



## REPORT: Draft 2024/2025 Budget, Operational Plan and associated documents

**DIVISION:** Strategy, Partnerships and Engagement  
**REPORT DATE:** 7 April 2024  
**TRIM REFERENCE:** ID24/652

### EXECUTIVE SUMMARY

<b>Purpose</b>	<ul style="list-style-type: none"><li>Seek endorsement</li><li>Strategic Project Update</li><li>Adopt funding</li><li>Provide review or update</li><li>Fulfil legislated requirement/Compliance</li></ul>	
<b>Issue</b>	<ul style="list-style-type: none"><li>Council is required to adopt a new Operational Plan and budget (for the 2024/2025) financial year before 30 June 2024.</li><li>Council is required to adopt a Long-Term Financial Plan (commencing 2024/2025) before 30 June 2024.</li><li>The draft Plans must be placed on public exhibition for at least 28 days, and submissions received must be considered by Council.</li></ul>	
<b>Reasoning</b>	<ul style="list-style-type: none"><li>Under the requirements of the Integrated Planning and Reporting framework under the provisions of the Local Government Act, 1993, Council is required to endorse and/or adopt the following documents:<ul style="list-style-type: none"><li>- Operational Plan (including budget and Statement of Revenue Policy).</li><li>- Resourcing Strategy (including the Long-Term Financial Plan, Workforce Management Strategy and Asset Management Strategy).</li></ul></li></ul>	
<b>Financial Implications</b>	Budget Area	Strategic Strategy, Partnerships and Engagement
	Funding Source	Integrated Planning and Reporting
	Proposed Cost	\$15,000 for advertising
	Ongoing Costs	\$15,000 for advertising
<b>Policy Implications</b>	Policy Title	There are no policy implications arising from this report
	Impact on Policy	N/A

### STRATEGIC DIRECTION

The Towards 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes six principle themes and a number of objectives and strategies. This report is aligned to:

Theme: 4 Leadership

CSP Objective:	4.1 Council provides transparent, fair and accountable leadership and governance
Delivery Program Strategy:	4.1.4 Statutory requirements are met and services are provided in a cost-effective and timely manner

## RECOMMENDATION

1. That the following draft documents be endorsed for the purposes of public exhibition:
  - Draft 2024/2025 Delivery Program and Operational Plan (Appendix 1).
  - Draft 2024/2025 Budget and Forward Budgets for 2025/2026, 2026/2027 and 2027/2028 including Capital Expenditure (Appendix 2).
  - Draft 2024/2025 Fees and Charges (Appendix 3).
  - Draft 2024/2025 Statement of Revenue Policy (Appendix 4).
  - Draft 2024/2025 Resourcing Strategy (including the Long-Term Financial Plan, Workforce Management Strategy and Asset Management Strategy) (Appendix 5)
  - Draft 2024/2025 Macquarie Regional Library Operational Plan, Budget and Fees and Charges (Appendix 6).
2. That the documents listed in point 1 be placed on public exhibition from Wednesday, 1 May 2024 until 9am Monday, 3 June 2024.
3. That community and stakeholder engagement be undertaken in accordance with Council's Community Engagement Strategy (including Community Participation Plan).
4. That following completion of public exhibition and consultation, a further report be presented to Council for consideration, addressing the outcomes of the public exhibition.

*Murray Wood*  
Chief Executive Officer

*SJ*  
Director Strategy,  
Partnerships and  
Engagement

## BACKGROUND

All Councils in NSW are required to operate under the provisions of the Local Government Act, 1993 and the Integrated Planning and Reporting (IP&R) Framework to guide short, medium and long-term planning for the community.

The IP&R Framework is based on comprehensive community engagement and aims to create a clear vision for the future. The Framework also provides a roadmap for delivering community priorities in a sustainable manner.

The IP&R Framework consists of the following documents:

- **Community Strategic Plan (CSP)**  
The highest level of strategic planning undertaken by Council. All other plans must support achievement of the objectives included in the CSP.
- **Resourcing Strategy**  
Identifies, in general terms, how Council will allocate resources to deliver the CSP objectives that it is responsible for.
- **Delivery Program**  
Details the principal activities Council will undertake in its term to implement the strategies established by the CSP.
- **Operational Plan**  
Prepared as a sub-plan of the Delivery Program and details the activities and projects Council will undertake during the financial year to address the principal activities outlined in the Delivery Program.

The purpose of this report is to seek the approval of Council to place the various components of Council's Integrated Planning and Reporting Framework on public display to seek the views and perspectives of the community.

## REPORT

### 1. Draft 2024/2025 Delivery Program and Operational Plan

Council is required to adopt the 2024/2025 Operational Plan before 30 June 2024. The draft Delivery Program and Operational Plan is provided here in **Appendix 1**. The Plan is required to identify the activities and projects Council will undertake during the financial year. A detailed annual budget, and the Statement of Revenue Policy (including an estimate of Council's income, expenditure, proposed rates, fees, charges and borrowings) are provided here in **Appendix 2 and 3** respectively.

The Delivery Program and Operational Plan are combined in a single document to make it easier to understand, easier to read and more straightforward for our community.

The draft Plan includes the following:

- Business as usual activities and statutory requirements.
- Activities and projects that are ongoing and/or carry over a number of financial years.
- Service level plans for specific functions and service providers.

In reviewing the 2023/2024 Delivery Program and Operational Plan, the following should also be noted:

- Activities that were completed, are no longer relevant or are due to be completed during the 2023/2024 financial year have been removed from the 2024/2025 draft document.
- Activities from Mayoral Minutes and Notices of Motion have been included where required.
- The Delivery Program strategy 3.2.5 – “Neighbourhood shopping centres provide attractive and convenient services and facilities” has been removed as there are no actions drafted for 2024/2025. Significant work in Tamworth Street was completed during 2023/2024.

**2. Draft 2024/2025 Budget and Forward Budgets for 2025/2026, 2026/2027 and 2027/2028 including Capital Expenditure**

The draft budget documents and capital expenditure information is provided here in **Appendix 2**.

Financial sustainability is a key challenge facing Council due to several factors including increased demand for services beyond those traditionally provided (particularly in the area of community services), cost shifting from other levels of government, ageing infrastructure, constraints on increasing revenue and risk of reliance on external funding sources. To respond effectively to these challenges, Council will take a holistic approach to maximise integration between strategic planning and the creation of community expectations that are deliverable.

Council modelled different scenarios as part of the budget sensitivity analysis, including conservative, planned, and optimistic, that assumed both revenue and expenditure were reduced, maintained and above average. The 2024/2025 draft budget and the forward forecasts are based on the planned model.

Included in the 2024/2025 draft budget and the forward forecasts for 2025/2026, 2026/2027 and 2027/2028 is a capital expenditure program. It is estimated that the capital program expenditure over the next four financial years will be as follows:

2024/2025 Budget	2025/2026 Forecast	2026/2027 Forecast	2027/2028 Forecast
\$84,998,655	\$67,398,668	\$57,235,463	\$44,086,415

The details of initiatives and projects are contained in the budget; however, it is worth noting the following:

- Net Operating Result:  
The anticipated deficit from operations (including capital grants and contributions) for the 2024/2025 year is forecast as \$0.2M comprising Income of \$179.1M and Expenses of \$179.3M.

2024/2025 Budget	2025/2026 Forecast	2026/2027 Forecast	2027/2028 Forecast
(\$223,959)	\$754,734	(\$7,646,075)	(\$950,791)

- Net Operating Result Before Capital Grants:  
After excluding \$19.6M of projected Grants and Contributions to be received for Capital Purposes the projected net operating deficit for the 2024/2025 year is \$19.8M.

2024/2025 Budget	2025/2026 Forecast	2026/2027 Forecast	2027/2028 Forecast
(\$19,779,363)	(\$6,899,334)	(\$14,481,794)	(\$8,186,921)

- Balanced budget:  
In relation to Councils General Fund operations, anticipated spend of Council cash reserves in the 2024/2025 year totals \$24.6M, which relates primarily to:
  - Grant funds/contributions that have already been received.
  - Internal loans funding agreed capital works.
  - Road infrastructure projects which were delayed or reprioritised due to backlogs from previous years as a result of the rain.
- Income from Rates and Annual Charges:  
It is estimated that income from Rates and Annual Charges will be \$77.9M in the 2024/2025 financial year.
- Rate structure:  
The draft Annual Statement of Revenue Policy includes a detailed breakdown of the proposed rate structure for the 2024/2025 financial year. It is to be noted that the Independent Pricing and Regulatory Tribunal (IPART) has determined that Council's general income may be increased by the rate peg, which is 5.00% for the 2024/2025 year. The rate peg is only applicable to Ordinary Rates and does not apply to Annual Charges, with the exception of the Drainage Service Charge which is part of Council's general income.
- Pensioner rebates:  
The draft Annual Statement of Revenue Policy details the voluntary pension rebate amounts Council is proposing for the 2024/2025 year, which are in addition to the Pensioner Concession Rebates granted in accordance with Section 575 of the Local Government Act, including:
  - \$57.20 on the Domestic Waste Management Service Charge – 3 Bin Service.
  - \$12.50 on the Residential Sewerage Service Charge.

- \$12.50 on Residential Water Access Charges.
- Interest Income:  
Revenues from interest on investments is forecast to amount to \$8.8M in 2024/2025, based on predictions of interest rates to remaining relatively static over the next year.
- Staffing Resources:  
In relation to the level of staffing resources, the draft budget has been prepared based a headcount budgeting methodology. The budget has been prepared on the basis of providing for a 4% increase in employment costs. This includes award increases as well as some increases in rates of pay as staff move through the skill steps provided within the salary system. The Superannuation guarantee levy has been provided at a rate of 11.50% for 2024/2025 with an increase to 12% forecasted in 2025/2026, 2026/2027 and 2027/2028.
- Asset Renewal Backlog:  
The proposed draft budget does not address the required amount to cover the asset renewal backlog of \$114M. Without obtaining capital grant funding, there is limited ability to fund additional renewals. Options to address this backlog are being considered as an ongoing project.
- Roads Capital Program:  
It is proposed to allocate a total of \$42.0M to the roads capital program. The draft budget reflects a more strategic maintenance program with major projects proposed to include the following:
  - \$2.7M allocated to strategic land acquisition costs.
  - \$6.3M allocated to the bridge improvements program, including:
    - \$3.2M allocated to Comobella Bridge – Saxa Road.
  - \$31.1M allocated to road major construction, reconstruction and annual reseal, sheeting and heavy patching including:
    - \$4.5M allocated to River Street West Collector Road (Stage 1).
    - \$2.2M allocated to Saxa Road (Maryvale Road - Bakers Lane).
    - \$3.0M allocated to Blueridge Link Road.
    - \$10.3M allocated to Newell Highway and River Street Intersection.

Recreation and Open Space Asset Renewals:

Council is responsible for 1,158 recreation and open space assets in the region which includes sporting facilities, parks and reserves and aquatic facilities. Council's asset maintenance replacement program ensures facilities and parks are accessible to the community in satisfactory condition. Some of the asset renewal projects across the Dubbo region for 2024/2025 include the following:

- \$403K allocated to renew the Victoria Park Amenities.
- \$60K allocated to renew the Riverbank Park North fitness centre.
- \$28K allocated to renew the Victoria Park skate park.
- \$125K allocated to renew the playground at Lions Park West.

- \$250K allocated to commence the renewal of the Elston Park water park, with the remaining \$400K allocated in the 2025/2026 year.
- \$100K allocated for signage improvements across public and open spaces.
- \$200K allocated to renewing the irrigation systems at Victoria Park Number 2 and Number 3.
- \$20K allocated to upgrade the PA System at Lady Cutler Oval.

### 3. Draft 2024/2025 Fees and Charges

The draft 2024/2025 Fees and Charges document is provided here in **Appendix 3**.

The following provides a high-level list of fees and charges, which are likely to provide for community interest:

- Dubbo Regional Livestock Market: 6% increase on Agents Licence Fees and Yard Dues per head.
- Rainbow Cottage – 10% increase on daily fees charged per child for use of the Long Day Care Facility.
- Airport – 6% increase on passenger fees charged to airlines.
- DRTCC – 10% increase on facility hire of the Dubbo Regional Theatre and Convention Centre and the Wellington Civic Centre.
- WPCC – 10% increase on admission fees charged for specific events and venue hire at the Western Plains Cultural Centre.
- Water charges – 5% increase on water access charges.
- Sewer charges – 5% increase on annual residential sewerage charges and non-residential usage charges. 5% increase on liquid trade waste charges.
- Domestic waste charges – 16% increase on Domestic Waste Management service charges for vacant land, 3 bin and 2 bin services.
- Other waste – 25% increase on non-domestic waste collection service charges. 25% increase relating to most charges at the Whylandra Waste and Recycling Centre and Wellington Resource Recovery Facility.
- Other waste – a new fee has been added to capture mixed commercial/industrial waste from 'Electricity Generating Works' (as defined in the Dubbo Regional Local Environmental Plan 2022), with differing rates depending on if the waste originated from within or outside of the Local Government Area.
- Cemeteries – The NSW Government announced it was extending an Interment Industry Levy onto all operators. This means council cemeteries will need to charge a levy for each burial and cremation they undertake. The levy is proposed to be \$41 per cremation, \$63 per ash interment and \$156 per bodily interment and have been included in the draft 2024/2025 Fees and Charges.
- Aquatic Leisure Centres has been removed from Council fees and charges. Council will separately determine the minimum and maximum fees to ensure positive outcomes for the community, as per the Management Contract.

### 4. Draft 2024/2025 Statement of Revenue Policy

The draft 2024/2025 Statement of Revenue Policy is provided here in **Appendix 4**.

The Policy includes the following statements:

- A statement containing a detailed estimate of the council's income and expenditure.
- A statement with respect to each ordinary rate and each special rate proposed to be levied.
- A statement with respect to each charge proposed to be levied.
- A statement of the types of fees proposed to be charged by the council and, if the fee concerned is a fee to which Division 3 of Part 10 of Chapter 15 of the Act applies, the amount of each such fee.
- A statement of the council's proposed pricing methodology for determining the prices of goods and the approved fees under Division 2 of Part 10 of Chapter 15 of the Act for services provided by it, being an avoidable costs pricing methodology determined by the council.
- A statement of the amounts of any proposed borrowings (other than internal borrowing), the sources from which they are proposed to be borrowed and how they are proposed to be secured.

The following items under Part 4 and Part 9 of the Policy are highlighted for notation:

- 4.5 Council will grant a voluntary pension rebate of \$57.20 on the Domestic Waste Management Service Charge – 3 Bin Service in 2024/2025.
- 4.40 Council will grant a voluntary pension rebate of \$12.50 on the Residential Sewerage Service charge in 2024/2025.
- 4.48 Council will grant a voluntary pension rebate of \$12.50 on Residential Water Access Charges in 2024/2025.
- 9.1 Council will calculate interest on overdue rates and charges during 2024/2025 using the maximum charge as determined by the minister for Local Government, in accordance with Section 566(3) of the Local Government Act, 1993.

## **5. Draft 2024/2025 Resourcing Strategy**

The draft 2024/2025 Resourcing Strategy includes the Long-Term Financial Plan, Workforce Management Strategy and Asset Management Strategy and is included here in **Appendix 5**.

### **(a) Long-Term Financial Plan**

Council is required to review the Long-Term Financial Plan annually when developing the Operational Plan. The overall objective of the Long-Term Financial Plan is to express, in financial terms, the activities Council will undertake over the short, medium, and long term, to provide a sound basis for strategic decision making. In addition, the Plan guides the future strategies and actions of Council to ensure that it continues to operate in a manner that achieves financial sustainability.



**(b) Workforce Management Strategy**

The Strategy serves as a roadmap to attract, develop, and retain a qualified and engaged workforce. This ensures that Council can effectively deliver on the Community Strategic Plan and Delivery Program, ultimately providing efficient and effective services to the community.

Key benefits of the Workforce Management Strategy include:

- Meeting Community Needs - The Strategy aligns the workforce with community priorities, ensuring services and actions delivered by the council truly reflect the community's vision.
- Future-Proofing the Workforce - By anticipating future challenges and skill requirements, the plan invests in developing a workforce equipped to handle them, ensuring long-term sustainability.
- Engaged and Productive Employees - The Strategy fosters a positive and supportive work environment, leading to happier, more productive employees who contribute significantly to the community's well-being.
- Sustainable Service Delivery - An engaged and skilled workforce translates to efficient service delivery, meeting community expectations outlined in the Delivery Program.

The Workforce Management Strategy aims to bridge the gap between the Community Strategic Plan and the Delivery Program through workforce development. It recognises the crucial role of employees in achieving sustainable service delivery. The Strategy focuses on building a future-proof workforce equipped with the necessary skills and experience, while fostering an engaging and productive work environment.

**(c) Asset Management Strategy**

To deliver on the key business outcome of asset management capability, Council has an asset management system. The asset management system comprises people, policies and strategies, processes, information systems and other resources required to deliver asset management.

Asset management requires both a corporate approach and corporate commitment to provide an appropriate level of resources to underpin Council's asset management capability.

The Asset Management Strategy develops the asset management objectives, principles, framework and strategies to achieve our Strategic Plan. The plan summarises activities and expenditure projections, based on the individual Asset Management Plans, to achieve the asset management objectives.

**6. Draft 2024/2025 Macquarie Regional Library Operational Plan, Budget and Fees and Charges**

The Macquarie Regional Library (MRL) administers the library budget, fees and charges on behalf of the three member councils: Dubbo Regional Council, Warrumbungle Shire Council, and Narromine Shire Council.

The draft 2024/2025 Macquarie Regional Library Operational Plan, Budget and Fees and Charges are provided here in **Appendix 6**.

The 2024/2025 draft budget and fees and charges proposed by Dubbo Regional Council are forwarded to the member councils for consideration and inclusion in their draft annual planning documents for public exhibition. All MRL member councils formally adopt the 2024/2025 draft budget, fees and charges.

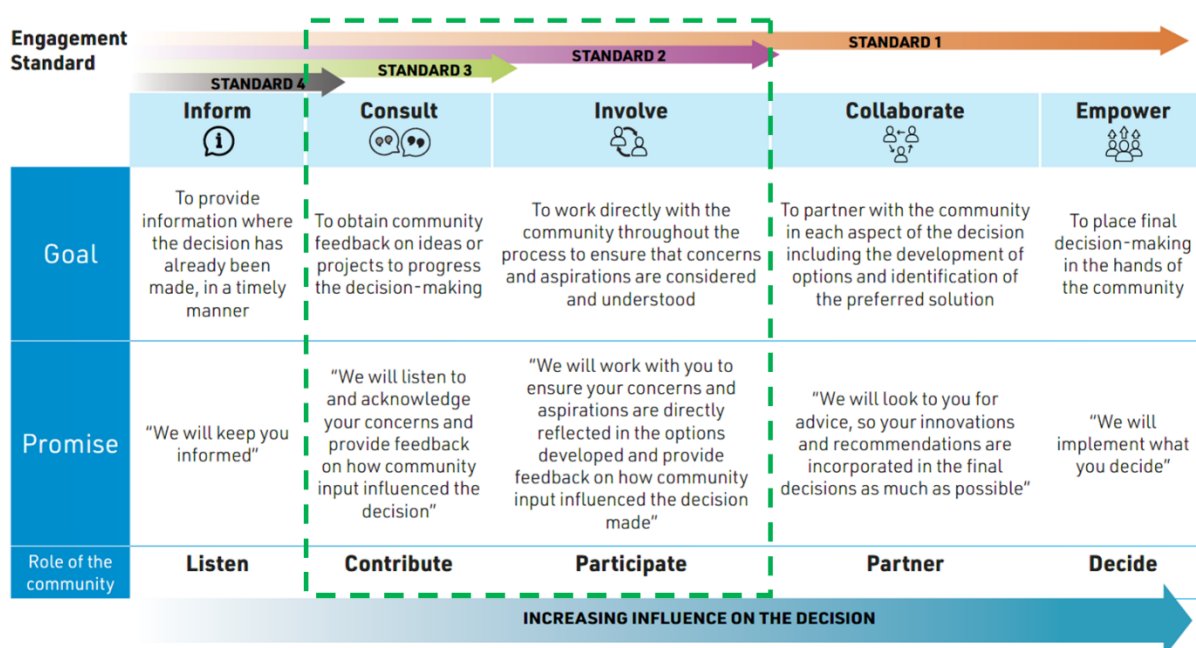
The draft 2024/2025 MRL Operational Plan is the first year of the Draft 2024-2028 MRL Delivery Program. The MRL service levels are maintained across the 2024-2028 financial years.

The MRL Strategic Plan 2024-2028 will guide core service provisions and performance measures in accordance with the adopted budget.

The MRL Key Performance Indicators reflect the estimates against the previous year's results and the State Library of NSW Living Learning Libraries: Standards and Guidelines (2020).

## 7. Engagement

The public participation sought during the public exhibition period will vary between the Consult and Involve Levels as specified below:



Council's YourSay engagement platform will be the primary platform for the community to access information and provide their submissions.

Hard copies of the Plans will be physically available for viewing at the Dubbo and Wellington Customer Experience Centres and Macquarie Regional Library – Dubbo and Wellington Branches.

Communication activities to support the community engagement program will include:

- Print and radio advertising.
- Direct email to stakeholder databases including Community Committees.
- Poster with QR code in Council facilities.
- Media engagement program including a series of media releases.
- Comprehensive social media program including:
  - Draft budget, fees and charges and operational plan highlights with digestible information outlining different aspects to help inform the community.
  - Static posts and social media stories.

To help create awareness and understanding of the Integrated Planning and Reporting suite of documents, communications will be centred on topics of interest, including:

- Financial sustainability
- Community centric
- Future focus
- Strategic partnerships
- Social impact for the community

### Resourcing Implications

The resources required for advertising the draft document are as follows:

Total Financial Implications	Current year (\$)	Current year + 1 (\$)	Current year + 2 (\$)	Current year + 3 (\$)	Current year + 4 (\$)	Ongoing (\$)
a. Operating revenue	0	0	0	0	0	0
b. Operating expenses	15,000	15,000	15,000	15,000	15,000	15,000
c. Operating budget impact (a – b)	-15,000	-15,000	-15,000	-15,000	-15,000	-15,000
d. Capital Expenditure	0	0	0	0	0	0
le. Total net impact (c – d)	0	0	0	0	0	0
Does the proposal require ongoing funding?	Yes					
What is the source of this funding?	Strategic Strategy, Partnerships and Engagement					

**Table 1.** Ongoing Financial Implications

**Timeframe**

Key Date	Explanation
1 May – 3 June 2024	Public exhibition period
27 June 2024	Ordinary Council Meeting to consider results of the public exhibition period and adoption of the documents
1 July 2024	2024/2025 documents come into effect

**APPENDICES:**

1	Draft 2024/2025 Delivery Program and Operational Plan	Excluded
2	Draft 2024/2025 Budget, Forward Forecasts and Capital Expenditure	Excluded
3	Draft 2024/2025 Fees and Charges	Excluded
4	Draft 2024/2025 Annual Statement of Revenue Policy	Excluded
5	Draft Resourcing Strategy	Excluded
6	Draft 2024/2025 MRL Budget, Fees and Charges, Delivery and Operational Plan	Excluded