

MAYORAL MESSAGE

As Mayor of the Upper Lachlan Shire, I am pleased to present the draft 2024/2025 Operational Plan for public comment. Public submissions to the draft Operational Plan close on 24 May 2024 and will be tabled and considered at the Ordinary Council Meeting held on 20 June 2024.

The Council's draft 2024/2025 Operational Plan, 2024/2025 – 2027/2028 Delivery Program and a suite of other integrated plans are prepared for public exhibition.

I encourage everyone to view the integrated plans and submit their feedback in writing to: Chief Executive Officer, Upper Lachlan Shire Council, PO Box 42, Gunning NSW 2581 or email council@upperlachlan.nsw.gov.au.

Council Draft Operational Plan 2024/2025

Upper Lachlan Shire Council has projected a consolidated operating budget deficit (before capital grants and contributions) of \$4.318 million, with a total net cash flow deficit of \$2.787 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 \$16.2 million in 2024/2025. The capital works program consolidates on the past years capital investment and the budget for the next four years has been scheduled to spend \$43.7 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.



Clr Pam Kensit
Mayor

SUMMARY: UPPER LACHLAN SHIRE COUNCIL OPERATIONAL PLAN 2024/2025

- Council has prepared a \$39.5 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	9,824,902	1,743,577	1,337,184	1,682,279	14,587,943
User Charges and Fees	5,229,177	1,000	1,265,612	377,152	6,872,941
Interest and Investment Income	885,411	91,463	161,171	290,693	1,428,739
Grants and Contributions provided for Operating Purposes	11,200,486	0	0	0	11,200,486
Net Gain from the Disposal of Assets	456,573	0	0	0	456,573
Other Revenues	687,355	0	0	0	687,355
Total Income from continuing operations	28,283,905	1,836,040	2,763,967	2,350,124	35,234,036
<u>OPERATIONAL EXPENSES</u>					
Employee Benefits and On-costs	13,462,430	365,342	744,108	642,761	15,214,641
Materials and Contracts	9,905,846	1,300,698	1,101,090	653,663	12,961,297
Borrowing Costs	215,031	0	22,927	5,355	243,313
Depreciation, Amortisation & Impairment of Assets	8,599,817	170,000	896,474	585,986	10,252,277
Net Loss from the Disposal of Assets	0	0	0	0	0
Other Expenses	873,900	0	7,000	0	880,900
Total Expenses from continuing operations	33,057,023	1,836,040	2,771,600	1,887,765	39,552,428
Net Operating Result Surplus/(Deficit) for the year (before Capital Grants and Contributions)	(4,773,118)	0	(7,632)	462,359	(4,318,391)

- Note: The above operational expense includes \$3 million expenses, which is funded by a transfer from reserves. The funds relate to the early payment of the NSW Government Regional Emergency Road Repair Fund (RERRF) grant income that was recognised as income in the 2023/2024 financial year and the expenses are outlaid on the projects in 2024/2025.

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.

Rates Description	Increase %	Increased Income
Ordinary (General) Rates	4.50%*	\$391,665

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

Sewerage Charges:

Sewerage Charges	Increase
Sewerage Access Annual Charge for Residential Categories	6% or \$59 increase per Assessment; \$1,028 per Residential property.*
Unoccupied Sewerage Access Charge for Residential Categories	6% or \$39 increase per Assessment; \$675 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 \$1,028. 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	15% or \$78 increase per Assessment; \$601 per annum per connection. *
Water Usage Charge [^]	15% increase:- * \$4.39 per kilolitre for water consumption less than 200 kilolitres * \$5.81 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)	6% or \$36 increase. \$631 per annum per service
Domestic Waste Availability Charge (All vacant properties in towns where the garbage service is available)	6% or \$15 increase. \$249 per Assessment.

Commercial Waste (Garbage) Charges:

Commercial Waste Charge	Increase
Commercial Waste Charge (Business Rate Categories)	6% or \$43 increase. \$748 per annum per service
Commercial Waste Availability Charge (All vacant business land in towns where the garbage service is available)	6% or \$15 increase. \$249 per Assessment.

Rural Waste Charges:

Rural Waste Charge	Increase
Rural Waste Charge (Properties that do not have a Domestic Waste Service)	6% or \$16.50 increase per Assessment. * \$273.90 per Assessment

* The Rural Waste Charge is subject to GST. The annual charge is \$273.90 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 are no new loans forecast this financial year.
- There is no refinancing of existing loans.

Capital Works Expenditure Highlights – 2024/2025 Total Program \$16.2 million

Project Description	Project Cost
Plant Replacements (including fleet vehicles) net purchase cost	\$1.9 million
Kerb & Gutter – Capital renewal	\$50,000
Gunning Court House – Toilet Block improvements	\$30,000
Crookwell Stormwater – (subject to grant funding) investigation, design and grant application	\$200,000
Gunning Stormwater – (subject to grant funding) investigation, design and grant application	\$200,000
Roads and Bridges capital budgeted expenditure is as follows:-	
• MR248 Boorowa Road pavement rehabilitation and resealing	\$664,000
• The Tablelands Way upgrade Taralga Road MR256	\$5.5 million
• Bitumen Resealing - Rural Local Roads (throughout the Shire)	\$500,000
• Bitumen Resealing - Regional Roads (throughout the Shire)	\$550,000
• Breadalbane Road reconstruction (R2R & Fixing Local Roads)	\$950,000
• Pavement Rehabilitation – Martyn Street, Taralga	\$180,000
• Pavement Rehabilitation – Woodhouselee Road (R2R)	\$201,168
• Pavement Rehabilitation – Gurrundah Road (R2R)	\$200,000
• Gravel Resheeting program various roads (R2R & Section 7.11)	\$650,000
Water Fund capital improvements includes the following:-	
• 4 Towns water supply mains replacements / rehabilitation works, Integrated Water Cycle Management (IWCM) recommendations, and Taralga Dam Design and Assessment.	\$1.42 million
Sewerage Fund capital improvements includes the following:-	
• 3 Towns sewerage mains replacements / rehabilitation works, UV disinfection system, Integrated Water Cycle Management (IWCM) recommendations and Kennedy Street pump station upgrade	\$1.95 million