

2024-25 Operational Plan and Long-Term Financial Plan



OBERON COUNCIL



OBERON

MORE THAN YOU IMAGINE

Income Statement

Income Statement		2023-24	2024-25
	<i>Note</i>	Adopted Budget	Forecast Budget
Income from Continuing Operations			
Rates & Annual Charges	1	7,006,685	7,787,412
User Charges & Fees	2	5,336,446	4,778,772
Interest & Investment Revenue	3	224,609	570,000
Other Revenues	4	866,478	683,298
Grants & Contributions for Operating	5	4,085,368	4,163,861
Grants & Contributions for Capital	6	16,357,528	9,412,050
TOTAL INCOME		33,877,114	27,395,393
Expenses from Continuing Operations			
Employee Benefits & On-costs – Note: Capitalised Employee costs are not included	7	6,257,755	8,097,295
Borrowing Costs	8	281,000	87,355
Materials & Services	9	8,088,930	6,954,144
Depreciation & Amortisation		5,286,469	4,650,390
Total Other Expenses	10	771,032	872,805
TOTAL EXPENSES		20,685,186	20,661,989
Operating Result from Continuing Operations		13,191,927	6,733,403
Operating Result before Capital Grants		(3,165,600)	(2,678,647)

Funding Statement

Funding Statement	<i>Note</i>		
Sources of Funds			
Transfers from Reserves	11	(6,537,622)	(9,363,058)
Transfer from Section 7.11	12	(15,000)	(910,000)
Loan Funds Received	13	(2,500,000)	-
Gain from Diposal of Plant, Equipment & Land	14	(2,050,000)	
Add Back Depreciation Budget	15	(5,286,469)	(4,650,390)
		(16,389,091)	(14,923,448)
Income from Continuing Operations			
Asset Purchases			
Capital Works	16	24,732,443	18,590,354
Reserves			
Transfers to Reserves	17	4,178,292	2,584,875
Loans			
Principal Repayments	18	856,619	673,243
Internal transactions			
Income		(200,139)	(1,391,486)
Expenditure		200,139	1,391,486
		29,767,354	21,848,472
Net Funding Result		13,378,263	6,925,023
Change in Councils Working Capital		(186,336)	(191,620)
Profit/(Loss) After Funding		(186,336)	(191,620)

Income and Funding Statement Notes

Council staff have provided a merged Income and Funding statement to provide an overview of income, expenses and funding sources. This aims to better align with the end of financial year reporting requirements in Council's annual financial statements and provides more details on the incomings and outgoings within Council reserves. Some key notes and considerations on Council's proposed budget are outlined below:

1. Permissible Income has increased by a 5.2% Rate Peg as provided by IPART. Other Annual Charges have increased by CPI, Statutory requirements and or other determined factors.
2. User Charges and Fees have decreased due to a conservative forecast given the unknown nature of contracts from Transport for NSW.
3. Interest and Investment Revenue has increased due to known income anticipated from Council's investment portfolio. It is anticipated this will decrease as Council draws on investments to complete projects.
4. Other Revenues are anticipated to decrease as more accurate data has been obtained for the pool and gym income. This also includes an increase in anticipated subsidies from employment of trainees.
5. Income from Grants & Contributions for Operating is set to slightly increase in the 2024-25FY due to a CPI factor added to income projections.
6. Council is anticipating a significant reduction in Capital Grants for the 2024-25FY compared to previous years.
7. The increase in Employee Benefits & On-costs from an operational perspective is caused by the maintenance capital split for works staff. The actual wages figure has increased by 10% due to several factors including rising costs of wages, a stronger focus on operational projects such as maintenance and Council assuming operation of the fitness and leisure centre. Note employee costs on capital projects are included in the Capital Expenditure section.
8. Borrowing Costs are anticipated to decrease due to a LIRS Loan being finalised this FY.
9. Materials and Services are set to decrease for the 2024/25FY as Council looks to hire less contractors and consultants for operating activities. This note relates to Operational works, with expenditure related to Capital works highlighted separately.
10. Other expenses include Council's contribution to the Central Tablelands Weeds Authority and Council's contribution to the Emergency Services Levy.
11. Due to the receipt of grants in prior years needing to be declared as income in those years Council has been required to reserve the money, which will be drawn on this year to complete the tasks under the grant. Council has also looked to utilise reserves to support operational requirements, priorities and Council resolutions.
12. Highlights transfers from Section 7.11.
13. At time of writing Council is not anticipating any new loans.
14. Council has no current plan to dispose of land, plant and or equipment. Any sales have been netted off against the new purchase.
15. Adding back the depreciation enables Oberon Council to illustrate the change in working Capital over traditional profit and loss methodologies.
16. For a full list of Capital Works please see the schedule in this report.
17. Transfers to reserves looks at money Council will be restricting by the end of the year this includes the profit of the Sewer and Water funds along with providing for future plant purchases.
18. Working to the Change in Working Capital Council needs to include the principle repayments on loans as it has a cash impact. No new loan has been provided for at time of writing.

2024-25 Operational Plan Assumptions

Council has made several assumptions in accordance with the accounting standards. The following assumptions are to be read in conjunction with the Income Statement.

Rates and Annual Charges

Rates for the 2024-25FY have been modelled on a 5.2% rate peg as determined by the Independent Pricing and Regulatory Tribunal (IPART) and resolved by Council.

Annual charges not limited by the IPART decision have been increased by the December 2023 CPI of 4.1%.

Sewer charges have increased by 10% to assist in the delivery and costs involved with a new Sewage Treatment Plant.

Town Improvement Levy

At its March Ordinary Meeting Council resolved to:

1. *Note the findings of the 90-day community consultation process.*
2. *Endorse Scenario 3 to discontinue the Town Improvement Levy and distribute this component of rating revenue into the base rate component within the ordinary rate structure for development of the FY24/25 Operational and Delivery Plan*
3. *Retain current governance protocols on any funds raised under the previous Town Improvement Levy until all projects are delivered.*

As a result the draft Operational Plan 2024/25 has removed the collection of the Town Improvement Levy.

Council is aiming to complete all endorsed Town Improvement projects raised under the previous levy by the end of 2025/26FY. Due to prudent project management many have come in under budget resulting in amounts which can be allocated to other projects under the same rules in which the levy was raised. Some of the proposed projects that can utilise the remaining non-committed funds are highlighted below and will be placed to the community for feedback.

- Swimming Pool capital improvements including relining
- Supplementary work at the new Oberon Sports complex
- Footpath connections between facilities and main street
- Indigenous Garden at the Common
- Town beautification
- Fitness Equipment
- Pedestrian upgrades (Ross & Queen Street)
- Urban road safety improvements
- Expanded Kerb and Gutter program
- Stage 2 Living Treasures

Project Priorities and Roads Maintenance

A key justification for the review and removal of the Town Improvement Levy was the ability for Council to have more discretion in allocating resources and projects across the entire Local Government Area. In FY24/25 Council reviewed the key community priorities in the 2023 Community Survey and allocated an additional \$460,000 to Roads Maintenance (Sealed & Unsealed). This funding will bolster roads maintenance across the entire network and aligns with community sentiment indicating a preference for budget relocation to address roads maintenance. An example of the Sealed and Unsealed responses follow.

While the \$460,000 has been placed in roads maintenance other project priorities have been highlighted for consideration. These have not been included in the operational plan and would require further funding considerations and adjustments to road maintenance spend if considered.

<ul style="list-style-type: none">• Increased Plant and Equipment Spend• Village Fund Expansion• Grant Supplement Reserves• Expanded Weed Spraying• Climate Initiatives• Guardrail Program	<ul style="list-style-type: none">• Abercrombie Bridge Warning system• Causeway upgrade program• Free tip program (Village Areas)• Waste Incentives• 1 – 2 km new road seal each year• Sloggart Road intersection upgrades
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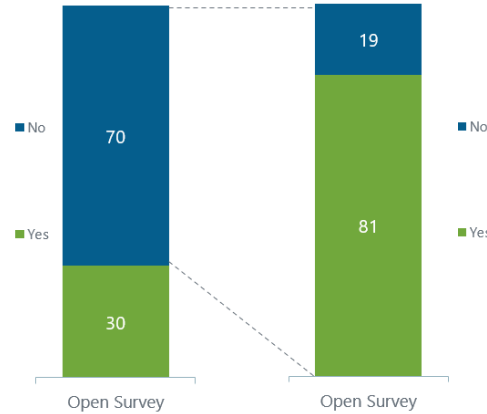
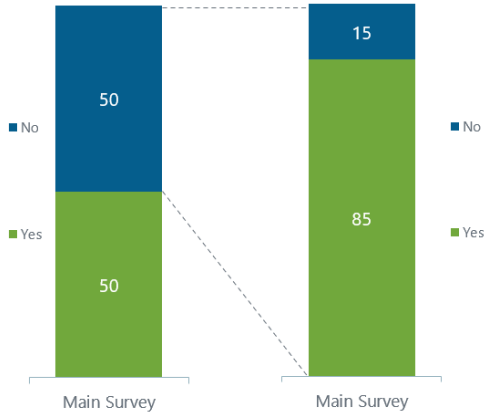
Acceptability of the Maintenance of Sealed Roads

Do you consider that the current maintenance condition of sealed roads in Oberon local Government area is acceptable?

Would you be willing for Council to relocate funds from other areas to bring the sealed roads up to your preferred standard?

Do you consider that the current maintenance condition of sealed roads in Oberon local Government area is acceptable?

Would you be willing for Council to relocate funds from other areas to bring the sealed roads up to your preferred standard?



Q3. Do you consider that the current maintenance condition of sealed roads in Oberon Local Government area is acceptable?
 Base: all respondents; main survey (n=200), open survey (n=192).
 Q4. Would you be willing for Council to relocate funds from other areas to bring the sealed roads up to your preferred standard?
 Base: respondents that answered no to Q3; main survey (n=103), open survey (n=132).



- Only around half in the main survey found the maintenance of sealed roads acceptable, and the majority of those that didn't, were willing for Council to relocate funds to improve them, especially those 18-34 years.
- Within the Open survey, there was much lower acceptance of the maintenance of seal roads by Council.



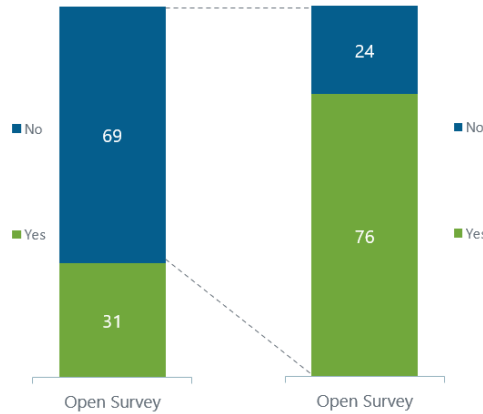
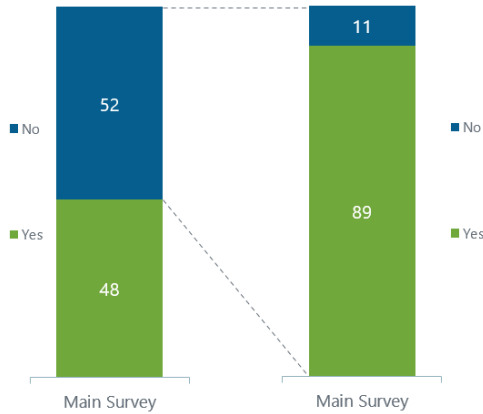
Acceptability of the Maintenance Unsealed Roads

Do you consider that the current maintenance condition of unsealed roads in Oberon local Government area is acceptable?

Would you be willing for Council to relocate funds from other areas to bring the unsealed roads up to your preferred standard?

Do you consider that the current maintenance condition of unsealed roads in Oberon local Government area is acceptable?

Would you be willing for Council to relocate funds from other areas to bring the unsealed roads up to your preferred standard?



Q5. Do you consider that the current maintenance condition of unsealed roads in Oberon Local Government area is acceptable?
 Base: all respondents; main survey (n=200), open survey (n=192).
 Q6. Would you be willing for Council to relocate funds from other areas to bring the unsealed roads up to your preferred standard?
 Base: respondents who answered no to Q5; main survey (n=91), open survey (n=133).



- Around half also felt the maintenance of unsealed roads was unacceptable and were happy for more funds to be allocated to this area.
- Again, Open survey respondents were the least satisfied and so were 18-34 year olds.



User Charges and Fees

Council's schedule of "User Fees and Charges" have been increased by CPI unless a statutory charge or in line with necessary cost recovery.

Interest and Investment

Council has budgeted for current investment rates being increased due to the RBA increases during the 2023-24FY. Council has also executed an internal loan from the Water Fund, with interest being serviced by the General fund.

Other Revenues

After a period of operating the Fitness and Leisure Centre, Council can more accurately forecast income and operating expenses. Both income and operating figures have been revised from the previous YMCA projections. Less income is being received through the facility, however operating expense have also gone down. Council will continue to monitor revenue and service levels in accordance with the budget.

Grants and Contributions provided for Operating Purposes

Income from Grants & Contributions for Operating is set to slightly increase in the 2024/25FY as the accounting treatment for maintenance works, which will continue into the year was required to be recognised upfront and will be brought into the year through releasing the restrictions. Majority have incurred a slight increase to the grant anticipated by CPI.

Grants include Financial Assistance Grant (FAG), Roads to Recovery (R2R), and Block Grant. The latter two can be used for either Operational and/or Capital Road Works.

Community grants such as Youth Week and Seniors Festival are typically operating. There is no set increase for these grants.

Grants and Contributions provided for Capital Purposes

Council's large capital expenditure programs are set to continue with the following:

- Fixing Local Roads 4 – Arkstone Road last component
- Regional Emergency Road Repair Fund
- Sewage Treatment Plant
- LRCI Phase 4

Full details are included in the Capital Projects forecast.

Employee Benefits and On-Costs

The Employee arrangements and organisation structure have been utilised as the basis of the Employee Benefits and On-Costs.

Casual staffing at the Oberon Fitness Centre have been included in the budget for the 2023-24FY however, they were not included in the prior year original budget.

Award negotiations have been completed for the Local Government Award. Council has budgeted for an annual 3.5% increase, plus one-off payments in July, with an optional 4% for Step and Performance increases for staff.

These factors have contributed to an overall increase of 10% from the 2023-24FY Budget.

Borrowing Costs

Borrowing Costs have been budgeted for using existing loans.

Materials and Services

All materials and services such as contractors for roads and cleaning, the purchase of fuel, chemicals, and materials for the maintenance of plant, buildings, cemeteries, stock, parks, gardens and grounds, library, have been budgeted for using a combination of historical data and known future figures. A CPI adjustment of 4.1% has been used. Along with an assessment of adjustment of priorities in the Council, with a renewed preference in staff performing works over contractors.

Depreciation and Amortisation

The 2022-23FY depreciation schedule has been used as the basis for the depreciation and amortisation calculation, with specific adjustments as required. This is in line with 2023-24FY budgeting process

Plant and Equipment

The current environment for ordering large plant items sees a timeframe of up to two years. To assist Council in preparation of the purchase for larger plant items, two years from their anticipated delivery dates has been proposed to enable the items to be ordered and to ensure a future receipt of the plant.

As the actual purchase of the item will be in future years Council is preparing to restrict the funds in the lead up years to enable the purchase to be made.

PLANT REPLACEMENT PLANT INTENTION 2024/25 OP

NEW ITEMS

No.	Regn No.	Description	Year	Life	Change over value	Delivery Date	2023/24 Restriction	2024/25 Spend	2024/25 Restriction	2025/26 Restriction
1	BW62HD	Cat Grader 12M	2013	10	300,000	2024/25			100,000	200,000
46	CA84TI	ISUZU FXY 1500 Water truck	2014	10	250,000	2024/25			62,500	187,500
50	BB45JU	Prime Mover - Western Star	2009	10	200,000	2025/26			50,000	150,000
52	CA17ZA	Hino 12T Tip Truck	2014	10	200,000	2024/25		200,000		
		Miscellaneous Plant			30,000			30,000		
Leaseback Vehicles										
62	CM97JJ	Mazda CX5 :WED	2019		25,000	2024/25		25,000		
64	CM96JJ	Mazda BT 50 Dual Cab :WED	2019		25,000	2024/25		25,000		
Non Leaseback Vehicles										
65	CX10GH	Isuzu D-Max 2x4	2020	5	20,000	2024/25		20,000		
68	CX14GH	Isuzu D-Max Dual Cab 4x4	2020	5	25,000	2024/25		25,000		
82	CS62KK	Isuzu D-Max 2x4	2019	5	20,000	2024/25		20,000		
85	CS61KK	Isuzu D-Max 2x4	2019	5	20,000	2024/25		20,000		
87	CT83SB	Nissaa Navara 4x4	2019	5	20,000	2024/25		20,000		

ITEMS MOVED INTO 2024/25FY FROM PRIOR YRS

No.	Regn No.	Description	Year	Life	Change over value	Delivery Date	2023/24 Restriction	2024/25 Spend	2024/25 Restriction	2025/26 Restriction
47	BC78DY	Izuzu NPR300	2009	10	40,000	2024/25	40,000			
48	BF31RW	Isuzu 9 tonne tipper	2010	10	100,000	2024/25	100,000			
45	BH24NP	Isuzu FRR 550 Tipper	2010	10	50,000	2024/25	25,000	25,000		
51	BP04YV	Western Star Tipper	2012	10	250,000	2025/26	120,000	120,000		
53	X94232	Sloane Dog Trailer	2012	10	150,000	2025/26	75,000	75,000		
NEW/SECONDHAND										
		Project Amenities Site Van			85,000	TBA	85,000			
42	CD03GK	Paveline 12 Tonne	2014	10	300,000	2025/26	150,000		150,000	

APPROVED PLANT ITEMS ON HOLD IN RESERVE

No.	Regn No.	Description	Year	Life	Change over value	Delivery Date	2023/24 Restriction	2024/25 Spend	2024/25 Restriction	2025/26 Restriction
RESERVE		- Plant Replacement Fund (unallocated)			39,754	TBA	39,754			
					2,149,754		634,754	605,000	362,500	537,500
					Items Approved Prior		634,754	220,000	150,000	-
					Items Presented in 2024/25		-	385,000	212,500	537,500

Capital Expenditure Budget

Project Name	Project Cost \$	Funding						Expenditure			
		S7.11	Grants	Loan	Carryover from last year	Reserve	Internal/Releva nt Fund	Salaries	Materials	Plant Hire	Contractor
GENERAL FUND											
Oberon Fitness Centre Stg2	560,362		560,362								560,362
Solar PV System Pool, Gym and Hub	90,000		90,000								90,000
O'Connell Rec Ground	50,000		50,000								50,000
Library Purchases	25,000						25,000		25,000		
Sporting Complex	500,514		500,514								500,514
Plant replacement:											
- Hino 12T Tip Truck	200,000						200,000		200,000		
- Miscellaneous Plant	30,000						30,000		30,000		
- Mazda CX5 :WED	25,000						25,000		25,000		
- Mazda BT 50 Dual Cab :WED	25,000						25,000		25,000		
- Isuzu D-Max 2x4	20,000						20,000		20,000		
- Isuzu D-Max Dual Cab 4x4	25,000						25,000		25,000		
- Isuzu D-Max 2x4	20,000						20,000		20,000		
- Isuzu D-Max 2x4	20,000						20,000		20,000		
- Nissaa Navara 4x4	20,000						20,000		20,000		
- Isuzu NPR300	40,000				40,000				40,000		
- Isuzu 9 tonne tipper	100,000				100,000				100,000		
- Isuzu FRR 550 Tipper	50,000				25,000		25,000		50,000		
- Western Star Tipper	240,000				120,000		120,000		240,000		
- Sloane Dog Trailer	150,000				75,000		75,000		150,000		
- Project Amenities Site Van	85,000				85,000				85,000		
Capital Roads Program:											
Capital Project Regional Road	450,000		450,000					180,000	90,000	180,000	
Bit Reseal Regional	150,000		150,000								150,000
Bit Reseal Rural Local	584,514		584,514								584,514
Traffic Mgt Block Grant	43,000		43,000								43,000
Tablelands Way	400,000	400,000									400,000
Albion Street	678,300		678,300					271,320	135,660	271,320	
FLR Arkstone Road	600,000		600,000					150,000	150,000	150,000	150,000
LRCI Phase 4 Part A Projects											
- Jerrong Road	38,500		38,500					15,400	7,700	15,400	
- Jerula Road	7,000		7,000					2,800	1,400	2,800	
- Schumachers Road	21,000		21,000					8,400	4,200	8,400	
- Sewell's Creek Road	17,500		17,500					7,000	3,500	7,000	
LRCI Phase 4 Part B Projects											
- Mount Olive Road	169,500		169,500					67,800	33,900	67,800	
- Ryan's Lane	7,000		7,000					2,800	1,400	2,800	
- Bosworth Falls Road	116,500		116,500					46,600	23,300	46,600	
- Todd's Road	15,900		15,900					6,360	3,180	6,360	
- Burns Road	10,500		10,500					4,200	2,100	4,200	
- Mozart Road	17,760		17,760					7,104	3,552	7,104	
Regional Emergency Road Repair Fund											
- Reseals	200,000		200,000								200,000
- Renewal/Corrective Works	696,004		696,004					278,402	139,201	278,402	
- Gravel Resheets	150,000		150,000					60,000	30,000	60,000	
WATER FUND											
Water Mains replacement	199,000						199,000				199,000
UV Filtration	150,000						150,000				150,000
SEWER FUND											
STP	11,587,500		5,962,500			5,625,000					11,587,500
WASTE FUND											
Rubbish Bins	5,000						5,000		5,000		
TOWN IMPROVEMENT LEVY FUND											
	18,590,354	400,000	11,136,354	-	445,000	5,625,000	984,000	1,108,186	1,709,093	1,108,186	14,664,890

Infrastructure Assets (Buildings, Roads, Drainage, Bridges, Footpaths)

Brightly (formerly Assetic) is used by Oberon Council, as well as many other Councils, to manage Councils infrastructure assets and to develop asset management sub plans. Council is then able to map required funding for maintenance, and new and improved infrastructure assets, in accordance with the Asset Management Plans back to the Long-Term Financial Plan.

Water Funds

The following capital works/purchases are included:

- Water Mains Replacement \$199,000
- UV Filtration \$150,000

Other maintenance tasks have also been included in the operational budget.

Sewer Funds

The main capital work for the Sewer Fund remains the new Sewage Treatment Plant (STP) project. This has been budgeted over three financial years, 2023-24, 2024-25 and 2025-26. Current estimates of the project rests at \$15.8m.

Council is still anticipating receiving 50% of grant funding for the STP project however, at time of creation of this document only \$4.9m funding has been confirmed from grant sources with another \$3m grant pending outcome. If Council fails to secure 50/50 funding, it will be required to take out an additional loan of for the completion of the project. Without either the additional grant or the loan Council would see the Sewer Fund reserves depleting below a viable safety net.

Transfers from Restricted

Transfers from Restricted relates to unexpended external or internal monies restricted in a financial year, for use in completing projects carried over to the next financial year. Due to the external Water and Sewer Funds any profits derived in these funds have been restricted specifically for the use of these funds in future years.

Movements in the General Funds restrictions have been changed including the new concept of forward planning large capital plant purchases.

Councillor Remuneration

The Local Government Remuneration Tribunal (the Tribunal) determines the increase to Mayoral and Councillor fees. As at time of writing they have not released publication. As such a 5% increase has been assumed along with the increase to 11.5% for compulsory superannuation.

Once the Tribunal has released its increase a resolution by Council will determine the application of the increase or whether it is foregone.

Provision of Long Service Leave and Other Leave Entitlements

Council restricts funds for the provision of long service and other leave entitlements, these have been considered "reasonable and adequate" in accordance with Council's external audits.

Section 356 Financial Assistance

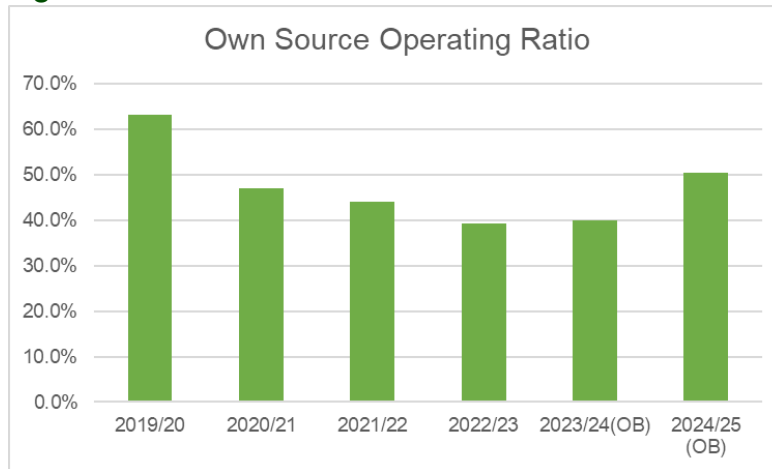
Section 356 of the *Local Government Act 1993* details the requirements for providing financial assistance to others (including charities, community & sporting organisations). Council has received 49 applications for financial and/or in-kind assistance, totalling approx. \$141,000. Staff have included an allocation of up to \$80,000 to fund the selected projects. This is a decrease from \$90,000 approved by Council in 2023/24FY.

A separate report on the applications has been provided to Council for consideration.

Council Performance Measures

The Office of Local Government has set the following benchmarks for Councils performance measurements. The graphs below show a comparison between Council actual and the outcomes.

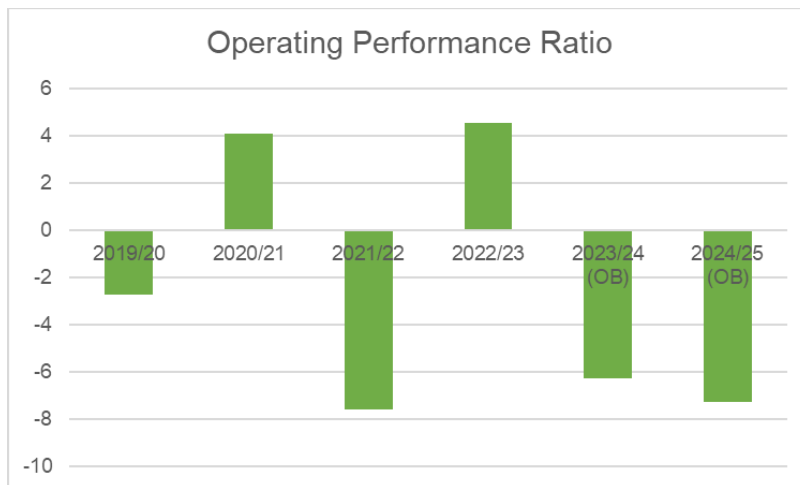
Own Source Operating Revenue



This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. The forecast of less than 60% in 2024/25FY is reflective of reduced grant funding opportunities from both State and Federal agencies.

The above graph shows that Council is dipping below the 60% for the fifth year in a row.

Operating Performance



This ratio measures Council's achievements in containing operating expenditure within operating revenue. It is forecast that Oberon Council will drop below the benchmark of $\geq 0.0\%$ set by the Office of Local Government as part of the Fit for the Future program.

A number of factors contribute to a forecast drop below the benchmark, including rising Materials & Services costs along with inability to foresee and/or recognise operational Grants that may be available to Council throughout the year, such as Natural Disaster Funding. These are difficult to predict at time of budgeting, but Council will exercise budget prudence, and continue to actively seek grants to improve this ratio throughout the year. A quarterly update is provided to Council through the Quarterly Budget Review Process.

Consolidated – Long Term Financial Plan Forecast

CONSOLIDATED - LONG TERM FINANCIAL PLAN										
COUNCIL CONSOLIDATED	2024-25 Budget	2025-26 LTFP	2026-27 LTFP	2027-28 LTFP	2028-29 LTFP	2029-30 LTFP	2030-31 LTFP	2031-32 LTFP	2032-33 LTFP	2033-34 LTFP
Rates & Annual Charges	(7,787,412)	(8,043,072)	(8,308,173)	(8,583,102)	(8,868,266)	(9,164,088)	(9,471,012)	(9,789,499)	(10,120,035)	(10,463,123)
User Charges & Fees	(4,778,772)	(4,982,029)	(5,194,200)	(5,415,687)	(5,646,911)	(5,888,311)	(6,140,348)	(6,403,503)	(6,678,282)	(6,965,210)
Interest & Investment Revenue	(570,000)	(570,000)	(570,000)	(570,000)	(570,000)	(570,000)	(570,000)	(570,000)	(570,000)	(570,000)
Other Revenues	(683,298)	(707,213)	(731,966)	(757,585)	(784,100)	(811,544)	(839,948)	(869,346)	(899,773)	(931,265)
Grants & Contributions provided for Operating Purposes	(4,163,861)	(4,309,596)	(4,460,432)	(4,616,547)	(4,778,126)	(4,995,360)	(5,170,198)	(5,451,155)	(5,741,945)	(6,092,913)
Grants & Contributions provided for Capital Purposes	(9,412,050)	(4,146,069)	(3,967,551)	(4,165,929)	(4,374,225)	(4,592,937)	(4,822,584)	(5,063,713)	(5,316,898)	(5,582,743)
Employee Benefits & On-Costs	8,097,295	8,502,160	8,927,268	9,373,631	9,842,313	10,334,428	10,851,150	11,393,707	11,963,393	12,561,562
Borrowing Costs	87,355	64,618	56,206	50,586	45,527	40,974	36,877	33,189	29,870	26,883
Materials & Services	6,954,144	6,755,274	7,022,257	7,298,584	7,584,583	7,880,592	8,186,960	8,504,052	8,832,242	9,171,919
Depreciation & Amortisation	4,650,390	4,650,390	4,650,390	4,650,390	4,650,390	4,650,390	4,650,390	4,650,390	4,650,390	4,650,390
Other Expenses	872,805	872,805	872,805	872,805	872,805	872,805	872,805	872,805	872,805	872,805
Net gains from the disposal of assets	0	0	0	0	0	0	0	0	0	0
Internal Income	(1,391,487)	(1,440,189)	(1,490,595)	(1,542,766)	(1,596,763)	(1,652,650)	(1,710,492)	(1,770,359)	(1,832,322)	(1,896,453)
Internal Movements	1,391,486	1,440,188	1,490,595	1,542,766	1,596,763	1,652,649	1,710,492	1,770,359	1,832,322	1,896,453
Profit / Loss before Capital Expenditure	(6,733,403)	(1,912,733)	(1,703,396)	(1,862,853)	(2,026,010)	(2,243,050)	(2,415,906)	(2,693,072)	(2,978,232)	(3,321,695)
Capital Expenditure - Material & Services	17,482,168	7,029,084	3,548,883	3,359,329	3,405,291	3,643,891	3,593,257	3,708,521	3,827,819	3,951,293
Capital Expenditure - Employee Benefits & On-Costs	1,108,186	1,227,292	1,264,110	1,302,034	1,341,095	1,381,328	1,422,767	1,465,450	1,509,414	1,554,696
Capital Expenditure - Other Expenses	0	0	0	0	0	0	0	0	0	0
Loan	0	0	0	0	0	0	0	0	0	0
Transfers to/from Restricted	(7,688,183)	(2,007,367)	1,571,330	1,634,937	1,801,161	1,783,210	2,063,308	2,186,683	2,315,580	2,450,251
Profit / Loss after Capital Expenditure	4,168,767	4,336,276	4,680,928	4,433,447	4,521,537	4,565,379	4,663,427	4,667,583	4,674,581	4,634,545
Profit / Loss Before Depreciation	(481,623)	(314,114)	30,538	(216,944)	(128,854)	(85,012)	13,036	17,192	24,191	(15,845)
Loan Repayments	673,243	234,117	138,286	143,906	148,965	153,518	157,615	161,303	164,622	167,609
Change in Councils Working Capital	191,620	(79,997)	168,824	(73,037)	20,111	68,506	170,651	178,495	188,812	151,764

General Fund – Long Term Financial Plan Forecast

General Fund includes General, Waste and Town Improvement

GENERAL FUND inc Waste and TI	2024-25 Budget	2025-26 LTFF	2026-27 LTFF	2027-28 LTFF	2028-29 LTFF	2029-30 LTFF	2030-31 LTFF	2031-32 LTFF	2032-33 LTFF	2033-34 LTFF
Rates & Annual Charges	(5,664,912)	(5,832,140)	(6,005,006)	(6,183,729)	(6,368,540)	(6,559,679)	(6,757,395)	(6,961,950)	(7,173,618)	(7,392,683)
User Charges & Fees	(2,618,772)	(2,738,179)	(2,863,153)	(2,993,958)	(3,130,870)	(3,274,181)	(3,424,194)	(3,581,228)	(3,745,618)	(3,917,715)
Interest & Investment Revenue	(220,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)
Other Revenues	(661,298)	(684,443)	(708,399)	(733,193)	(758,855)	(785,415)	(812,904)	(841,356)	(870,803)	(901,281)
Grants & Contributions provided for Operating Purposes	(4,163,861)	(4,309,596)	(4,460,432)	(4,616,547)	(4,778,126)	(4,995,360)	(5,170,198)	(5,451,155)	(5,741,945)	(6,092,913)
Grants & Contributions provided for Capital Purposes	(3,449,550)	(3,152,319)	(3,967,551)	(4,165,929)	(4,374,225)	(4,592,937)	(4,822,584)	(5,063,713)	(5,316,898)	(5,582,743)
Employee Benefits & On-Costs	7,800,875	8,190,919	8,600,465	9,030,488	9,482,013	9,956,113	10,453,919	10,976,615	11,525,446	12,101,718
Borrowing Costs	17,965	2,167	0	0	0	0	0	0	0	0
Materials & Services	5,253,545	4,995,154	5,200,533	5,413,100	5,633,106	5,860,813	6,096,490	6,340,415	6,592,878	6,854,177
Depreciation & Amortisation	4,102,291	4,102,291	4,102,291	4,102,291	4,102,291	4,102,291	4,102,291	4,102,291	4,102,291	4,102,291
Other Expenses	872,805	872,805	872,805	872,805	872,805	872,805	872,805	872,805	872,805	872,805
Net gains from the disposal of assets	0	0	0	0	0	0	0	0	0	0
Internal Income	(1,391,487)	(1,440,189)	(1,490,595)	(1,542,766)	(1,596,763)	(1,652,650)	(1,710,492)	(1,770,359)	(1,832,322)	(1,896,453)
Internal Expenditure	1,284,663	1,329,626	1,376,163	1,424,329	1,474,180	1,525,776	1,579,179	1,634,450	1,691,656	1,750,863
Profit / Loss before Capital Expenditure	1,162,264	1,066,096	387,121	336,891	287,016	187,578	136,917	(13,185)	(166,130)	(371,935)
Capital Expenditure - Material & Services	5,545,668	2,772,834	2,869,883	2,970,329	3,074,291	3,181,891	3,293,257	3,408,521	3,527,819	3,651,293
Capital Expenditure - Employee Benefits & On-Costs	1,108,186	1,227,292	1,264,110	1,302,034	1,341,095	1,381,328	1,422,767	1,465,450	1,509,414	1,554,696
Capital Expenditure - Other Expenses	0	0	0	0	0	0	0	0	0	0
Loan	0	0	0	0	0	0	0	0	0	0
Transfers to/from Restricted	(4,070,349)	(1,146,004)	(250,000)	(580,000)	(580,000)	(580,000)	(580,000)	(580,000)	(580,000)	(580,000)
Profit / Loss after Capital Expenditure	3,745,769	3,920,218	4,271,115	4,029,254	4,122,402	4,170,797	4,272,942	4,280,786	4,291,103	4,254,055
Profit / Loss Before Depreciation	(356,522)	(182,073)	168,824	(73,037)	20,110	68,506	170,650	178,495	188,812	151,763
Loan Repayments	548,142	102,076	0	0	0	0	0	0	0	0
Change in Councils Working Capital	191,620	(79,997)	168,824	(73,037)	20,110	68,506	170,650	178,495	188,812	151,763

Water Fund – Long Term Financial Plan Forecast

WATER FUND	2024-25 Budget	2025-26 LTFP	2026-27 LTFP	2027-28 LTFP	2028-29 LTFP	2029-30 LTFP	2030-31 LTFP	2031-32 LTFP	2032-33 LTFP	2033-34 LTFP
Rates & Annual Charges	(1,179,500)	(1,220,783)	(1,263,510)	(1,307,733)	(1,353,503)	(1,400,876)	(1,449,907)	(1,500,653)	(1,553,176)	(1,607,537)
User Charges & Fees	(1,610,000)	(1,666,350)	(1,724,672)	(1,785,036)	(1,847,512)	(1,912,175)	(1,979,101)	(2,048,370)	(2,120,063)	(2,194,265)
Interest & Investment Revenue	(100,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Other Revenues	(11,000)	(11,385)	(11,783)	(12,196)	(12,623)	(13,065)	(13,522)	(13,995)	(14,485)	(14,992)
Grants & Contributions provided for Operating Purposes	0	0	0	0	0	0	0	0	0	0
Grants & Contributions provided for Capital Purposes	0	0	0	0	0	0	0	0	0	0
Employee Benefits & On-Costs	190,748	200,285	210,300	220,815	231,855	243,448	255,620	268,401	281,821	295,913
Borrowing Costs	0	0	0	0	0	0	0	0	0	0
Materials & Services	1,269,710	1,314,150	1,360,145	1,407,750	1,457,021	1,508,017	1,560,797	1,615,425	1,671,965	1,730,484
Depreciation & Amortisation	354,174	354,174	354,174	354,174	354,174	354,174	354,174	354,174	354,174	354,174
Other Expenses	0	0	0	0	0	0	0	0	0	0
Net gains from the disposal of assets	0	0	0	0	0	0	0	0	0	0
Internal Income	0	0	0	0	0	0	0	0	0	0
Internal Expenditure	58,763	60,820	62,949	65,152	67,432	69,792	72,235	74,763	77,380	80,088
Profit / Loss before Capital Expenditure	(1,027,105)	(1,019,089)	(1,062,399)	(1,107,074)	(1,153,156)	(1,200,685)	(1,249,703)	(1,300,254)	(1,352,383)	(1,406,135)
Capital Expenditure - Material & Services	349,000	2,325,000	179,000	289,000	231,000	362,000	200,000	200,000	200,000	200,000
Capital Expenditure - Employee Benefits & On-Costs	0	0	0	0	0	0	0	0	0	0
Capital Expenditure - Other Expenses	0	0	0	0	0	0	0	0	0	0
Transfers from Restricted	1,032,279	(951,737)	1,237,572	1,172,248	1,276,330	1,192,858	1,403,877	1,454,428	1,506,557	1,560,309
Profit / Loss after Capital Expenditure	354,174	354,174	354,173	354,174	354,174	354,173	354,174	354,174	354,174	354,174
Profit / Loss Before Depreciation	0	0	(0)	(0)	0	(0)	0	0	0	(0)
Loan Repayments	0	0	0	0	0	0	0	0	0	0
Change in Councils Working Capital	0	0	(0)	(0)	0	(0)	0	0	0	(0)

Sewer Fund – Long Term Financial Plan Forecast

SEWER FUND	2024-25 Budget	2025-26 LTFP	2026-27 LTFP	2027-28 LTFP	2028-29 LTFP	2029-30 LTFP	2030-31 LTFP	2031-32 LTFP	2032-33 LTFP	2033-34 LTFP
Rates & Annual Charges	(943,000)	(990,150)	(1,039,658)	(1,091,640)	(1,146,222)	(1,203,534)	(1,263,710)	(1,326,896)	(1,393,240)	(1,462,903)
User Charges & Fees	(550,000)	(577,500)	(606,375)	(636,694)	(668,528)	(701,955)	(737,053)	(773,905)	(812,600)	(853,231)
Interest & Investment Revenue	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Other Revenues	(11,000)	(11,385)	(11,783)	(12,196)	(12,623)	(13,065)	(13,522)	(13,995)	(14,485)	(14,992)
Grants & Contributions provided for Operating Purposes	0	0	0	0	0	0	0	0	0	0
Grants & Contributions provided for Capital Purposes	(5,962,500)	(993,750)	0	0	0	0	0	0	0	0
Employee Benefits & On-Costs	105,672	110,956	116,503	122,328	128,445	134,867	141,611	148,691	156,126	163,932
Borrowing Costs	69,391	62,451	56,206	50,586	45,527	40,974	36,877	33,189	29,870	26,883
Materials & Services	430,889	445,971	461,580	477,735	494,456	511,761	529,673	548,212	567,399	587,258
Depreciation & Amortisation	193,925	193,925	193,925	193,925	193,925	193,925	193,925	193,925	193,925	193,925
Other Expenses	0	0	0	0	0	0	0	0	0	0
Net gains from the disposal of assets	0	0	0	0	0	0	0	0	0	0
Internal Income	0	0	0	0	0	0	0	0	0	0
Internal Expenditure	48,060	49,742	51,483	53,285	55,150	57,081	59,078	61,146	63,286	65,501
Profit / Loss before Capital Expenditure	(6,868,562)	(1,959,740)	(1,028,118)	(1,092,670)	(1,159,870)	(1,229,944)	(1,303,120)	(1,379,632)	(1,459,719)	(1,543,625)
Capital Expenditure - Material & Services	11,587,500	1,931,250	500,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capital Expenditure - Employee Benefits & On-Costs	0	0	0	0	0	0	0	0	0	0
Capital Expenditure - Other Expenses	0	0	0	0	0	0	0	0	0	0
Loan	0	0	0	0	0	0	0	0	0	0
Transfers from Restricted	(4,650,113)	90,374	583,758	1,042,689	1,104,831	1,170,352	1,239,431	1,312,255	1,389,023	1,469,942
Profit / Loss after Capital Expenditure	68,825	61,884	55,640	50,019	44,961	40,408	36,311	32,623	29,304	26,317
Profit / Loss Before Depreciation	(125,101)	(132,041)	(138,285)	(143,907)	(148,965)	(153,517)	(157,615)	(161,303)	(164,622)	(167,608)
Loan Repayments	125,101	132,041	138,286	143,906	148,965	153,518	157,615	161,303	164,622	167,609
Change in Councils Working Capital	0	(0)	0	(0)	0	0	0	(0)	0	0

2024-2034 Long Term Financial Plan Assumptions

Rates and Annual Charges

Council has used the following rate peg increases:

2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
5.2%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Rates for the 2024-25FY have been modelled on the 5.2% rate peg determined by IPART and resolved by Council.

The following years have been forecasted to increase by 2.5% as advised by IPART to use for LTFPs.

Waste Rates have been increased by the December 2023 CPI of 4.1% for the 2024/25FY future years have been increased by 3.5%.

Water and Sewer Rates have been increased by 10% for the 2024/25FY to assist in the delivery of the new Sewage Treatment Plant. Then revert to 5% for the remaining years in the LTFP.

User Charges and Fees

The schedule of "User Fees and Charges" has been increased by the December 2023 CPI of 4.1% as a blanket rule for the 2024/25FY future years have been increased by 3.5%.

Revenue for RMS Contracts and Private Works also are included in this section. Council feels the use of a CPI % across these would not be appropriate as such historical and anticipated income have been used to forecast.

Council has also taken into consideration items that are bound by "Statutory" means, such as Development and Planning Applications, as such they have not been increased by CPI.

Interest and Investment

Council has budgeted for current investments being reduced due to the use of funds for capital projects. Interest rates have been forecasted to hold steady over the period of the LTFP. Council will review this type of revenue during quarterly budget reviews to assess any movements, as dictated by the Reserve Bank of Australia.

Other Revenues

Other revenues include items such as legal fees recovered, fuel tax credits, insurance claims, leaseback vehicles, tourism, Library, RFS, Heritage revenue and sale of old equipment. The LTFP uses a CPI of 3.5% for future years.

Legal fees recovered, heritage revenue and sales of old equipment are arbitrary figures across all years.

Grants and Contributions provided for Operating Purposes

Grants included Financial Assistance Grant (FAG), Roads to Recovery (R2R), and Block Grant. The latter two can be used for either Operational and/or Capital Works.

Community grants such as Youth Week and Seniors Festival are typically operating. There is no set increase for these grants.

There is no set increase for grants as such they have not been increased over the LTFP. Council notes that FAG and Block Grants may increase, however, Council is not informed of the increase until after the budget process is completed.

Grants and Contributions provided for Capital Purposes

Councils large Capital undertaking continues for the 2024-25FY. Until further grants have been confirmed projects have been anticipated to slow for future years for the creation of the LTFP.

Employee Benefits and On-Costs

The organisation structure as adopted in December 2022 has also been used as the basis of the roles. For future years a flat increase of 4.7% has been utilised.

Casual staffing at the Oberon Fitness Centre have been included in the budget for the 2023-24FY however, they were not included in the prior year original budget.

Award negotiations have been completed for the Local Government Award. Council has budgeted for an annual 3.5% increase, plus one-off payments in July, with an optional 4% for Step and Performance increases for staff.

These factors have contributed to an overall increase of 10% from the 2023-24FY Budget.

2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
10.0%	5.6%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%

Borrowing Costs

Borrowing Costs have been budgeted for using existing loans, plus one additional loan potentially taken during the financial year for the Sewage Treatment Plant.

Materials and Contracts

Materials and Contracts have been budgeted to go up 3.5% per annum after the 2024/25FY. The only adjustments to this is where the budget for an existing project will cease and then the corresponding expense items have been decreased in line with the end of the project.

Water Purchases have been anticipated to go up 3.5% per annum.

Lease and contracts are reflective of their agreements.

Depreciation and Amortisation

The 2022-23FY depreciation schedule has been used as the basis for the depreciation and amortisation calculation, with specific adjustments as required, for all years in the LTFP. This is in line with 2023-24FY budgeting process.

Other Expenses

All other expenses have been increased by 2-10% per annum depending on their nature. These consist of consultants, advertising, printing and stationery, donations, contributions and assistance, subscriptions, and other items.

Capital Works

General Fund

Council has budgeted for continuing capital items with a rolling schedule such as:

- Plant Purchases
- Library Purchases, books and furniture and fittings
- Council Chambers capital upgrades

These have been budgeted for based on an annual allocation plus CPI.

Waste Fund

Council has included an annual budget for site upgrades and Mobile Bin purchases for the 2025/26 – 2033/34FYs.

See Capital table for the 2024/25FY capital items.

Infrastructure Assets (Buildings, Roads, Drainage, Bridges, Footpaths)

Brightly (formerly Assetic) is currently used by Oberon Council, as well as many other Councils, to manage Councils infrastructure Assets and develop asset management sub plans. Council is then able to map required funding for maintenance, and new or improved infrastructure assets, in accordance with the Asset Management Plans back to the Long-Term Financial Plan.

Brightly has advised under the overall arching Asset Management Plan, that the required yearly expenditure between maintenance and new or improved assets on infrastructure such as roads [under a best-case scenario] over a 9-year period is approx. 70% of the replaceable value which is on average \$3.4m per year for Oberon Council. This has and will continue to be funded by the Block Grants, Roads to Recovery, Financial Assistant Grant [Roads Allocation], LIRS Subsidy, Developer Contributions and “if approved” “Capital” grants from Restart NSW and Fixing Country Roads.

A worst-case scenario should sufficient grant funding not be available is an adjustment to the replacement percentage of 70% down to 50% which will see the expenditure drop to \$2.3m with an extended term for the replacement to approximately 14 or 15 years.

Council has tried to maintain a budget reflective of the Asset Management Plans for all areas.

Water Fund

The Asset Management Plan relevant to the Water Fund has been used for the LTFP capital budgeted amounts for the water fund.

Items include:

- Water Mains Replacement program
- UV Filtration

Sewer Fund

The main capital item for the Sewer Fund remains the STP, which is anticipated to be completed by December 2025.

Other items for future years include:

- Pump Station Upgrade
- Modification to Pump Station 1 (survey & investigation) for a rag extractor

Community Strategic Plan – Long Term Financial Plan

COMMUNITY STRATEGIC PLAN	2024-25 Budget	2025-26 LTFP	2026-27 LTFP	2027-28 LTFP	2028-29 LTFP	2029-30 LTFP	2030-31 LTFP	2031-32 LTFP	2032-33 LTFP	2033-34 LTFP
Revenue										
Community Well Being	(157,000)	(130,423)	(133,142)	(138,165)	(143,396)	(149,131)	(154,815)	(161,309)	(168,069)	(175,395)
A Growing Economy	(907,900)	(754,213)	(769,933)	(798,982)	(829,232)	(862,393)	(895,263)	(932,816)	(971,912)	(1,014,277)
Caring for the Environment	(584,868)	(485,863)	(495,990)	(514,703)	(534,190)	(555,552)	(576,727)	(600,919)	(626,105)	(653,396)
Infrastructure & Services	(15,471,182)	(12,852,265)	(13,120,143)	(13,615,151)	(14,130,630)	(14,695,712)	(15,255,845)	(15,895,764)	(16,561,993)	(17,283,909)
Leadership & Engagement	(10,274,443)	(8,535,215)	(8,713,113)	(9,041,849)	(9,384,180)	(9,759,452)	(10,131,437)	(10,556,409)	(10,998,853)	(11,478,278)
Total Income From Continuing Operations	(27,395,393)	(22,757,980)	(23,232,322)	(24,108,850)	(25,021,628)	(26,022,240)	(27,014,088)	(28,147,216)	(29,326,933)	(30,605,255)
Expenses										
Community Well Being	643,971	629,182	635,542	648,381	661,669	675,464	689,821	704,793	720,431	736,786
A Growing Economy	932,215	910,805	920,012	938,598	957,833	977,803	998,586	1,020,260	1,042,898	1,066,573
Caring for the Environment	343,793	335,897	339,293	346,147	353,241	360,605	368,270	376,263	384,612	393,343
Infrastructure & Services	13,480,060	13,638,710	14,053,147	14,624,852	15,222,504	15,846,909	16,498,969	17,179,675	17,890,112	18,631,452
Leadership & Engagement	5,935,193	5,798,886	5,857,503	5,975,832	6,098,301	6,225,443	6,357,766	6,495,758	6,639,890	6,790,622
Total Expenses From Continuing Operations	21,335,232	21,313,481	21,805,498	22,533,810	23,293,548	24,086,225	24,913,412	25,776,749	26,677,944	27,618,777
Capital Works										
Community Well Being	0	0	0	0	0	0	0	0	0	0
A Growing Economy	0	0	0	0	0	0	0	0	0	0
Caring for the Environment	0	0	0	0	0	0	0	0	0	0
Infrastructure & Services	18,590,354	8,256,376	4,812,994	4,661,363	4,746,386	5,025,219	5,016,025	5,173,972	5,337,233	5,505,990
Leadership & Engagement	0	0	0	0	0	0	0	0	0	0
Total Capital Works	18,590,354	8,256,376	4,812,994	4,661,363	4,746,386	5,025,219	5,016,025	5,173,972	5,337,233	5,505,990
Transfers from Restricted										
Community Well Being	0	0	0	0	0	0	0	0	0	0
A Growing Economy	0	0	0	0	0	0	0	0	0	0
Caring for the Environment	(50,000)	0	0	0	0	0	0	0	0	0
Infrastructure & Services	(7,638,183)	(2,241,484)	1,433,044	1,491,031	1,652,196	1,629,692	1,905,693	2,025,380	2,150,958	2,282,642
Leadership & Engagement	0	0	0	0	0	0	0	0	0	0
Total Transfers from restricted	(7,688,183)	(2,241,484)	1,433,044	1,491,031	1,652,196	1,629,692	1,905,693	2,025,380	2,150,958	2,282,642
Net										
Community Well Being	486,971	498,759	502,400	510,216	518,273	526,333	535,006	543,484	552,362	561,391
A Growing Economy	24,315	156,592	150,079	139,616	128,601	115,410	103,323	87,444	70,986	52,296
Caring for the Environment	(291,075)	(149,966)	(156,697)	(168,556)	(180,949)	(194,947)	(208,457)	(224,655)	(241,493)	(260,053)
Infrastructure & Services	8,961,049	6,801,337	7,179,042	7,162,095	7,490,456	7,806,108	8,164,841	8,483,262	8,816,310	9,136,175
Leadership & Engagement	(4,339,250)	(2,736,329)	(2,855,610)	(3,066,017)	(3,285,879)	(3,534,009)	(3,773,671)	(4,060,651)	(4,358,963)	(4,687,656)
Total Net	4,842,010	4,570,393	4,819,214	4,577,354	4,670,502	4,718,896	4,821,042	4,828,885	4,839,202	4,802,154