



Operational Plan 2021/22

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Financial Summary

The Council has developed a four-year Delivery Program and a ten-year Community Strategic Plan. The Council's Operational Budget is in its fourth year of these plans. The major focus of the Council in developing the budget is to ensure its long term financial sustainability and to maintain its assets. The setting of the budget has been based on the guiding principles of the Community Strategic Plan.

COVID-19

The NSW Office of Local Government mandated on 29th June 2020 that the September 2020 ordinary Council elections be postponed until 4 September 2021. This effectively extended the application of Council's current Delivery Program to 5 years.

Councillors that are elected on 4 September 2021 will have a term of 3 years. Thereafter Councils will return to a four-year term to align ordinary elections to the original four-year term dates.

This Operational Plan is for the new fifth year of the 2017-18 to 2021-22 Delivery Program.

Integrated Planning and Reporting

Integrated Planning and Reporting is the framework for planning and reporting which was introduced by Local Government across New South Wales. It aims to ensure that councils become better at reflecting community aspirations within their activity base. In order to ensure that this occurs, a new approach has been taken on how councils develop their budgets and programs on an annual basis.

The principal components of integrated planning and reporting are:

- **Narromine Shire Council Community Strategic Plan 2027** is the highest level plan Council will prepare. The purpose of this plan is to identify the core strategic objectives of the Narromine Shire community for the future.
- **Delivery Program 2017-2018 / 2021-2022** sets out the principal activities to be undertaken by Council over a Council term, to implement the objectives identified in the Community Strategic Plan.
- **Operational Plan 2021-2022** is the annual plan detailing Council's activities and budget for the fifth year under the Delivery Program.

- **Resourcing Strategy** – The Community Strategic Plan expresses long term community aspirations; however these will not be achieved without sufficient resources – time, money, assets and people to actually carry them out. The Resourcing Strategy comprises:
 - **Long Term Financial Plan**
 - **Workforce Plan**
 - **Asset Management Plan**



Operational Plan

The Operational Plan 2021-22 incorporates the Operational Budget, Capital Works program and Fees and Charges for 2021-22. It has been prepared as a result of Community consultation and their preferences around the Delivery Program, prioritisation of capital works, agreed levels of service as well income and other external stakeholders.

General Fund

Revenue is sourced mostly from rates and Operational Grants.

Each year the NSW Government determines the maximum amount by which Councils can increase their annual general rates income or alternatively the Council must submit an application to seek a special variation to exceed this amount. From 2011-12 the responsibility for determining the annual rate peg has been delegated to the Independent Pricing and Regulatory Tribunal (IPART). Under this framework a new index was established, the result for 2021-22 is a rate increase of 2.0%.

Total Income (excluding Capital Grants) within the Budget for 2021-22 is:

General Fund	18,503,376
Water Fund	\$1,844,988
Sewer Fund	\$1,548,024
Consolidated Funds	21,896,388

Expenditure has been determined after consulting widely with the community on an ongoing basis, as part of the Integrated Planning and Reporting Framework and within the revenue and other reasonable aspirations and constraints of Council.

Total recurrent expenditure within the Operational Budget is:

General Fund	18,636,421
Water Fund	\$1,721,666
Sewer Fund	\$1,532,790
Consolidated Funds	21,890,876

Overall profit is budgeted at \$5,512.

Water Fund

A profit of \$123,322 is budgeted for 2021-22 with sufficient funds in reserve for Capital Works Program. Major projects for 2021-22 include Automated meter reading replacements (\$415,188) and Water Mains replacement (\$162,357).

The water access charge for the 2021-22 rating year will be charged in accordance with the Department of Water & Energy Best-Practice Management of Water Supply and Sewerage Guidelines 2007.

Best practice water supply pricing requires that the usage charge recover those costs that vary with demand in the long term.

The residential water consumption charges will increase for 2021-22 as shown below.

DESCRIPTION	2020-21 CHARGE PER KL	2021-22 CHARGE PER KL
Narromine Residential – Consumption	\$1.70	\$1.85
Trangie Residential – Consumption	\$1.70	\$1.85
Tomingley Residential – Consumption	\$1.50	\$1.62



Sewer Fund

A profit of \$15,234 is budgeted for 2021-22 with funds being reserved for Capital Works Program. Major projects for 2021-22 include Pump station upgrades (\$173,954) and Pump replacements (\$81,179).

Council adopted best practice sewerage pricing in accordance with the Department of Land and Water Conservation "Water Supply, Sewerage & Trade Waste Pricing Guidelines" in the 2003/04 rating year. The annual sewerage service charge is applied to all single dwellings, strata title units and vacant land where a sewerage service is available.

Borrowings

Council has advised the following new borrowings in 2021-22:

- \$1,100,000 Dappo Road Residential Land Development



The Long Term Financial Plan includes provision for servicing the following existing loans:

	\$ Balance 30/6/2020	\$ Annual Service
Waste Plant Equipment	207,669	50,956
Narrormine Aerodrome Re-seal	99,919	16,248
Local Infrastructure Renewal Scheme (LIRS)	1,506,806	369,541
Narrormine Aerodrome Industrial Development	1,735,008	346,459
Narrormine Medical Centre Extension	161,680	24,365
Skypark Development	1,940,000	370,750

Councillor & Mayoral Fees

The budget includes a provision for 2.5% increase in the Councillor's and Mayoral fees. This increase is determined by the Local Government Remuneration Tribunal with final figures being advised May each year. The final increase will be endorsed by council each year.

Investments

Council receives a monthly investment report regarding the level and value of its investments. In each monthly report, the latest valuations of the structured investments are published in line with the market value per respective balance dates.

Fees & Charges

The adopted fees and charges form part of the Operational Plan. Increases have been forecast where considered necessary to maintain the fees at a comparable level in real terms to the previous year.

Conclusion

The adopted Operational Plan and Budget will provide a strong platform for Council to achieve its Delivery Program and the Community Strategic Plan.

Services Provided

The net cost (-surplus) of providing services to the Community:

Net Cost of Services	\$ 2021-22
Aerodrome	496,583
Animal & Pest Control	88,792
Bridges - Local Roads	154,371
Bridges - Regional Roads	100,763
Building Control Services	- 203,461
Buildings Halls	112,036
Cemeteries	- 5,248
Children Youth and Family Services	805
Community Buildings	50,005
Community Service	66,427
Corporate Administration Buildings	197,425
Depot Buildings	18,972
Domestic Waste Operations	- 65,188
Economic Development	318,632
Elected Members	323,247
Environment	153,205
Executive Services	1,182,285
Financial Services	- 4,156,374
GM Team	283,750
Governance	403,109
Health Services	22,659
Hub-n-Spoke	- 54,299
Human Resources Management - HR	707,121
Human Resources Management - WHS	177,349
Information Technology	567,218
Libraries Operations	401,472
Library Buildings	79,330
Manager Corporate Service Office	469,979
Manager Engineering Office	986,136
Noxious Weeds	239,007
Parks and Reserves	1,443,790
Planning	207,670
Plant Operations	- 346,474
Private Works	88,417
Public Amenities	316,233
Rates	- 6,028,872
Real Estate Development	43,629
Records Management	159,108
Regional Roads	- 355,317
Regulatory	11,200
Road Structures	14,042
Rural Fire Service Administration	244,198
Rural Roads	- 559,307
Saleyards	24,173
Sewer	- 15,234
Sports Centre	47,874
Sports Grounds	127,877
State Emergency Service	17,120
Store Operations	400,299
Stormwater Drainage	201,082
Street Lighting	96,036
Swimming Pools	175,701
Tourism	324,530
Urban Streets	658,380
Volunteer Rescue Association	888
Waste Management	- 295,341
Water	- 123,322
Net cost / -surplus	- 5,512

Capital Works Program

Projects planned for the next two years are as follows.

Department	Item	\$'000's	\$'000's
		2021/22	2022/23
AERODROME - Operational Renewals	upgrades and replacements	106	50
Corporate Administration Buildings	upgrades and replacements	30	16
LIBRARY BUILDINGS	upgrades and replacements	24	-
MEDICAL CENTRE	upgrades and replacements	-	7
CEMETERY IMPROVEMENTS	upgrades and replacements	30	13
Fixing Local Roads	Fixing Local Roads	1,660	1,660
IT EQUIPMENT REPLACEMENT PLAN	upgrades and replacements	193	396
OFFICE & OTHER EQUIPMENT REPLACEMENT PLAN	upgrades and replacements	-	6
PLANT - 10 YEAR PLANT & EQUIPMENT REPLACEMENT PRO	upgrades and replacements	911	833
Real Estate Development - Dappo Road		1,620	-
IRRIGATION/SPRINKLER SYSTEM PROGRAM	upgrades and replacements	99	6
PARK AMENITIES UPGRADE	upgrades and replacements	17	50
PLAYGROUND EQUIPMENT REPLACEMENT	upgrades and replacements	21	21
PUBLIC AMENITIES UPGRADE	upgrades and replacements	32	9
SOFTFALL REPLACEMENT PLAN	upgrades and replacements	22	21
SPORTS COMPLEX/EQUIPMENT UPGRADES	upgrades and replacements	66	2
SPORTS GROUNDS - FACILITIES UPGRADES	upgrades and replacements	37	22
SWIMMING POOL/ FACILITIES UPGRADE	upgrades and replacements	6	31
Regional Roads		800	800
Regional Roads Reseal Program (not Rural Roads)		440	449
Rural Roads - FAGS (38% FAGS Road component allocation)		400	400
Rural Roads - Roads to Recovery - Local Road Rehab, Reseal, Gravel Resheet, Culverts and Drainage		1,000	977
Rural Roads Reseal Program (42% FAGS road Component Allocation) (local roads)		459	469
Urban Streets - Footpaths, Cycleways and Pedestrian Facility (PAMP & Bike Plan)		25	25
Urban Streets - Street Lighting		306	-
Urban Streets Reseal Program (10% FAGS road Component Allocation)		149	153
SEWERAGE - Capital Works Program		465	137
Stormwater Drainage - DRAINAGE CONSTRUCTION		655	665
Stormwater Drainage - NARROMINE KERB AND GUTTER		41	71
Stormwater Drainage - TRANGIE KERB AND GUTTER		-	50
WASTE MANAGEMENT FACILITIES UPGRADE and PLANT		12	314
WATER - Capital Works Program		723	418
		10,349	8,070

Grant dependent projects

For the information of Council, the following capital works will be the subject of future grant applications.

- | | |
|--------------------------------------------------------------|-------------|
| • Heavy vehicle decoupling area | \$1,500,000 |
| • Main street improvements – Narromine and Trangie | \$1,000,000 |
| • Drainage improvements and upgrades – Narromine and Trangie | \$1,000,000 |
| • Rotary Park masterplan and implementation | \$700,000 |
| • Levee concept design and feasibility study | \$500,000 |
| • Disability access improvements | \$200,000 |

Financial Statements

Narromine Shire Council				
Operational Budget 2021-22				
INCOME STATEMENT				
	General	Water	Sewer	Consolidated
	\$	\$	\$	\$
Income from Continuing Operations				
Revenue:				
Rates & Annual Charges	8,029,515	1,754,136	1,472,052	11,255,703
User Charges & Fees	1,058,538	-	-	1,058,538
Interest & Investment Revenue	754,563	90,852	70,452	915,867
Other Revenues	1,042,064	-	-	1,042,064
Grants & Contributions provided for Operating Purposes	6,839,439	-	5,520	6,844,959
Grants & Contributions provided for Capital Purposes	3,103,171	-	-	3,103,171
Other Income:				
Net gains from the disposal of assets	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-
Total Income from Continuing Operations	20,827,289	1,844,988	1,548,024	24,220,301
Expenses from Continuing Operations				
Employee Benefits & On-Costs	10,107,591	380,919	306,609	10,795,119
Borrowing Costs	27,036	-	-	27,036
Materials & Contracts	2,341,658	829,915	792,585	3,964,158
Depreciation & Amortisation	4,917,832	510,832	433,596	5,862,260
Impairment	-	-	-	-
Other Expenses	463,045	-	-	463,045
Interest & Investment Losses	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-
Total Expenses from Continuing Operations	17,857,163	1,721,666	1,532,790	21,111,618
Operating Result from Continuing Operations	2,970,127	123,322	15,234	3,108,683
Discontinued Operations - Profit/(Loss)	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-
Net Operating Result for the Year	2,970,127	123,322	15,234	3,108,683
Net Operating Result before Grants and Contributions provided for Capital Purposes	(133,044)	123,322	15,234	5,512

Narromine Shire Council				
Operational Budget 2021-22				
CASH FLOW STATEMENT				
	General	Water	Sewer	Consolidated
	\$	\$	\$	\$
Cash Flows from Operating Activities				
Receipts:				
Rates & Annual Charges	8,029,515	1,754,136	1,169,497	10,953,148
User Charges & Fees	1,072,890	-	241,247	1,314,137
Interest & Investment Revenue Received	702,563	90,852	73,168	866,583
Grants & Contributions	9,522,610	-	3,310	9,525,920
Bonds & Deposits Received	-	-	-	-
Other	1,042,064	-	24,198	1,066,262
Payments:				
Employee Benefits & On-Costs	(10,152,491)	(380,919)	(306,609)	(10,840,019)
Materials & Contracts	(2,359,758)	(829,915)	(792,585)	(3,982,258)
Borrowing Costs	(27,036)	-	-	(27,036)
Bonds & Deposits Refunded	-	-	-	-
Other	(351,177)	-	-	(351,177)
Net Cash provided (or used in) Operating Activities	7,479,179	634,154	412,227	8,525,560
Cash Flows from Investing Activities				
Receipts:				
Sale of Investment Property	-	-	-	-
Sale of Real Estate Assets	1,136,368	-	-	1,136,368
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-
Payments:				
Purchase of Investment Property	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(7,540,871)	(722,507)	(465,304)	(8,728,682)
Purchase of Real Estate Assets	(1,620,000)	-	-	(1,620,000)
Other Investing Activity Payments	-	-	-	-
Net Cash provided (or used in) Investing Activities	(8,024,503)	(722,507)	(465,304)	(9,212,313)
Cash Flows from Financing Activities				
Receipts:				
Proceeds from Borrowings & Advances	1,100,000	-	-	1,100,000
Proceeds from Finance Leases	-	-	-	-
Payments:				
Repayment of Borrowings & Advances	(1,160,097)	-	-	(1,160,097)
Net Cash Flow provided (used in) Financing Activities	(60,097)	-	-	(60,097)
Net Increase/(Decrease) in Cash & Cash Equivalents	(605,421)	(88,353)	(53,077)	(746,851)
plus: Cash, Cash Equivalents & Investments - beginning of year	13,227,979	2,465,975	4,245,602	19,939,556
Cash & Cash Equivalents - end of the year	12,622,558	2,377,622	4,192,525	19,192,706
Cash & Cash Equivalents - end of the year	13,227,979	2,256,369	4,245,602	19,729,951
Investments - end of the year	-	-	-	-
Cash, Cash Equivalents & Investments - end of the year	13,227,979	2,256,369	4,245,602	19,729,951
Representing:				
- External Restrictions	6,501,971	2,256,369	4,245,602	13,003,943
- Internal Restrictions	2,920,302	-	-	2,920,302
- Unrestricted	3,805,706	-	-	3,805,706
	13,227,979	2,256,369	4,245,602	19,729,951