamed to City Life and to include Community Engagement (moved from the Office of the Chief Executive effective 1 January 2017) and Regulatory Services. Sister Cities to move to City Futures and rebranded International Relations
- Infrastructure Services renamed to City Operations with Planning moved to the City Futures department and Fleet Services and Stores moved from Corporate Services to City Operations
- Corporate Services renamed to City Performance with Strategy and Outcomes moved from the Office of the Chief Executive and the majority of Business Services moved to City Futures
- City Futures established with functions listed above and to include Climate Change and Environment moved from the Office of the Chief Executive Officer

Organisational changes have been captured in the Program Profiles listed in the 2017/18 DMP.

For a number of years Council has received feedback on its assessment of the social and economic impacts of its rating strategy. This year Council contracted the services of ID Consulting to undertake this assessment which is available on pages 53 of the Municipal Plan.

DISCUSSION

Overview

The 2017/18 DMP sets out program deliverables and projects that the City of Darwin proposes to deliver for the community to achieve the Goals of the *Evolving Darwin Towards 2020 Strategic Plan*.

The DMP and budget has been developed following consultations with Council and is presented on the basis of a 1.9% general rate increase. The budget again seeks to balance demand for services and infrastructure.

Key capital works projects funded in 2017/18 include Dinah Beach Road (\$1.78M), Shoal Bay Waste Management Facility Leachate Treatment System Pilot (\$1.0M), Darwin Entertainment Centre air-conditioning replacement (\$2.1M) (total project \$6M), Playground Shade Upgrades (\$940K), and Coastal Foreshore Erosion works (\$610K).

In general, Program service levels remain the same, noting an additional program for Street Lighting. Council has drawn from reserves to be able to allocate new operational funding to address this additional responsibility which is the result of the transfer of Street Lighting to local government from the Northern Territory Government in January 2018.

Staff Plan

Section 103 of the Local Government Act requires that the CEO be responsible for the appointment of staff in accordance with a staffing plan approved by the Council. The DMP is based on a total budget for employee costs of \$32.3M and an approved establishment full time equivalent (FTE) of 349.48 staff, noting that short-term projects may temporarily change the number of staff employed.

Public Consultation

The DMP will be exhibited for public consultation for 21 days as prescribed by the Local Government Act. Consultation commences on Wednesday 17 May 2017 and concludes at 5.00pm on Friday 9 June 2017. Following the required period of public consultation, the comments received will be reported to Council for consideration with the final Municipal Plan at the Ordinary Meeting on 27 June 2017.

CONSULTATION PROCESS

In preparing this report, the following City of Darwin officers were consulted:

- Executive Leadership Team

In preparing this report, the following External Parties were consulted:

- Elected Members

Senior managers and key staff across Council have been involved in the development of the annual budget and service delivery plan. External consultant *.id (the population experts)* has undertaken economic analysis contributing to content in the DMP.

POLICY IMPLICATIONS

This report does not propose any policy changes. Where appropriate this report and the 2017/18 DMP refers to related policies and procedures.

The Municipal Plan has been developed in accordance with Council Policy and the service delivery plan facilitates working towards achieving Council's Strategic Direction.

BUDGET AND RESOURCE IMPLICATIONS

The report relates entirely to budget and resource implications.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

The Council must adopt a legally compliant budget. The timetable and processes were set to achieve this. The adoption of a budget and rating is a decision that the Council cannot delegate.

A "balanced" draft budget is presented in terms of Part 10.5, Section 127(3) of the Local Government Act (NT).

All budgets include a risk of variability which Council addresses by taking a prudent approach.

Council has various processes in place to address its risk management such as an appointed Risk Officer, occupational health and safety procedures, and a Risk Management and Audit Committee with an independent chair.

The Local Government Act requires the Municipal Plan to contain the following items:

- A service delivery plan for the period of the plan; and
- Indicators for judging the standard of the Council's performance.
- Council's Budget.

The Municipal Plan must also contain or incorporate by reference:

- Any long term community or strategic plans relevant to the period of the plan;
- The Council's Long Term Financial Plan;
- The Council's most recent assessments of:
 - Constitutional arrangements their adequacy for representation for the Council's area;
 - Opportunities and challenges for local government service delivery in the Council's area;

- Possible changes to the regulatory and administrative framework for delivering services in the Council's area; and
- Whether possibilities exist for improving local government service delivery by co-operation with other councils, government agencies or other organisations.

The 2017/18 DMP, **Attachment A**, complies with the above requirements.

This item is considered 'Confidential' pursuant to Section 65(2) of the Local Government Act and 8(c)(iv) of the Local Government Administration Regulations, whereby the public may be excluded while business of a kind classified as information that would, if publicly disclosed, be likely to prejudice the interests of the council or some other person is discussed.

ENVIRONMENTAL IMPLICATIONS

Environmental and social implications should be considered in relation to the budget.

COUNCIL OFFICER CONFLICT OF INTEREST DECLARATION

We the Author and Approving Officers declare that we do not have a Conflict of Interest in relation to this matter.

VANESSA GREEN
MANAGER STRATEGY &
OUTCOMES

MARK BLACKBURN
EXECUTIVE MANAGER

For enquiries, please contact Vanessa Green on 89300531 or email:
v.green@darwin.nt.gov.au.

Attachments:

Attachment A: Draft 2017/18 Municipal Plan

Submitted under separate cover.