

2026-27 Operational Plan

Reducing the original draft Capital Program budget Influencing factors

In accordance with Council's Integrated Planning and Reporting (IP&R) framework, the draft 2026-27 Operational Plan, budget and supporting documents were presented to the April 2026 Council Meeting for consideration. These documents were prepared prior to the completion of the final reporting periods for the 2025-26 financial year and ahead of emerging geopolitical and economic events that are expected to have implications for costs, supply chains, and broader financial conditions.

The proposed reductions to the capital budget were provided to Councillors and made public on Friday, 17 April ahead of the April 2026 Council Meeting

Capital Program budget reduction

The original draft Long Term Financial Plan capital expenditure program proposed was \$169M. From a delivery capacity perspective, this represented 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 for 2026-27 has been reduced to \$63M.

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.

April Council Meeting resolution

At the April 2026 Council Meeting, Council resolved to incorporate the proposed capital program budget reductions into the draft suite of IP&R documents prior to them being placed on public exhibition. This means the draft documents that can be reviewed by the public during the public exhibition period will be inclusive of the proposed reductions and reflect the most current version of the plans.

Viewing the draft IP&R suite of documents

The revised draft IP&R suite of documents, which incorporates the proposed capital works reductions, is available for viewing on Council's engagement platform, Your Say Macleay. Hard copies are also available to view at Council's Customer Service Counter in Kempsey and at Council libraries in Kempsey, South West Rocks, and Stuarts Point.

Making a submission

Submissions on Council's draft suite of IP&R documents can be made through our engagement platform Your Say Macleay (including attachments), by email to: ksc@kempsey.nsw.gov.au, handed to our Customer Service Counter at 22 Tozer Street, Kempsey or mailed to:

Chief Executive Officer
PO Box 3078
KEMPSEY NSW 2440

Your Say Macleay
ksc.pub/draft-operational-plan-2026-27

For more information please visit Council's website

Integrated Planning and Reporting - Kempsey Shire Council working with the Macleay Valley community

