

ELECTED MEMBERS
BY EMAIL

17th April 2026

Dear Elected Members

PROPOSED CHANGES TO THE DRAFT CAPITAL PROGRAM 2026/27

Introduction

The draft 2026–27 Operational Plan has been prepared prior to the conclusion of the final reporting period for the 2025–26 financial year. As a result, some actions or performance measures may be adjusted or carried forward to reflect final outcomes once the 2025–26 year is complete, and these updates will be incorporated into the final Operational Plan presented in June 2026. Similarly, these changes will be reflected in the final Long-Term Financial Plan.

In addition, the draft Operational plan has been developed ahead of emerging geopolitical and economic events, which may have implications for costs, supply chains and broader financial conditions. The final Operational Plan including the CEO message will be updated as required to reflect and acknowledge these impacts as well as any resulting changes to priorities, resourcing or delivery timeframes.

Outcome

The draft LTFP capital expenditure program is \$169M. From a delivery capacity perspective, this represents an unacceptably high level of risk. When combined with potential supply chain uncertainty and market affordability pressures due to geopolitical events, the draft capital program has been reduced to \$63M. The resulting \$106M reduction is detailed in **Table 1**.

At this point in time, these reductions reflect changes to the timing of these projects, rather than the scope. This is in recognition that supply chain constraints are likely to affect Council's ability to deliver these projects on the timeframes originally envisaged. However, Council will ensure it maintains sufficient liquidity that if the opportunity arises to adopt more optimistic delivery profile Council may do so. In conclusion, these reductions will be pushed into future years and are therefore not savings.

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The following changes are therefore proposed to the Operational Plan (as it changes from draft to final):

- Page 4-5 CEO Message;
- Page 12, 13 and 14: What is Council Delivering, Our Finances, Revenue and Expenditure;
- Appendix 1: Operational Plan Table (Performance measures, or possibly some actions); and
- Appendix 2: Capital Works Projects >\$50,000.

As a result of these changes, this document will also be included in the documents put forward for public exhibition, foreshadowing the changes proposed at this time for inclusion in the final version. It is also being made public via our website and to those who have asked to speak at the Public Forum.

I commend these changes to you.



Andrew Meddle

Chief Executive Officer

Table 1: Change to LTFP: capital expenditure (Capex) reductions for 2026-27

PROJECTS	2026/27 CAPEX REDUCTION
Commercial Business	
W5540.RAP 3 - Airport runway rehab., drainage, lighting upgrade & ambulance shelter (G00199-01)	(1,946,500)
W5519.RTAF2 Five Headlands Coastal Experience (G00196-01)	(1,700,000)
W6089.SWR New Rural Fire Brigade 3C (G00278-01)	(700,000)
W1046.MVCHP Capital Program	(250,000)
W5446.MVCHP HHHP Internal road upgrades	(500,000)
W5946.MVCHP HBHP Area 6 cabin development	(1,332,469)
W6253.MVCHP HBHP stabilising retaining wall over O'Keefe Street	(700,000)
W7143.MVCHP CHHP Surfside Amenities Remediation	(250,000)
W6220.Frederickton cemetery stage 1&2 upgrades	(400,000)
W4890.New Pound (Regulatory Services) Design/Construction (G00190-04)	(405,000)
Waste Management	
W4477.Design & Construction of Waste Cell 5	(3,000,000)
Infrastructure Delivery	
W4826.Crescent Head Foreshore - Asbestos Remediation Project	(391,519)
W7723.SWR - Lower Carpark, Current Carpark Removal and Road Resurfacing Horseshoe Bay Construction	(2,625,000)
W5708.Lloyd Park revitalisation project (G00198-01)	(694,271)
W6179.Bridges on URR Replacement of Dungay Creek Causeway with a Bridge (G00242-01)	(1,715,626)
W4383.SRR Local, Seal Armidale Rd (2.8km from end existing seal at Pee Dee)-Fixing Local Roads (G101)	(2,504,981)
W6587.Hat Head Road Safety Improvements (0.7km east of SWR Rd) Blackspot P.0091795 (G00148-03)	(750,000)
W6681.SRR Local Roads Heavy Patching Program (Revenue funded)	(2,250,000)
W7715.SRR Reg MR Regional Road Sealing and Heavy Patching Program 26/27 (Block Grant)	(750,000)
W7717.SRR Reg MR75 RRTRP Armidale Rd - Focused Rehab Program - Aldavilla, Mungay Creek, Toms Gully	(2,417,249)
W5204.URR Local Toose Rd Long Term Repair AGRN1012-FLOODING 22 FEB 2022 (G00300-01)	(1,125,000)
W6680.Urban Sealed Roads Urban Roads Reseal / Heavy Patching Program (Revenue funded)	(771,750)
W6687.Railway Station Precinct Vibrancy Grant (G00363-01)	(735,000)

PROJECTS	2026/27 CAPEX REDUCTION
W7721.URL Rehabilitation Baker Drive - Killuke Crescent to "The Crescent Roundabout" 750m	(675,000)
W6740.Urban roads (UR) Regional Gregory St & Frank Cooper Dr (SWR) Towards Zero Safer Roads (G00356)	(1,701,317)
W3490.Verge/Eden Streets Sports Complex Implement Masterplan (G00025-01) Complex	(1,117,500)
Water Operations	
W1255.WF Crescent Head WTP (G00009-02)	(10,387,179)
W3244.WF Steuart McIntyre Dam Emergency Water Treatment Plant (G00207-01)	(25,957,023)
W6766.WF Hat Head overhead fill pipes	(100,000)
W6921.WF SWR Secondary membrane replacement	(100,000)
Sewer Operations	
W5673.SF Sewer Main Relining	(1,200,000)
W1463.SF Stuarts Point - Sewerage System (G00010-01)	(24,062,250)
W3711.SF Stage 1 New Central Sewage Treatment Scheme (G00009-01)	(10,791,000)
Fleet	
W1051.Fleet Capital Program	(1,777,000)
TOTAL 2026-27 Capital Budget Reductions	(105,782,633)