



2020 – 2021

Operational Plan

Adopted by Council 17.06.2020 Resolution No 2020/090



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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.

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 / 2020-2021** 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 2020-2021** is the annual plan detailing Council's activities and budget for the fourth 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 2020-21 incorporates the Operational Budget, Capital Works program and Fees and Charges for 2020-21. 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 2020-21 was a rate increase of 2.6%.

Total Income (exclusive of Capital Grants) within the Budget for 2020-21 is:

General Fund	\$	18,201,329
Water Fund	\$	1,799,844
Sewer Fund	\$	1,510,308
Consolidated Funds	\$	21,511,481

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	\$	18,142,580
Water Fund	\$	1,786,853
Sewer Fund	\$	1,501,913
Consolidated Funds	\$	21,431,346

Water Fund

A profit of \$12,991 is budgeted for 2020-21 with sufficient funds in reserve for Capital Works Program. Major projects for 2020-21 include Narromine Mains extension (\$400,000) and Water Mains replacement (\$158,397).

The water access charge for the 2020-21 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 2020-21 as shown below.

DESCRIPTION	2019-20 CHARGE PER KL	2020-21 CHARGE PER KL
Narromine Residential – Consumption	\$1.50	\$1.70
Trangie Residential – Consumption	\$1.50	\$1.70
Tomingley Residential – Consumption	\$1.45	\$1.50

Sewer Fund

A profit of \$8,395 is budgeted for 2020-21 with funds being reserved for Capital Works Program. Major projects for 2020-21 include Relining of Manholes (\$226,282) and Pump replacements (\$79,199).

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 2020-21:

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

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

	\$ Balance 30/6/2019	\$ Annual Service
Waste Plant Equipment	334,492	50,956
Narromine Aerodrome Re-seal	103,037	16,248
Local Infrastructure Renewal Scheme	1,582,322	369,541
Narromine Aerodrome Industrial Development	664,529	120,490
Narromine Medical Centre Extension	166,115	24,365

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 of providing services to the Community:

Net Cost of Services	2020-21
Aerodrome	484,992
Animal & Pest Control	158,813
Bridges - Local Roads	150,606
Bridges - Regional Roads	98,305
Building Control Services	- 129,578
Buildings Halls	108,815
Cemeteries	- 5,109
Children Youth and Family Services	770
Community Buildings	48,791
Community Service	72,016
Corporate Administration Buildings	83,332
Depot Buildings	18,504
Economic Development	217,121
Elected Members	221,901
Environment	38,394
Executive Services	1,119,928
Financial Services	- 3,693,567
Governance	692,718
Health Services	22,969
Hub-n-Spoke	- 26,455
Human Resources Management	856,649
Information Technology	569,603
Libraries Operations	402,134
Library Buildings	77,404
Manager Corporate Service Office	401,786
Manager Engineering Office	1,121,285
Noxious Weeds	190,812
Parks and Reserves	1,091,483
Planning	103,654
Plant Operations	- 356,521
Private Works	84,143
Public Amenities	169,005
Rates	- 5,881,824
Real Estate Development	167,634
Records Management	191,664
Regional Roads	- 351,298
Road Structures	13,700
Rural Fire Service Administration	238,239
Rural Roads	- 498,445
Saleyards	23,098
Sports Centre	46,752
Sports Grounds	124,736
State Emergency Service	16,699
Store Operations	253,110
Stormwater Drainage	196,169
Street Lighting	93,684
Swimming Pools	178,962
Tourism	303,655
Urban Streets	681,152
Volunteer Rescue Association	864
Water	- 12,991
Sewer	- 8,395
Waste Management	- 252,003
Net Cost / -Surplus	- 80,135

Capital Works Planned – Detail

Projects planned for the next two years are as follows. Some are dependent upon grants.

Department	Item	2020/21	2021/22
AERODROME - Operational Renewals	Advertising & Signage (7.2)	-	2,985
	Gravel Skypark Taxiways - Reform and Grad	35,000	-
	Minor Crack Seals	5,796	-
	Runway 11/29 - Crack Seal Major	-	59,702
	Runway Gravel Resheet	-	43,076
	Runway Reform and Grade	3,478	-
	Taxiway D - Reseal & Linemark	9,552	-
Corporate Administration Buildings	Air Conditioner Replacements	7,880	-
	Customer Service Office - additional office/	10,000	-
	Hub n Spoke fitout, landscaping	237,500	-
COUNCIL WORKS DEPOT UPGRADES	Renew Concrete Floor in Workshop Phase 3	23,185	-
	Upgrade Meal Room & Office	10,000	-
LIBRARY BUILDINGS	Replace the Carpet	-	23,881
	Toilet upgrade	15,759	-
CEMETERY IMPROVEMENTS	Construct New Roads	-	4,572
	Develop Lawn Cemetery Extension	12,300	-
	Lawn Cemetery - Headstone Foundation Ex	-	10,572
	Narromine Additional Irrigation for Cemete	-	5,856
IT EQUIPMENT REPLACEMENT PLAN	Upgrade Fencing	13,041	-
	Contingency works	20,868	21,493
	DRP - mobile equip replacements	10,000	20,000
	ERP Upgrade	11,256	11,592
	Helpdesk - new system	-	20,000
	Replace UPS (Power backups)	17,916	-
	Upgrade Phone System in Main Building	-	20,000
	Upgrade Switches	4,637	-
PLANT - 10 YEAR PLANT & EQUIPMENT REPL	Virtual Server Hardware (Hosts and SANB) :	60,131	-
	Plant Replacement Program annual cost	827,910	878,802
Real Estate Development - Dappo Road	Real Estate Development - Dappo Road	1,100,000	-
IRRIGATION/SPRINKLER SYSTEM PROGRAM	General Parks Irrigation Budget	5,253	5,384
PARK AMENITIES UPGRADE	Apex Park Picnic Tables (existing)	-	2,232
	Apex Park Seating (existing)	-	842
	Bicentennial Park Solar Lighting	-	8,662
	Dundas Park BBQ x 1	10,144	-
	Dundas Park Picnic Tables (existing)	2,167	-
	Main Street Seating (existing)	817	-
	McKinnon Seating (existing)	-	842
	Rotary Park Seating (existing)	817	-
	Rotary Park Solar Lighting	8,409	-
	Swift Park Picnic Tables (existing)	-	2,232
	Tom Perry Park Picnic Tables (existing)	-	2,232
	Park Garbage Bins (Vandal Proof)	9,274	-
	PLAYGROUND EQUIPMENT REPLACEMENT	Argonauts	-
Dundas Park		110,000	-
PUBLIC AMENITIES UPGRADE	Dandaloo Street Public Toilets	13,911	-
	Dundas Oval Public Toilets	8,405	-
	Rotary Park Public Toilets	-	32,307

Department	Item	2020/21	2021/22
[-] SHOWGROUND AND RACECOURSE UPGRADE	Replace electricals in pavilion	54,060	-
[-] SOFTFALL REPLACEMENT PLAN	Dundas Park - Softfall & Other Park Improvements	55,000	-
	Argonauts - Softfall & Other Park Improvements	-	22,241
[-] SPORTS COMPLEX/EQUIPMENT UPGRADES	Replace Gym Equipment	-	5,970
	Upgrade Stadium Air Conditioners		60,000
[-] SPORTS GROUNDS - FACILITIES UPGRADES	Cale Oval - Playing Field Fencing	11,500	-
	New grand stands Payten Oval	22,500	-
	Repair and reseal cycling track Payten Oval	-	37,000
[-] SWIMMING POOL/ FACILITIES UPGRADE	Picnic Tables in Grounds x 3	-	6,448
	Resurface Entrance to Pool	4,057	-
	Upgrades BBQ area incl. paving, shade Structures	18,548	-
	Urgent Renewal - Narromine Pool Centre Line	95,000	-
	Narromine Pool - renew internal shell	500,000	-
[+] Regional Roads		800,000	800,000
[+] Regional Roads Reseal Program (not Rural Roads)		431,280	439,896
[+] Rural Roads - FAGS (38% FAGS Road component allocation)		400,000	400,000
[+] Rural Roads - Roads to Recovery - Local Road Rehab, Reseal, Gravel Resheet, Culverts and Drainage		998,112	999,720
[+] Rural Roads Reseal Program (42% FAGS road Component Allocation) (local roads)		450,361	459,368
[+] Urban Streets - Footpaths, Cycleways and Pedestrian Facility (PAMP & Bike Plan)		130,078	25,000
[+] Urban Streets - Street Lighting			9,000
[-] Urban Streets Reseal Program (10% FAGS road)	Narromine	91,364	100,606
	Tomingley	13,577	-
	Trangie	40,450	48,420
[-] SEWERAGE - Capital Works Program	Minor capital works	22,628	23,194
	Narromine - Resurfacing/Relining of Manholes	226,282	-
	Pump Replacements - Narromine	56,570	57,985
	Pump Replacements - Trangie	22,628	23,194
	Pump Stations Upgrades/Relining - Narromine	-	173,954
	Pump Stations Upgrades/Relining - Trangie	-	57,985
	Rags/Filters and Wet Well Washers	28,285	28,992
	Telemetry upgrade (Narromine and Trangie)	67,884	-
[-] Stormwater Drainage - DRAINAGE CONSTRUCTION	Improve channels Narromine	11,941	-
	Improve channels Trangie	9,056	-
	Upgrade Gross Pollution Trap (GPT) Meringo-Temoin	14,491	-
	Urban Culvert Amplifications	6,000	6,504
	Wetlands - Council contribution	25,000	25,000
	Wetlands - grant funded cost	623,171	623,171
[-] Stormwater Drainage - NARROMINE KERB AND GULLIES	Meryula Street	113,448	-
	Third Avenue	-	40,836
[-] Stormwater Drainage - TRANGIE KERB AND GULLIES	Weemabah Street	35,961	-
[-] WASTE MANAGEMENT FACILITIES UPGRADE	Install Security Surveillance Cameras - Narromine	-	10,438
	Purchase Mobile Generator - Trangie	-	1,791
[-] WATER - Capital Works Program	AMR (automated meter reading)	-	415,188
	Backflow Prevention Devices	-	34,791
	Extend Narromine Rising Main	400,000	
	Minor capital works	16,971	17,395
	Narromine - Valve Replacement	16,971	17,395
	Narromine Water mains replacement/ rehabilitation	158,397	162,357
	Pumps replacement/ rehabilitation	22,628	23,194
	Replace House Services	28,285	28,992
	Water Meter Replacement Program	22,628	23,194
		8,650,521	6,407,248

Financial Statements

Narromine Shire Council				
Operational Budget 2020-21				
INCOME STATEMENT				
	General	Water	Sewer	Consolidated
	\$	\$	\$	\$
Income from Continuing Operations				
Revenue:				
Rates & Annual Charges	7,783,515	1,686,660	1,434,036	10,904,211
User Charges & Fees	1,439,998	29,028	17,280	1,486,306
Interest & Investment Revenue	484,808	84,156	58,992	627,956
Other Revenues	651,094	-	-	651,094
Grants & Contributions provided for Operating Purposes	6,707,667	-	-	6,707,667
Grants & Contributions provided for Capital Purposes	1,647,731	-	-	1,647,731
Other Income:	-	-	-	-
Net gains from the disposal of assets	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-
Total Income from Continuing Operations	18,714,813	1,799,844	1,510,308	22,024,965
Expenses from Continuing Operations				
Employee Benefits & On-Costs	9,684,088	469,172	299,145	10,452,405
Borrowing Costs	224,860	-	-	224,860
Materials & Contracts	2,140,498	809,561	779,756	3,729,815
Depreciation & Amortisation	4,909,004	508,120	423,012	5,840,136
Impairment	-	-	-	-
Other Expenses	49,883	-	-	49,883
Interest & Investment Losses	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-
Total Expenses from Continuing Operations	17,008,333	1,786,853	1,501,913	20,297,099
Operating Result from Continuing Operations	1,706,480	12,991	8,395	1,727,866
Discontinued Operations - Profit/(Loss)	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-
Net Operating Result for the Year	1,706,480	12,991	8,395	1,727,866
Net Operating Result before Grants and Contributions provided for Capital Purposes	58,749	12,991	8,395	80,135

Narromine Shire Council				
Operational Budget 2020-21				
BALANCE SHEET - CONSOLIDATED				
	General	Water	Sewer	Consolidated
	\$	\$	\$	\$
ASSETS				
Current Assets				
Cash & Cash Equivalents	13,805,790	(295,637)	4,260,602	17,770,756
Investments	-	2,431,000	-	2,431,000
Receivables	2,074,000	368,259	264,000	2,706,259
Inventories	1,014,000	-	-	1,014,000
Other	115,000	-	-	115,000
Non-current assets classified as "held for sale"	-	-	-	-
Total Current Assets	17,008,790	2,503,622	4,524,602	24,037,014
Non-Current Assets				
Investments	-	-	-	-
Receivables	367,000	53,416	66,000	486,416
Inventories	-	-	-	-
Infrastructure, Property, Plant & Equipment	294,121,774	19,150,390	21,559,664	334,831,828
Investments Accounted for using the equity method	251,000	-	-	251,000
Investment Property	3,905,753	-	-	3,905,753
Intangible Assets	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	298,645,527	19,203,806	21,625,664	339,474,997
TOTAL ASSETS	315,654,317	21,707,428	26,150,266	363,512,011
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	1,260,000	-	-	1,260,000
Borrowings	351,000	-	-	351,000
Provisions	1,774,000	-	-	1,774,000
Liabilities associated with assets classified as "held for sale"	-	-	-	-
Total Current Liabilities	3,385,000	-	-	3,385,000
Non-Current Liabilities				
Payables	-	-	-	-
Borrowings	4,855,590	-	-	4,855,590
Provisions	53,000	-	-	53,000
Investments Accounted for using the equity method	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-
Total Non-Current Liabilities	4,908,590	-	-	4,908,590
TOTAL LIABILITIES	8,293,590	-	-	8,293,590
Net Assets	307,360,727	21,707,428	26,150,266	355,218,422
EQUITY				
Retained Earnings	140,701,727	12,350,428	11,612,266	164,664,422
Revaluation Reserves	166,659,000	9,357,000	14,538,000	190,554,000
Council Equity Interest	307,360,727	21,707,428	26,150,266	355,218,422
Minority Equity Interest	-	-	-	-
Total Equity	307,360,727	21,707,428	26,150,266	355,218,422

Narromine Shire Council				
Operational Budget 2020-21				
CASH FLOW STATEMENT - CONSOLIDATED				
	General	Water	Sewer	Consolidated
	\$	\$	\$	\$
Cash Flows from Operating Activities				
Receipts:				
Rates & Annual Charges	7,783,515	1,686,660	1,140,973	10,611,148
User Charges & Fees	1,439,998	29,028	235,364	1,704,390
Interest & Investment Revenue Received	484,808	84,156	71,384	640,348
Grants & Contributions	8,355,398	-	3,229	8,358,627
Bonds & Deposits Received	-	-	-	-
Other	651,094	-	23,615	674,709
Payments:				
Employee Benefits & On-Costs	(9,684,088)	(469,172)	(299,145)	(10,452,405)
Materials & Contracts	(2,140,498)	(809,561)	(779,756)	(3,729,815)
Borrowing Costs	(224,860)	-	-	(224,860)
Bonds & Deposits Refunded	-	-	-	-
Other	(49,883)	-	-	(49,883)
Net Cash provided (or used in) Operating Activities	6,615,484	521,111	395,663	7,532,258
Cash Flows from Investing Activities				
Receipts:				
Sale of Investment Securities	-	-	-	-
Sale of Investment Property	-	-	-	-
Sale of Real Estate Assets	1,134,247	-	-	1,134,247
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-
Other Investing Activity Receipts	-	-	-	-
Payments:				
Purchase of Investment Securities	-	-	-	-
Purchase of Investment Property	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(6,460,362)	(665,881)	(424,284)	(7,550,527)
Purchase of Real Estate Assets	(1,100,000)	-	-	(1,100,000)
Other Investing Activity Payments	-	-	-	-
Net Cash provided (or used in) Investing Activities	(6,426,115)	(665,881)	(424,284)	(7,516,280)
Cash Flows from Financing Activities				
Receipts:				
Proceeds from Borrowings & Advances	1,100,000	-	-	1,100,000
Proceeds from Finance Leases	-	-	-	-
Other Financing Activity Receipts	-	-	-	-
Payments:				
Repayment of Borrowings & Advances	(955,954)	-	-	(955,954)
Net Cash Flow provided (used in) Financing Activities	144,046	-	-	144,046
Net Increase/(Decrease) in Cash & Cash Equivalents	333,415	(144,770)	(28,621)	160,024
plus: Cash, Cash Equivalents & Investments - beginning of year	13,472,375	1,165,975	4,289,223	18,927,573
Cash & Cash Equivalents - end of the year	13,805,790	1,021,205	4,260,602	19,087,598
Cash & Cash Equivalents - end of the year	13,805,790	1,021,205	4,260,602	19,087,598
Investments - end of the year	-	-	-	-
Cash, Cash Equivalents & Investments - end of the year	13,805,790	1,021,205	4,260,602	19,087,598
Representing:				
- External Restrictions	5,281,807	1,021,205	4,260,602	10,563,615
- Internal Restrictitons	3,871,568	-	-	3,871,568
- Unrestricted	4,652,415	-	-	4,652,415
	13,805,790	1,021,205	4,260,602	19,087,598