

Supporting notes - Council Draft Operational Plan 2023/2024

Upper Lachlan Shire Council has projected a consolidated operating budget deficit (before capital grants and contributions) of \$3.983 million, with a total net cash flow deficit of \$3.54 million with large \$ transfers from reserves necessary to assist in funding the capital expenditure projects.

Council has prepared a comprehensive capital expenditure works program for the Shire totalling \$24.2 million in 2023/2024. The capital works program consolidates on the past years capital investment and the budget for the next four years has been scheduled to spend \$50.8 million on capital infrastructure works including asset renewal and rehabilitation projects and delivering new community assets.

It is always a delicate balance, managing the needs and expectations of our community, while ensuring that Council remains in a sound financial position. Council has reviewed all community submissions and included a number of those submissions within the draft Operational Plan.

SUMMARY: UPPER LACHLAN SHIRE COUNCIL OPERATIONAL PLAN 2023/2024

- Council has prepared a \$33.4 million operating budget. The table below dissects the operational budget by each individual fund.

INCOME STATEMENT	General Fund	Domestic Waste Fund	Water Supply Fund	Sewerage Fund	Consolidated Total
<u>OPERATIONAL INCOME</u>					
Rates and Annual Charges	9,403,681	1,581,093	1,117,149	1,550,170	13,652,093
User Charges and Fees	4,897,625	1,000	1,105,880	346,464	6,350,969
Interest and Investment Income	661,926	99,424	191,458	306,414	1,259,212
Grants and Contributions provided for Operating Purposes	11,292,675	29,978	18,724	17,106	11,358,483
Net Gain from the Disposal of Assets	139,957	0	0	0	139,957
Other Revenues	674,610	0	0	0	674,610
Total Income from continuing operations	27,070,474	1,711,495	2,433,211	2,220,144	33,435,323
<u>OPERATIONAL EXPENSES</u>					
Employee Benefits and On-costs	12,548,438	366,062	781,568	536,136	14,232,203
Materials and Services	9,952,850	1,225,433	1,051,855	685,795	12,915,933
Borrowing Costs	249,223	0	24,163	5,643	279,030
Depreciation, Amortisation & Impairment of Assets	7,818,015	120,000	532,566	523,202	8,993,783
Net Loss from the Disposal of Assets	104,136	0	0	0	104,136
Other Expenses	852,960	0	40,800	0	893,760
Total Expenses from continuing operations	31,526,651	1,711,495	2,430,952	1,750,776	37,418,844
Net Operating Result Surplus/(Deficit) for the year (before Capital Grants and Contributions)	(4,455,147)	0	2,259	469,368	(3,983,521)

- Note: The above operational expense includes \$2.64 million expenses, which is funded by a transfer from reserves. The funds relate to the early payment of the NSW Government Regional and Local Roads Repair Program (RLRRP) grant income that was recognised as income in the 2022/2023 financial year and the expenses are outlaid on the project in 2023/2024.

Ordinary (General) Rates:

- Ordinary (General) Rate peg limit is set by IPART for Local Government. Ordinary Rates are calculated on unimproved land values, at base date 1 July 2022, supplied by the Valuer General's Office. There is a general land revaluation for the Shire this year.

Rates Description	Increase %	Increased Income
Ordinary (General) Rates	3.70%*	\$309,381

* The \$ value increases will vary within each individual rating category.

Sewerage Charges:

Sewerage Charges	Increase
Sewerage Access Annual Charge for Residential Categories	7% or \$64 increase per Assessment; \$969 per Residential property.*
Unoccupied Sewerage Access Charge for Residential Categories	7% or \$42 increase per Assessment; \$636 per Residential property.

* The Sewerage Access Charge for Gunning, Crookwell, and Taralga are uniform.

- Council utilises the Sewerage Best Practice Pricing Structure. For Non-Residential properties, the charge will be not less than the Annual Residential Sewerage Access Charge of \$969. The \$ value increases will vary depending on water consumption and sewerage discharge factors.

Water Supply Charges:

Water Charge	Increase
Water Supply Access Charge; and Water Supply Availability Charge	2.50% or \$13 increase per Assessment; \$523 per annum per connection. *
Water Usage Charge [^]	8% increase:- * \$3.82 per kilolitre for water consumption less than 200 kilolitres * \$5.05 for every kilolitre over 200.

* The Water Supply Access Charges and water consumption user-pays charges for the towns of Dalton, Crookwell, Gunning and Taralga are uniform.

[^] Note that NSW Government water regulations require a minimum 50% of all town water supplies income to be generated from the water usage charge.

Stormwater Charges:

- There is a zero increase. The Stormwater Annual Charge will continue to be levied for the towns of Crookwell, Gunning, Collector and Taralga. This levy will remain at \$25 for Residential properties and \$50 for Businesses.

Domestic Waste Management (Garbage) Charges:

Domestic Waste Management Charge	Increase
Domestic Waste Management Charge* (For the Shire)	7% or \$39 increase. \$595 per annum per service
Domestic Waste Availability Charge (All vacant properties in towns where the garbage service is available)	7% or \$16 increase. \$234 per Assessment.

* The Domestic Waste service consists of a weekly 120-litre bin pick up and a recycling service fortnightly pick up of a 240-litre bin. In addition, organic green waste service comprises a 240-litre bin collection service of once per fortnight.

Commercial Waste (Garbage) Charges:

Commercial Waste Charge	Increase
Commercial Waste Charge (Business Rate Categories)	7% or \$47 increase. \$705 per annum per service
Commercial Waste Availability Charge (All vacant business land in towns where the garbage service is available)	7% or \$16 increase. \$234 per Assessment.

Rural Waste Charges:

Rural Waste Charge	Increase
Rural Waste Charge (Properties that do not have a Domestic Waste Service)	7% or \$17.60 increase per Assessment. * \$257.40 per Assessment

* The Rural Waste Charge is subject to GST. The annual charge is \$257.40 per annum per service inclusive of GST with 1/11 of the waste charge being remitted to the ATO.

- The Rural Waste Charge entitles ratepayers to dispose of one standard garbage bin (120-litre bin) of waste per week at no cost at any rubbish tip in the Shire. Disposal of sorted recyclable materials will be accepted free of charge at all rubbish tips.

Loans:

- There is two new loans forecast this financial year totalling \$2.4 million in borrowings. Loan funding of \$1.4 million is required for the Crookwell waste landfill site restoration and remediation. Loan funding of \$1 million is required for the heated pool complex component of the Multi-purpose Aquatic and Activity Centre (MAAC).
- There is no refinancing of existing loans.

Capital Works Expenditure Highlights – 2023/2024 Total Program \$24.2 million

Project Description	Project Cost
Plant Replacements (including fleet vehicles) net purchase cost	\$1.1 million
Lin Cooper Field, Crookwell – New Change Rooms construction	\$998,601
Coleman Park, Crookwell – Inclusive Play Space	\$636,400
Gunning Showground – Electrical upgrade and replace callers box	\$243,210
Gunning Showground – Amenities Construction and fit out	\$722,747
Crookwell Multi-purpose Aquatic & Activity Centre (Heated Pool)	\$3.2 million
Gunning Swimming Pool – Amenities Block construction	\$515,000
Crookwell Waste Centre remediation	\$1.9 million
North Street Crookwell Stormwater Upgrade	\$220,000
Footpath renewal – Goulburn Street Crookwell	\$110,000
Roads and Bridges capital budgeted expenditure is as follows:-	
• MR241 Dalton Road pavement rehabilitation and resealing	\$664,000
• Heavy Patching local roads program Gunning & Crookwell towns	\$100,000
• The Tablelands Way upgrade Taralga Road MR256	\$5.83 million
• Bitumen Resealing - Urban Local Roads (throughout the Shire)	\$150,000
• Bitumen Resealing - Rural Local Roads (throughout the Shire)	\$450,000
• Bitumen Resealing - Regional Roads (throughout the Shire)	\$550,000
• Breadalbane Road reconstruction (R2R & Fixing Local Roads)	\$1.15 million
• Pavement Rehabilitation – Golspie Road Taralga (R2R)	\$273,046
• Pavement Rehabilitation – Bannaby Road Taralga (R2R)	\$500,000
• East Street, Crookwell – new bitumen sealing (R2R)	\$80,000
• Gravel Resheeting program various roads (R2R & Section 7.11)	\$623,046
Water Fund capital improvements includes the following:-	
• 4 Towns water supply mains replacements / rehabilitation works, and Taralga Dam Design and Assessment	\$1.1 million
Sewerage Fund capital improvements includes the following:-	
• 3 Towns sewerage mains replacements / rehabilitation works, solar PV installation, effluent reuse system and Kennedy Street pump station upgrade	\$1.2 million