



OBERON COUNCIL

Operational Plan

2019-20FY

Long Term Financial Plan

2019-2029



photo courtesy of Morgan Connard



OBERON COUNCIL

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2019/20 Operational Plan

Income Statement

Income from Continuing Operations

Rates & Annual Charges	\$5,985,120
User Charges & Fees	\$4,859,820
Interest & Investment Revenue	\$315,332
Other Revenues	\$383,200
Grants & Contributions for Operating	\$4,684,258
Grants & Contributions for Capital	\$725,000
TOTAL INCOME	\$16,952,730

Expenses from Continuing Operations

Employee Benefits & On-costs	-\$5,857,077
Borrowing Costs	-\$123,406
Materials & Contracts	-\$2,773,549
Depreciation & Amortisation	-\$3,222,426
Other Expenses	
- Administration (postage/printing/stationery)	-101,106
- Advertising	-49,701
- Bank charges	-22,000
- Consultants – Asset Management	-20,000
- Consultants – Finance	-40,000
- Consultants – Governance	-5,000
- Consultants – Heritage	-10,000
- Consultants – IT	-10,000
- Council Assistance Scheme (S356 Assistance)	-63,569
- Councillor/Mayoral Fees	-128,500
- Councillor Expenses	-33,500
- Emergency Services (RFS, SES, Fire Brigade)	-295,751
- Heritage Expenses	-15,000
- Insurance	-364,828
- IT Hardware (under capital threshold)	-50,000
- IT Software (under capital threshold) and Yearly Support	-310,057
- Street Lighting	-80,000
- Subscriptions	-60,807
- Sundry Expenses	-8,000
- Telephone and communications	-94,500
- Upper Macquarie Country Council (weed protection)	-110,000
- Utilities (electricity, heating, rates, garbage)	-194,578
- Vehicle registration	-75,000

TOTAL EXPENSES

-\$2,141,899
\$14,118,356

Net gains from disposal of assets	\$335,000
Internal Movement – Carry overs	\$328,640

Operating Result (before Capital Expenditure)

\$3,498,014

Less Capital Expenditure	-\$4,218,938
Transfers from Restricted	\$722,687

NET Surplus/-Deficit

\$1,763



2019/20 Operational Plan Assumptions

As part of Operational Plan, Council has made a number of 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 2019/20 have been increased by the Special Rate Variation of 7%, except for the Town Improvement Levy which is at the Rate Peg of 2.7%. All annual charges have been increased by the 2.7% Rate Peg. *[Rate Pegging is a term used by IPART it is the "maximum" percentage amount by which a council may increase its general ratable income for the year].*

Town Improvement Levy

An amount of \$35,237 has been allocated to The Common for 2019/20FY. Should Council wish to carry over current allocation of \$64,763, together with an additional \$100,000, other projects within Town Improvement Levy will need to be amended accordingly, excluding the Curtis Street kerb and gutter program which has been previously endorsed by Council. Works staff have advised that the drainage project for Balfour, Fleming and Queen Streets has almost been completed, with an expected \$160,000 remaining to complete.

If Council wish to include Christmas decorations for the main street, an adjustment will need to be made to nominated projects.

User Charges and Fees

The schedule of "User Fees and Charges" has been increased by 1.8% being the December consumer price index (CPI).

Council also has to take into account that "Statutory" Fees and Charges that fall under this category, such as Development & Planning Applications. Council is bound by legislation in this instance.

Interest and Investment

Council has budgeted for current investments remaining at the current interest rate for 2019/20. Council will review this type of revenue during the required quarterly budget reviews to assess any movement that may occur as a result of decisions made by the Reserve Bank.

Other Revenues

Other revenues includes revenue such as Legal Fees Recovered, Fuel Tax Credits, Insurance Claims, Lease back vehicles, Tourism, Library and Swimming Pool Revenue, RFS Revenue, Heritage Revenue, Fire Sales of old equipment.

Grants and Contributions provided for Operating Purposes

Operating Grants are grants provided to councils which are not tied to operating or capital expenditure, for instance the Financial Assistance Grant (FAG), Roads 2 Recovery and the Roads Block Grant can be used for either Operating or Capital works. Street lighting subsidy grant is operating.

Community grants such as Youth Week and Seniors Festival are typically operating. There is no set increase for these grants. Some are the same each year. These ones have not been increased; however, some like the Financial Assistance Grant and the Block Grant increase but council is not informed of the increase until after the budget process.



The Block Grant comes in four separate sections: Standard Block grant increased by 1.3% and increasing to 1.7% by 2028-29; Traffic was not increased as this is a set figure; supplementary Block was not increased as a set figure; and Repair Program was not increased as this has been known to drop.

Grants and Contributions provided for Capital Purposes

In accordance with budgeted expenses, an example of which is the Sewer fund for the Sewer Treatment Plant project. *This means that council has anticipated that grants will be sort and approved to the value of the cost of the project.*

Council has to this end increased the projected “Capital Grants” in 2019/20 \$250,000 for the Sewer Fund on the assumption that Oberon will receive State or Federal Grant funds to construct the new sewer treatment plant [STP].

Employee Benefits and On-Costs

Salary and Wages, and Superannuation (exclusive of employees on the Local Government Retirement Scheme) have increased by 3.5%. This is representative of the “Local Government Award” at 2.5% and 1% for “Step and Performance Increases” for staff.

Training expenses have been calculated at 1.8% of total salary and wages costs, which is standard for local government. Recruitment costs are an arbitrary figure. Protective clothing and uniforms, travel expenses, etc. increased by 1.3% CPI for 2019/20.

Borrowing Costs

It is envisaged that grant opportunities will be sourced for the new Sewerage Treatment Plant. However, should this funding not eventuate, Council has the capacity to consider borrowings. An assumption has been made that the development of the Sewer Treatment Plant Project will be fully grant funded.

Materials and Contracts

All materials and contracts such as contractors for roads and cleaning, the purchase of fuel, chemicals, utilities, and materials for the maintenance of plant, buildings, cemetery, stock, parks, gardens and grounds, Library, etc. have been increased by 1.3% CPI. IT Costs and Sundry expenses are an arbitrary figures. Leases and contracts are in line with agreements.

Depreciation & Amortization

The 2017/18 Depreciation schedule has been used with adjustments made for new and expiring assets.

Other Expenses

Other expenses have been listed in the Operational Plan and are arbitrary figures.

Capital Works

General fund

Council has budgeted \$400,000 per year for plant replacement based on the net revenue from plant movement of the previous year – resulting in a drawdown from restricted each year.

Purchase of IT hardware at \$50,000 and software at \$10,000 per year.

Library book replacement of \$8,000 per year.



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

Council uses a consultant firm called Assetic. Assetic is a software and service business that specializes in strategic management of infrastructure within local governments, which is its core business. They are engaged by many Councils, including Oberon, to create an Asset Management Plan and manage Councils infrastructure Assets. As a result of this, council maps required funding for maintenance and, new and improved infrastructure assets as per the Asset Management Plan created by Assetic back to the Long Term Financial Plan.

Assetic is now in the process of breaking down the Asset Management Plan into individual sub plans. Building is the first one completed. The yearly expenditure is in accordance with the financial summary on page 22, note 6 of the Building Asset Management Plan.

Water and Sewer Funds

Council uses a company called "WaterOz" which specializes in the planning and design services for the Water Industry of Australia. Through them, Council has identified and produced a capital replacement program, for both the Water and Sewer Services in Oberon.

Water Fund

The current water mains replacement program will continue at \$160,000 per year.

The Fluoridation System is budgeted for 2019/20 at a cost of \$269,000 to be fully funded by a grant from the NSW State Government.

Sewer Fund

The main capital works in the Sewer Fund area is the new STP project which is budgeted for 2019/20, 2020/21 and 2021/22 at a cost of approx. \$1.3m. It is anticipated that this will be 50% grant funding, with council having to contribute 50%. This 50% can come by way of loan facilities or further grants if approved. At this stage council is budgeting for further grants [*Classed as a "Capital" Grant in the LTFP*]

Council started a Sewer Manhole Rehabilitation Program in 2015/16 at a cost of \$55,000 per year over 8 years, due to be completed in 2022/23.

An Inflow/Infiltration Program at a cost of \$54,000 over 5 years is commencing and is due to be completed by 2022/23.

On top of the mentioned programs for both water and sewer, there is also a budget in both funds for the STP and SPS Painting and Cleaning Program for each fund.

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.

Councillor Remuneration

Council has resolved, in accordance with Section 241 of the Local Government Act, to accept an increase in 2019/20 of 2.5% for the annual fee paid to Councillors, as made by the Remuneration Tribunal for the category Regional Rural area.

Provision of LSL

Council's restricted funds for the provision of long service and other leave are considered "reasonable and adequate" in accordance with Council's external auditor in November 2018.



Section 256 Financial Assistance

Council received a total of \$157,359 in requests for Section 356 Financial Assistance for the 2019/20 financial year. At the Finance Committee meeting in February 2019, Council allocated \$92,129 to 54 community groups per list below.

There are three categories: cash, in-kind and community events. Other Expenses contains the Cash and Community Events, totally \$63,569. The In-kind donations of \$28,560 have been split between Employee Benefits & On-costs and Material & Contracts.

Community Group	Project	Cash payment	In-kind	GL Community Events	Total allocation
Bathurst Harness Racing	Oberon Community Night held 17/1/20	\$ -		\$ 500	\$ 500
Black Springs Community Association	Raised garden beds in front of Black Springs Community Hall. Garden beds will be of block wall measuring 1mx5m and will consist of four individual beds with seating along the front of the hall. The seating will be relocated from the vestibule of the hall to the outside and will have secure footings. There will be double brick at the building line to prevent rising damp attacking the existing wall. There will be substantial footings for the brickwork construction	\$ 1,000.00			\$ 1,000
Black Springs Public School	To resource and implement student notebook computers for students at Black Springs School. Student notebook computers support teaching and student learning. Resource purchase would include two student notebook computers	\$ 500.00			\$ 500
Burruga Ag-Bureau Inc	Burruga Sheep Show held in August 2019. This is a general programme of upgrade for the show with major emphasis on developing a programme for schools where they will be specifically included within the sheep showing section of the show. A programme aimed at interesting schools and training their pupils	\$ -		\$ 2,000	\$ 2,000
Burruga District Community Association	Burruga Endurance 120km Event 28-29 September 2019. This equestrian event will be based at the sports ground at Burruga. Preride and vetting will be Saturday and the first distance will start early Sunday morning.	\$ -		\$ 3,000	\$ 3,000
Can Assist	To provide ongoing support for cancer patients and their families in our community	\$ 2,000.00			\$ 2,000
Country Women's Association of NSW - Central West	Schools Public Speaking Competition to be held at James Sheahan 21.05.19, 8.30am - 1pm	\$ 300.00			\$ 300
Friends of the Oberon Library Inc.	"Welcome Baby Bags" Facilitated through the community nurse, the bags contain a board book, feeding spoon, booties or socks, bib, toy, health information leaflets, library membership form, local school information, talc, wet wipes. Last year thermometres were added thanks to 356 funding and would like to do this again	\$ 450.00			\$ 450
Life Education	To facilitate professional development for the Life Education NSW Educator who delivers preventative health through the project Healthy Harold which assists approx 350 students in the local area. We are working hard to expand to other schools including Oberon High School. The educator would spend three day training with another educator observing and team teaching allowing for information sharing and the exchange of best practice teaching ideas. This project is an investment in the future health of the children in the oberon area.	\$ 2,000.00			\$ 2,000
LiveBetter	Rent Assistance in Kind for Oberon Community Transport. This includes rent of space in Fleming St Oberon, all utilities and use of the community centre kitchen and facilities by our staff member.		\$ 26,000.00		\$ 26,000
Oberon & District Museum Society.	Rates Relief. The Museum seek assistance with the 2019/2020 rates liability, understood to be approx. \$1290	\$ 650.00			\$ 650
Oberon & District Museum Society	Reopening of Museum Before we could reopen the museum in early March 2019 some essential repairs and maintenance was needed to signage and toilet facilities. New doors, locks and paint for the toilets and a new sign was required at the entrance.	\$ 500.00			\$ 500
Oberon Arts Council	Participatory Performance to the Oberon MPS 'The Art Group Program'	\$ -		\$ 1,000	\$ 1,000
Oberon Campdraft Club Inc	Oberon campdraft at Oberon Showground runs for 2-3 days every November			\$ 500	\$ 500



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Community Group	Project	Cash payment	In-kind	GL Community Events	Total allocation
Oberon Community and Farmers Markets	Permanent signage at the main entrance under the main sign already established and trolley for tables bought by markets - 2 trollies for 20 new tables. Markets held at Oberon Showground each month	\$ 500.00			\$ 500
Oberon Craft Centre	Gas heater for volunteer workers manning to centre. Natural gas with craft centre paying for usage. Also for advertising	\$ 450.00			\$ 450
Oberon District Little Athletics	New starting equipment, electronic starting device that requires no explosives	\$ 500.00			\$ 500
Oberon Golf Club Limited	Fuel and Machinery Maintenance	\$ 5,500.00			\$ 5,500
Oberon High School	In 2019 we have been able to upgrade the basketball court at the school. It was out of action for most of 2018 with a substandard surface and dangerous fencing surrounding the area. We would like ensure the area around the courts (posts for the roof) are properly cushioned/protected. We envisage purchasing padding that can wrap around the steel posts.	\$ 1,000.00			\$ 1,000
Oberon Junior Hockey	Assisting the club with the costs of training including the hire of the Oberon Tennis Centre to provide an all-weather facility, and the provision of and storage of our equipment	\$ 500.00			\$ 500
Oberon Junior Rugby League	Assist with protective equipment, sporting goods and annual presentation for 2019	\$ 500.00			\$ 500
Oberon Masonic Centre	Assistance with rates for 2019/20. Amount confirmed once rates levied	\$ 620.00			\$ 620
Oberon Men's Shed	Insurance and Rent Assistance	\$ 500.00			\$ 500
Oberon Netball Club	Any funds received will be used for the end of year presentation day - Trophies, Meals, Entertainment in September 2019.	\$ 500.00			\$ 500
Oberon Pistol Club	Construction of dividing wall in clubhouse	\$ 300.00			\$ 300
Oberon Playgroup	Purchase new play equipment for local playgroup as most of our toys/equipment are old or second hand	\$ 500.00			\$ 500
Oberon Pony Club	contruction of dressage arena (used monthly at least), ground maintenance (weed control, slashing, fencing, uneven ground), cross country course (jump repairs and track maintenance inc fallen trees and filling holes) and the annual gymkhana (running costss, promotion and hosting riders from other clubs).	\$ 500.00	\$ -		\$ 500
Oberon Public School P&C	Assist in covering costs for providing emergency lunch vouchers to students	\$ 500.00			\$ 500
Oberon Rodeo Association Inc.	new time event chute for annual rodeo. This chute is used for a large majority of events on the day. In 2018 there were 360 entries total and isa required the use of this chute.	\$ 1,000.00			\$ 1,000
Oberon RSL Sub Branch	Assistance with Council Rates for 2019/20. Amount confirmed once rates levied.	\$ 600.00			\$ 600
Oberon RSL Sub Branch	Assistance with Council Water and Sewer Rates for 2019/20. Amount confirmed once rates levied	\$ 680.00			\$ 680
Oberon School Presentations	Oberon Public School; Oberon High School; Black Springs Public School; St Josephs Oberon; O'Connell Public	\$ 1,250.00			\$ 1,250
Oberon Senior Hockey Club	assist with weekly turf fees charged to each team per game. Games are held in Bathurst on the sand and waterbase turf grounds. Cost is \$100 per game	\$ 500.00			\$ 500
Oberon Senior Rugby League	Funding support for our end of year presentations	\$ 500.00			\$ 500
Oberon Show Committee	Oberon Show will be held on 8/2/20. Show Committee is looking for reimbursement of fireworks at \$3500. They also request inkind assistance to maintain grounds (mowing and seeding) \$5000 and levelling of uneven ground for extra rides., below machinery shed at \$5000			\$ 8,500	\$ 8,500
Oberon Showgirl	Funding for a stage at the 2020 Oberon show, Funding for Young Farmer's Challenge at the 2020 Oberon Show, Funding for 2020 Miss Showgirl and cost of showgirl attending Zone Finals.	\$ 2,000.00			\$ 2,000
Oberon Showground Trust	To supply and instal 3 fans (commercial) in the Centenary Pavillion	\$ 500.00			\$ 500



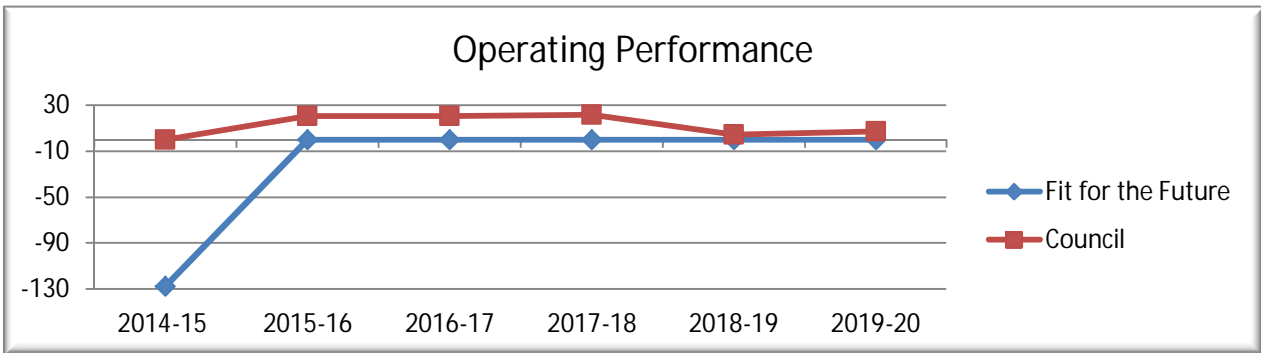
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Community Group	Project	Cash payment	In-kind	GL Community Events	Total allocation
Oberon Tarana Heritage Railway	Finance for the railway track: maintenance and install new, as well as to support the Heritage Transport Rally (second weekend in March 2020).	\$ 2,000.00	\$ 2,560.00		\$ 4,560
Oberon United Football Club	Presentation funding for September along with field equipment throughout the season	\$ 500.00			\$ 500
Oberon United Junior Football Club	Trophies and presentation costs for juniors presentation in September 2019	\$ 500.00			\$ 500
Oberon Writers' Workshop	Compilation, editing, layout, presentation and printing of an anthology of writers from the Oberon Council Area			\$ 500	\$ 500
O'connell Valley Community Group Incorporated	Cover annual costs associated to Public Liability insurance to enable ongoing meetings to be held at the O'connell Fire Shed also for public/community events. The funding will enable meetings to be held at the shed without having to rely on public liability insurance from council or any other external source	\$ 662.00			\$ 662
Rotary Club of Oberon	To assist with vet costs in desexing household cats and coincide with National Desexing Network (NDN) programme in July, to advertise subsidy and benefits of desexing cats. Interested residents register by early June, successful applicants provided with vouchers for %50 off costs	\$ 500.00			\$ 500
Skoda & Tatra Museum Inc.	To conduct two x one day sessions: Nov 2019 artist and residence day which will include meet the artist and lunch etc; May 2020 meet you day which includes an program and update on local museums/antiques and getting suggestions from community participants on museums function, including lunch	\$ 500.00			\$ 500
St Vincent's De Paul Society	Christmas Hampers 2019	\$ 500.00			\$ 500
The Neighbourhood Centre	Promote the neighbourhood Centre, teardrop banners and two end flags	\$ 300.00			\$ 300
Village Improvement Fund	Black Springs, O'Connell and Burruga			\$ 15,000	\$ 15,000
Western Regional Academy of Sport	2019 Annual operation of WRAS	\$ 307.00			\$ 307
		\$ 32,569	\$ 28,560	\$ 31,000	\$ 92,129
				\$ 92,129	

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 from the Fit for the Future program.

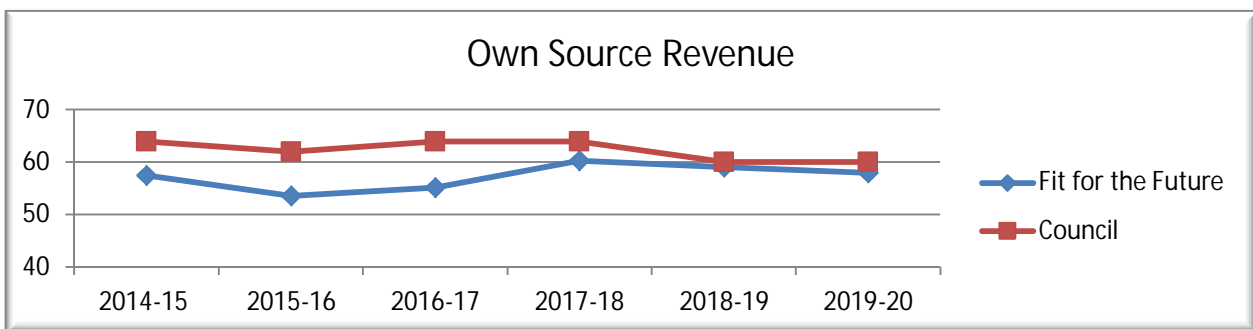
Operating Performance Ratio

This ratio measures Council’s achievements of containing operating expenditure within operating revenue. Council has been consistent over the last 3 years in achieving a positive operational performance ratio due to the Special Rates Variation and continued RMS Private Works. Oberon Council continues to sit above the benchmark of $\geq 0.0\%$ set by the Office of Local Government as part of the Fit for the Future program.



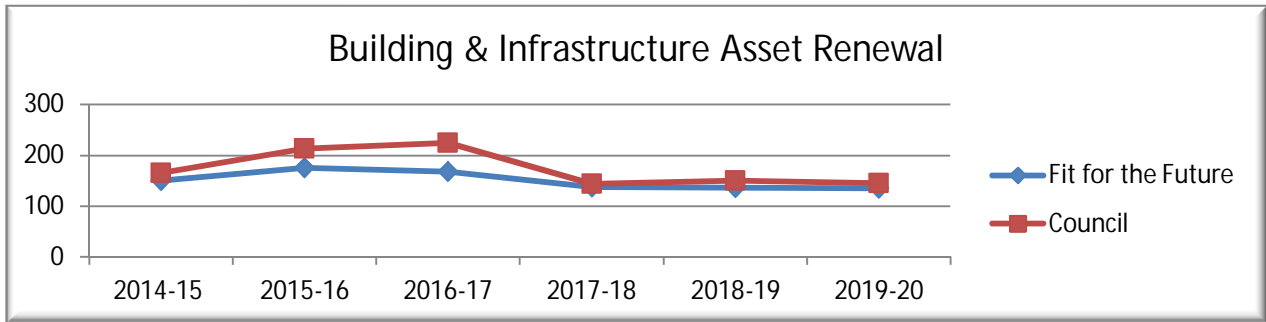
Own Source Operating Revenue

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. Again, as a result of the RMS Private Works and the Special Rates Variation Council continues to achieve the required benchmark of 60%. The drop over the last year can be contributed to the high level of unexpected State and Federal grant funding, which is not classed as Own Source Revenue. The Fit for the Future program showed Oberon dropping below the benchmark, however Council’s long term financial plan shows the benchmark being maintained.



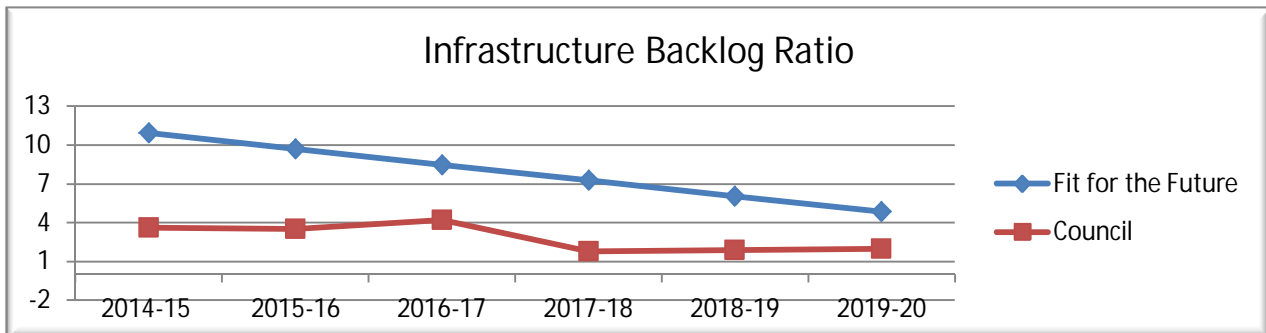
Building and Infrastructure Asset Renewal Ratio

This ratio is to assess the rate at which these assets are being renewed relative to the rate that they are depreciating. We continue to maintain the benchmark of 100% required for this ratio. We concur with the Fit for the Future program that Oberon will continue to sit above the benchmark.



Infrastructure Backlog Ratio

This ratio shows what proportion the backlog is against the total value of Council's infrastructure. The benchmark is maximum of 2%. The Fit for the Future program shows Council with a significant backlog, however, Council has made headways to reducing the infrastructure backlog with the introduction of the Special Rates Variation and the Local Infrastructure Renewal Scheme low interest loan which is clear displayed on the graph below.





2019-2029

Long Term Financial Plan Assumptions

Rates and Annual Charges

For years 2020/21 to 2028/29, the current special rate variation will cease and council will only be entitled to NSW Rate Pegging. Council has used a flat rate of 2.8% across the 8 years. IPART have been known to drop the rate pegging significantly like it did several years ago when it was dropped to 1.5% from 2.8%.

User Charges and Fees

The schedule of "User Fees and Charges" has been increased by 1.8% being the December CPI. However, given that Revenue like RMS Private Works falls under this category Council can not do an across the board increase of 1.8% when it comes to the LTFP. Council has to make an educated assessment of past history for the use of council facilities and budget accordingly. There is no set percentage increase in this instance.

Council also has to take into account that "Statutory" Fees and Charges that fall under this category, such as Development & Planning Applications. Council is bound by legislation in this instance.

Interest and Investment

Council has budgeted for current investments remaining in place with little or no changes to the interest rates at this stage over the 8 year LTFP period. Council will review this type of revenue during the required quarterly budget reviews to assess any movement that may occur as a result of decisions made by the Reserve Bank.

Other Revenues

Other revenues includes revenue such as Legal Fees Recovered, Fuel Tax Credits, Insurance Claims, Lease back vehicles, Tourism, Library and Swimming Pool Revenue, RFS Revenue, Heritage Revenue, Fire Sales of old equipment.

There are a variety of different types of revenue in this category and as such council needs to analyze each type and act accordingly. The increases can vary: Fuel Tax credits and Lease back vehicles / Tourism, Library & Swimming Pool Revenue / RFS Revenue increase by CPI of 1.3% for 2020-21 and going up at .05% each year across the 8 year period reaching 1.7% in 2028-29.

Legal Fees Recovered / Heritage Revenue / Fire Sales of old equipment an arbitrary figures across the 8 years.

Grants and Contributions provided for Operating Purposes

Operating Grants are grants provided to councils which are not tied to operating or capital expenditure, for instance the Financial Assistance Grant (FAG), Roads 2 Recovery and the Roads Block Grant can be used for either Operating or Capital works. Street lighting subsidy grant is operating.

Community grants such as Youth Week and Seniors Festival are typically operating. There is no set increase for these grants. Some are the same each year. These ones have not been increased; however, some like the Financial Assistance Grant and the Block Grant increase but council is not informed of the increase until after the budget process. In this instance, Council has gone for 1.3% CPI for 2020-21, going up at .05% each year across the 8 year period reaching 1.7% in 2028/29, remembering that in March 2017 and June 2018 the CPI was 2.1%.

The Block Grant comes in four separate sections: Standard Block grant increased by 1.3% and increasing to 1.7% by 2028-29; Traffic was not increased as this is a set figure; supplementary Block was not increased as a set figure; and Repair Program was not increased as this has been known to drop. Council has used the current years value across the term of the LTFFP.

Council has also included in this category grants that will be applied for on a year by year basis (such as Restart NSW Road Funding or Fixing Country Roads) to cover the short fall in revenue left by the removal of the Special Rate Variation, as well as increased road expenditure as a result of the required revenue to maintain roads in accordance with the infrastructure asset management plan. This is in the region of \$300,000 per year. If the grant application is not approved and the money is not forthcoming, Council will have to revise the budget on a year by year basis and decrease road expenditure.

Grants and Contributions provided for Capital Purposes

In accordance with budgeted expenses, an example of which is the Sewer fund for the Sewer Treatment Plant project. *This means that council has anticipated that grants will be sort and approved to the value of the cost of the project.*

Council has to this end increased the projected “Capital Grants” in 2019/20 \$250,000, 2020/21 & 2021/22 by \$6 million and 2022/23 by \$900,000, for the Sewer Fund on the assumption that Oberon will receive State or Federal Grant funds to construct the new sewer treatment plant [STP].

Employee Benefits and On-Costs

Salary and Wages, and Superannuation (exclusive of employees on the Local Government Retirement Scheme) have increased by 3.5% across the board for the 8 year period. This is representative of the “Local Government Award” at 2.5% and 1% for “Step and Performance Increases” for staff.

Training expenses have been calculated at 1.8% of total salary and wages costs, which is standard for local government. Recruitment costs are an arbitrary figure across all 8 years.

Protective Clothing and Uniforms, Travel expenses, etc. increased by 1.3% CPI for 2020/21 and increasing each year at .05% across the next 8 years reaching 1.7% in 2028/29.

Borrowing Costs

It is envisaged that over the 8 year period, significant grant opportunities will be sourced for major works such as a new Sewerage Treatment Plant, as well as a new Sporting Complex. However, should this funding not eventuate, Council has the capacity during the 8 year period to consider borrowings. An assumption has been made that the development of the Sporting Complex Sewer Treatment Plant Project will be fully grant funded.

Materials and Contracts

All materials and contracts such as contractors for roads and cleaning, the purchase of fuel, chemicals, utilities, and materials for the maintenance of plant, buildings, cemetery, stock, parks, gardens and grounds, Library, etc. have been increased by 1.3% CPI for 2020/21 and increasing each year at .05% across the next 8 years reaching 1.7% in 2028/29.

IT Costs and Sundry expenses are an arbitrary figures across the 8 years. Leases and contracts are in line with agreements.

Depreciation & Amortization

The 2017/18 Depreciation schedule has been used with adjustments made for new and expiring assets over the course of the 8 year LTFFP period. No adjustments were made for the 4 yearly Asset Revaluation requirements by the OLG as this is an unknown factor.



Other Expenses

Consultants, advertising, printing and stationary, donations, contributions and assistance, subscriptions, to name a few, are arbitrary figures across the 8 years.

Capital Works

General fund

Council has budgeted for \$400,000 per year for plant replacement based on the net revenue from plant movement of the previous year – resulting in a drawdown from restricted each year.

Purchase of IT hardware at \$50,000 and software at \$10,000 per year. Library book replacement of \$8,000 per year.

Waste

New cell in 2020/21 of \$100,000 and 2021/22 of \$150,000 funded by a drawdown from restricted.

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

Council uses a consultant firm called Assetic. Assetic is a software and service business that specializes in strategic management of infrastructure within local governments, which is its core business. They are engaged by many Councils, including Oberon, to create an Asset Management Plan and manage Councils infrastructure Assets. As a result of this, council maps required funding for maintenance and, new and improved infrastructure assets as per the Asset Management Plan created by Assetic back to the Long Term Financial Plan.

Assetic is now in the process of breaking down the Asset Management Plan into individual sub plans. Building is the first one completed. The yearly expenditure is in accordance with the financial summary on page 22, note 6 of the Building Asset Management Plan.

Assetic has advised under the overall arching AMP, that the required yearly expenditure between maintenance and new & improved assets on infrastructure such as roads [under a best case scenario] over a 8 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, Special Rates Variation (finishing in 2019/20), Financial Assistant Grant [Roads Allocation], LIRS Subsidy, Developer Contributions and “if approved” “Capital” grants from Restart NSW and Fixing Country Roads.

A worse 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.

Water and Sewer Funds

Council uses a company called “WaterOz” which specializes in the planning and design services for the Water Industry of Australia. Through them, Council has identified and produced a capital replacement program, for both the Water and Sewer Services in Oberon.



Water Fund

The current water mains replacement program will continue at \$160,000 per year to 2024/25. Domestic meter replacement, which happens every four years, will start again in 2020/21 and 2021/22 at a cost of \$250,000 per year. Also in 2020/21 an upgrade to the existing raw water filtration system has been budgeted for at a cost of \$250,000 per year.

The Fluoridation System is budgeted for 2019/20 at a cost of \$269,000 to be fully funded by a grant from the NSW State Government. *[This is classed as a “Capital” Grant in the long term financial Plan (LTFP)].*

Water Mains – Reticulation as well as Water Mains – Trunk and Water Reservoirs (Concrete) are budgeted for 2025/26 at a cost of \$1.5 million to be funded by grants if approved *[Classed as a “Capital” Grant in the LTFP]*

Sewer Fund

The main capital works in the Sewer Fund area is the new STP project which is budgeted for 2019/20, 2020/21 and 2021/22 at a cost of approx. \$1.3 million. It is anticipated that this will be 50% grant funding, with council having to contribute 50%. This 50% can come by way of loan facilities or further grants if approved. At this stage council is budgeting for further grants *[Classed as a “Capital” Grant in the LTFP]*

Council has also budgeted for SPS Submersible heads 25mm and 50mm at a cost of \$850,000 over 3 years from 2020/2021 to 2022/23.

Council started a Sewer Manhole Rehabilitation Program in 2015/16 at a cost of \$55,000 per year over 8 years, due to be completed in 2022/23.

An Inflow/Infiltration Program at a cost of \$54,000 over 5 years is commencing and is due to be completed by 2022/23.

On top of the mentioned programs for both water and sewer, there is also a budget in both funds for the STP and SPS Painting and Cleaning Program for each fund.

Transfers from Restricted

Transfers from Restricted relates to unexpended external or internal monies restricted in one financial year for use in completing projects carried over to the next financial year.

CONSOLIDATED – LONG TERM FINANCIAL PLAN FORECAST

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Rates & Annual Charges	5,985,120	6,152,782	6,325,138	6,503,917	6,687,747	6,876,772	7,072,878	7,274,579	7,482,035	7,695,410
User Charges & Fees	4,859,820	4,908,175	4,954,985	5,002,775	5,051,567	5,101,388	5,152,264	5,204,222	5,257,293	5,311,505
Interest & Investment Revenue	315,332	368,383	368,436	368,490	368,546	368,603	368,662	368,722	368,785	368,849
Other Revenues	383,200	414,799	416,449	418,152	419,909	421,722	423,593	425,523	427,514	429,569
Grants & Contributions provided for Operating Purposes	4,684,258	5,036,569	5,085,280	5,134,665	5,184,723	5,235,463	5,286,909	5,339,058	5,391,920	5,445,505
Grants & Contributions provided for Capital Purposes	725,000	7,610,404	8,450,000	2,499,999	700,001	500,000	2,004,701	500,000	500,000	500,000
Employee Benefits & On-Costs	-5,857,077	-6,082,050	-6,282,601	-6,490,169	-6,705,000	-6,927,348	-7,157,477	-7,395,659	-7,642,175	-7,897,317
Borrowing Costs	-123,406	-120,906	-120,406	-119,906	-119,406	-118,906	-118,406	-117,906	-117,406	-116,906
Materials & Contracts	-2,773,549	-2,815,482	-2,798,929	-2,781,970	-2,764,485	-2,746,557	-2,728,078	-2,709,075	-2,689,532	-2,669,430
Depreciation & Amortisation	-3,222,426	-3,688,846	-3,725,199	-3,766,646	-3,779,694	-3,783,772	-3,786,441	-3,789,057	-3,791,673	-3,791,726
Other Expenses	-2,141,899	-2,156,945	-2,172,874	-2,189,462	-2,206,185	-2,223,555	-2,241,119	-2,259,355	-2,277,774	-2,296,639
Net gains from the disposal of assets	335,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
Internal Expenditure	328,640	-121,560	-123,201	-124,926	-126,737	-128,638	-130,632	-132,722	-134,912	-137,206
Profit / Loss before Capital	3,498,014	9,660,324	10,532,079	4,609,918	2,865,985	2,730,172	4,301,852	2,863,329	2,929,074	2,996,614
Capital Expenditure - Material & Contracts	-2,974,663	-9,199,599	-9,910,345	-4,183,460	-2,521,367	-1,897,918	-3,635,564	-1,973,041	-1,463,696	-1,466,620
Capital Expenditure - Employee Benefits & On-Costs	-1,253,955	-1,297,843	-1,343,268	-1,390,282	-1,438,942	-1,489,305	-1,541,431	-1,595,381	-1,433,872	-1,484,058
Capital Expenditure - Other Expenses	9,680	9,680	9,680	9,680	9,680	9,680	9,680	9,680	9,680	9,680
Transfers from Restricted	722,687	828,989	677,052	1,000,033	1,087,669	703,883	935,143	776,124	48,297	40,249
Profit / Loss after Capital	1,763	1,550	-34,802	45,890	3,025	56,512	69,680	80,711	89,482	95,866

GENERAL FUND – LONG TERM FINANCIAL PLAN FORECAST

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Rates & Annual Charges	4,786,040	4,920,128	5,057,970	5,200,487	5,347,019	5,497,678	5,653,469	5,813,676	5,978,424	6,147,841
User Charges & Fees	3,175,850	3,214,340	3,253,533	3,293,443	3,334,087	3,375,479	3,417,637	3,460,578	3,504,319	3,548,879
Interest & Investment Revenue	283,000	336,000	336,000	336,000	336,000	336,000	336,000	336,000	336,000	336,000
Other Revenues	383,200	414,799	416,449	418,152	419,909	421,722	423,593	425,523	427,514	429,569
Grants & Contributions provided for Operating Purposes	4,652,217	5,003,911	5,051,987	5,100,708	5,150,084	5,200,123	5,250,835	5,302,228	5,354,313	5,407,098
Grants & Contributions provided for Capital Purposes	176,000	580,404	576,000	491,070	431,398	470,000	470,000	470,000	470,000	470,000
Employee Benefits & On-Costs	-5,380,018	-5,589,147	-5,772,411	-5,962,088	-6,158,401	-6,361,583	-6,571,875	-6,789,526	-7,014,792	-7,247,941
Borrowing Costs	-123,406	-120,906	-120,406	-119,906	-119,406	-118,906	-118,406	-117,906	-117,406	-116,906
Materials & Contracts	-1,889,825	-1,922,391	-1,904,493	-1,886,109	-1,867,218	-1,847,803	-1,827,854	-1,807,348	-1,786,265	-1,764,588
Depreciation & Amortisation	-2,904,292	-3,108,320	-3,110,320	-3,113,320	-3,113,320	-3,113,320	-3,113,320	-3,113,320	-3,113,320	-3,113,320
Other Expenses	-1,952,053	-1,965,957	-1,979,161	-1,992,654	-2,006,442	-2,020,533	-2,034,936	-2,049,659	-2,064,711	-2,080,101
Net gains from the disposal of assets	335,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
Internal Expenditure	498,679	48,479	46,838	45,114	43,302	41,401	39,407	37,317	35,127	32,834
Profit / Loss before Capital	2,040,392	1,966,340	2,006,986	1,965,898	1,952,013	2,035,258	2,079,549	2,122,563	2,164,202	2,204,365
Capital Expenditure - Material & Contracts	-1,718,067	-1,337,473	-1,392,515	-1,248,011	-1,253,470	-1,258,886	-1,264,814	-1,270,719	-1,276,597	-1,282,443
Capital Expenditure - Employee Benefits & On-Costs	-1,190,562	-1,232,232	-1,275,360	-1,319,997	-1,366,197	-1,414,014	-1,463,505	-1,514,727	-1,350,395	-1,397,659
Capital Expenditure - Other Expenses	0	0	0	0	0	0	0	0	0	0
Transfers from Restricted	870,000	604,915	626,087	648,000	670,680	694,154	718,449	743,595	552,273	571,603
Profit / Loss after Capital	1,763	1,550	-34,802	45,890	3,025	56,512	69,680	80,711	89,482	95,866

WATER FUND – LONG TERM FINANCIAL PLAN FORECAST

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Rates & Annual Charges	461,034	473,943	487,213	500,855	514,879	529,296	544,116	559,351	575,013	591,114
User Charges & Fees	1,310,000	1,315,000	1,317,500	1,320,000	1,322,500	1,325,000	1,327,500	1,330,000	1,332,500	1,335,000
Interest & Investment Revenue	9,332	9,383	9,436	9,490	9,546	9,603	9,662	9,722	9,785	9,849
Other Revenues	0	0	0	0	0	0	0	0	0	0
Grants & Contributions provided for Operating Purposes	21,368	21,686	22,013	22,350	22,695	23,051	23,416	23,792	24,178	24,575
Grants & Contributions provided for Capital Purposes	269,000	500,000	500,000	0	0	0	1,504,701	0	0	0
Employee Benefits & On-Costs	-314,515	-325,407	-336,797	-348,585	-360,785	-373,412	-386,482	-400,009	-414,009	-428,499
Borrowing Costs	0	0	0	0	0	0	0	0	0	0
Materials & Contracts	-812,682	-823,656	-824,802	-826,020	-827,212	-828,478	-829,720	-830,987	-832,281	-833,603
Depreciation & Amortisation	-177,980	-263,450	-263,450	-263,450	-263,450	-263,450	-263,450	-263,450	-263,450	-263,450
Other Expenses	-84,730	-85,607	-86,498	-87,651	-88,568	-89,748	-90,693	-91,902	-92,875	-93,862
Net gains from the disposal of assets	0	0	0	0	0	0	0	0	0	0
Internal Expenditure	-62,392	-62,392	-62,392	-62,392	-62,392	-62,392	-62,392	-62,392	-62,392	-62,392
Profit / Loss before Capital	618,435	759,499	762,224	264,597	267,213	269,468	1,776,659	274,126	276,469	278,731
Capital Expenditure - Material & Contracts	-376,355	-981,886	-818,590	-316,213	-442,727	-95,457	-1,837,922	-169,494	-166,671	-163,750
Capital Expenditure - Employee Benefits & On-Costs	-63,393	-65,612	-67,908	-70,285	-72,745	-75,291	-77,926	-80,654	-83,477	-86,398
Capital Expenditure - Other Expenses	0	0	0	0	0	0	0	0	0	0
Transfers from Restricted	-178,687	287,999	124,274	121,901	248,259	-98,720	139,190	-23,979	-26,321	-28,583
Profit / Loss after Capital	0	0	0	-0	0	-0	0	-0	0	-0

SEWER FUND – LONG TERM FINANCIAL PLAN FORECAST

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Rates & Annual Charges	738,046	758,711	779,955	802,574	825,849	849,798	875,292	901,551	928,598	956,455
User Charges & Fees	373,970	378,835	383,953	389,331	394,980	400,909	407,127	413,645	420,474	427,626
Interest & Investment Revenue	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Other Revenues	0	0	0	0	0	0	0	0	0	0
Grants & Contributions provided for Operating Purposes	10,673	10,972	11,280	11,607	11,943	12,290	12,658	13,038	13,429	13,832
Grants & Contributions provided for Capital Purposes	280,000	6,530,000	7,374,000	2,008,929	268,603	30,000	30,000	30,000	30,000	30,000
Employee Benefits & On-Costs	-162,544	-167,496	-173,393	-179,497	-185,814	-192,353	-199,120	-206,124	-213,374	-220,877
Borrowing Costs	0	0	0	0	0	0	0	0	0	0
Materials & Contracts	-71,043	-69,435	-69,635	-69,841	-70,055	-70,276	-70,504	-70,741	-70,986	-71,240
Depreciation & Amortisation	-140,153	-317,076	-351,428	-389,876	-402,924	-407,001	-409,671	-412,287	-414,902	-414,956
Other Expenses	-105,115	-105,380	-107,216	-109,157	-111,176	-113,274	-115,490	-117,794	-120,188	-122,676
Net gains from the disposal of assets	0	0	0	0	0	0	0	0	0	0
Internal Expenditure	-107,647	-107,647	-107,647	-107,647	-107,647	-107,647	-107,647	-107,647	-107,647	-107,647
Profit / Loss before Capital	839,187	6,934,485	7,762,868	2,379,423	646,759	425,446	445,644	466,640	488,403	513,519
Capital Expenditure - Material & Contracts	-870,560	-6,870,560	-7,689,560	-2,609,556	-815,490	-533,896	-523,148	-523,148	-10,748	-10,748
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	31,373	-63,924	-73,308	230,133	168,731	108,450	77,504	56,508	-477,655	-502,771
Profit / Loss after Capital	0	-0	0	0	0	0	-0	0	-0	-0



OBERON COUNCIL