OBERON COUNCIL

NSW GOVERNMENT | Public Works

Strategic Business Plan for Water Supply and Sewerage Services

OBERON | Celebrating 150 Years 1863-2013

2013

Document Control

Version	Author	Reviewer	Approved for Issue	
			Name	Date
Draft V1	Ada Nguyen	Chris Jefferd	M. Sundar	14/05/13
Draft V2	D. Kumarasinghe	M. Sundar	M. Sundar	26/07/13
Final Draft	D. Kumarasinghe	M. Sundar	M. Pudasaini	20/11/2013

Acknowledgements

This Strategic Business Plan was prepared by Oberon Council with the assistance of the Strategic Water Planning Unit of NSW Public Works - Water Solutions.

The Plan is based on a workshop held on 19 – 20 February 2013 in which Councillors and senior Council staff were represented.

Contents

Figures

Tables

Abbreviations

Abbreviation	Description
ADWG	Australian Drinking Water Guidelines
BOD	Biochemical oxygen demand, a measure of 'strength' of organic pollutants in wastewater/ sewage.
Centroc	Central NSW Councils – The regional organisation of Councils consisting of Bathurst, Blayney, Boorowa, Cabonne, Cowra, Forbes, Harden, Lachlan, Lithgow, Oberon, Orange, Parkes, Upper Lachlan, Weddin , Young and Central Tablelands Water.
CRC	Current replacement cost
CSO	Community service obligation
CWP	Capital works program
CWSS	Centroc Regional Water Security Study
CWUA	Centroc Water Utility Alliance
DCP	Development control plan
DFS	Department of Finance and Services
DLG	Division of Local Government
DMERP	Drought Management and Emergency Response Plan
EEO	Equal employment opportunity
EPA	Environment Protection Authority
EIS	Environmental impact statement
EP	Equivalent Person
ET	Equivalent tenement
IDEA	Intermittently Decanted Extended Aeration – A sewerage treatment technology
IPR	Integrated Planning and Reporting
IWCM	Integrated Water Cycle Management
LEP	Local environment plan
LGA	Local Government Area
LGSA	Local Government and Shires Associations
LOS	Levels of Service
NFR	Non-filterable residue (also refers to as suspended solids), a measure of fine particle pollutants in wastewater
NHMRC/ AWRC	National Health and Medical Research Council / Australian Water Research Council
NOW	NSW Office of Water
NSWPW	NSW Public Works
NWI	National Water Initiative
OEH	Office of Environment and Heritage
SCADA	Supervisory Control and Data Acquisition
SEPP	State Environmental Planning Policy
STP	Sewage treatment plant
WDCC	Written down current cost/ Fair Value
WELS	Water Efficiency Labelling and Standards
WHS	Work Health and Safety
WTP	Water treatment plant
TAM	Total Asset Management
TCM	Total catchment management

Executive Summary

This Strategic Business Plan covers the development and operation of Oberon Council's Water Supply and Sewerage Schemes. It provides supporting information for Council's Integrated Planning and Reporting (IP&R) as well as satisfying best practice compliance requirements for NSW Office of Water.

Operating Environment Review

A review of operating environment explores the internal and external conditions under which Council delivers services now, and those, which will be likely to prevail in the future. Details are given in Section 5 of this Plan.

Council provides reticulated services to the Oberon Township. Other communities in the Council area source potable water from a combination of rainwater tanks, bores or surface water allocations. They also use on-site sewage treatment and disposal systems. The inspection of these systems is the responsibility of Councils Public Health section. Status of water supply and sewerage service availability to Council communities is listed in the Table below.

Current Status of Service Availability

Name	Estimated Population	Water Supply	Sewerage
Oberon Town	3500	Fish River Potable Water Supply Scheme	Reticulated Sewerage
O'Connell	350	Rainwater/bores/surface water	On-site management
Black Springs	170	Rainwater/bores/surface water	On-site management
Wiseman's Creek	15	Rainwater/bores/surface water	On-site management
Jenolan Caves	100	Rainwater/bores/surface water	On-site management
Oberon Hills	70	Rainwater/bores/surface water	On-site management
Stratford Downs	120	Rainwater/bores/surface water	On-site management
Ginkin	140	Rainwater/bores/surface water	On-site management
Porters Retreat	180	Rainwater/bores/surface water	On-site management
Burraga	120	Rainwater/bores/surface water	On-site management
Mt David	40	Rainwater/bores/surface water	On-site management

More detailed descriptions, including service area maps of Oberon's water supply and sewerage scheme is presented in Section 3.1of this Business Plan.

Mission Statement

Water Supply

Council has adopted the following mission statement for its water supply services:

Provide a financially viable, reliable, quality water service which meets current and future standards and expectations of all consumers.

Sewerage

Council has adopted the following mission statement for its sewerage services:

To provide an effective and sustainable sewerage service using best practice to protect public health and the environment.

Council's corporate policies and objectives also place specific requirements on the water supply and sewerage schemes. These are detailed in Section 2 of this Business Plan.

Principal Issues

The following issues were identified though the review and workshop process. They are addressed in the relevant sections of this Plan with development of appropriate actions to suit.

Issues
Ongoing compliance with the NOW Best Practice Management Guidelines and the delivery of adopted levels of service
Equitable service pricing including developer charges
Sludge and septage management at the STP
Development of formal operations and maintenance plans
Systematic rehabilitation and renewal of ageing assets
Maintaining skilled staff resources

Levels of Service

Council's primary objective with water supply and sewerage services is to meet the adopted Levels of Service, which cover the following areas:

Water supply

- Quality, quantity and hydraulic pressure
- Availability during droughts
- Greenhouse gas emissions

Sewerage

- Proportion of sewage treated to various standards
- Number of overflow events
- Greenhouse gas emissions

Service interruptions

- Frequency and duration of planned and unplanned service interruptions
- Response times to service interruptions

Customer care

- Frequency of customer complaints
- Response times for customer queries and/or complaints

Levels of Service changes/ improvements planned by Council are summarised on the following tables. Note the Levels of Service are the targets, which Council aims to meet; they are not intended as a formal customer contract.

Summary of Levels of Service Improvements – Water Supply

DESCRIPTION	UNIT	LEVEL OF SERVICE	
		Current	Target
AVAILABILITY OF SERVICE			
Normal Quantity Available:			
Domestic Peak day	L/tenement/ day	640-760	890
Domestic Average Annual Consumption	kL/tenement/ year	130	150
Total Annual Consumption	ML/year	550	600
Total Peak Daily Consumption	ML/day	3.5	5.5
Peak/Average consumption	Ratio	2	2
CUSTOMER FEEDBACK/ COMPLAINTS[@]			
Complaints Received			
Water quality complaints	No./ 1000 connections	4.5	<5
Service complaints	No./ 1000 connections	4.5	<5
Billing and account complaints	No./ 1000 connections	5	<5
Other complaints	No./ 1000 connections	1	<2
Response Times for Feedback/ Complaints			
% calls answered by an operator within 30 seconds [@]*	%	100	100
General complaints and inquiries:			
- Written Complaints*	Working Days	5	5
- Personal/ oral complaints*	Working Days	5	5

Summary of Levels of Service Improvements – Sewerage

DESCRIPTION	UNIT	LEVEL OF SERVICE	
		Current	Target
SERVICE AVAILABILITY			
Extent of area serviced	% Service area	95	100
CUSTOMER FEEDBACK/ COMPLAINTS[@]			
Complaints received			
Service complaints	No./ 1000 connections	0	<10
Odour Complaints - Treatment works (outside designated buffer zone) - Pumping Stations - Reticulation system	No./ 1000 connections	0	<1
Billing and account complaints	No./ 1000 connections	2	< 5

DESCRIPTION	UNIT	LEVEL OF SERVICE	
		Current	Target
Other complaints	No./ 1000 connections	8	<10

@ - NWI Performance Indicators

* - Times apply for 95% of incidents

Objectives and Performance Targets

Council has recognised five Key Result Areas that must be managed well to achieve success in the long-term provision of water supply and sewerage services to its customers. These are:

- Customer service;
- Environmental protection and sustainable development;
- Total asset management;
- Work force; and
- Finance.

Objectives and Performance Targets have been set in these Key Result Areas. These are summarised in the following table. Strategies were developed for achieving these objectives and then specific actions were listed for implementation. Details of these strategies and actions are presented in Sections 8 through 12.

Notable capital work outcomes Council plans to achieve over the next 10 years include:

- Membrane filter replacement at WTP
- Renewal/ replacement of reticulation water mains
- Renewal/ replacement of trunk water mains
- Pump renewal for SPS
- STP upgrade

Objectives and Performance Targets

Key Result Area	Objective	Performance Target
CUSTOMER SERVICE		
Levels of Service	Provide effective and sustainable water and sewerage services to all users in accordance with adopted levels of service	Best Practice Management Compliance by June 2014
Areas to be Serviced	Services to extend to all remaining un-serviced areas where economically feasible and other areas in accordance with LEP on a user pay basis	Review feasibility of village water supply and sewerage services by 2016
Sewer Loads Management	Minimise hydraulic loads due to infiltration, inflow and illegal connections and manage any industrial and commercial pollutant loads	- Commence 10 year plan to reduce I/I by 2013 - Implementation of trade waste pricing by July 2014
Demand Management	Encourage efficient and effective use of water	Implement new demand management initiatives by September 2013

Key Result Area	Objective	Performance Target
Drought Management	Ensure water supply scheme does not fail in times of drought	Review and update existing drought management plan by July 2015
Service Pricing	Implement an equitable pricing policy which provides for current and future service provision and encourage wise resource use	- Review and adopt new best practice tariff structure by June 2013 - Review and adopt new developer charges by March 2014
Customer Relations	Keep the community informed of issues relating to the water supply/ sewerage services and provide services in an effective and efficient manner to keep customers satisfied with service delivered	Review CRM procedures and complaints policy by June 2013
Community Involvement	Engage the community in consultation in the delivery of water supply/sewerage services as required	Advise Council of prospective consultation program annually in April
ENVIRONMENTAL PROTECTION AND SUSTAINABLE DEVELOPMENT		
Environmental Sustainability	Achieve minimal impact from water and sewerage operations on the local environment and optimise compliance with environmental legislation to ensure sustainability	Review sludge management and trade waste disposal systems at STP by June 2013
TOTAL ASSET MANAGEMENT		
Operations	Develop an operations plan to ensure a reliable, safe and efficient service that meets levels of service at minimum operating costs	Review, update and formalise Operations Plan by June 2014
Maintenance	Optimise maintenance to achieve agreed levels of service at minimum long-term costs	Review, update and formalise Maintenance Plan by June 2014
Capital Works	Capital works program that includes provision for new assets and gradual asset replacement program and provides agreed levels of service at optimal life-cycle costs to meet social, economic and environmental considerations	- Complete replacement of WTP membranes by June 2013 - Refurbishment of metalwork and covers for STP digesters by June 2014
WORK FORCE		
Workforce Plan	Provide the appropriate level of skilled and trained staff to meet the service delivery objectives.	Review and update workforce plan by April 2013
FINANCE		
Financial Plan	Provide long-term financial plans for water and sewerage operations and asset replacement, capital works and debt servicing in order to achieve a sound financial position and affordable customer charges	Review administrative costs for water and sewer by June 2013

Projected Financial Position – Water Supply

Financial projections have been made considering that a subsidy of $275K for water supply capital works related to carbon filters and fluoridation of water supply and emergency bores will be available. The following Table presents the summary of projected financial position of Council's water fund over the next 30 years at five-year intervals. Note all projected values are in 2012/13 dollars.

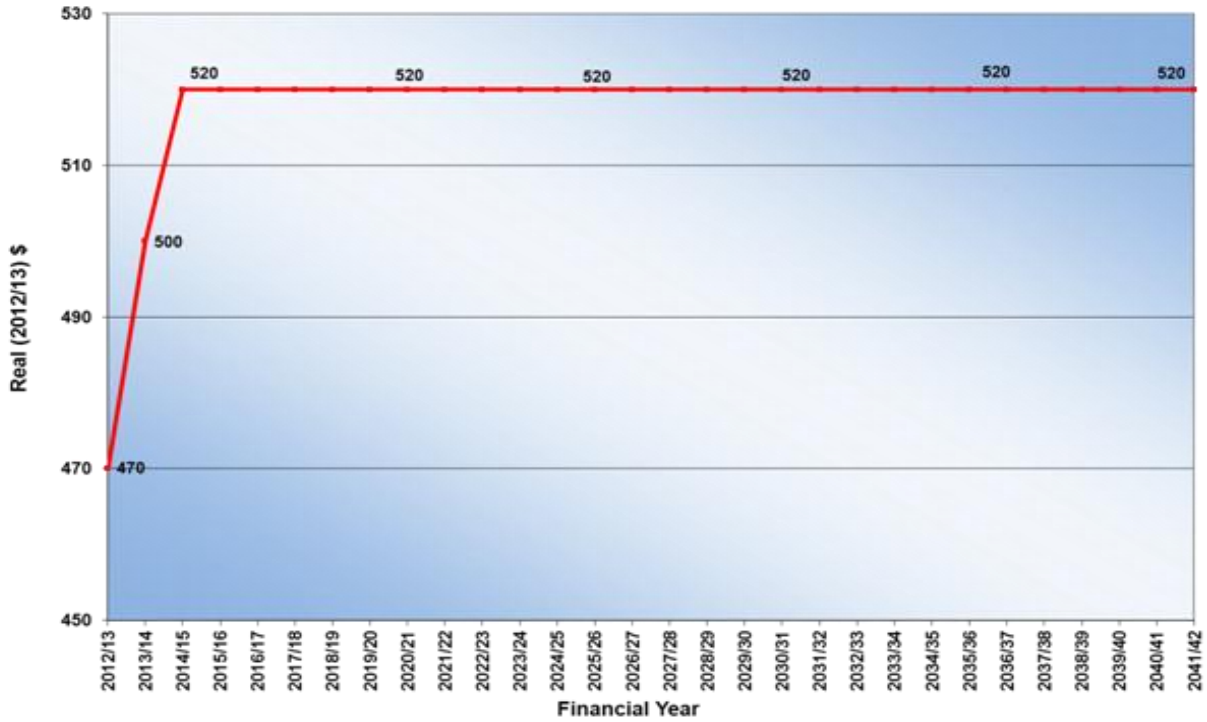
Summary of Projected Financial Position – Water Supply

2012/13 $ ('000)	2012/13	2016/17	2021/22	2026/27	2031/32	2036/37	2041/42
Estimated Total Revenue	1,286	1,540	1,493	1,488	1,538	1,563	1,610
Estimated Total Expenditure	1,210	1,316	1,308	1,304	1,296	1,317	1,308
Operating Surplus / (Deficit)	76	224	185	184	242	246	302
Acquisition of Assets	190	535	10	110	180	110	10
Principal Loan Payments	97	18	20	24	29	0	0
Borrowings Outstanding	363	519	358	200	46	0	0
Cash and Investments	243	193	1,205	626	1,775	2,418	4,064
Total Assets	8,041	8,768	9,268	10,009	10,211	10,617	10,443
Total Liabilities	368	523	362	204	48	2	2

Financial model has demonstrated that the typical residential water bill (for a residential 20 mm connections), measured in 2012/13 dollars, will need to be increased from $500 in 2013/14 to $520 p.a. from 2014/15 onwards and can be maintained at that level for the remainder of the forecast period (see Figure below).

This level of charges is sufficient to maintain liquidity with a minimum of $200K of cash in hand over the period.

Typical Residential Water Bill



All the planned capital works will be funded through internal funds and external borrowings during the forecast period. See section 12.4.1 for more water fund financial projection details.

Projected Financial Position – Sewerage

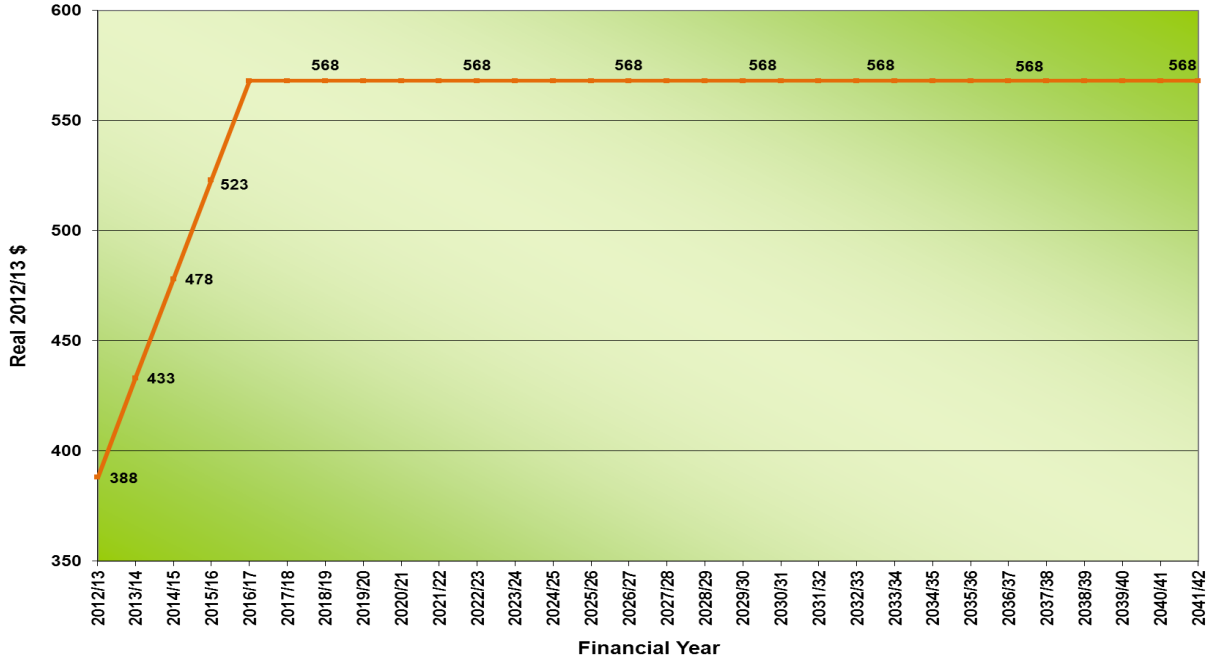
Financial projections have been made considering that no subsidy will be available for any of the planned capital works during the forecast period. The following Table presents the summary of projected financial position of Council's sewer fund over the next 30 years at five-year intervals. Note all projected values are in 2012/13 dollars.

Summary of Projected Financial Position – Sewerage Supply

2012/13 $ ('000)	2012/13	2016/17	2021/22	2026/27	2031/32	2036/37	2041/42
Estimated Total Revenue	828	1,170	1,185	1,218	1,265	1,269	1,249
Estimated Total Expenditure	1,070	1,261	1,248	1,144	1,118	1,221	1,297
Operating Surplus / (Deficit)	-242	-91	-63	75	147	48	-48
Acquisition of Assets	10	561	323	10	10	2,510	10
Principal Loan Payments	0	40	61	73	87	62	89
Borrowings Outstanding	0	1,382	1,363	854	353	1,463	2,201
Cash and Investments	980	309	271	949	2,120	2,032	918
Total Assets	12,834	13,414	13,130	12,863	12,813	14,305	14,864
Total Liabilities	5	1,386	1,367	857	356	1,465	2,203

Financial model has demonstrated that the typical residential sewerage bill, measured in 2012/13 dollars, will need to be increased by $45 per year for next 3 years from $433 p.a. in 2013/14 to $568 p.a. in 2016/17. From 2017/18 onwards the residential sewerage bill can be maintained at $568 p.a. for the remainder of the forecast period (see Figure below).

Typical Residential Sewer Bill



This level of charges is sufficient to maintain liquidity with a minimum of $150K of cash in hand over the period.

All the planned capital works will be funded through internal funds and external borrowings through the forecast period. Funding of STP upgrade works during the next 5 years will required external borrowing to the tune of $2 Million.

See section 12.4.2 for more financial projection details.

1 Introduction

1.1 Purpose of the Plan

The purpose of the plan is to provide guidance for the future management of Oberon Council's water supply and sewerage businesses with the aims of:

- Providing the information for Council's Resourcing Strategy as required for compliance with the Integrated Planning and Reporting Framework and for the Management Plan;
- Focusing attention on the key issues affecting the day to day operations of water supply and sewerage services;
- Demonstrating to stakeholders that the schemes are well managed;
- Identifying the financial and other resources required to operate these services on a commercial basis;
- Providing a long term price path for services;
- Assisting in the development of a long-term capital works program with an affordable price path for the services;
- Enabling Council to model 'what-if' scenarios and see their impact on customer charges; and
- Allowing future financial performance indicators to be calculated, such as return on capital invested.

1.2 Integrated Planning and Reporting Framework

The Strategic Business Plan is required under the NSW Integrated Planning & Reporting Framework (Figure 1) as it enabled the State Government to:

- Gain an overview of the current status and future water supply and sewerage needs of non-metropolitan NSW; and
- Gather information to assist in directing policy and programs for financial and technical assistance towards the needs of the utilities.

The main elements of the IPR framework are the:

- Community Strategic Plan (CSP)
- Resourcing Strategy
- Delivery Program
- Operational Plan
- Annual Report
- Perpetual monitoring and review

Figure 1 – Local Government Planning and Reporting Framework

Source: NSW Water and Sewerage Strategic Business Planning Guidelines, NSW Office of Water, NSW, July 2011

1.3 Benefits of Strategic Business Plans

Water and sewerage capital investments tend to be large and lumpy, and assets are long-lived, for example the economic life of a water main or a dam is 80 and 100 years respectively. For this reason, financial projections in Strategic Business Plans need to cover at least the next 20 years and, preferably, 30 years. The projections for the next three years are based on reasonably firm estimates of costs, and, beyond this time, projections are based on indicative amounts only.

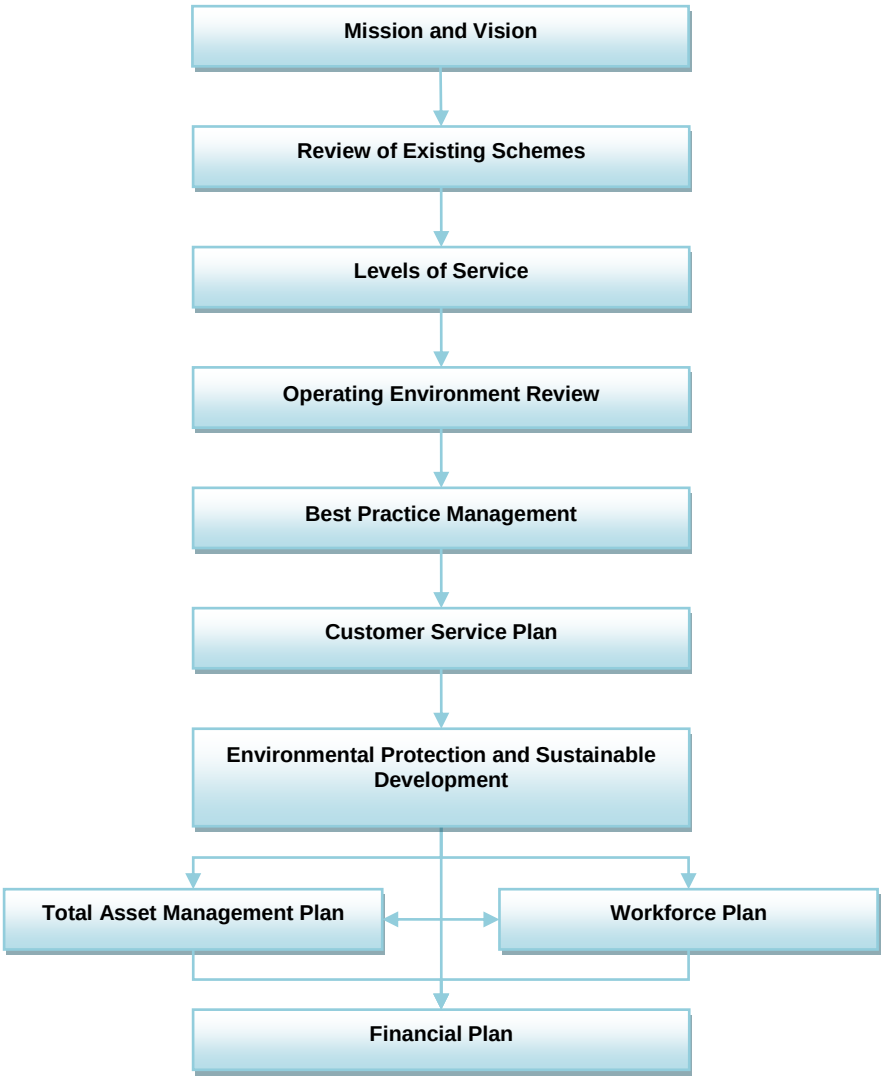
Strategic Business Plans will provide many benefits to Council including:

- improved management performance;
- improved financial performance;
- avoidance or minimisation of increases to Typical Residential Bills (TRBs); and
- increased accountability to customers.

1.4 Plan Structure

The structure of this Strategic Business Plan is outlined in Figure 2.

Figure 2 – Structure of Plan



2 Vision and Mission

Strategic planning aims to optimise service delivery in terms of long term cost effectiveness and sustainability and the prime driver is Council's vision of the future and definition of a mission statement. For Oberon Council, in conjunction with the Corporate Values, they provide the direction for specific mission statements for water supply and sewerage.

2.1 Corporate Vision

Council's vision for the LGA is:

A prosperous town, villages and rural communities set amongst the rolling hills, rivers, forests, mountains and caves of the Great Divide. A breath of fresh air in a landscape of light, colour and seasonal beauty. Life as it should be!

2.2 Water Supply Objective

Council's corporate objective for water supply is:

Provide a financially viable, reliable, quality water service which meets current and future standards and expectations of all consumers.

2.3 Sewerage Services

Council's corporate objective for sewerage services is:

To provide an effective and sustainable sewerage service using best practice to protect public health and the environment

2.4 Implications of Vision Statements

The implications of Council's vision, mission and values for the provision of the water supply and sewerage services can be summarised as follows:

- To strive for excellence in customer service
- To have a strong economic base
- To ensure a sustainable infrastructure and assets
- To meet community expectations
- To maintain suitably skilled and experienced staff
- To provide necessary services efficiently
- To be dynamic and responsive to change
- To be environmentally committed and responsible

3 Existing Schemes

Oberon Council provides potable water through the Fish River Water Supply Scheme (FRWSS) and sewerage services only to the Oberon Township. Other rural communities and industries not connected to the reticulated services generally:

- Source water from rainwater tanks, ground water bores and surface water allocations and
- Treat wastewater using onsite management systems (for example septic tanks).

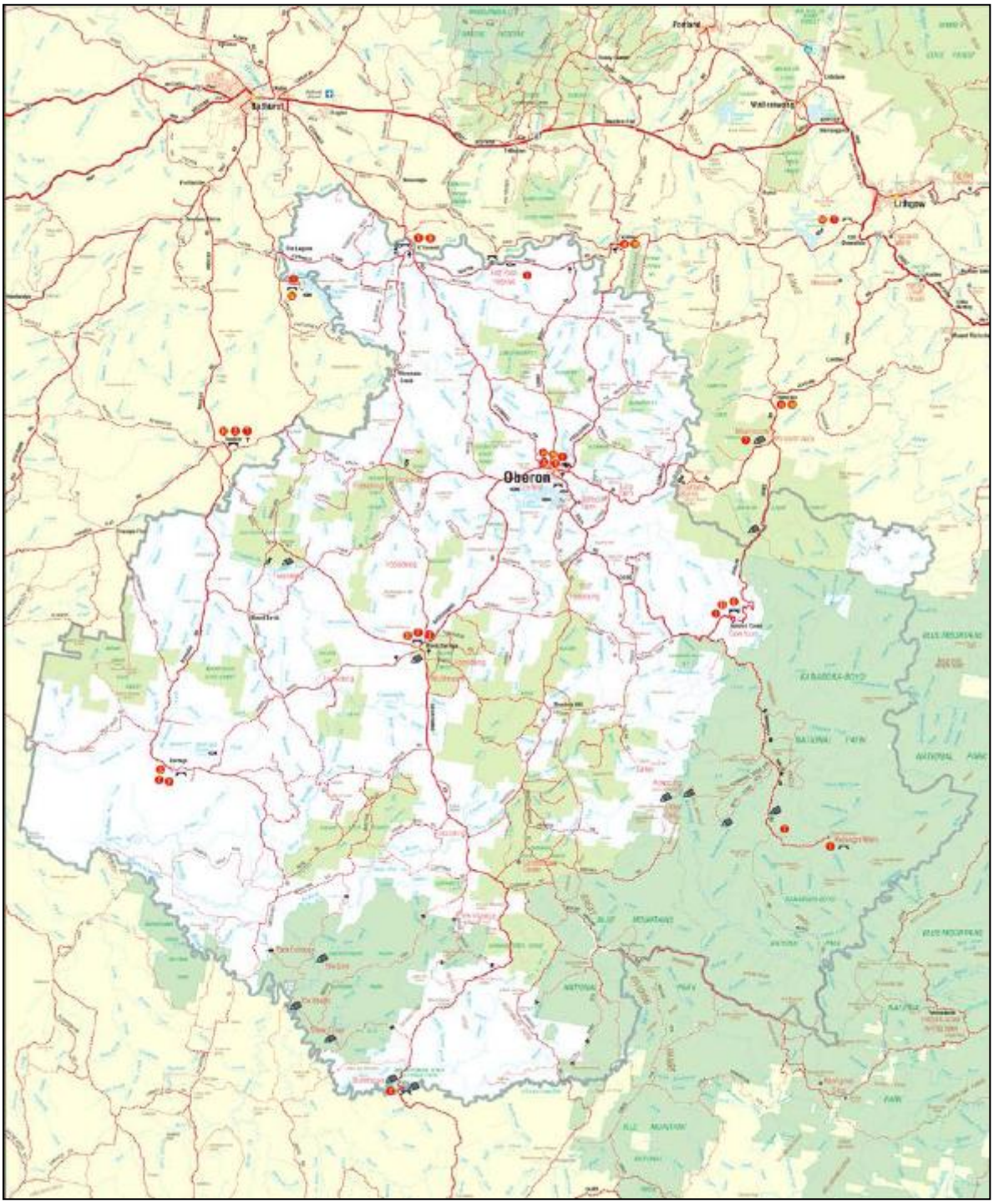
The status of availability of water supply and sewerage services to Council communities is presented in Table 3-1.

Table 3-1: Communities provided with reticulated services

Name	Estimated Population	Water Supply	Sewerage
Oberon Town	3500	Fish River Potable Water Supply Scheme	Sewerage Scheme
O'Connell	350	Rainwater/bores/surface water	On-site management
Black Springs	170	Rainwater/bores/surface water	On-site management
Wiseman's Creek	15	Rainwater/bores/surface water	On-site management
Jenolan Caves	100	Rainwater/bores/surface water	On-site management
Oberon Hills	70	Rainwater/bores/surface water	On-site management
Stratford Downs	120	Rainwater/bores/surface water	On-site management
Ginkin	140	Rainwater/bores/surface water	On-site management
Porters Retreat	180	Rainwater/bores/surface water	On-site management
Burraga	120	Rainwater/bores/surface water	On-site management
Mt David	40	Rainwater/bores/surface water	On-site management

A map of the Oberon Council Local Government Area (LGA), including most of these communities is shown in Figure 3.

Figure 3 – Map of Oberon Council



3.1 Water Supply Schemes

Oberon Council provides water supply service to the Oberon Township through the Fish River water supply scheme.

Rural properties and industries outside of the Oberon Township generally source water from rainwater tanks, ground water bores and surface water allocations.

3.1.1 Fish River Water Supply Scheme

The Fish River Water Supply Scheme is owned and operated by State Water. It is the only source of potable water supply to the Oberon Township. Water is sourced from the Oberon Dam and a pump station transfers the water to the Oberon Water Treatment Plant (WTP), which has a peak day capacity of 6.5 ML/day. The WTP is owned and operated by Oberon Council and comprises of the following:

- Chemical dosing of Alum for solids and phosphorous removal
- Sedimentation ponds
- Micro-filtration
- Chlorine dosing
- A clear water storage tank

Oberon Dam pumps are owned by State Water (2 pumps). Single pump delivers approximately 40 L/s and both pumps operating in parallel deliver approximately 70 L/s. Oberon Council purchases bulk raw water from State Water under the water sharing arrangements for the Fish River Water Supply Scheme

Treated water from the WTP is transferred to two storage reservoirs located next to the WTP. The total storage capacity of the reservoirs is 4.1 ML (3 ML and 1.1 ML). Over 39 km of reticulation pipelines supply potable water to the LGA (there are 2 mains running from the reservoirs to the town; essentially one for the residents and one for industry. However, there are cross connections between these 2 mains).

A schematic diagram of Oberon Township water supply scheme is shown in Figure 4. Service area of Oberon Council water supply scheme is shown in Figure 5.

Raw water from the Fish River is supplied to several customers in Oberon for non-drinking uses, including irrigation at the Oberon Golf Club (golf club can only take water when the pumps at Oberon Dam are running) and some other minor irrigators.

Water quality is monitored both upstream of the WTP as well as post-treatment. Generally, the raw water quality in Oberon Dam is good, although there have been some concerns about algal blooms in the Fish River. Council has received a number of customer complaints about odour and taste of the potable water supply, which was the result of high levels of geoslim from algal activity. At present, State Water chlorinates the raw water supplied from Oberon Dam. Council also adds chlorine at the WTP. However, Council have indicated that chlorination can be an issue because they do not know the level of chlorine in the raw water that enters the WTP. The pH is affected by the chlorine in the raw water. High manganese levels are sometimes an issue with the raw water from the Oberon Dam and that there is no early warning system from State Water. Note, that the water quality results as provided to the NSW Health have indicated that raw water supply complied with all ADWG parameters from August 2008 to August 2011 (AHS, 2011).

There is a history of 7% dam levels and redfin (fish) infestation at the Dam. Oberon Council's water sharing allocation is 1064ML/year but only 550ML was used last year. This may be due to the Cardboard Factory water savings being introduced. Out of the 1.5ML/d being used, 1ML/d is used by the timber complex and 0.5ML/d by the town. Currently Council does not have a fluoridation system at the WTP.

Figure 4 – Oberon Water Supply Schematic

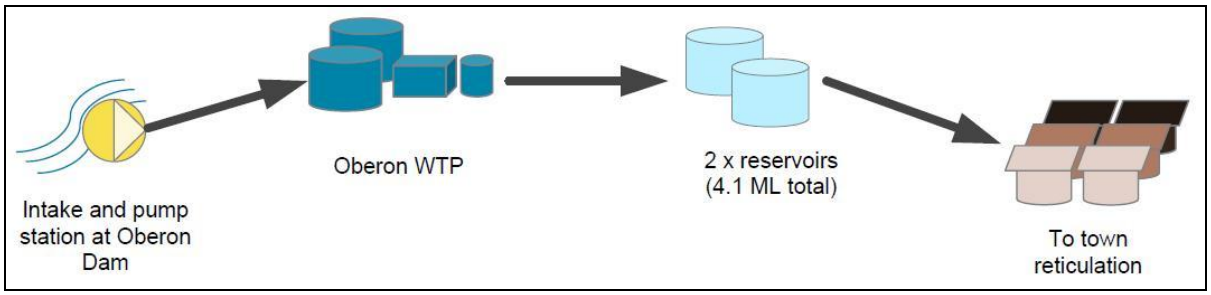
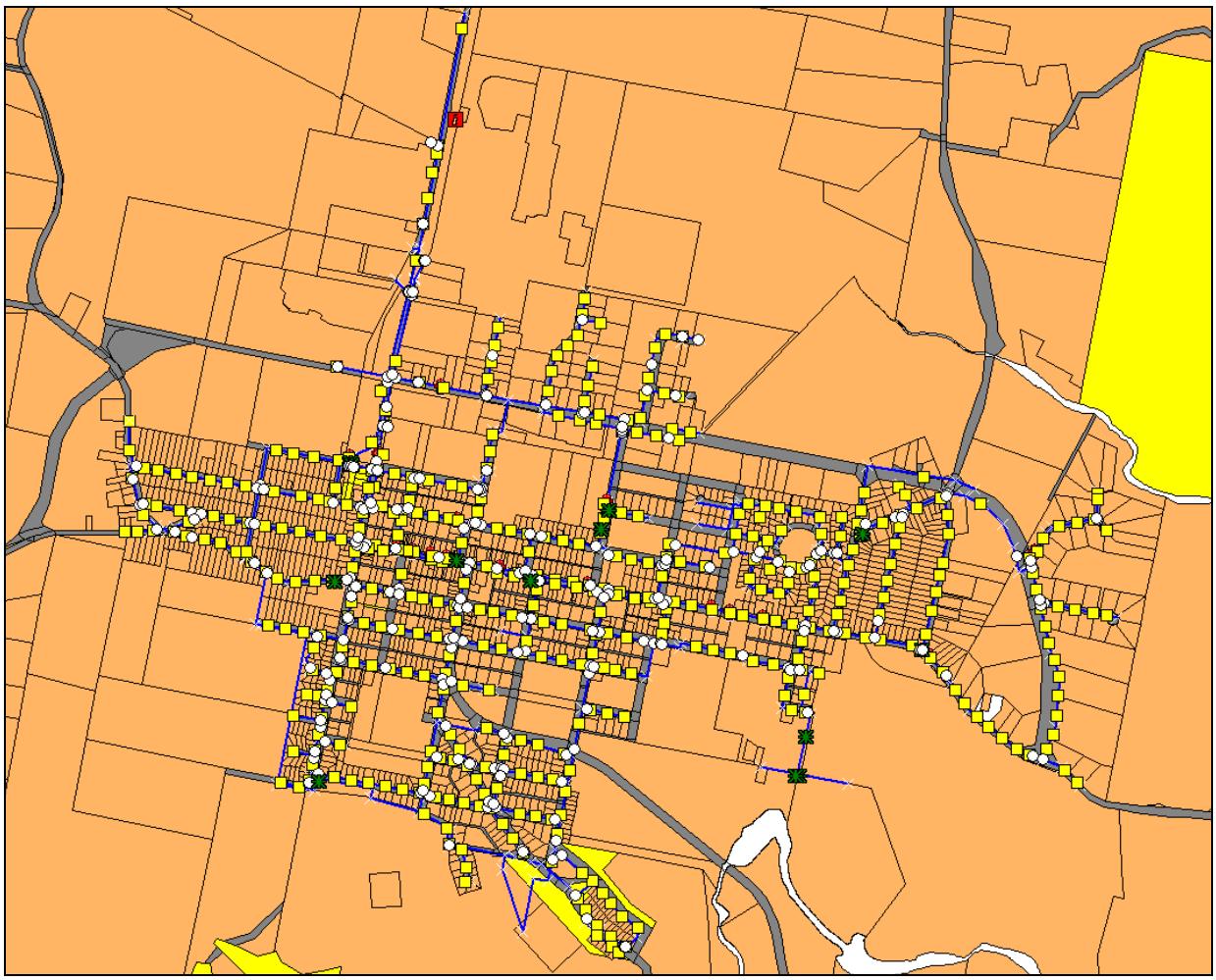


Figure 5 – Map of Oberon Water Supply Service Area



3.1.2Water Assets Summary

Oberon Council has recently carried out valuation of the water assets as required by the Division of Local Government, including the inspection of a representative sample of sewer pipes. Estimates of the timing for replacement needs in the medium and long term are based on the nominal lives of the assets. At this stage there is only a general idea of condition of water pipes based on the day to day experience of the maintenance staff. A projection of costs has been made for modelling purposes based on this knowledge.

The estimated average condition rating and values of Council's major water assets is presented in Table 3-2.

Table 3-2: System Assets Summary – Water Supply

Asset	Mean Residual Life (Years)	Condition 1 = As New 7 = poor)	Current Replacement Cost ($'000) June 2012	Accumulated Depreciation ($'000)	Fair Value ($'000) June 2012
Water Mains - Reticulation - Trunk	 44 69	 3 1	 6,300 160	 2,600 20	 3,700 140
Reservoirs	59	2	1,900	700	1,200
Water Treatment Works	46	2	2,400	500	1,900
TOTAL	-	-	**10,760**	**3,820**	**6,940**

3.1.3Capital Works Program for Water Supply

Table 3-3 contains a summary of the major water supply capital works planned for Oberon Council and the justification for why they have been planned, over the next 10 years.

Table 3-3: Major Water Supply Capital Works

Proposed Capital Work	Year	Justification
Water Treatment Works - Membrane replacement	2013	Improved level of service and asset renewal
Replacement of reticulation mains	2014 onwards	Improved level of service and asset renewal
Replacement of trunk mains	2016 - 2017	Replacement of ageing asset and improved levels of service

3.2 Sewerage Schemes

Council provides reticulated sewerage services to Oberon Township. All other residential properties have on-site sewage treatment systems (septic tanks). The Council's Public Health section is responsible for the management of these on-site septic systems.

3.2.1 Oberon Township Sewerage Scheme

Sewage in the Oberon Township is collected and pumped by four sewage pumping stations (SPSs) to the 7,300 EP capacity Oberon Sewage Treatment Plant (STP). The sewerage system includes 39.7km of reticulation, 70% of which has been in place since 1964.

The STP is a trickling filter plant, which also combines alum dosing for phosphorous removal and tertiary ponds with one day detention. Treated effluent from the STP is discharged to two detention ponds (15 days retention time) and then to the Fish River downstream of Oberon Dam. The volume and quality of effluent discharged into the river is regulated under a concentration-based licence issued by the EPA.

Based on Council's effluent quality results for 2011, the Oberon STP is currently meeting its discharge licence limits for effluent quality. The pH levels of the effluent, however, have been higher than the license conditions at 9.2-10.5 over the last three years. A pH analyser has just been installed for real-time feedback on pH levels in the two detention ponds.

Sludge and septic waste management at Council's STP is currently an issue (digester metalwork and covers need to be upgraded / septic waste from tankers is discharged directly into sludge lagoons with no screening, resulting in large amounts of rubbish in the lagoons which frequently blocks pontoon pump).

A schematic diagram of the Oberon Township sewerage scheme is shown in Figure 6. The service area of the scheme is shown in Figure 7.

Figure 6 – Oberon Township Sewerage Schematic

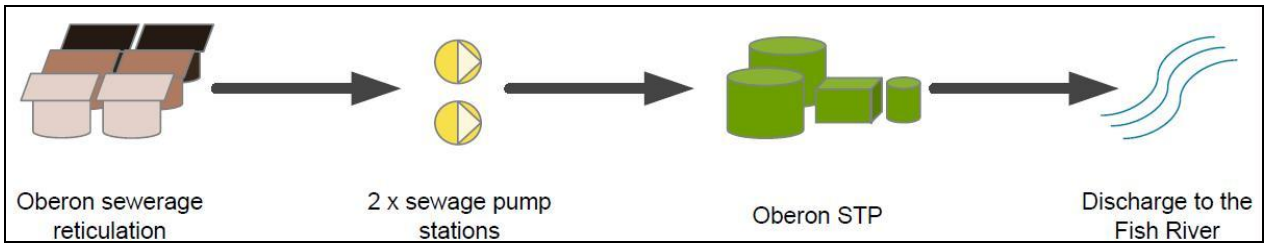
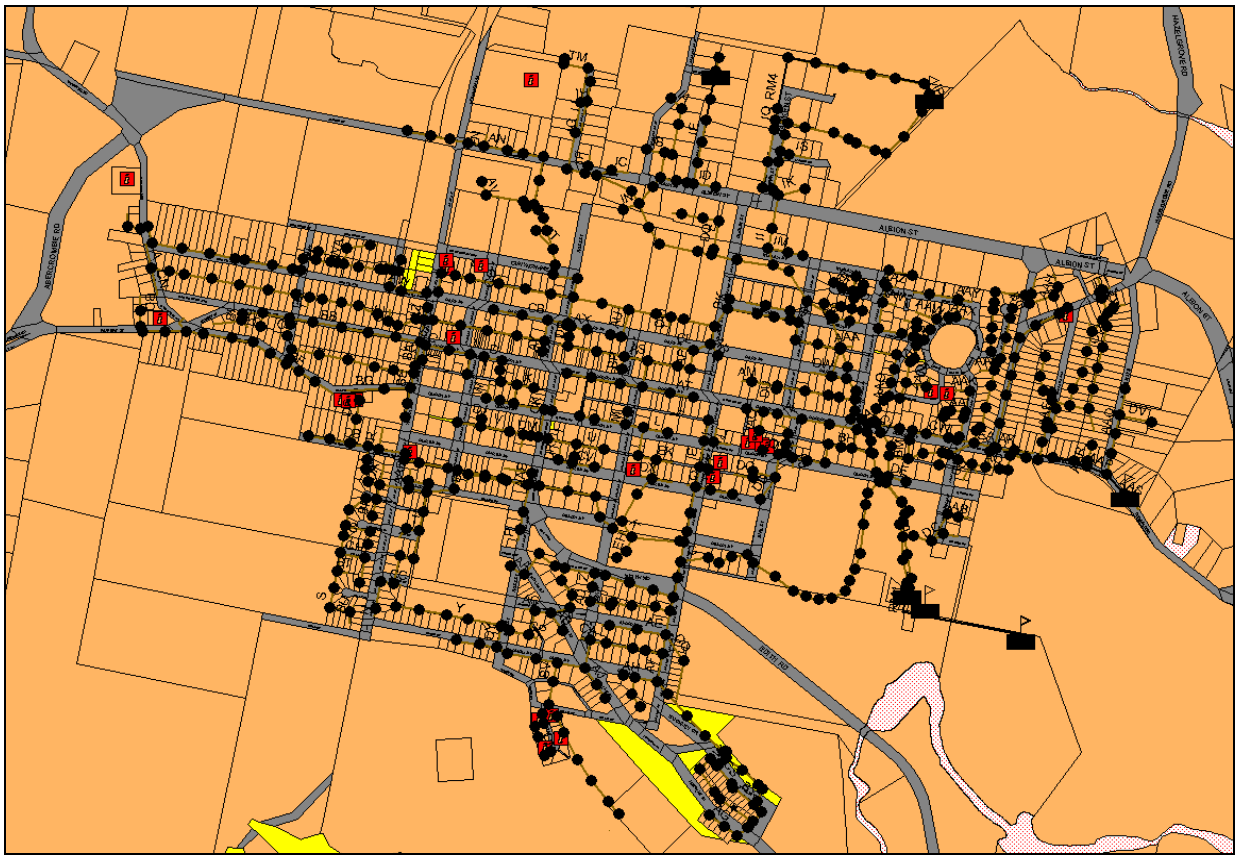


Figure 7 – Map of Oberon Township Sewerage Service Area



3.2.2 Sewerage Assets Summary

Oberon Council has prepared an Asset Register and the locations of all major sewerage assets have been recorded. Council is continuously updating the asset register.

Council has recently carried out valuation of the sewerage assets as required by the Division of Local Government. However, a detailed condition audit of underground assets has yet to be carried out. Estimates of the timing for replacement needs in the medium and long term are based on the nominal lives of the assets. At this stage, there is only a general idea of condition based on the day to day experience of the maintenance staff. A projection of costs has been made for modelling purposes based on this knowledge of asset condition and the asset register data.

The estimated average condition rating and values of Council's major sewerage assets is presented in Table 3-4

Table 3-4: System Assets Summary - Sewerage

Asset	Mean Residual Life (Years)	Condition 1 = As New 7 = poor)	Current Replacement Cost ($'000) June 2012	Accumulated Depreciation ($'000)	Fair Value ($'000) June 2012
Sewer Mains					
- Gravity Reticulation	47	2	12,000	2,740	9,200
- Rising	50	2	180	50	130
Sewage Pumping Stations	11	4	2,107	1,015	1,092
Sewage Treatment Works	11	5	2,996	2,245	751
TOTAL	-	-	**17,283**	**6,110**	**11,173**

3.2.3 Capital Works Program for Sewerage

The following is a summary of the major sewerage capital works planned for Oberon Council over the next 10 years. The justification for why they have been planned is also shown below.

Table 3-5: Major Sewerage Capital Works

Proposed Capital Work	Year	Justification
Sewage Pump Station – Pumps renewal (50m head)	2013 and 2018	Improved level of service and asset renewal
Sewage Pump Station – Pumps renewal (25m head)	2014 and 2021 - 2022	Improved level of service and asset renewal
Sewage Treatment Plant Upgrade	2013 - 2014	Improved level of service and asset renewal

4 Levels of Service

The Levels of Service:

- define explicitly the standards required
- are an expansion of the mission statements
- largely shape Council's detailed planning

The Levels of Service define the deliverables and are the driving force for the management and development of the water supply and sewerage schemes. Achieving the target Levels of Service is the **primary goal**.

Council uses its judgement in setting standards and while there are statutory service standards in some areas such as water quality, effluent quality, noise, and sludge management, in other areas, stakeholders may be consulted (see Section 5.4 for details) and may desire levels of service which are even more stringent than the regulatory requirements.

While Council endeavours to close any perceived gap between the stakeholder expectations and the levels of services provided, this is also subject to economic, social and environmental considerations. This Plan presents Council's proposed approach to future service delivery.

It should be noted that while the current Levels of Service are the target, which Council aims to meet, they are not intended as a formal customer contract. It is Council's responsibility is to strive for continual improvement to achieve these levels in the most cost effective way.

Specifically with regard to water LOS there are actions are needed for Council to enable improved measurement of the LOS. For example:

- Installation of flow measurement devices
- Improved customer consumption metering
- System improvement works to achieve a more desirable range of system pressures

The current and target levels of service are shown in the tables below.

Table 4-1: Levels of Service – Water Supply

DESCRIPTION	UNIT	LEVEL OF SERVICE	
		Current	Target
AVAILABILITY OF SERVICE			
Normal Quantity Available:			
Domestic Peak day	L/tenement/ day	640-760	890
Domestic Annual Consumption	kL/tenement/ year	130	150
Total Annual Consumption	ML/year	550	600
Total Peak Daily Consumption	ML/day	3.5	5.5
Peak/Average consumption	Ratio	2	2
Service Provision: Time to provide a domestic individual connection to water supply in serviced area*	Working days	5	5
Fire fighting: Compliance with the Water Supply Investigation Manual* (AS 2419.1 classifications 2,3,4.& 9 with floor area less than 1000 m^2)	% area served	100	100

DESCRIPTION	UNIT	LEVEL OF SERVICE	
		Current	Target
Pressure:			
Min. pressure when delivering 0.1L/sec	Metres	12	12
Max. static pressure	Metres	40	40
CONSUMPTION RESTRICTIONS IN DROUGHTS:			
Level of restriction applied through a repeat of the worst drought on record	Restriction as % of normal usage	70	
Average duration of restrictions	Months/ 10 years	Permanente Level 1 restrictions	
Frequency of change in restrictions (increasing level)	No./ 10 yr period		
SUPPLY INTERRUPTIONS TO CUSTOMERS:			
Planned			
- Notice given to domestic customers *	Days	1	1
- Notice given to commercial customers *	Days	1	1
- Notice given to industrial customers *	Days	5	5
- Maximum Duration	Hours/event	4	4
- Frequency	No./Year/customer	3	3
Unplanned			
- Water main breaks	No./100 km/Year	10	10
- Average duration	Hours/event/Year	8	8
- Frequency	No./ per 1000 connections/Year	5	5
Response Times for Service Interruptions*			
time to have staff on-site commence work after notification			
Priority 1 (Failure to maintain continuity or quality of supply to a large number of customers or to a critical user at a critical time)			
All Customers			
- During working hours	Minutes	60	60
- Out of working hours	Minutes	120	120
Priority 2 (Failure to maintain continuity or quality of supply to a small number of customers or to a non-critical user at a non-critical time)			
All Customers			
- During working hours	Minutes	60	60
- Out of working hours	Minutes	120	120
Priority 3 (Failure to maintain continuity or quality of supply to a single customer)			
All Customers			
- During working hours	Minutes	60	60
- Out of working hours	Minutes	120	120
CUSTOMER FEEDBACK/ COMPLAINTS[@]			
Complaints Received	No./ 1000 connections		
- Water quality complaints		4.5	<5
- Service complaints		4.5	<5
- Billing and account complaints		5	<5
- Other complaints		1	<2
Response Times for Feedback/ Complaints			
% calls answered by an operator within 30 seconds [@]*	%	100	100
General complaints and inquiries:			
- Written Complaints*	Working Days	5	5
- Personal/ oral complaints*	Working Days	5	5

DESCRIPTION	UNIT	LEVEL OF SERVICE	
		Current	Target
ENVIRONMENT			
Net greenhouse gas emissions[@]	Tonnes CO2 equivalent/ year	TBA	TBA
WATER QUALITY Should meet ADWG, 2011			
Microbial Parameters			
Total coliforms	CFU/100ml	4	<10
E-coliform	CFU/100ml	0	0
Sampling frequency	Samples/month	4	4
Physico-chemical Parameters			
pH	Unit	7	6.5 – 8.5
Colour	HU	<5	<15
Turbidity	NTU	<0.05	< 5.0
Sampling and analysis frequency	No./year	12	12
Percentage Compliance with ADWG 2011			
Zones achieving compliance with - Physical parameters - Chemical Parameters[@] - Microbiological parameters[@]	No./Total No. of Zones	1/1	1/1

@ - NWI Performance Indicators

* - Times apply for 95% of incidents

Note: The Levels of Service are the targets, which Council aims to meet; they are not intended as a formal customer contract.

Table 4-2: Levels of Service – Sewerage

DESCRIPTION	UNIT	LEVEL OF SERVICE	
		Current	Target
SERVICE AVAILABILITY			
Extent of area serviced	% Service area	95	100
SYSTEM FAILURES (OVERFLOWS TO THE ENVIRONMENT)			
Category One Failure due to rainfall and deficient capacity[@]	No./100 km/Year	1	1
Category Two Failure due to pump or other breakdown including power failure	No./100 km/Year	0	0
Category Three Failure due to main blockages and collapses[@]	No./100 km/Year	15	15
RESPONSE TIMES FOR SYSTEM FAILURES* Time to have staff on-site commence work after notification			
Category One Failure due to rainfall and deficient capacity[@] All Customers - During working hours* - Out of working hours*	 Minutes Minutes	 60 120	 60 120
Category Two Failure due to pump or other breakdown including power failure All Customers - During working hours* - Out of working hours*	 Minutes Minutes	 60 120	 60 120
Category Three Failure due to main blockages and collapses[@] All Customers - During working hours* - Out of working hours*	 Minutes	 60 120	 60 120
CUSTOMER FEEDBACK/ COMPLAINTS[@]			
Complaints received Service complaints Odour Complaints - Treatment works (outside designated buffer zone) - Pumping Stations - Reticulation system Billing and account complaints Other complaints	No./ 1000 connections	 0 0 2 8	 < 10 < 1 < 5 <10
Response Times for Feedback/ Complaints % calls answered by an operator within 30 seconds [@]* General complaints and inquiries: - Written Complaints* - Personal/ oral complaints*	 % Working Days Working Days	 100 5 5	 100 5 5

DESCRIPTION	UNIT	LEVEL OF SERVICE	
		Current	Target
ENVIRONMENT[@]			
Recycle/ reuse of wastewater (dry weather conditions)	% total volume of sewage treated	0%	0%
Sewage treated to: - Primary level only - Secondary level only - Tertiary	% of total volume of sewage treated	 0% 100% 0%	 0% 100% 0
Effluent discharge compliance with licence limits	% of samples/year	90	100
Net greenhouse gas emissions[@]	Tonnes CO2 equivalent/ year	TBA	TBA

@ - NWI Performance Indicators

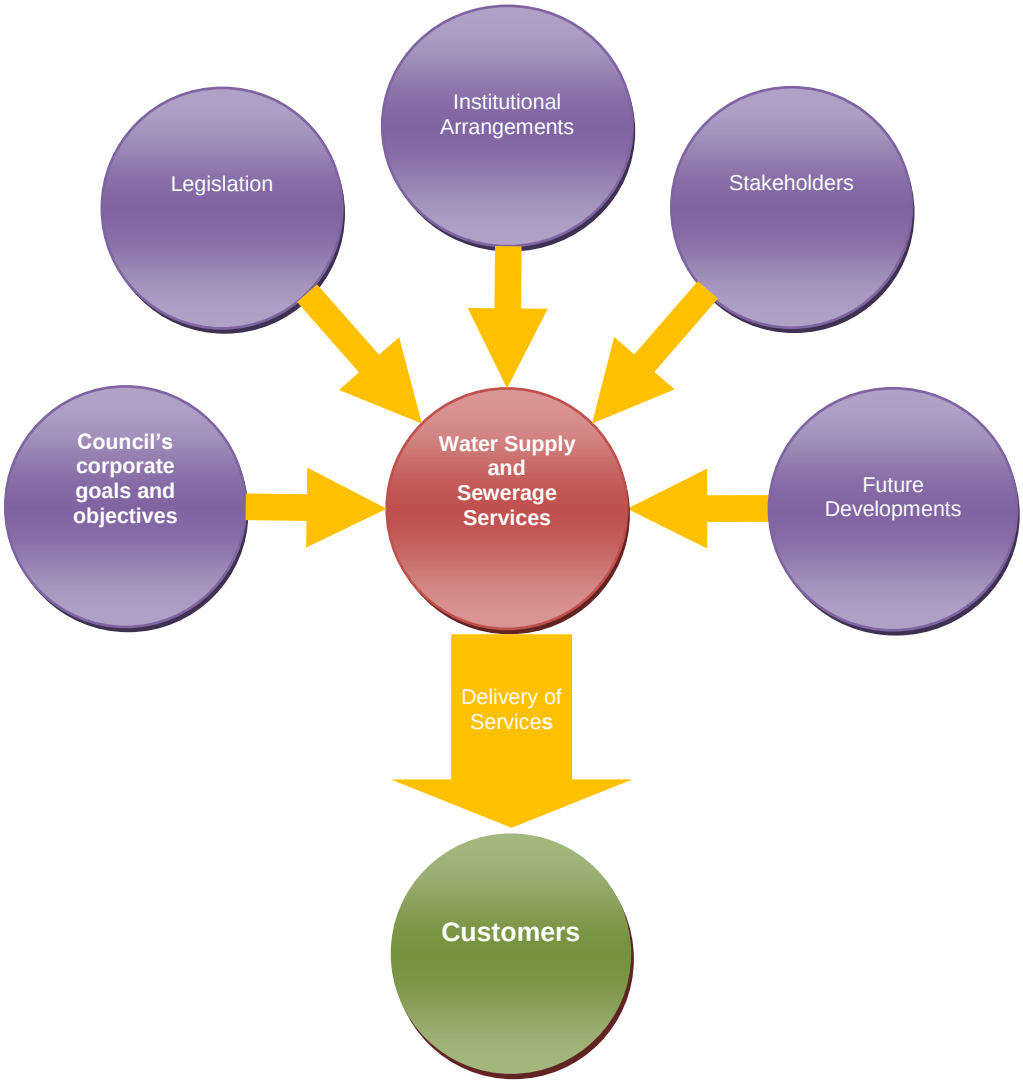
* - Times apply for 95% of incidents

Note: The Levels of Service are the targets, which Council aims to meet; they are not intended as a formal customer contract.

5 Operating Environment Review

The delivery of water supply and sewerage services to the schemes' customers is subject to a large number of constraints, requirements, guidelines and other factors, which collectively are referred to as the operating environment. The five major elements of the operating environment are shown in the following figure.

Figure 8 – Operating Environment



5.1 Institutional Arrangements

There are several recognised options open to Oberon Council to structure its institutional arrangements for providing water supply and sewerage services. These include institutional models such as Amalgamation, County Councils, Commercialisation, Strategic Alliances, Corporatisation, Regional Cooperation and Privatisation.

These models have been suggested in the options paper issued by the LGSA and the NSW Water Directorate to assist Councils in making a submission to the NSW Government Inquiry into Local Water Utilities.

Oberon Council has considered these options and has adopted the Strategic Alliance model by becoming part of the CENTROC Water Utility Alliance (CWUA) and running its water supply and sewerage services in a commercially viable manner in accordance with the NOW Best Practice Management Guidelines. The CWUA facilitates a unified approach to water management in the central NSW region and includes the member councils of Bathurst, Blayney, Young, Cabonne, Cowra, Forbes, Harden, Lachlan, Lithgow, Oberon, Orange, Parkes, Upper Lachlan, Weddin, Young and Central Tablelands Water.

- Commercialisation: Where a Council operates on a commercial basis, i.e. each aspect of the Council's operations is self-sustaining. This arrangement is believed to be able to reflect the true cost to customers, be more efficient and provide better service choices. However, there is some concern that this model can lead to some valuable services being abandoned, based on an economic and commercial basis.
- Strategic Alliance: Where a Council joins other participating Councils in the region/catchment through a Memorandum of Understanding, in order to pool in available staff and other resources to provide water supply and sewerage services. This arrangement aims to help provide crucial pooled professional and technical resources for efficient delivery of services. The major concern regarding this sort of alliance is that if not mandatory, it may risk falling apart in the face of difficulties, agreed scope of pooled activities or lack of interest.

Council would like to continue with the current Commercialisation/ Strategic Alliance model for the foreseeable future.

5.2 Legislative Framework

Numerous Acts influence the way in which Council can provide water supply and sewerage services to the community. Appendix B provides a discussion of the relevant legislation and the specific implications it has for Council's operations.

In general, more regulation, stringent enforcement and fewer subsidies from Government is imposing heavy burden on Council's water supply and sewerage services management responsibilities and hence on its finances.

Additionally, latest Government policies tend to transfer more regulatory responsibilities to Local Government that further burdens the Council's limited resources.

Detailed and careful assessment of possible impacts on water supply, sewerage services and the environment will be needed if there are any changes to the amount of water allocated under the current water sharing arrangements of the Fish River Water Supply Scheme.

5.3 Corporate Policy

Oberon Council has a number of policies relevant to the operation of water supply and sewerage business. These are summarised in the following tables.

Table 5-1: Council Policies and Procedures

Name	Objective
Water meter access charges on fire services Policy	• Reduced access charges for larger water meter sizes required for fire hazard protection
Policy on the provision of water to golf club	• Provides for bulk water customers charged at the bulk water purchase price from Fish River Water Supply Authority
Policy on stepped tariff for major water consumers	• Encourages water conservation • Demand management
Water restrictions policy	• Demand management during drought • Water security
Liquid Trade Waste Policy	• to protect the environment from the discharge of waste that may have a detrimental effect • to protect Council assets from damage • to assist Council to meet its statutory obligations • to provide an environmentally responsible liquid trade waste service to the non-residential sector • to ensure commercial provision of services and full cost recovery through appropriate sewerage and liquid trade waste fees and charges.
Developers contribution for water supply, sewerage and drainage	• Equitable distribution of infrastructure costs • Commercial provision of services and full cost recovery basis

5.4 Stakeholder Review

Stakeholders are defined as individuals and organisations, both internal and external, with an interest and/or equity in the water supply and sewerage services provided by the Council. They typically include:

- Property Owners/Ratepayers
  - Residents/Families
  - Pensioners
  - Commercial and Industrial Consumers
- Councillors
- Management Staff
- Council Employees
- Government Agencies
- Tourists
- Special Interest Groups such as Environmental groups

Typically the expectations of the stakeholders cover a wide spectrum of issues and aspects of service delivery including operational levels of service relating to service reliability, responsiveness to complaints etc. which are not covered by regulation. Such expectations may significantly impact on the development and operation of the schemes. A stakeholder review was undertaken at the planning workshop, the participants were asked to rate Council's service provision both from a Council and a Stakeholder point of view for a number of criteria generally of importance to the stakeholders. The results are included in Appendix C.

5.5 Future Change

Council's vision for a 30-year planning horizon for water supply and sewerage services reflects the changing operating environment due to future growth and developments that in turn influence the service requirements. Council considers the following factors as having significant influence on the future water supply and sewerage services provided and the general quality of life of the residents.

Population Growth

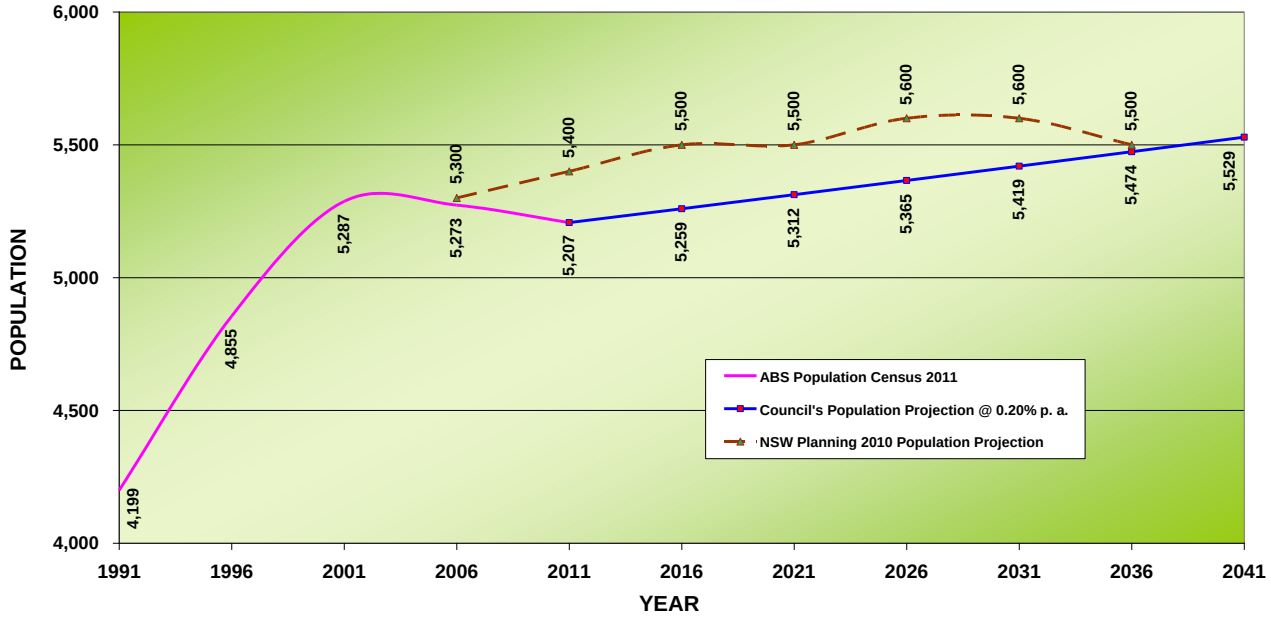
Oberon Council had a compounding population growth rate of -0.1% p.a. during the 10-year period between 2001-2011 (Based on ABS Census Data – Regional Population Growth, Local Government Areas, NSW, July 2012).

Population projections for Oberon Council have been estimated by the NSW Planning (2010) and Centroc (WRI, 2008) and both forecasts have suggested the population will increase. The NSW Planning forecast estimates a 0.1% annual growth rate to a population of 5,500 people in 2036. The Centroc forecast estimates a 0.2% annual growth rate to a population of 5,680 people in 2031.

The Centroc population projection of 0.2% has been adopted in Council's Integrated Water Cycle Management (IWCM) Study and has also been adopted in this Plan.

The ABS Census data and the 2010 - NSW Planning population growth forecasts are compared graphically with the population projections adopted for this Plan in the Figure below.

Figure 9 – Oberon Council Population Growth Projections



For water supply, the projected number of assessments for financial modelling purposes is based on the 1,378 (Residential: 1,148; Non-residential: 230) assessments in June 2012 (Reference: Oberon Council Special Schedule 3 for the year 2011/12) and factored up on a pro-rata basis in line with the above forecasts.

For sewerage, the projected number of assessments for financial modelling purposes is based on the1,187 (Residential: 1,001; Non-residential: 186) assessments in June 2012 (Reference: Oberon Council Special Schedule 5 for the year 2011/12) and factored up on a pro-rata basis in line with the above forecasts.

Note that the number of people per household in the Oberon LGA has decreased over recent years, in a similar way to other communities in NSW. The number of people per

household is forecast to decrease with time and the Centroc Water Security Study has adopted a 5% decrease over the next 50 years.

Commerce and Industry

- The two main industries within Oberon are forestry/timber and agriculture. The timber industry is the single largest source of employment and income in the Oberon LGA, contributing to approximately $140M (60%) of the gross regional product within the LGA and providing almost 820 fulltime jobs (HDB, 2007). Agriculture contributed $16 million to the local economy in 2007. The timber industry has been using more recycled water so they are therefore consuming less potable water. They have their own on site systems for water recycling egg. RO plant. This has implications for water supply revenue since timber industry is such a major user.
- The timber industry is a major water user in the LGA and may contribute to seasonal variation in water demand due to the nature of its operations.
- Council has indicated that there is a potential for mining activity in the LGA and that this needs to be managed to ensure harmony between community aspirations and mining endeavours. However, there is no expected direct impact on water and sewerage services, although there may be indirect implications due to population growth from such mining activity.
- Council believes that the water quality needs of industry will increase in the future.

Health, Education and Environment

- The larger centres near Oberon Council provide many higher level services that are not available within the LGA. Whilst there is an understanding and acceptance of the relationship between population and economies of scale, the community is keen to maintain and improve the services they have. Council believes that hospital services need to be upgraded.
- Council has indicated that the ageing population is a concern to the community and that a new nursing home is being built. However, transport for the elderly remains an issue.
- Council acknowledges that central to living in the Oberon Council area is the reliability and quality of water supply, as water is vital for public health, agriculture and business.
- Oberon Shire has a temperate climate of four distinct seasons. These seasons provide scenic beauty to the area and also deliver a diverse range of agricultural products. Council indicates that there are many value adding opportunities that could be explored and developed and also used to build the reputation of the area's productive landscapes.

Transport and Tourism

- Oberon is located on the Tablelands Way and is in close proximity to the cities of Sydney and Canberra and to the regional centre of Bathurst.
- In some places Oberon's road network does not adequately meet the needs of industry. Council has also indicated that the potential conflict of purpose between residential road users and tourists/visitors needs to be understood and where possible managed to assist both safety and efficiency. Council have also indicated that in order to attract people to Oberon roads/links need to be improved. Not having a rail system is also an issue.
- Oberon Council is home to the Jenolan Caves as well as other caves, walls and visitor experiences. The area enjoys a broad range of events that also attracts visitors to the area.

Technology and Information

- Council acknowledges that the new digital communications throughout the Shire are not adequate to maintain connections to each other and to the rest of the world. The lack of fast, reliable internet connection is a significant barrier to attracting skilled work force to the area. The terrain of Oberon LGA makes it challenging to achieve comprehensive communication technology coverage

Government Legislation/Policy

- More regulation, stringent enforcement and fewer subsidies/ financial assistance from Federal and State Governments is expected to impose heavy burden on Council's management responsibilities and hence on its finances.

5.6 Service Provision

Council's future growth projections indicate that the water supply and sewerage schemes will need to be maintained to cope with ageing assets and increasing demand. Council plans to extent water supply and sewerage services to the wider communities within the LGA. Council plans to extend potable water supply services to urban growth areas and some rural customers as approved by Council.

Council's response to the forecast of likely future demands and changes to service provision are summarised in the table below.

Table 5-2: Council's Response to Forecast Demand and Service Area Changes

Changes	Council Actions
Customer Growth Rate	Available water allocation/ sewerage capacity is adequate to meet future demand
Commercial Growth	Addressing the water quality needs of existing and future industrial operations
Environmental Changes	Maintain the focus on environmental issues in line with community expectations
Service Culture	Continuously improve services and meet increasing customer expectations
Technology Changes	Take advantage of new technologies to achieve cost effective operations Council staff development
Tourism Growth	More amenities and facilities for tourists
Government Policy	Keep abreast of changes in Government policies and Acts Apply for grants and subsidies

5.7 Service Delivery

The Federal Industry Commission Report on the Australian Water Industry indicated that there should be an efficient use of resources in the water industry – natural, physical and financial. Their 1992 recommendations were wide-ranging and covered matters such as pricing and structural reforms. This has been followed up by the NSW Government's Competition Policy and the Independent Pricing and Regulatory Tribunal's Pricing Principles for Local Water Authorities. In addition, the Local Government Association has issued a guideline to self-regulation, which suggests ways Councils can improve their service delivery.

Council has considered the advantages and disadvantages of various methods of service delivery including full service contract, part-service contract, BOOT (Build, Own, Operate and Transfer), resource/ service sharing, and in-house resourcing.

Currently the majority of operation and maintenance works are carried out using in-house resources. Council contracts out work for minor operations such as lawn mowing, meter reading, billing, some maintenance and pipeline cleaning etc.

Council will contract out major works such as the STP construction and will consider contracting out where in-house expertise and resources are limited and where more economical solutions may be available. A BOOT approach is not seen as desirable.

Resource sharing, shared services (e.g. trade waste and road safety), borrowing of staff, knowledge/information sharing, etc. are of particular interest to Council and across the region. Considerations include rates, hire agreements, qualifications, skills, shared service agreements, panel contracts, long-term contracts, buying power, etc.

Advantages of Resource Sharing

- There would be a reduction in the number of resources required by Council as these would be shared with the other organisations.
- By sharing the resources associated with the provision of the water supply services with other organisations economies of scale would be achieved.
- May enables specialist expert team to be established and used on a regional basis.

This option is along the lines of Strategic Alliance discussed under the institutional arrangement alternatives. Council, in conjunction with Centroc, is planning to identify areas of co-operating with neighbouring Councils in the region.

Conclusion

The various service delivery arrangements were rated on a scale of +1 (very possible) to –1 (very unlikely) as listed in

Table 5-3: Service Delivery Options

Option	Ranking
Full Service Contract	-1
Outsourcing /Part Service Contract	+1
BOOT	-1
Resource/Service Share	+1
Fully In-house	+1

Council believes that under the current operating environment only part service contract options and resource sharing will hold any real advantages in the foreseeable future. Therefore, the present service delivery strategy is to continue with a combination of in-house delivery and part service contract.

Council will continually monitor and review the situation with a view to improving the efficiency and effectiveness of the service delivery.

6 Best Practice Management

6.1 Compliance Status

The NSW Office of Water (NOW) has prepared *Guidelines for Best-Practice of Water Supply and Sewerage* pursuant to section 409(6) of the Local Government Act 1993. A summary of Oberon Council's current compliance status of the guidelines is listed in Table 6-1.

Table 6-1: Best Practice compliance

Best Practice Requirement	Status
Strategic Business Plan (including Financial Plan)	This document
Water Supply Service Pricing	
- Full cost recovery without significant cross subsidies	Comply
- Complying residential charges with pay-for-use water pricing, independent of land value	Comply
- Complying non-residential charges	Comply
- Development servicing plan and adoption of developer charges	Comply. Currently under review.
- At least 75% of residential revenue from usage charges	Comply
Sewerage Service Pricing	
- Full cost recovery without significant cross subsidies	Comply
- Complying residential charges, independent of land value	Comply
- Complying non-residential charges	Comply
- Development service plan including commercial developer charges	Comply. Currently under review.
- Complying liquid trade waste fees and charges	Comply
- Complying liquid trade waste policy and approval for all discharges	Comply
Water Conservation	Comply
Drought Management	Comply
Performance Reporting	Comply
Integrated Water Cycle Management	Comply
Asset Management*	
30-year capital works plan	Comply
Operations and Maintenance Plans	Comply

* Note: development of an AMP (asset management plan) is not currently a requirement of NOW Best Practice Guidelines; however, it is required to comply with Division of Local Government regulation.

6.2 Principal Issues

A number of issues have been identified as important to the future operation of the water supply schemes. Table 6-2 presents a list of major issues and where they have been addressed in this Strategic Business Plan.

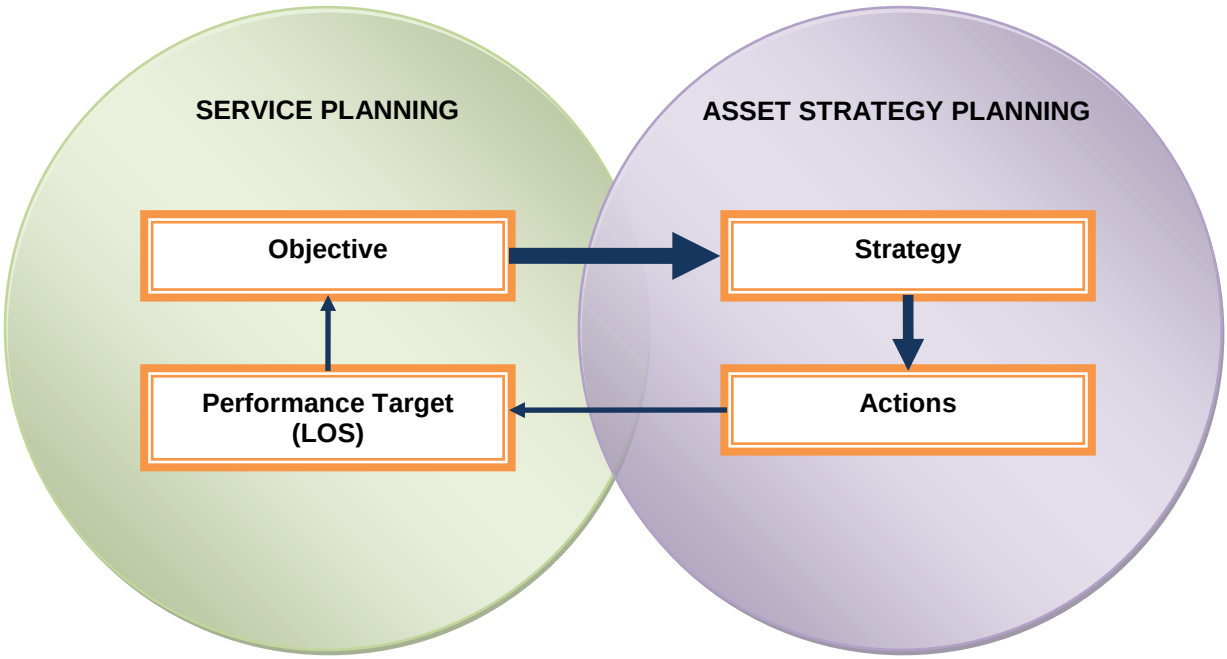
Table 6-2: Principal Issues

Issue	Section where this is addressed
Ongoing compliance with the NOW Best Practice Management Guidelines and the delivery of adopted levels of service	Levels of Service Review (Performance Management) (Section 8.1))
Equitable service pricing including developer charges	Pricing (Section 8.6)
Sludge and septage management at the STP	Sewer Load Management (Section 8.3) Capital Works (Section 10.3)
Development of formal operations and maintenance plans	Operations Plan (Section 10.1) Maintenance Plan (Section 10.2)
Systematic rehabilitation and renewal of ageing assets	Capital Works (Section 10.3) Finance (Section 12)
Maintaining skilled staff resources	Work Force Plan (Section 11)

7 Strategic Action Planning - Overview

The relationship between "Service Solutions" and "Asset Strategy Planning" is represented in Figure 10.

Figure 10 – Relationship between Service Planning and Asset Strategy Planning



In order to achieve the levels of service, a number of objectives were identified along with the actions that are expected to aid Council in achieving these targets. An "Objectives and Actions" table has been created for each area of the Action Plan. The definitions for each of the key terms used in these tables is summarised in Table 7-1.

Table 7-1: Key Terms in Objectives & Action Tables

Section	Description of Contents
Objective (Goal)	Defines how key result areas contribute to service goals
Performance Targets	Expected Outcomes
Strategies	The plan for achieving the objective(s), expressed in general terms rather than specifics
Actions	Specific tasks to implement strategies and achieve objective(s)
Responsibility	Person in charge of task completion
Cost	Implementation (Implement) – One off cost Ongoing - Cost incurred annually over a number of years or at regular intervals

The responsibility for ensuring that each of the actions are undertaken has been assigned to a member of Council's management team. The positions are referred to by their acronym. A brief description of the responsibilities of each team member is contained in Table 7-2.

Table 7-2: Position Descriptions

Abbreviation	Position
GM	General Manager
DOE	Director of Engineering
DOD	Director of Development
WSE	Water and Sewer Engineer
WSO	Water and Sewer Operations
WM	Works Manager
AA	Assets Accountant
FM	Finance Manager
EAC	Engineering Assets Coordinator
HRM	Human Resources Manager

With respect to the expenditure, acronym NAE has been entered where No Additional Expenditure and is used when the current levels of expenditure are considered sufficient to cover the required activities.

7.1 Service Planning

There is a relationship between the Levels of Service (LOS) to be provided to consumers and the actions that will be undertaken by Council. The following table shows how the Levels of Service map into the key result area action-planning framework. As such, it would be expected that any changes to current LOS would be addressed in the indicated objectives.

Table 7-3: Relationship between Objectives and Levels of Service

Objective	Levels of Service
Service Performance Management	Sustainability
Area Serviced	Availability of Service
Water Conservation	Demand Management Restrictions
Availability	Quantity
Sewer Load Management	Discharge – Trade Wastes Failures (Inflow/Infiltration)
Pricing	Availability – user pays Rebates – pensioners
Customer Relations	Water Restrictions Interruption advice Complaints/Enquiries
Community Consultation	Service pricing Environmental Impacts
Environment	Sewage overflows/ treatment Effluent and sludge disposal/ reuse
Operations	Water quality – compliance Service Interruptions/ sewer blockages Response times
Maintenance	Water quality – compliance

Objective	Levels of Service
	Failure – breakdowns Interruptions – planned and unplanned
Capital Works	Water quality – compliance Availability – capacity Fire fighting – pressure Delivery pressure Failures/ service interruptions – asset renewal program Effluent disposal - compliance
Work Force	Interruptions – staff on call Customer complaints/ requests Response times
Finance	Financial sustainability/ Business continuity/ Affordability - model

8 Customer Service Plan

The Customer Service Plan covers activities, which involve interaction between Council, its customers and the wider community as illustrated in Figure 11.

Figure 11 – Components of the Customer Service Plan

8.1 Performance Management (Levels of Service Review)

The Levels of Service discussed in Section 4, are designed to reflect an optimisation of the desired service provision, what is affordable, and the system's capability. These considerations take into account legislative requirements, industry standards and customer demands.

This section reviews the services currently provided by the Council's water supply and sewerage schemes. In addition to identifying areas where improvements are necessary, the review also refers to aspects of the operation that are being performed well.

The Levels of Service Review objective should enable the community to be aware of, and endorse the Levels of Service provided. As a public document, this report provides the necessary background information.

To demonstrate continuous improvement, Council will seek to provide the target Levels of Service in the most efficient manner. A number of items are of particular importance and these will be addressed under the relevant key result areas.

Under the NOW Best Practice Management Guidelines, a performance review is required to demonstrate that Council is either achieving the Level of Service or progressing towards achieving the target levels. Monitoring and benchmarking are needed to help Council determine if the methods are appropriate or more effective than other Councils. Performance data is forwarded to NOW in September each year.

A benchmarking exercise is then conducted to ensure Levels of Service are comparable to others in the industry at present. The outcome of the benchmarking exercise is provided as a feedback from NOW to the Councils as a 2-page TBL report. The TBL report should be reviewed and an action plan to address areas of under-performance prepared by the Council.

In accordance with the Inter-Government Agreement on a National Water Initiative signed between the Commonwealth and the State Governments, NOW has introduced independent auditing of the performance data reported by all non-major water utilities (currently applicable only for utilities having more than 10,000 connections and hence not applicable to Oberon Council) for a comprehensive set of performance indicators developed by the National Water Commission (Reference: National Performance Framework – 2009-10 Urban Water Performance Report Indicators and Definitions Handbook). The audit verifies the reliability and accuracy of the performance data reported by Water Utilities and enables meaningful state-wide and nation-wide benchmarking and comparison of key issues affecting water utilities and their customers. The performance audit is to be undertaken at least once in three years.

Generally Council has been performing well in respect of the Levels of Service. Maintaining the levels of service is Council's current priority.

Note that when the new STP is commissioned the EPA load based licence fees due to non-compliance of the old STP, will reduce significantly in the order of $60,000 each year

Table 8-1: Objectives & Actions - Levels of Service Review

Objective 1: Levels of Service Review					
Provide effective and sustainable water and sewerage services to all users in accordance with adopted levels of service					
Performance Target					
Best Practice Management Compliance by June 2014					
Strategies					
Document current and proposed levels of service and update the Strategic Business Plan (SBP)					
Action	**Start**	**End**	**Responsible**	**Cost ($'000)**	
				Implement	**Ongoing**
Review current operations for annual report and annual plan	Annually		DOE / GM		NAE
Review and update Strategic Business Plan	2013	4 yearly	DOE		30
Public display of SBP and adoption by Council	As required		DOE		NAE
Implement and monitor SBP Action Plans	Ongoing		DOE		NAE
Best Practice Management Compliance Audit	January 2014	June 2014	DOE		5
Monitor and review LOS targets and report performance to NOW	Annually		WSE		NAE
Report key performance indicators and TBL reports to Council	August Annually		DOE		NAE
Prepare Drinking Water Management Plan (2 yearly internal review)		March 2013	DOE	NAE	NAE
Input and review of special schedules for Dept. of Local Govt. in the financial statements	Annually		FM / EAC		NAE
DEC/EPA compliance reporting for licence renewal	March Annually		DOE		NAE
SoE reporting (in-house)	Annually		DOE		NAE

8.2 Areas Serviced

This section of the Customer Service Plan addresses Council's intentions in the provision of water supply and sewerage services for the next thirty years.

The extension of water supply and sewerage services to new areas dependent on a range of factors, the most important of which are:

- The growth in rural settlements
- The impact on levels of service to existing customers
- The environmental impact of the works
- Cost to customers associated with extending services
- Within the new Local Environment Plan (LEP) release areas, development will be dependent upon availability of sewerage services

When extending services, Council will:

- Treat all residents as equal for the provision of services
- Consider residents expectation of service
- Consult community when considering new development areas or backlog programs
- Compete with neighbouring Councils in attracting commercial and industrial developments;

The main issues considered are:

- Providing water supply and sewerage services to future growth and development areas
- There may be problems with septic tanks in unsewered areas in terms of contamination of water supply sources. Problem areas should be addressed by backlog sewerage programs if economically viable and agreed by the community on a 'user pay' basis.
- Any unsewered areas in close proximity to areas that have existing sewerage services should be encouraged to install pump-out systems connecting to the existing system.
- Council need to ensure that water supply and sewerage service planning is integrated with overall Council planning to eliminate pressure from developers and avoid the under-utilisation of services

With regard to the development of new release areas identified in Table 8-2, it has been assumed that there will be some formal development over the next 30 years and also some informal development. Council currently has no plans to extend any water or sewerage services to currently unserviced areas except East Oberon (Stratford Downs) where reticulated sewerage service will be extended.

Table 8-2: Current and Future Service Areas

Name	Population		Current Service		Future Service
	Current	Future	Water Supply	Sewerage Scheme	
Oberon Town	3500	4500	Fish River Potable Water Supply Scheme	Reticulated Sewerage Scheme	No change in service
Stratford Downs (East Oberon)	120	150	Rainwater/bores/ surface water	On-site management	Future reticulated sewerage
O'Connell/ Lambeda	350	500	Rainwater/bores/ surface water	On-site management	No change in service
Black Springs	170	200	Rainwater/bores/ surface water	On-site management	No change in service
Wiseman's Creek	15	?	Rainwater/bores/ surface water	On-site management	No change in service
Jenolan Caves	100	100	Rainwater/bores/ surface water	On-site management	No change in service
Titania Estate	100	200	Rainwater/bores/ surface water	On-site management	No change in service
Oberon Hills (North Oberon)	70	80	Rainwater/bores/ surface water	On-site management	No change in service
Ginkin	140	170	Rainwater/bores/ surface water	On-site management	No change in service
Porters Retreat	180	210	Rainwater/bores/ surface water	On-site management	No change in service
Burraga	120	160	Rainwater/bores/ surface water	On-site management	No change in service
Mt David	40	50	Rainwater/bores/ surface water	On-site management	No change in service

Table 8-3: Objectives & Actions – Areas to be Serviced

Objective 2: Areas to be Serviced					
Services to extend to all remaining unserviced areas where economically feasible and other areas in accordance with LEP on a user pay basis					
Performance Target					
Review feasibility of village water supply and sewerage services by 2016					
Strategies					
Complete implementation of schemes identified in the delivery program					
Action	**Start**	**End**	**Responsible**	**Cost ($'000)**	
				Implement	**Ongoing**
Review designated service area for each scheme or as marked in LEP for Oberon	2013	2018	DOE/ DOD	NAE	
Review DSP approval for infill developments		Ongoing	DOE/ DOD	Refer to Section 8.6: Service Pricing	
Review feasibility of water supply and sewerage services to Burraga and Black Springs	2015	2016	DOE	30	
Assess/finalise scheme development plan	As required		DOE/ WSE	NAE	

8.3 Sewer Load Management

This section of the Plan outlines Council's intention in the management of loadings on the sewerage systems. While the impacts and management practices are of concern to the Customer Service Plan, the solutions must be an integrated part of the Asset Management Plan since they involve long-term system maintenance strategies.

Reducing hydraulic and biochemical loading on the system can:

- Effectively prolong the life of the existing assets;
- Defer new works programs;
- Make treatment processes more effective;
- Reduce siltation in the system and reduce pump wear;
- Reduce operation costs; and
- Improve environmental performance.

Problems of load management may occur due to changing development patterns affecting design capacity, trade waste discharges, stormwater, or ground water.

Inflow and Infiltration Management

Although water demand management can reduce the hydraulic load on the treatment works, the major factor is usually the ingress of water into the system. The challenge is to control and reduce any significant inflow and infiltration (I/I).

Inflow, by definition, is due to direct ingress from illegal connections of roof drains, back yards and low gullies, manhole covers, surface water drain connections etc.

Infiltration, by definition, is a result of damage to the sewers themselves due to cracking, breakage, open joints and broken junctions etc. Infiltration can occur in dry weather as well as wet weather if the pipes are below the water table, or adjacent to a streambed (refer to Sewerage inflow and infiltration management study, June 1996 issued to all Councils by NOW).

The number of sewer overflows per 100 km of main exceeded the level of service targets in 2009/2010, whilst the number of sewer chokes per 100 km of main exceeded the level of service targets for the three reporting years from 2007/08 to 2009/10. These are issues that are being addressed by Council.

Note that the details of the locations, causes and water quality of the overflows were not available and it is unclear whether the overflows were caused by system capacity or other issues (such as flooding due to wet weather flow). Council plans to address the following main issues in this regard:

- Wet weather inflow and infiltration (I/I) caused by combination of illegal connections, defective pipes and defective access chambers;
- Wet weather hydraulic loads and associated operational impacts on STPs; and
- Education of plumbers and general public regarding illegal connections.

Trade Waste Management

The treatment system functions can also be jeopardised by high biological shocks or toxic chemical loading exerted by liquid trade wastes. Therefore, the Council needs to assess the current levels of liquid trade waste discharges by non-residential customers into the town sewer system.

Council has already developed and adopted a trade waste policy to control commercial/industrial discharges into the system. Council is planning to review and update the liquid trade waste policy and the liquid trade waste regulatory framework for full implementation in accordance with NOW guidelines by June 2013.

Further, as industry develops, trade waste policy will be reviewed to outline service expectations to developers, targeting in particular, chemicals, fuels, oils and hospital discharges and would start with a survey to determine the contributors.

Council plans to address the following main issues in this regard:

- Updating trade waste register and implementing trade waste policy to protect the sewers and STP from the impacts of high strength waste discharges.

Table 8-4: Objectives & Actions – Sewer Loads

Objective 3: Sewer Load Management					
Minimise hydraulic loads due to infiltration, inflow and illegal connections and manage any industrial and commercial pollutant loads					
Performance Target					
- Commence 10 year plan to reduce I/I by 2013 - Implementation of trade waste pricing by July 2014					
Strategies					
- I/I reduced to sustainable levels - Implement Trade Waste Policies					
Action	**Start**	**End**	**Responsible**	**Cost ($'000)**	
				Implement	**Ongoing**
Undertake inspection of mains for - Inflows - Infiltration - Illegal connections (smoke testing) - CCTV program	2013	2022	DOE		50
Send out notices and enforce removal of illegal connections	Ongoing		DOE		NAE
Prepare Analysis/ Defects Report and identify work program	Ongoing		DOE		NAE
Implement sewer rehabilitation program	2013	2022	DOE		120 (yearly)
Implement manhole rehabilitation program	2013	2022	DOE		50 (yearly)
Formalise and approve liquid trade waste policy and regulatory framework	March 2013	July 2014	DOE	NAE	
Prepare trade waste register and report to NOW - Existing - Update with new applications	March 2013 Ongoing	Dec 2013	DOE	15	NAE
Review and develop appropriate load based pricing			DOE / FM	5	
Trade waste awareness campaign	December 2013	December 2013	DOE / WSE	5	
Implementation of trade waste pricing	April 2013	July 2014	DOE		
Monitor oil & grease traps services			DOD		NAE
Monitor septic tank waste transfers			DOD		NAE

8.4 Demand Management

This section of the Plan outlines Council's intention in the management of water demands. Water conservation falls partly in the Customer Service Plan and partly in the Asset Management Plan.

Water conservation is aimed at reducing the water consumption, through elimination of waste and improved efficiency. It is not Council's intention that customers ration their water use as Council's policy to provide unrestricted supplies of water still stands. Rather, Council aims to educate customers to use water wisely and take necessary steps to avoid wasteful practices.

Conserving water through demand management has the potential to:

- Reduce the operating costs of the system; and
- Defer the need to augment the system and to develop new water sources.

In addition to saving money and reducing the charges to customers, water conservation provides environmental benefits by efficient use of valuable water resource.

Council plans to undertake water conservation initiatives with a dual objective of meeting current and future demand through planning, and influencing customer usage through education and information.

A range of demand management options are discussed in Council's Demand Management Plan (September 2012). The recommended scenario included:

- Mandatory measures
    - National Water Efficiency Labelling Scheme (WELS)
    - NSW residential development water efficiency requirements (BASIX)
- Voluntary measurers
    - inclined block pricing for residential water customers
    - residential shower retrofit
    - residential washing machine rebate
    - recycled water scheme for irrigation
    - rainwater tank rebates for all existing residential properties
    - permanent water saving rules (low level water restrictions to ensure efficient use, generally limits on irrigation near the middle of the day
    - community education

Of the voluntary measures, Oberon Council currently implements:

- full pay-for-use pricing with an inclined block tariff for residential users
- permanent level 1 water restrictions
- a rainwater tank rebate program
- a water efficient dish washer and washing machine rebate program
- a limited public education program aimed at minimising wasteful water use,
- pressure management and leakage reduction works

Council has investigated the potential for a recycled water scheme for the golf course. This option will not be implemented as the study concluded the scheme to be uneconomical.

Council is considering the:

- Expansion of the community education program, making greater use of the SaveWater Alliance materials managed by Centroc
- Residential shower retrofit

The options above have been considered in the Centroc Regional Demand Management Plan (CRDMP) and implementation options for Council include the added benefit of a regional approach bringing economies of scale as well as capacity building for Council water managers and operators.

Table 8-5: Objectives & Actions – Demand Management

Objective 4: Demand Management					
Encourage efficient and effective use of water					
Performance Target					
Implement new demand management initiatives by September 2013					
Strategies					
Improve community awareness and implement water saving measures					
Action	**Start**	**End**	**Responsible**	**Cost ($'000)**	
				Implement	**Ongoing**
Examine a range of long- term demand management measures - Waterwise initiatives - Water audit program	Ongoing	April 2013	DOE	Included in Demand Management Plan	
Complete benefit/cost analysis for demand management initiatives	Ongoing	April 2013	DOE	Included in Demand Management Plan	
Implement and promote identified IWCM recommendations	April 2013	Sep 2013	DOE	20	
	Dec 2013	Ongoing			40
Installation of additional meters and mass-balance determination	July 2013	Dec 2013	DOE	25	
Meter replacement program	July 2013	Ongoing	DOE	Refer to 30-year Capital Works Program	

8.5 Drought Management

Drought management aims to ensure that town water supplies with significant storage do not fail in times of drought.

Drought management planning includes:

- Documenting basic data on:
    - communities served/ not served by reticulated water supply;
    - water demand;
    - records of average rainfall;
    - evaporation rates;
    - records of past droughts;
    - the existing water supply system and its water sources; and
    - historical performance of rivers, dams, weirs and bores in previous droughts.
- Strategies to achieve the objective of having sufficient water to satisfy the basic needs of the community;
- Consultation with stakeholders including government agencies;
- Agreed procedure for progressive implementation of water restrictions; and
- Human resource requirements.

Compulsory water restrictions were introduced to Oberon in 2004. The worst period of drought was observed in 2010 when Level 6 restrictions were imposed in February, gradually reducing to Level 2 till May 2011. Level 1 (voluntary) restrictions are in force since this time.

A Drought Management and Emergency Response Plan (DMERP) was prepared by CWUA in January 2012. The plan describes and details how the member Councils would manage their water supply services during the periods of drought.

The strategic objectives of the DMERP are to ensure a systematic, timely, effective and efficient response to drought and emergencies which minimizes disruption and adverse impact on customers by:

- Ensuring timely warning of any potential water shortages or supply disruptions and having in place ready response strategies; and
- Identifying and responding to long term planning issues to ensure financial capacity to implement necessary infrastructure installation.

The Centroc Water Security Study determined that water security for Oberon needs to be improved due to the unreliability of the catchment yield. The Study concluded that the probability of Level 1 restrictions is up to 100% and that the probability of total system failure is 0.9%.

At this stage improved management of Oberon Dam and/or emergency bores are considered to be the only viable option for improving water supply security. Additionally, since the last drought, Oberon Council's water allocation under the Fish River Water Supply Scheme has been increased from 750ML/year to 1,064 ML/year.

Water carting within the Oberon LGA is considered expensive and probably not feasible, although it may be the only option (apart from evacuation of the Town) in extreme emergencies. No assistance is provided to rural residents

Residents without reticulated potable water supply may seek assistance during a drought. However, it has not been Council's experience in past droughts that these households seek assistance (other than financial assistance). There is a well-established system of residents privately arranging water cartage when required, without intervention from Council.

Table 8-6: Objectives & Actions – Drought Management

Objective 5: Drought Management					
Ensure water supply scheme does not fail in times of drought					
Performance Target					
Review and update existing drought management plan by July 2015					
Strategies					
Implement drought management plan					
Action	**Start**	**End**	**Responsible**	**Cost ($'000)**	
				Implement	**Ongoing**
Review and update existing drought management plan with respect to: - Oberon Dam Management Plan (MAQ) - NOW guidelines for FRWS - Potential for emergency bores	Ongoing (4 yearly)	July 2015	DOE	5	
Implement Drought Management Plan including - levels of intervention (trigger points) - means and methods for enforcing restrictions	Sept 2013 onwards	Ongoing	DOE		NAE
Implementation of agreed procedures of water restrictions in times of drought	As required		DOE		NAE

8.6 Pricing

This section of the Plan outlines Council's intentions regarding the pricing of water supply services.

Council's pricing policy will conform to the following general principles:

Equity - adoption of user pays principles. Residential and non-residential revenue to be collected via a two-part tariff which reflects the level of water used and hence the load on the sewer system. (It is considered equitable that people pay for the cost of the services they use).

Financial - provision of adequate cash flows to meet operating costs and to fund future capital works (as determined in the financial plans).

Customers - provision of a service of desired quality and reliability at a fair and affordable price.

Cross subsidies - should be fully disclosed in Council's reporting.

Community service obligations - provision of services to pensioners, disadvantaged groups and general community amenities, to be recognised.

Other - simplicity of pricing structure for ease of understanding by customers and stability of income.

Water Charges

Council has already adopted a two-part water supply tariff structure comprising an access charge and a usage charge for all types of customers. Council's current water charges are shown below.

Table 8-7: Charges for Water Supply

Customer Group	Component	2011/2012	2012/2013
Residential	Access (20 mm)	$241.00/year	$241/year
	Water usage per kL	$1.49	$1.76
Commercial	Access – 20mm water meter	$241.00/year	$241/year
	Water usage – per kL	$1.76	$1.76

Sewerage Charges

Best Practice Pricing Guidelines for sewerage services recommend adoption of two-part tariff structure for non-residential customers and has features such as:

- Uniform annual charges for residential customers
- Trade waste charges for identified commercial and industrial customers; and
- Assessment and adoption of appropriate sewage discharge factors for commercial and industrial customers

The best practice tariff structure provides revenue stability and sustainability for the sewerage services and sends signals to business and industrial customers to conserve water as a resource.

The current sewerage tariff structure adopted by the Council complies with the Best Practice Pricing Guidelines and is shown next page.

Table 8-8: Charges for Sewerage Services

Customer Group	Component	2012/2013
Residential	Access	$388.00/year
Non-Residential	Access (20mm water meter)	$105.00/year
	Usage per kL	$1.28

Developer charges

Developer Charges are up-front charges levied under Section 64 of the Local Government Act to recover part of the infrastructure costs incurred in servicing new developments or additions/changes to existing developments. Developer charges serve two related functions:

- They provide a source of funding for infrastructure required for new urban development.
- They impact on the costs of urban development and thus encourage less costly forms and areas of development.

Current developer charges for service areas within the Council LGA are shown below.

Table 8-9: Developer Charges for 2012/2013

Service	Area	2012/2013
Water	Urban/Village Development	$1268/ ET
Sewer	Urban/Village Development	$1615/ ET

Council's Development Servicing Plan (DSP) is in need of updating in accordance with NOW Developer Charges Guidelines, 2012/13. The DSP also needs updating due to the cancellation of a number of projects previously included in calculating Developer Charges.

Table 8-10: Objectives & Actions – Service Pricing

Objective 6: Pricing					
Implement an equitable pricing policy which provides for current and future service provision and encourage wise resource use					
Performance Target					
- Review and adopt new best practice tariff structure by June 2013 - Review and adopt new developer charges by March 2014					
Strategies					
Comply with NOW Best Practice Management Guidelines					
Action	**Start**	**End**	**Responsible**	**Cost ($'000)**	
				Implement	**Ongoing**
Review and adopt revised best practice tariff structure	2013	4 yearly ongoing	FM / DOE		NAE
Adjust tariffs for CPI		Annually	FM		NAE
Review and update developer charge calculations	July 2013	5 yearly ongoing	DOD / DOE	25	25 every 5 years
Review, update and adopt DSP	July 2013	March 2014	DOD	NAE	
Adjust developer charges for CPI		Annually	FM		NAE

8.7 Customer Relations

Council aims to maintain good customer relations through the:

- provision of a quality service,
- keeping customers informed of Council's intentions,
- responding to customer and community needs

Council believes it operates a service that is reliable, has a good level of service and provides a quick response to problems.

Customer satisfaction is measured in a variety of ways to suit the circumstances and to give a valid indication of the extent to which customers feel satisfied with the type, quality, cost and performance of service provided. Keeping customers informed is agreed by Council to be important for good customer relationship. Council has adopted a 'Complaints Policy' and developed and adopted a detailed complaints handling and resolution procedure. It also maintains requests and complaints register that classify and record requests and complaints, these are analysed to identify where conditions are deteriorating. Actions should then be seen to be taken to improve these situations. Council has adopted a 'Complaints Policy' and developed and adopted a detailed complaints handling and resolution procedure.

Council promotes a customer focussed, socially responsive communications culture for service provision issues.

Regarding customer relations, Council currently:

- Undertakes regular staff training on customer relations procedures
- Undertakes regular customer surveys as part of the Council wide communications strategy
- Regularly conducts appropriate public awareness campaigns on key water supply/ sewerage issues
- Includes water and sewerage information in the regular Council news section of the local newspaper, examples include updates on major construction project and any current water restriction
- Public meetings through monthly report at Council meetings
- Customer surveys – project specific e.g. IWCM
- Customer contact – phone and front desk
- Councillors' feedback – occasional comment on water issues
- Public display of Management Plans, Annual Reports and Business Plans
- Information brochures and flyers
- Council website
- School visits to treatment plants

Adherence to the published levels of service is important and notification of any planned failure to comply should be given wherever possible. Performance monitoring and reporting is very important for updating and review of the Strategic Business Plan.

In order to carry out Council's mission to focus on the community expectations, a level of communication is required so that the community is satisfied that the Council's decisions are responsive to their needs.

Council's current objectives and actions with regards to customer relations are shown below.

Table 8-11: Objectives & Actions – Customer Relations

Objective 7: Customer Relations					
Keep the community informed of issues relating to the water supply/ sewerage services and provide services in an effective and efficient manner to keep customers satisfied with service delivered					
Performance Target					
Review CRM procedures and complaints policy by June 2013					
Strategies					
Provide efficient and responsive customer service and increase awareness of water and sewerage services					
Action	**Start**	**End**	**Responsible**	**Cost ($'000)**	
				Implement	**Ongoing**
Staff training on customer relations (corporate)		Ongoing	DOE / GM		NAE
Review community engagement policy - Print Media - Radio/ TV - Letter Box drops - Education	Every 3/5 years		DOE / GM		NAE
Review CRM procedures and complaints policy - Entry to private property - Dealing with complaints - Dealing with difficult customers	March 2013	June 2013	DOC / GM	NAE	
Plan and conduct customer phone feedback		Ongoing	GM		NAE
Analyse and monitor feedback reports		Ongoing	GM		NAE
Benchmark level of complaints against industry standards		Ongoing	GM		NAE

8.8 Community Involvement

This section of the Plan outlines Council's intentions in involving the community in decision-making during the development of major infrastructure schemes. Community consultation is not only highly desirable in terms of major capital works, but there are requirements under the Environmental Planning and Assessment Act and the Local Government Act, which need to be satisfied. The aims of community consultation are to:

- Develop ownership of the service delivery issues by the community, and to gain agreement that action is required;
- Ensure that the concerns of the community, particularly social and environmental concerns, are taken into account;
- Allow the community to propose options it wants evaluated and ensure that the costs associated with decisions are acceptable; and
- Demonstrate to the community that Council is making the best decisions after the proper evaluation of all the issues.

Development and review of the Local Environmental Plan, new water supplies and storages, water treatment process improvements, revision of tariff structure and developer charges, water reuse strategies all benefit from direct involvement of the community. Periods of public display, public comment and notices to ratepayers and business groups to advertise the opportunity to comment are typical consultation processes.

Methods that Council uses to consult the community include:

- Project specific advisory committees (e.g. IWCM)
- Community meetings (as appropriate)
- Public meetings and village tours (as required – for example school trips to the STP)
- Public forum at Council meetings
- Councillors' feedback
- Newsletters/Media (with rates notices)

Following aspects are considered when undertaking community consultation:

- Members of community who are not directly affected by a project may also have concerns;
- There must be a balance between due process and risks in order that a satisfactory level of progress can be maintained; and
- While community consultation on projects is highly desirable, it can be a lengthy and costly process. Project lead times and budgets need to be programmed to take account of this.

Proposed water supply and sewerage issues that Council will consider for community consultation include:

- Liquid Trade Waste Policy implementation
- Reclaimed water reuse program
- Potential STP upgrade to meet EPA requirements
- Service extension under the LEP and to rural areas
- Section 64 charges review

Council intends to maintain the existing methods of consultation as identified in Council's Community Engagement Policy for all major capital works or decisions.

Table 8-12: Objectives & Actions – Community Involvement

Objective 8: Community Involvement					
Engage the community in consultation in the delivery of water supply/sewerage services as required					
Performance Target					
Advise Council of prospective consultation program annually in April					
Strategies					
Implement Community Engagement Policy process to suit					
Action	**Start**	**End**	**Responsible**	**Cost ($'000)**	
				Implement	**Ongoing**
Review of prospective consultation program and report to Council	As required		DOE		NAE
Liaise with the community and carry out stakeholders consultation for projects in accordance with the program	As required		DOE		NAE

9 Environmental Protection and Sustainable Development

The Environment objective addresses Council's intentions in managing the water supply and sewerage schemes to minimise the impact on the environment, protect environmentally sensitive areas and promote ecological sustainability.

It is recognised by Council that a responsible, region-wide approach to environmental protection and sustainable development is needed. Council's vision is to conserve and enhance the natural environment through sustainable management practices. Council's program will focus on identifying sensitive areas and undesirable outcomes. The driver is simply the need for the improvement of existing practices. As part of Council's due diligence, the following will be considered:

- People want water quality suitable for a diverse range of water uses;
- Achieving environmental objectives should strengthen, not threaten the local economy; and
- Local knowledge and enthusiasm for sustainability should be harnessed.

Council has carried out an IWCM evaluation study (finalised in February 2012) and has developed strategies that are being implemented. The IWCM measures seek to minimise the impact of water supply and sewerage systems on the environment.

The table below summarises the 'state of the environment' in regard to water supply and sewerage operations.

Table 9-1: Brief Environmental Impacts Summary

Receiving Environment	Location	Activities impacting on the environment	Response of the Council/ Government/ Community
Land	Waste disposal sites	Disposal of detritus, screenings and sludge from STP and WTP	• Land burial • Safe storage of alum sludge on site for disposal in approved landfill
		Effluent reuse on land	• Stringent environmental impact monitoring protocols
Air	Sewage pump stations and treatment plant	Bacterial breakdown of organic compounds during the transport and treatment of wastewater creates malodorous compounds	• Ongoing maintenance of pumping stations, pipes and vents • Monitoring and control of liquid trade waste contributors through the trade waste policy • Monitoring and control of septic tanks wastes received s STP
Ground Water	Rising water tables	Excess irrigation Use of chemical fertilizers and pesticides	• Soil salinity control • Improved soil drainage
Water supply (river/ creek)	Access	Potential for contamination	• Riparian zone acquisition • Fencing, signboards, community education
	Agricultural run-off	Contamination of water source by harmful chemicals	• Liaising with Catchment Management Authority
	Receiving water quality	Downstream pollution	• Minimise discharge

Key aspects of environmental management relating to Council's water supply and sewerage services include:

- Responsible management of catchment areas
- Improving raw water quality through liaison with State Water and improved communications and early warning mechanisms regarding algae, chlorine and manganese issues
- Disposal of sludge, backwash waste and effluent
- Sewage overflows, cross-connections and potential for pollution of groundwater and rivers
- Management of septic tank waste transfers

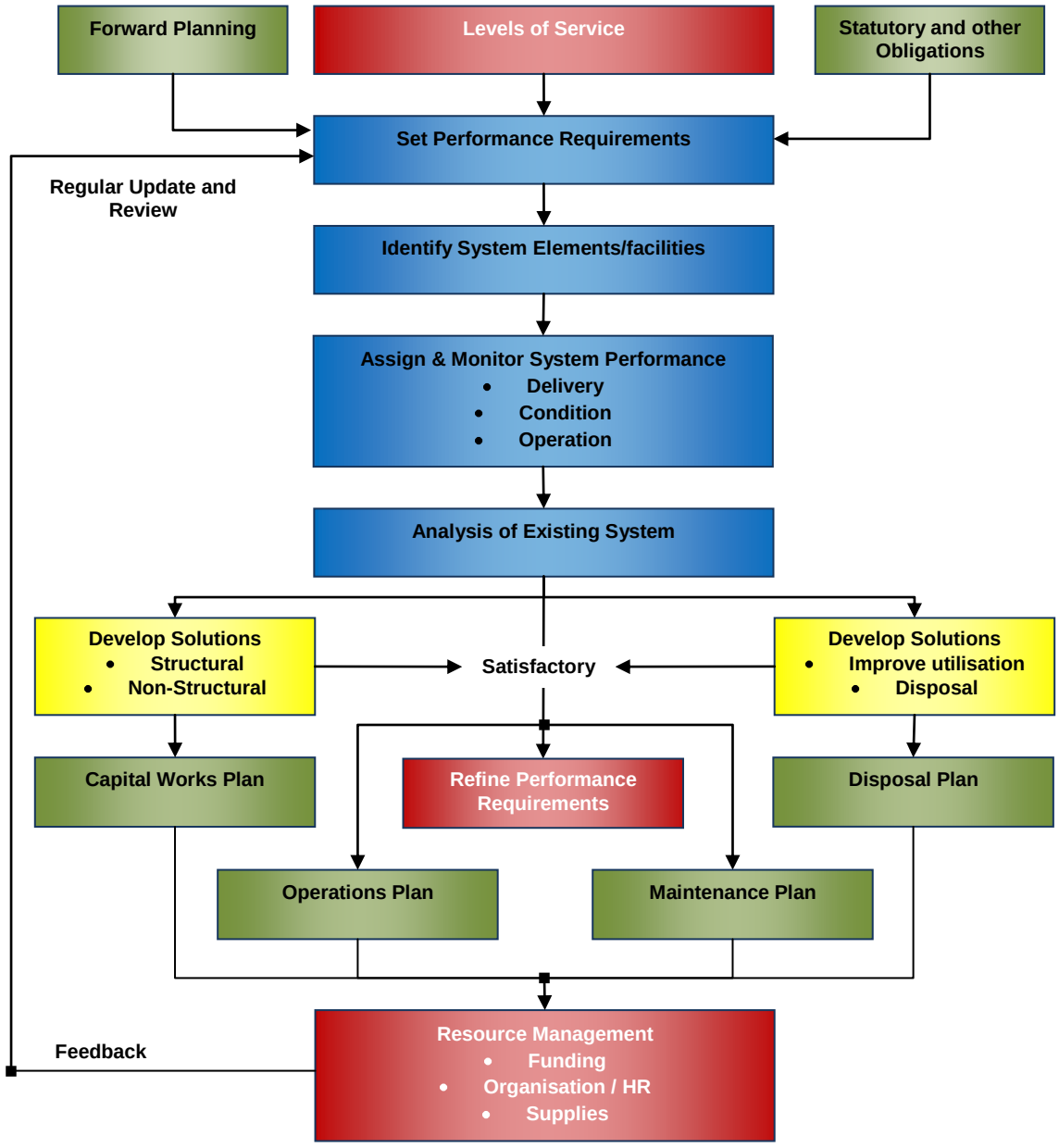
Table 9-2: Objectives & Actions – Environment & Sustainability

Objective 9: Environmental Protection and Sustainable Development					
Achieve minimal impact from water and sewerage operations on the local environment and optimise compliance with environmental legislation to ensure sustainability					
Performance Target					
Review sludge management and trade waste disposal systems at STP by June 2013					
Strategies					
Identify and manage potential risks to the environment, including liaison with relevant authorities					
Action	**Start**	**End**	**Responsible**	**Cost ($'000)**	
				Implement	**Ongoing**
Identify potential risks and areas of environmental improvement	Ongoing		DOE		NAE
Monitor implementation of trade waste policy	Ongoing		DOE	Refer to Section 8.3: Sewer Load Management	
Implement IWCM strategies				Refer to Section 10.3: Capital Works	
Meet EPA licence conditions		Ongoing	DOE		NAE
Meet NOW and NSW Health licence conditions - Drinking Water Management Plan - Liaise with State Water		Ongoing	DOE		NAE
Monitor, review and optimise energy usage	5 yearly	Ongoing	DOE		10
Review sludge management and trade waste disposal systems at STP	March 2013	June 2013	DOE	10	

10 Total Asset Management Plan

This section contains information that Council will use in managing its water supply and sewerage assets throughout their whole life cycle. This includes asset creation, operation, maintenance, replacement and disposal. The Best Practice approach to asset management is outlined in Figure 12.

Figure 12 – Best Practice Asset Management Approach



Current Government policy is directed towards lifecycle asset management. Solutions in the past have often been capital intensive so there is potential generally to reduce capital works costs for councils over the long term. The 'best practice' flow chart describes a methodology for improving asset management planning. This model is not intended to reflect the structure of the Asset Management Plan but rather provides a guide for continuous improvement. Some of the benefits of implementing this model are:

- Appropriate asset solutions;
- Optimal balance of capital works and maintenance;
- Maximisation of asset life and utility; and
- Cost effective and sustainable asset management.

The type of asset portfolio involved in the water supply and sewerage services warrants significant investment of resources for its management. Council intends to adopt a Total Asset Management (TAM) approach for the schemes' management to ensure that assets are managed as effectively as possible i.e. optimisation of the whole of the asset lifecycle rather than focusing on asset creation alone. Following the TAM Approach, this section of the business plan reviews and develops objectives and strategies for the management of:

- Operations;
- Maintenance; and
- Capital Works.

Each of these components of the Plan deals with separate issues relating to the Scheme, but since they are interlinked several combinations of structured and non-structured solutions could result in providing the same level of service.

The implementation of an asset management system by Council will provide a vital repository for Council's asset related information such as: asset location, aerial photographs, financial and asset costs, construction and acquisition details and other asset attributes such dimensions. Key functions of the system include:

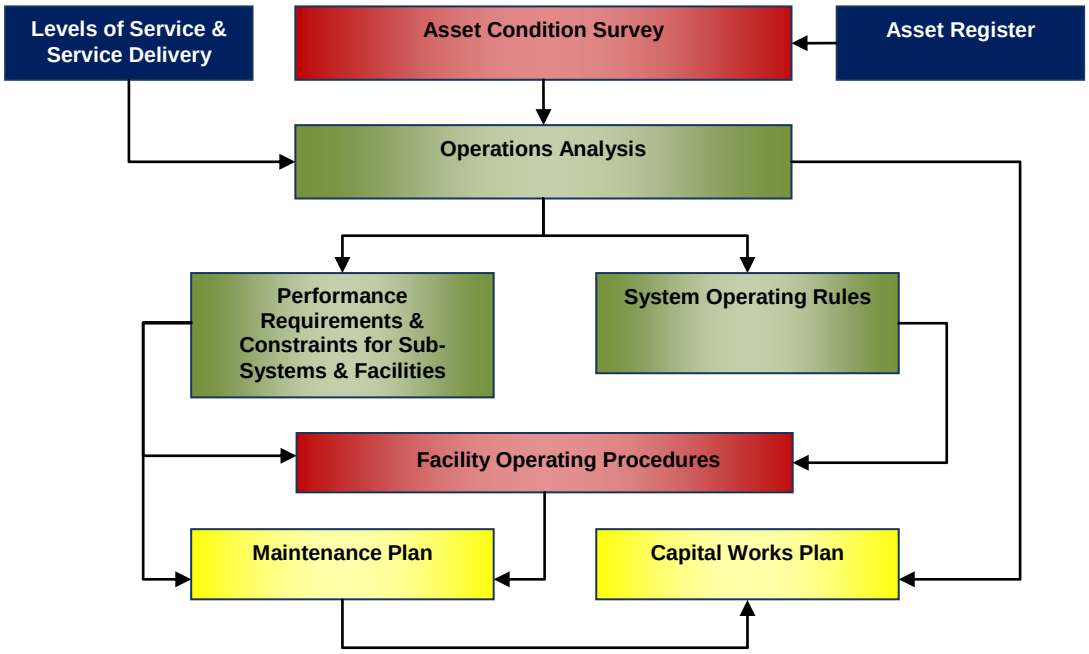
- Maintenance history;
- Maintenance planning;
- Operations management;
- Asset condition rating and values;
- Capital works planning;
- Asset disposals; and
- Customised reporting.

Anticipating the need for asset replacement is vital given the significant investment of resources involved and the need to ensure funds are available. Under the Total Asset Management approach a schedule of expected capital works is estimated into the future. Both current and projected capital works to satisfy future demands in terms of growth, improved Levels of Service and replacement of existing assets are identified. Appropriate operation and maintenance activities also are identified, to suit the desired level of service delivery. This includes documentation of the rules and procedures at system and facility level. All these details are used in the financial plan to ensure that required funds are available when needed.

10.1 Operations Plan

This section of the Plan outlines Council's strategy for operation of the water supply and schemes in the future. The function of an operations plan is to ensure that the service objectives are achieved at the least cost, with minimal interruptions to services. This may be achieved through the process illustrated in Figure 13.

Figure 13 – Operations Flowchart



Provision of the agreed Levels of Service to customers is dependent on the efficient and effective running of operations. An operations analysis will interface the operations and capital works plans by identifying what level of service the existing assets can provide and what additional works are needed to bridge any gap between existing and desired service levels.

The operations plan is based on knowledge of the system assets and as such there are ongoing requirements for maintaining an appropriate asset register and for investigating the condition of key elements of the systems that affect the ability to deliver the desired Levels of Service. Contingency operations plans (emergency response plans) should be developed where the impact of failure is significant. The existing inspection and maintenance procedures are appropriate, however the utilisation of improved technology need to be investigated.

Asset condition surveys required include inspection for main breaks in the water supply system and CCTV spot check inspection of sewer lines in the reticulation system. The Asset Register should be updated as an integral part of this recording process.

There are various documentation requirements for water supply and sewerage operations. Operating rules and procedures for both normal condition and breakdown contingencies need to be established. These should include system performance requirements and constraints, and cross reference to specific plant operations manuals (Water Directorate). Council recognises that a monitoring telemetry/ SCADA system leads to best operating efficiency and improves resource utilisation.

Further operations planning requirements for the Council are:

- Completion of documenting system operating rules and performance requirements for all subsystems and facilities;
- Improving the Assets Management System to enable identification of conditions of assets from assets register and maintenance reports; and
- Compliance with Work Health and Safety (WHS) requirements.

Existing operational systems, processes and procedures routinely deliver services that comply with levels of service and regulatory requirements.

Rapid changes in the operating environment in terms of customer expectations, improved environmental outcomes, resource conservation, higher regulatory standards etc. will require commensurate improvements in operations.

The age of the water infrastructure is relatively high; therefore programs such as water main cleaning and sewer main cleaning/root cutting will need to expand and be rigorously sustained.

Main operational issues include the following:

- Asset condition audit and monitoring program
- Monitoring of operational performance
- Documenting of operating procedures
- Implementation of mains and reservoir cleaning program to maintain water quality/ odour control
- Sewer mains cleaning/ root cutting on an annual basis
- Chemical dosing for SPS odour control and weed control around STP sites
- Conducting a review of energy usage
- Implementing recommendations of a Safety Audit and complying with WHS regulations

Council has developed a WHS Policy outlining the roles and responsibilities of all employees within the Council. As part of Council's ongoing commitment to Work Health and Safety requirements, all staff have been familiarised with the latest amendments to the WHS Act, Local Government Act 1993 and the Protection of the Environment (Operations) Act 1997.

Work health and safety hazards in the water supply and sewerage operations include:

- Bacterial contamination
- Falling into storages/ reservoirs
- Falling off structures
- Moving heavy mechanical parts
- Chemical exposure and handling
- Injuries due to sharps
- Electrical injuries
- Confined spaces

As part of Council's ongoing commitment to Work Health and Safety requirements, all staff have been thoroughly trained in the relevant amendments to the WHS Act 2011, Local Government Act 1993 and the Protection of the Environment (Operations) Act 1997. The following table summarises Council's WH&S performance during last 3 years.

Table 10-1: WHS Performance

Performance Indicator	2009/2010	2010/2011	2011/2012
Lost time due to injury (hours)	0	0	0
No. of Workers compensation claims	0	0	0

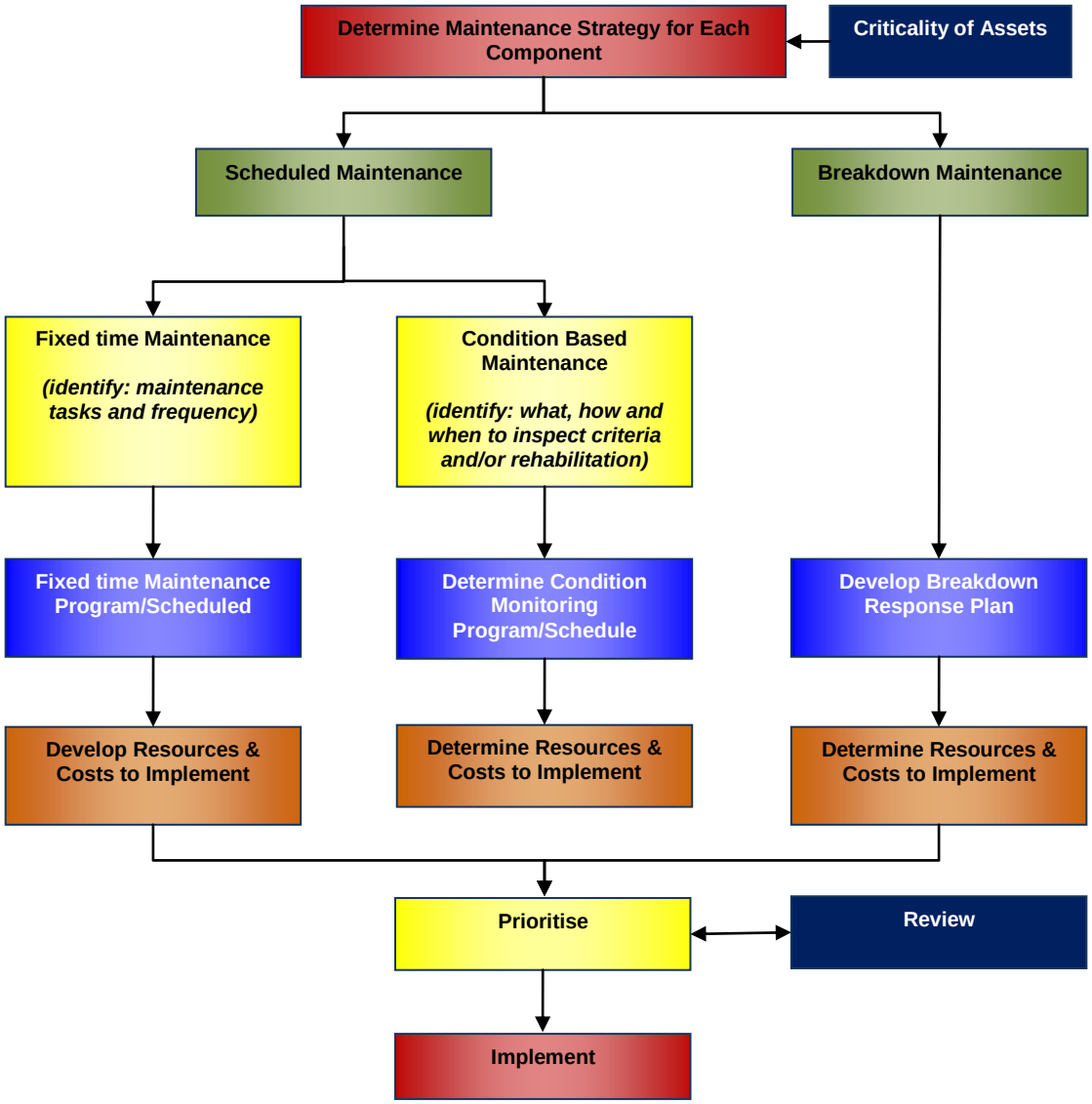
Table 10-2: Objectives & Actions – Operations

Objective 10: Operations					
Develop an operations plan to ensure a reliable, safe and efficient service that meets levels of service at minimum operating costs					
Performance Target					
Review, update and formalise Operations Plan by June 2014					
Strategies					
Develop, implement and maintain an Operating Plan					
Action	**Start**	**End**	**Responsible**	**Cost ($'000)**	
				Implement	**Ongoing**
Develop and maintain asset management system - Updating asset register - Asset condition monitoring			 AA AA/DOE		 NAE NAE
Asset revaluation	2013	5 yearly			5
Review, update and formalise Operations Plan Project plan - Operations analysis - Updating procedures and practices manuals - Operating Rules	April 2013	June 2014	DOE	10	
Update Operations Plan	5 yearly	Ongoing	DOE		NAE
Emergency response planning (contingency plans) - Implement Drinking Water Management Plan - Prepare and implement management system for STP and reticulation system			 DOE DOE	 NAE 15	
WHS risk management review of water and sewerage facilities			DOE	20	
Reservoir cleaning	2013	Ongoing 3 yearly	DOE		4
Implementation of GIS layers for water and sewer infrastructure	July 2013	Sep 2013	DOE / DOC	15	

10.2 Maintenance Plan

The Maintenance Plan is to ensure that the Operations Plan's outputs, reliability and availability of the sub-systems, facilities and components are achieved in the most cost effective manner. The most important factor is identification of the risk to system performance from failure of each asset. This leads to a minimum performance standard for each asset.

Figure 14 – Maintenance Flowchart



Records should be kept of maintenance and operations requirements. The aim is to reduce delays or periods of reduced service. Determine the limit of acceptable substandard operation and determine the cost effective breakeven point.

The most cost effective strategy for each asset (either by class or individually depending on the asset) should be identified as either:

- Scheduled maintenance - fixed time or condition based;
- Reactive maintenance - failure based

The thrust of the Government's total asset management guidelines is to make the best use of existing assets by implementing systematic maintenance and rehabilitation plans. It could therefore be that increased maintenance costs will result from a critical review of the maintenance area. This in turn would be expected to be more than compensated for by a reduction in the need for capital works.

A complete assessment of the system is needed for the development of sound strategies to ensure the Levels of Service are not jeopardised by failure to address maintenance problems. A maintenance plan is needed to incorporate appropriate maintenance schedules and procedures. This should include references to specific plant maintenance manuals.

The Maintenance Plan has to consider the following information and issues on the existing system:

- Need to review and update the Maintenance manuals and the Maintenance Plan;
- Criticality analysis of systems to identify components of high risk and refine the maintenance strategy;
- Need for refresher training of key staff dealing with mission critical functions;
- Maintenance has largely been on a fail and fix regime with no computer based maintenance management system. Asset audits – power, fire, M&E, spares, general condition audits etc. are necessary.

The expansion of some programs will require resources and it is possible that current activities such as grounds maintenance and water meter reading could be outsourced to release resources.

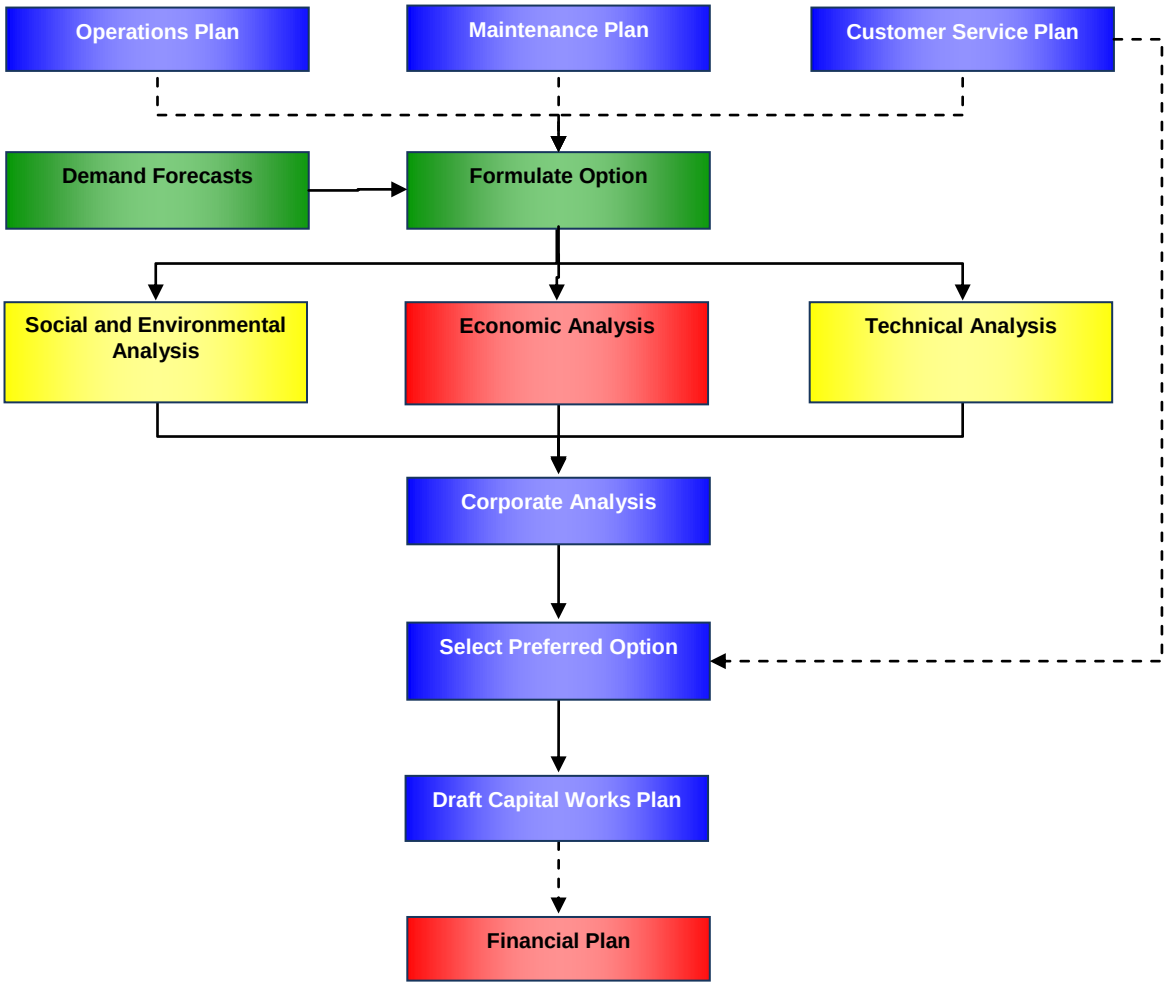
Table 10-3: Objectives & Actions – Maintenance

Objective 11: Maintenance					
Optimise maintenance to achieve agreed levels of service at minimum long-term costs.					
Performance Target					
Review, update and formalise Maintenance Plan by June 2014					
Strategies					
Implement the Maintenance Plan					
Action	**Start**	**End**	**Responsible**	**Cost ($'000)**	
				Implement	**Ongoing**
Maintenance strategy review (including asset criticality analysis)	June 2013	September 2013	DOE / WSE	NAE	
Review, update and formalise Maintenance Plan - Project plan - Predictive maintenance for critical assets - Scheduled maintenance for less critical assets - Breakdown maintenance strategy	June 2013	June 2014	DOE / WSE	10	
Review and update maintenance manuals and system schematics	July 2014	June 2015 (ongoing)	DOE/ EAC		
Treatment plants and pumping stations cleaning and painting program	2014	Ongoing	WSE		10
Refurbishment of metalwork and covers for STP digesters	January 2014	June 2014	WSE	30	
Plan and prepare an inventory of spare parts and support equipment	June 2013	July 2013	WSE / Operator	NAE	
Engineering records management (including combining existing systems)	Ongoing		DOE		NAE
Undertake operating and maintenance cost analysis	Ongoing		DOE / WSE / FM		NAE

10.3 Capital Works Plan

The capital works plan should make an assessment of scheduled work for growth, non-growth, and rehabilitation works over a 30-year period.

Figure 15 – Capital Works Flowchart



The Capital Works Plan is of crucial importance because water supply and sewerage infrastructure is capital intensive and the construction and renewal of facilities can have a significant impact on Council's overall finances.

In the process of preparing the Capital Works Plan, the following points have been considered:

- The development of water supply and sewerage schemes is a long-term investment, and must be integrated with Council planning policies.
- The capital works strategy needs to be regularly updated to take account of changing conditions.
- Consideration of the costs and benefits of alternative options.
- Acceptance by the community of the development proposals and costs.

A summary of the 30-year capital expenditure program is shown in Section 12. On the forward budget for the water supply and sewerage schemes of the Shire, the following specific capital works needs have been addressed:

- Replacement and renewal of membranes in WTP
- Renewal of reticulation and trunk water mains
- Renewal of pumps in SPS
- Sewage treatment plant upgrade

Further work is required to develop the capital works projections however the level of cost based on the current short term program and estimates for renewals in line with depreciation, provide an acceptable order of costs for the purposes of this Plan.

The forward budget for the sewerage/water supply schemes addresses the following issues:

- Water mains replacement
- Augmentation and refurbishment of STP / SPS components
- Sewer mains relining/ replacement

Table 10-4: Objectives & Actions – Capital Works

Objective 12: Capital Works					
Capital works program that includes provision for new assets and gradual asset replacement program and provides agreed levels of service at optimal life-cycle costs to meet social, economic and environmental considerations					
Performance Target					
- Complete replacement of WTP membranes by June 2013 - Refurbishment of metal work and covers for STP digesters by June 2014					
Strategies					
Develop and implement a 30-year capital works plan					
Action	**Start**	**End**	**Responsible**	**Cost ($'000)**	
				Implement	**Ongoing**
Develop a long-term (30-years) capital works plan - For improved levels of service - For growth - For renewal/ replacement	July 2012	Ongoing	DOE	Refer to the 30-year Capital Works Plan	
Implement a long-term capital works plan	As required		DOE		

11 Workforce Plan

The aim of the Workforce Plan is to ensure that Council has the appropriate staff numbers with the necessary skills to meet current and future requirements. If these are in order, Council's Levels of Service can be met.

At Oberon Council, the General Manager delegates authority to the Director of Works and Engineering (DWE) to manage all the water supply and sewerage schemes, who in turn delegates the responsibility of the day to day operation of the schemes' operation, maintenance and performance to the Water and Sewerage Manager (WSM).

The water and sewer section has 6 full-time staff and 3 part-time staff, who together operate and maintain the water supply and sewerage schemes. The staff also take-up private works as part of their Council duties and is revenue generating activity.

As part of the Work Force Plan, Council will ensure the following:

- Operators are familiar with all current practices including WHS requirements;
- An up to date training program is in place for all staff (in particular training the treatment plant operators);
- There is succession planning for senior technical staff;
- Reviewing of job appraisal and jobs award scheme; and
- Additional resources including Trainee/ Apprentice for servicing new schemes and/or service areas, as required.

Organisational Structure – Management Details

The organisation structure was reviewed by Council in March 2013. Current organisational structure and the staff structure of water utility operations are presented in the following pages.

OBERON COUNCIL – there are 9 elected members representing the whole of the Oberon Local Government Area. Elections were held in September 2012. The LGA is approximately 3600km2 serving a population of around 5500 people. More accurate details are shown in the CSP 2013 document.

COUNCIL COMMITTEES - There are presently two (2) Committees, comprising the whole of the elected members of Council. These are the Finance Committee and the Works Committee. These Committee Meetings follow the Council's adopted Code of Meeting Practice and are generally less formal than a Council Meeting. It is proposed that these two Committees make their own decisions as All Councillors are members.

COUNCIL COMMITTEES - SECTION 355 (Advisory Committees)

To assist Council in managing community activities a number of Advisory Committees have been formed. These Committees do not have decision making power or authority to commit expenditure. Membership on these Committees is either voluntary of by appointment from Council. All recommendations of these Committees are referred to Council for consideration. In June 2013 the Council reviewed the Committee Structure.

GENERAL MANAGER (see also GENERAL MANAGER'S UNIT below)

The General Manager (GM) is appointed by Council, on a performance based contract, to oversee and manage the day to day operations. The GM is also assisted by three Directors. Council does not manage or direct staff, other than through the adopted CSP, Delivery Program and other Plans.

GENERAL MANAGER'S UNIT / EXECUTIVE and CUSTOMER SERVICES

These work units support the GM with work associated with Communication & Support Services to enable effective functioning of the Elected Council, Tourism and Human Resources. Main staff is the Executive Coordinator, Human Resources Coordinator and Work Health & Safety Coordinator.

FINANCE and COMMUNITY SERVICES DIRECTOR

The Director oversees Council's Finances, the preparation of Annual Financial Statements, Revenue and Cash Flow Management, Investments, Contract Management, Information Technology, Asset Management, Accounting Systems and Leasing arrangements, and a range of Community Services. The main support staff for the Director is the Finance Coordinator and Community Services Coordinator.

PLANNING and DEVELOPMENT DIRECTOR

The Director manages the Development Control, Health and Building approval processes, along with Environment and Heritage control, Animal and Stock Control. An important function of this position is the development of a Land Use Planning Strategy, Development Control Plans and a Local Environmental Plan for the whole of the Oberon Local Government Area. The main support for the Director is the Health & Building Manager.

WORKS and ENGINEERING DIRECTOR

The Director is supported by professional and technical specialists to manage major infrastructure. This includes the road network (Local, Regional and State Roads), Water and Wastewater (sewerage scheme), Public Amenities, Parks and Gardens, Sporting Ovals, Plant and Fleet Management, Workplace Health & Safety and Risk Management. The majority of the workforce is employed in this area.

Figure 16 – Oberon Water Utility Organisational Structure

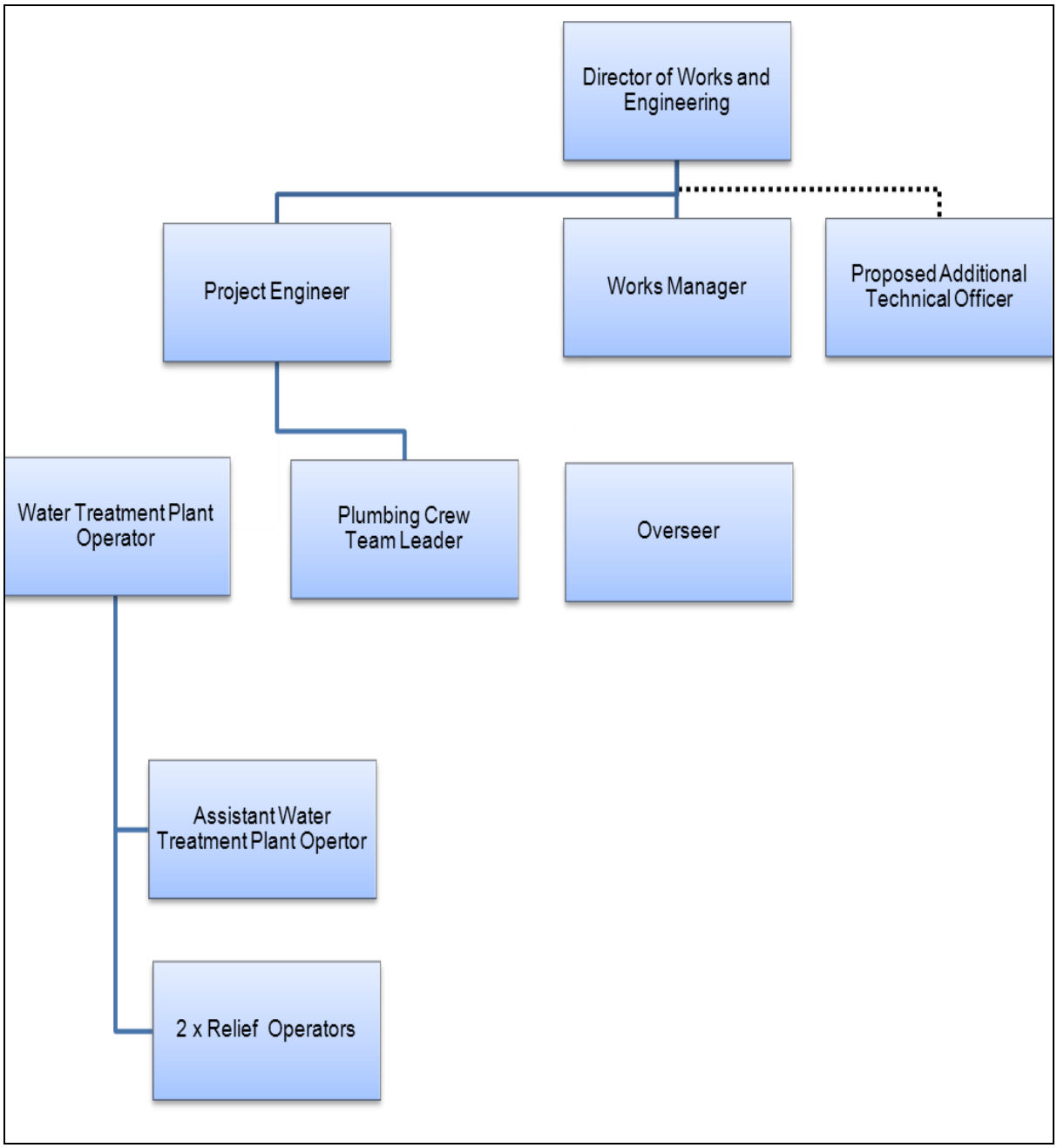


Table 11-1: Objectives & Actions – Workforce

Objective 12: Workforce					
Provide the appropriate level of skilled and trained staff to meet the service delivery objectives.					
Performance Target					
Review and update workforce plan by April 2013					
Strategies					
Develop and implement a workforce plan					
Action	**Start**	**End**	**Responsible**	**Cost ($'000)**	
				Implement	**Ongoing**
Carry out workforce plan review and update as required - Position analysis - Needs analysis	April 2013	Annually	DOE / HRM / WSE		NAE
Implement workforce plan requirements	Ongoing		DOE / HRM / WSE		NAE
Develop and implement succession training program - Managers - Plumbers	March 2013	June 2013	DOE / HRM / WSE		NAE
Recruit new staff - Technical Officer	July 2014	Ongoing	DOE/ HRM		80
Staff performance assessment and review	April 2013	Annually Ongoing	DOE / HRM / WSE		NAE
Develop and implement training and retraining plan - Confined spaces training	April 2013	Annually Ongoing	DOE / HRM / WSE		NAE
Review staff development program	April 2013	Annually Ongoing	DOE / HRM / WSE		NAE

12 Financial Plan

12.1 Overview of Financial Planning

The purpose of the Financial Plan is to enable Council to determine the revenues needed to meet the Levels of Service over the long term and effectively manage the cash flow.

Legislation requires separate accounting for water supply and sewerage services and the elimination of cross subsidies from Council's General Fund or other areas. Any cross subsidy deemed necessary by Council should be explicitly noted.

Council's commitment to provide the Levels of Service described in this document requires collection of revenues of the order shown in the detailed tables and graphs in Appendix I. Estimates of the cost of activities in the action plan have been modelled using the NSW Financial Model (FINMOD) issued by the NSW Office of Water (NOW) and represent the best projection of future costs possible at this time. Actual billings will depend on the levels of developer charges and pricing structure adopted.

Generally, recurrent operating costs should be covered by the annual water supply and sewerage charges. Capital funds are drawn from the following four sources:

- Developer charges;
- Government grants;
- Annual water supply charges / cash; and
- Borrowing.

In accordance with the NOW Financial Planning Guidelines, Council will develop its long-term financial models and establish a steady price path. This will be used to set the pricing structure in accordance with the NOW August 2007 Best Practice Management Guidelines.

Council's objectives and actions with respect to financial planning are outlined in the table below.

Table 12-1: Objectives & Actions – Financial Planning

Objective 13: Finance					
Provide long-term financial plans for water and sewerage operations and asset replacement, capital works and debt servicing in order to achieve a sound financial position and affordable customer charges					
Performance Target					
Review administrative costs for water and sewer by June 2013					
Strategies					
Maintain a 30-year financial plan which funds identified works and services for maintaining affordable levels of service					
Action	**Start**	**End**	**Responsible**	**Cost ($'000)**	
				Implement	**Ongoing**
Review cost projections for long term Financial Plan	Annually	Ongoing	DOE / WSE		
Review administrative costs for water and sewer	March 2013	June 2013	DOC / DOE		
Update Financial Plan	Annually	Ongoing	DOE		
Identify and apply for suitable funding/grant opportunities	Ongoing		WSE		
Establish a price path for setting the price tariff in accordance with the NOW guidelines.		5 yearly	DOC / DOE	Refer to Section 8.6: Pricing	

12.2 Financial Planning Process

The objective of financial planning is to develop full cost recovery models based on life cycle management. It models appropriate funding strategies for the preferred service planning option and projects a price path for residential charges against which to assess affordability in the long term.

By taking a long-term view, financial peaks and troughs can be smoothed to provide the basis for a consistent charging policy and to highlight any current impact of future actions. The new NSW Financial Planning Model (FINMOD Version 4.0), issued by the NSW Office of Water (NOW) in November 2003, has been used for this modelling. A 30-year planning horizon has been adopted as recommended in the NOW Best Practice Guidelines. It is assumed that any government grants will be available as expected by the Council.

In establishing the financial plan a number of scenarios are explored in order to determine the best funding strategy for both water supply and sewerage. A minimum level of available cash is modelled to reflect risk of variable annual revenues to ensure the robustness of the price path for at least 4 years.

AAS27 reporting for the financial statements requires that all funds be declared as assets under cash and investments in the statement of financial position. Also, assets are valued on the basis of current replacement cost and depreciated according to their remaining lives compared with their expected lives.

All capital works estimates in the text are quoted in real (2012/13) dollars unless specified otherwise. The output data is quoted in real and inflated dollars.

When assessing affordability, note that a $1 charge now will be equivalent to $1.80 in 20 years' time, assuming a 3% annual inflation rate.

A summary of the input data and results are included in the following pages. Detailed financial input data and output financial projections are available in the Appendices.

12.3 The Financial Model

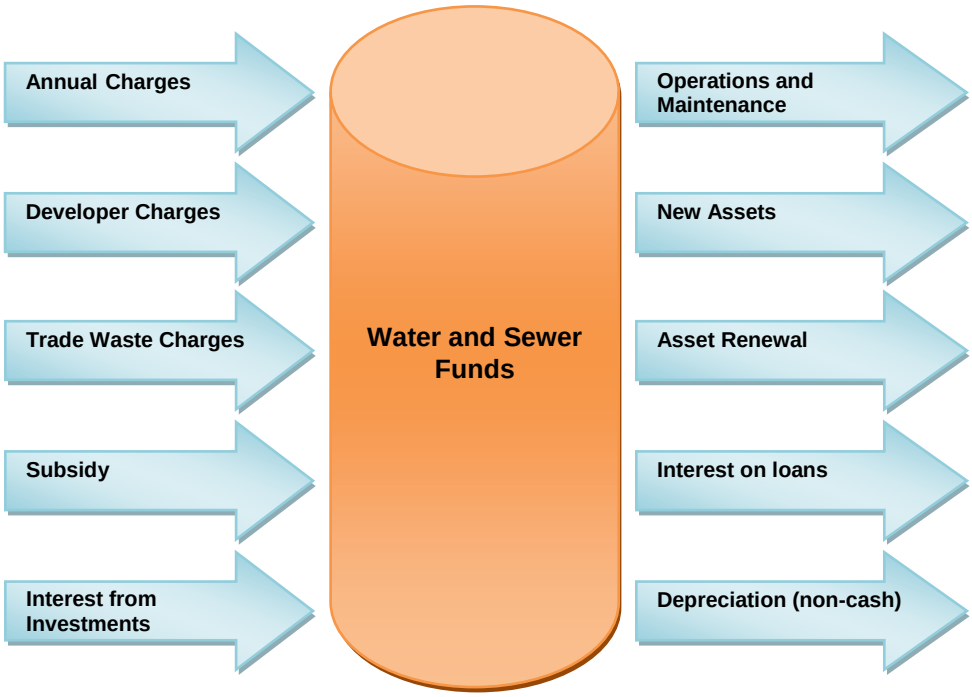
Inputs to the Financial Model

The financial model forecasts income streams to match projected expenditure. Figure 18 illustrates the main elements, which affect the financial plan.

The financial modelling undertaken in this plan aims to:

- optimise the long term funding strategy,
- meet the demands of the capital works program and other life cycle costs of the system assets,
- ensure a minimum level of cash liquidity, and
- provide a forecast of the typical residential annual charges over the long term.

Figure 17 – Elements of the Financial Model



Input data for the model is sourced from three main areas:

- AAS27 special schedules for past financial performance of the water and sewerage funds
- Estimates for uncontrollable variables e.g. interest rates, growth, inflation
- Projected capital works, and operations and management expenses

All other criteria being met, the financial plan seeks, after an initial adjustment, to model, in real dollars, the lowest steady level of charging possible. Actual bills will depend on Council's pricing structure but this is indicative of the affordability of the services and shows the performance requirements for long-term stability.

A number of variables and assumptions have to be entered into the model and these are first agreed to by Council. They include:

Opening Balances

Council's special accounting schedules are used to establish opening balances and baseline costs for the model. Financial statements for the last two years are compared to try to eliminate 'one off' occurrences from being incorporated as part of a normal trend.

Developer Charges

Council is planning to review and adopt a revised level of developer charges in accordance with NOW Best Practice Management Guidelines from January 2014 onwards. Current (2012/13) developer charges of $ 1,268/ET for water supply and $ 1,616/ET for sewerage has been used in the financial models.

Growth Projections

A customer service growth rate of 0.2% p.a. and has been adopted for the financial projections.

Inflation

Average long-term inflation has been assumed as 3.0% per annum.

Interest Rates

A borrowing rate of 6.5% p.a. and investment rate of 5.5% p.a. have been used in this analysis

Annual Revenue Splits

For water supply services, residential charges currently account for 40.4% of the water supply revenue through annual charges. Remaining 59.6% revenue is contributed by non-residential water customers.

For sewerage services, residential charges currently account for 63.2% of the sewerage revenue through annual charges. Remaining 36.8% revenue is contributed by non-residential customers.

The same level of revenue split has been used for all the forecast years.

Performance Measures

Council's minimum service criteria will have an impact on the level of charges required e.g. minimum cash level is generally assumed to be between 10-20% of annual revenues (excluding restricted revenues). For the financial models, $ 200 K (2012/13$) for water fund and $ 150 K (2012/13$) for sewer fund have been considered as minimum cash level.

Expected Lives of Assets

The default average life of system assets is based on the weighted average of long-lived structures and shorter-lived mechanical plant. The average life of water and sewerage assets is currently estimated to be approximately 70 years. The life of assets controls the depreciation, which is a non-cash expense. It directly affects the need for future asset renewal works planned, which is part of the capital works program.

Grants and Subsidy for Capital Works

The State Government provides financial assistance to local government water supply and sewerage schemes through the Country Towns Water Supply and Sewerage Program. Councils can apply for funding of up to 50% of Improved Level of Service (ILOS) capital works. These days allocation of grant funds works on a priority scoring carried out by NSW Office of Water.

Financial model for water fund considered that $275 K subsidy will be available for the WTP process upgrade works. Sewer fund financial model considers no subsidy for any of the planned capital works program during the forecast period. as expected by Council.

Ongoing Recurrent Costs: Management, Operations and Maintenance

By default, the model increases historical operation and maintenance expenses on a pro rata basis with respect to growth. This has been overridden where Council provided revised estimates i.e. where the action plan requires new initiatives or where new works require additional operating resources.

The capital works plan and projected operations and management expenses also form a significant component of the inputs. These are shown in the section 'Projected Cost Schedules'.

Assumptions and Limitations

The projections of the financial plans are based on past financial performance. Allowance is made for new initiatives, future rate forecasts, and maintenance of sustainable levels of service as identified in the strategic planning process.

The depreciation is shown in the operating statement but this is not a cash item. The financial planning model manages the cash flow but keeps a running tally of cumulative

depreciation so that Council can appreciate the potential future liability for maintaining the value in the system and levels of service. By planning ahead and making optimum use of existing assets, a more cost-effective and efficient service should result.

Typical annual residential charge is used as the performance measure representing overall revenue requirements from residential customers. This should not be confused with pricing. Pricing, i.e. distribution of the charges according to consumption or special customer groups, is the subject of a separate revenue planning exercise.

The financial model is not a substitute for normal budgeting (that is, short-term financial planning). The model assumes that all expenses and income occur at the beginning of the year and is therefore not appropriate to track cash flow throughout the year. It is important, however, that the budgeting process is carried out within the framework of the long-term financial plan.

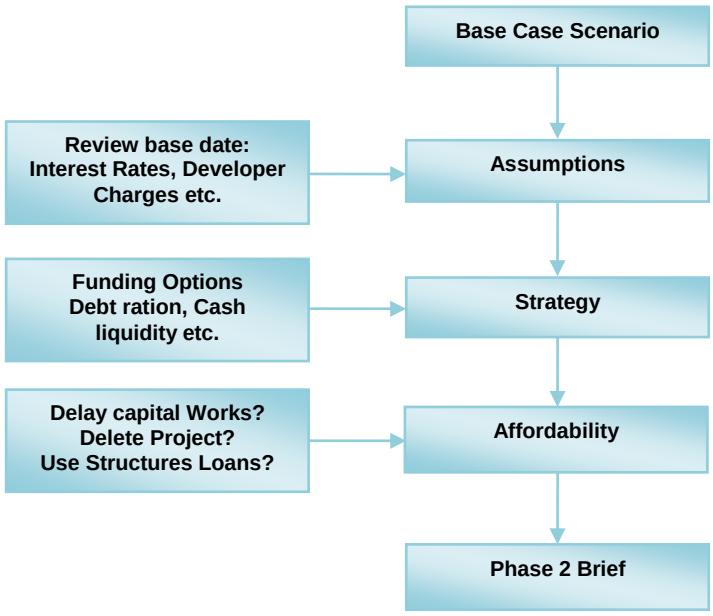
The Capital Works Plan provides a guide for estimation of long-term operation and maintenance costs. It is accepted that the level of confidence in these projections reduces with time but it is important to identify as many future commitments and liabilities as possible.

The Modelling Process

Phase 1 – Initial Runs

The objective of Phase 1 development is to present a first cut model of options for future service provision. Comparison of outcomes enables Council to make decisions as to the preferred model and the most beneficial and practical funding solution for the proposed asset management programs.

Figure 18 – Phase 1 Review of the Financial Model



Funding

In considering funding for future options there are three basic options:

- Fund all capital works from revenues.
- Borrow to fund all capital works.
- Fund capital works from a mix of borrowing and revenue

To establish the lowest level of steady rate of typical residential bills in reals terms a combination of cash management and borrowing will usually be required. The model outputs demonstrate the required financial management required to keep the plan 'on track'.

Where capital works costs are low and cash levels are high it may be possible to avoid borrowing but this may also suggest that current charges are too high. Longer period loans spread the cost of works over a longer period, eliminating early peaks in annual charges. Often there may be no choice except to borrow for major projects because collecting sufficient cash in advance is impracticable and would require an unacceptably high level of charges. In the Phase 1 runs of the model, the default loan period used was twenty years.

Phase 2 – Preferred Model and Sensitivity

After consideration of Phase1 issues preferred modelling options for each of the Water Supply and Sewerage funds has been adopted.

While the preferred model reflects the expected performance of the systems, it does not give any indication of the sensitivity of the proposed solution to the basic assumptions used, for example if the conditions prove significantly different in practice, there will be no information about the implications of the difference.

Sensitivity analysis has been carried out if it is perceived that a model variable may change significantly in the future. The value of a sensitivity analysis is that it shows:

- The sensitivity of the results to assumptions (uncontrollable variables); and
- The impact of changing controllable variables.

The guidelines suggest that a number of sensitivities be carried out to test the robustness of the plan. In regard to controllable variables such as type of loan structure, level of developer charges etc. the model enables Council to make decisions to establish the right management policies.

It is important to demonstrate the impact of the 'no subsidy' scenario, which shows the potential benefits of government assistance. Council's expectations for receiving subsidy are included in the final preferred model as being the most realistic future scenario.

With uncontrollable variables, Council is at the mercy of change. The downside risk of an increase in interest rates, or declining growth rates, or rise in energy costs, may be considerable. Increasingly the impact of water demand management may be felt in the future and expected water savings although resulting in loss of revenues, should be more than compensated for by deferment of capital works and lower operational costs.

On-going Review

Over time, changes in model variables can have a significant impact on the model's accuracy and this has implications for Council's forward planning. It is recommended that the models be revisited annually to ensure that they retain their currency.

12.3.1 Model Inputs

Projected Costs

Projected capital costs are split into three categories as outlined in Table 12-2. Projected recurrent costs include management, operation and maintenance costs as described in Table 12-3.

Table 12-2: Categories of Projected Capital Works

Category	Description
Growth Works	Work required to increase the capacity of facilities, to service new subdivision.
Improved Level of Service Works (backlog works)	Works to provide better public health and environmental standards, better service, higher reliability, or an extension of services to an existing unserviced development. Works in this category may be eligible for Government grants.
Asset Renewal Works	Renewal/replacement of existing assets, which have aged and reached the end of their useful life.

Table 12-3: Categories of Projected Recurrent Costs

Category	Description
Management	Reflects true overheads associated with providing this service. Any cross subsidies with General Fund should be eliminated or explicitly disclosed in the Annual Accounts.
Operations and Maintenance	It is assumed that the current level of costs shown in the Financial Statements reflects a realistic level of expenditure for the current schemes. The projections assume costs increased in proportion to the growth.
Model Cost Overrides	Additional costs are included where specific activities have been identified in future years. This includes new initiatives plus additional costs associated with new Capital Works.

The expected capital and recurrent cost expenditures are presented in Appendix E. A summary of capital works program including subsidies/grants, if any, is presented in Table 12-4. Projections are in real (2012/13) dollars.

Note it was assumed that no subsidies will be available for any planned capital works for sewerage during the forecast period. A subsidy of $275K for water supply capital works related to carbon filters and fluoridation of water supply and emergency bores has been considered in making the financial projections.

Historical and additional input data used for financial forecasts are shown in Appendix H.

Table 12-4: 30-years Capital Works Program - Water Supply

2012/13 $ ('000)	Growth and Minor Works	Improved Levels of Service	Asset Renewals	Total Capital Works	Expected Subsidy	Cost to Council
2012/13	0	0	190	190	0	190
2013/14	0	0	335	335	0	335
2014/15	0	50	270	320	0	320
2015/16	0	0	275	275	0	275
2016/17	0	200	335	535	100	435
2017/18	0	100	210	310	50	260
2018/19	0	250	10	260	125	135
2019/20	0	0	10	10	0	10
2020/21	0	0	10	10	0	10
2021/22	0	0	10	10	0	10
2022/23	0	0	160	160	0	160
2023/24	0	0	180	180	0	180
2024/25	0	0	110	110	0	110
2025/26	0	0	1,510	1,510	0	1,510
2026/27	0	0	110	110	0	110
2027/28	0	0	210	210	0	210
2028/29	0	0	10	10	0	10
2029/30	0	0	10	10	0	10
2030/31	0	0	10	10	0	10
2031/32	0	0	180	180	0	180
2032/33	0	0	530	530	0	530
2033/34	0	0	180	180	0	180
2034/35	0	0	110	110	0	110
2035/36	0	0	110	110	0	110
2036/37	0	0	110	110	0	110
2037/38	0	0	60	60	0	60
2038/39	0	0	10	10	0	10
2039/40	0	0	10	10	0	10
2040/41	0	0	10	10	0	10
2041/42	0	0	10	10	0	10
Total	**0**	**600**	**5,285**	**5,885**	**275**	**5,610**

Table 12-5: 30-years Capital Works Program - Sewerage Services

2012/13 $ ('000)	Growth and Minor Works	Improved Levels of Service	Asset Renewals	Total Capital Works	Expected Subsidy	Cost to Council
2012/13	0	0	10	10	0	10
2013/14	0	100	205	305	0	305
2014/15	0	75	917	992	0	992
2015/16	0	125	435	560	0	560
2016/17	0	125	435	560	0	560
2017/18	0	0	530	530	0	530
2018/19	0	0	110	110	0	110
2019/20	0	0	110	110	0	110
2020/21	0	0	110	110	0	110
2021/22	0	0	323	323	0	323
2022/23	0	0	282	282	0	282
2023/24	0	0	20	20	0	20
2024/25	0	0	10	10	0	10
2025/26	0	0	10	10	0	10
2026/27	0	0	10	10	0	10
2027/28	0	0	10	10	0	10
2028/29	0	0	10	10	0	10
2029/30	0	0	10	10	0	10
2030/31	0	0	10	10	0	10
2031/32	0	0	10	10	0	10
2032/33	0	0	10	10	0	10
2033/34	0	0	10	10	0	10
2034/35	0	13	255	268	0	268
2035/36	0	13	48	61	0	61
2036/37	0	625	1,885	2,510	0	2,510
2037/38	0	688	2,323	3,011	0	3,011
2038/39	0	0	10	10	0	10
2039/40	0	0	10	10	0	10
2040/41	0	0	10	10	0	10
2041/42	0	0	10	10	0	10
Total	**0**	**1,764**	**8,138**	**9,902**	**0**	**9,902**

12.4 Outcomes of Financial Modeling

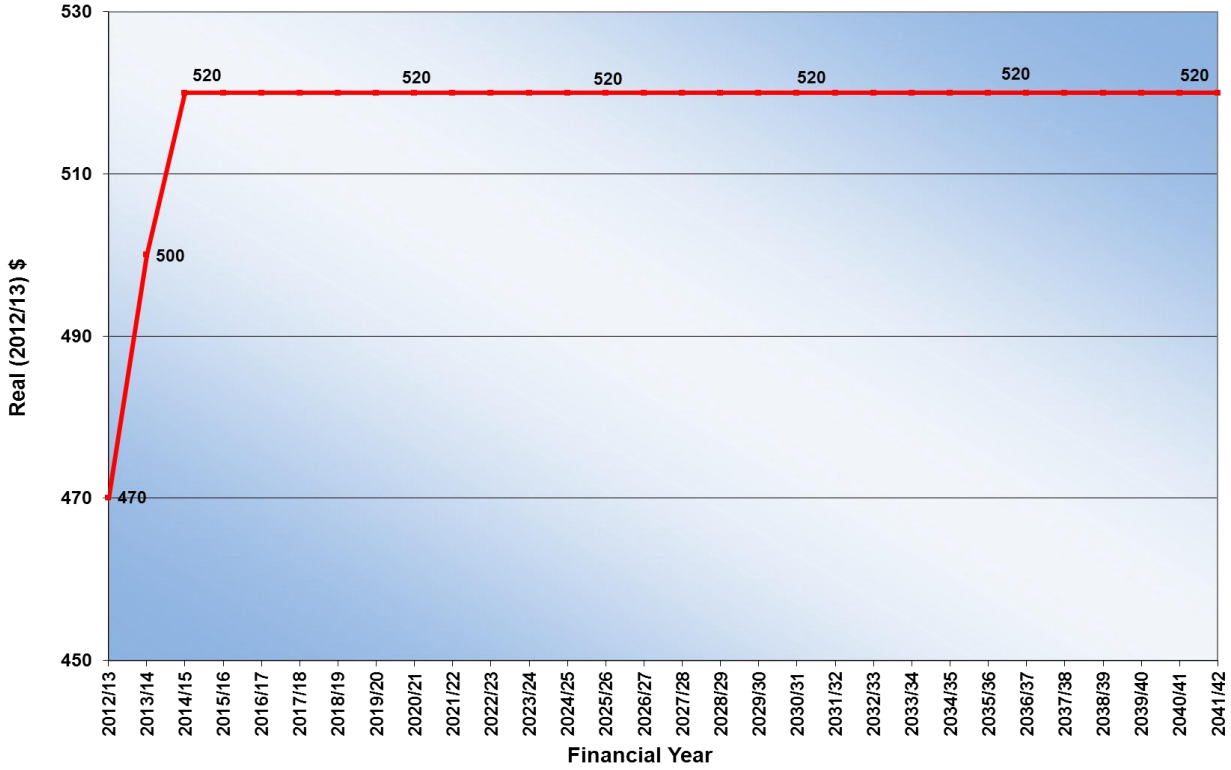
In line with current NOW guidelines, the financial plan identifies the lowest stable typical residential bill required with maximum utilisation of existing cash reserves.

12.4.1 Water Supply

The typical residential bill for water supply for 2013/14 has been ascertained as $515 p.a. ($500 p.a. in 2012/13 $). Financial model has demonstrated that the typical residential water bill (for a residential 20 mm connections), measured in 2012/13 dollars, will need to be increased from $500 to $520 p.a. from 2014/15 onwards and can be maintained at that level for the remainder of the forecast period (see Figure below). These projections have been modelled based on an annual adjustment for CPI/ inflation at the rate of 3% p.a.

The financial model will be reviewed and the forecasts updated after 3 years in accordance with Best Practice Guidelines.

Figure 19 – Typical Residential Water Bill



This level of typical water charges is sufficient to maintain liquidity with a minimum of $200K of cash in hand over the period.

The levels of cash and borrowing outstanding as the planned capital works program is implemented during the forecast period are depicted in the following Figure. The borrowing outstanding will reach a maximum of $519K in 2016/17 but will be fully retired by 2032/33. A summary of projected financial results is presented in the Table next page.

Figure 20 – Cash and Borrowing Projections - Water Supply

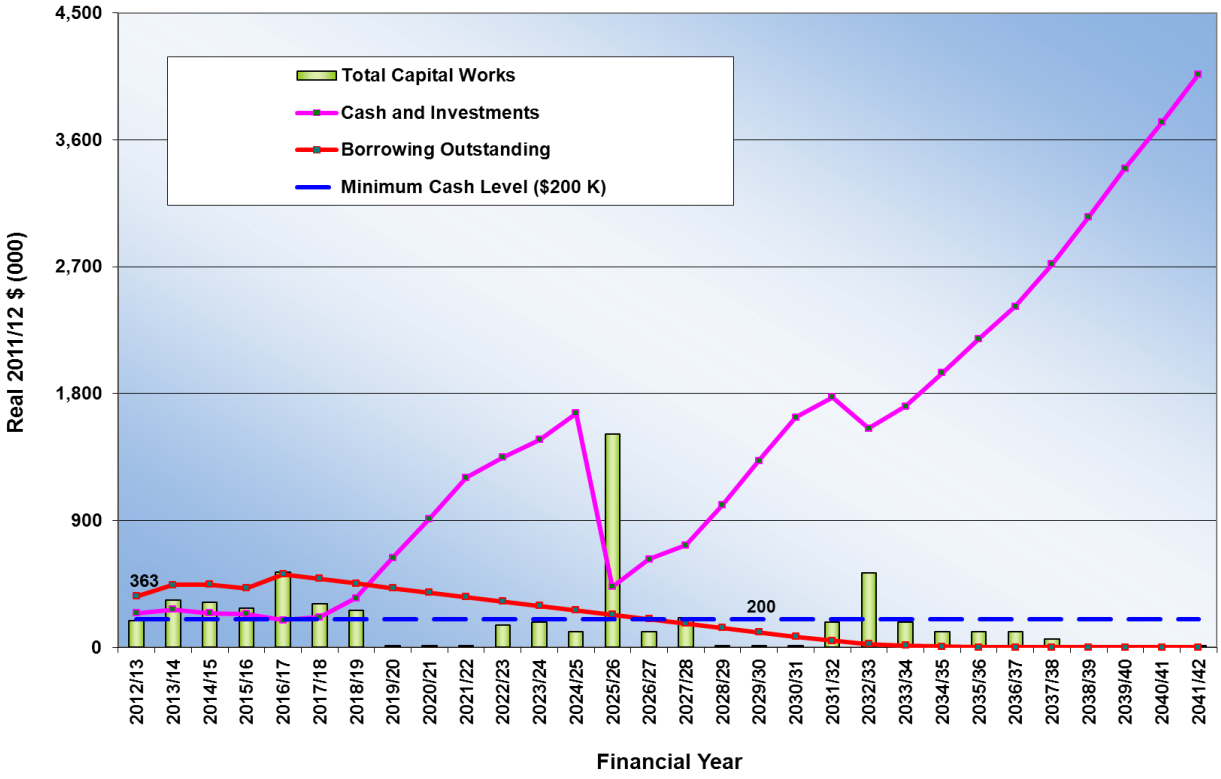


Table 6 - Projected Financial Results - Water Supply

2012/13 $ ('000)	Revenue and Expenses			Capital Transactions		Financial Position					System Assets			
Financial Year	Total Revenue	Total Expenses	Operating Result (Before Grants)	Acquisition of Assets	Principal Loan Payments	Cash and Investments	Borrowings	Total Assets	Total Liabilities	Net Assets Committed	Current Replacement Cost	Less: Accumulated Depreciation	Written Down Current Cost	Typical Residential Bills
2012/13	1,286	1,210	76	190	97	243	363	8,041	368	7,673	11,389	3,824	7,565	470
2013/14	1,379	1,260	118	335	111	268	442	8,227	447	7,780	11,389	3,647	7,743	500
2014/15	1,437	1,309	127	320	84	243	445	8,350	450	7,900	11,439	3,536	7,904	520
2015/16	1,438	1,309	129	275	13	237	419	8,446	424	8,022	11,439	3,420	8,019	520
2016/17	1,540	1,316	224	535	18	193	519	8,768	523	8,245	11,639	3,246	8,394	520
2017/18	1,494	1,303	191	310	17	214	487	8,921	491	8,430	11,739	3,199	8,541	520
2018/19	1,576	1,320	256	260	19	350	453	9,119	457	8,662	11,989	3,353	8,636	520
2019/20	1,466	1,307	159	10	20	635	420	9,180	424	8,756	11,989	3,508	8,481	520
2020/21	1,480	1,321	159	10	19	912	389	9,223	393	8,830	11,989	3,663	8,326	520
2021/22	1,493	1,308	185	10	20	1,205	358	9,268	362	8,906	11,989	3,818	8,172	520
2022/23	1,505	1,304	200	160	22	1,347	325	9,343	329	9,014	11,989	3,822	8,167	520
2023/24	1,511	1,304	207	180	22	1,472	294	9,420	298	9,122	11,989	3,806	8,183	520
2024/25	1,519	1,315	204	110	22	1,659	263	9,467	267	9,200	11,989	3,860	8,129	520
2025/26	1,491	1,297	194	1,510	24	430	232	9,942	235	9,707	11,989	2,514	9,475	520
2026/27	1,488	1,304	184	110	24	626	200	10,009	204	9,805	11,989	2,568	9,420	520
2027/28	1,493	1,300	193	210	25	724	169	10,105	173	9,932	11,989	2,523	9,466	520
2028/29	1,503	1,317	186	10	26	1,011	138	10,118	141	9,977	11,988	2,676	9,313	520
2029/30	1,517	1,295	221	10	26	1,324	108	10,136	111	10,025	11,988	2,829	9,159	520
2030/31	1,530	1,304	226	10	29	1,631	76	10,140	79	10,061	11,988	2,982	9,006	520
2031/32	1,538	1,296	242	180	29	1,775	46	10,211	48	10,163	11,988	2,965	9,023	520
2032/33	1,533	1,309	224	530	20	1,554	24	10,427	27	10,400	11,988	2,598	9,390	520
2033/34	1,538	1,304	235	180	11	1,710	13	10,503	16	10,487	11,988	2,581	9,408	520
2034/35	1,547	1,302	245	110	6	1,947	6	10,547	9	10,538	11,988	2,633	9,355	520
2035/36	1,555	1,297	258	110	6	2,189	0	10,588	3	10,585	11,988	2,686	9,302	520
2036/37	1,563	1,317	246	110	0	2,418	0	10,617	2	10,615	11,988	2,738	9,250	520
2037/38	1,573	1,301	272	60	0	2,717	0	10,623	2	10,621	11,988	2,840	9,148	520
2038/39	1,582	1,312	270	10	0	3,054	0	10,590	2	10,588	11,988	2,992	8,996	520
2039/40	1,593	1,308	285	10	0	3,397	0	10,551	2	10,549	11,989	3,145	8,844	520
2040/41	1,601	1,323	279	10	0	3,724	0	10,497	2	10,495	11,989	3,297	8,692	520
2041/42	1,610	1,308	302	10	0	4,064	0	10,443	2	10,441	11,989	3,449	8,540	520

Sensitivity Analysis

In accordance with the NOW Financial Guidelines, the following sensitivities have been modelled to determine the impact of various scenarios on typical residential bill for water supply:

Table 12-7: Sensitivity Analysis Variations for Water Supply

Criteria	Preferred Case	Sensitivity
Assessment growth rate	0.2% p.a.	0% p.a.
Subsidy	As expected by Council	No subsidy

The results of modelling are presented in both graphic and tabular form. Note that the cash and borrowings are similar to facilitate comparability between cases.

Figure 21 – Sensitivity of Typical Residential Bill - Water Supply

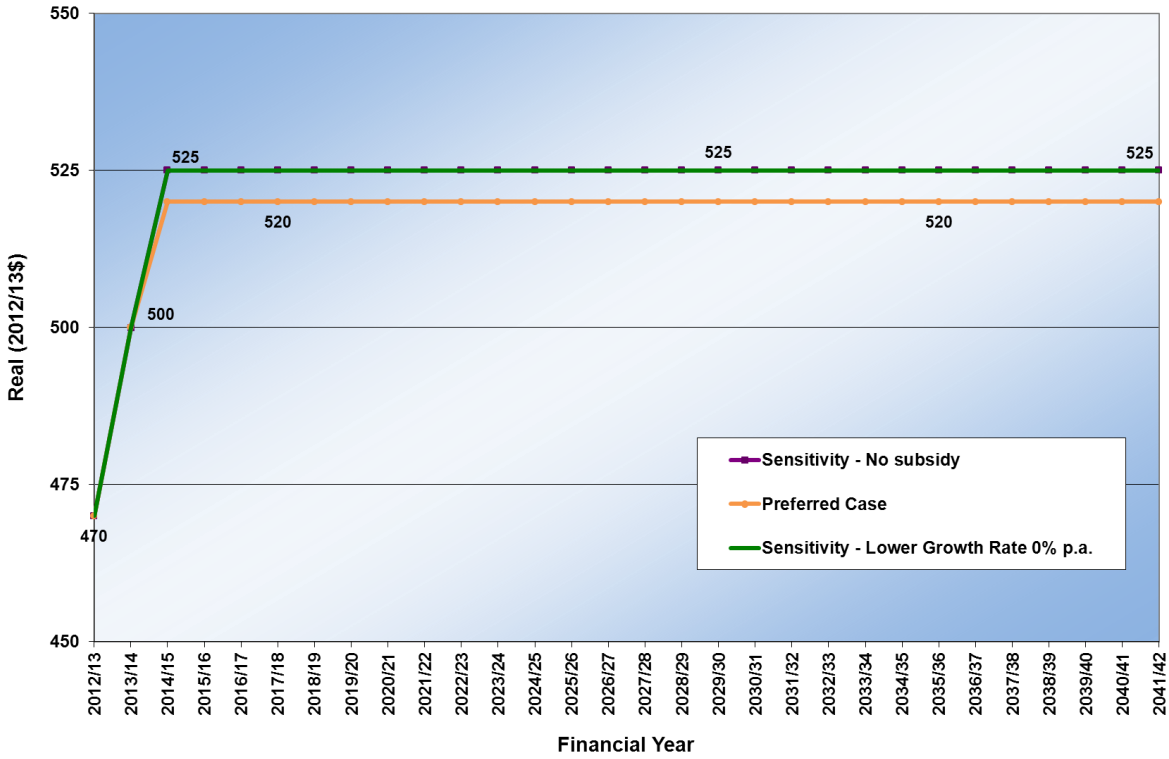


Figure 22 – Sensitivity of Cash Levels – Water Supply

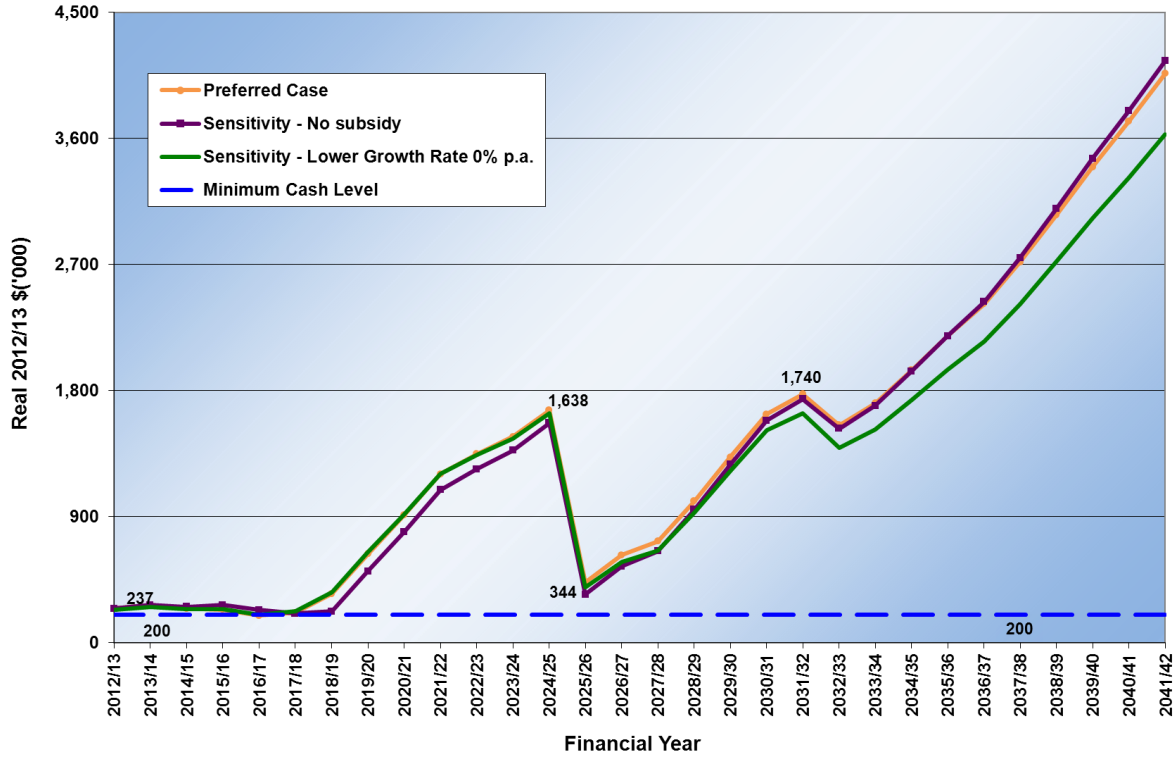
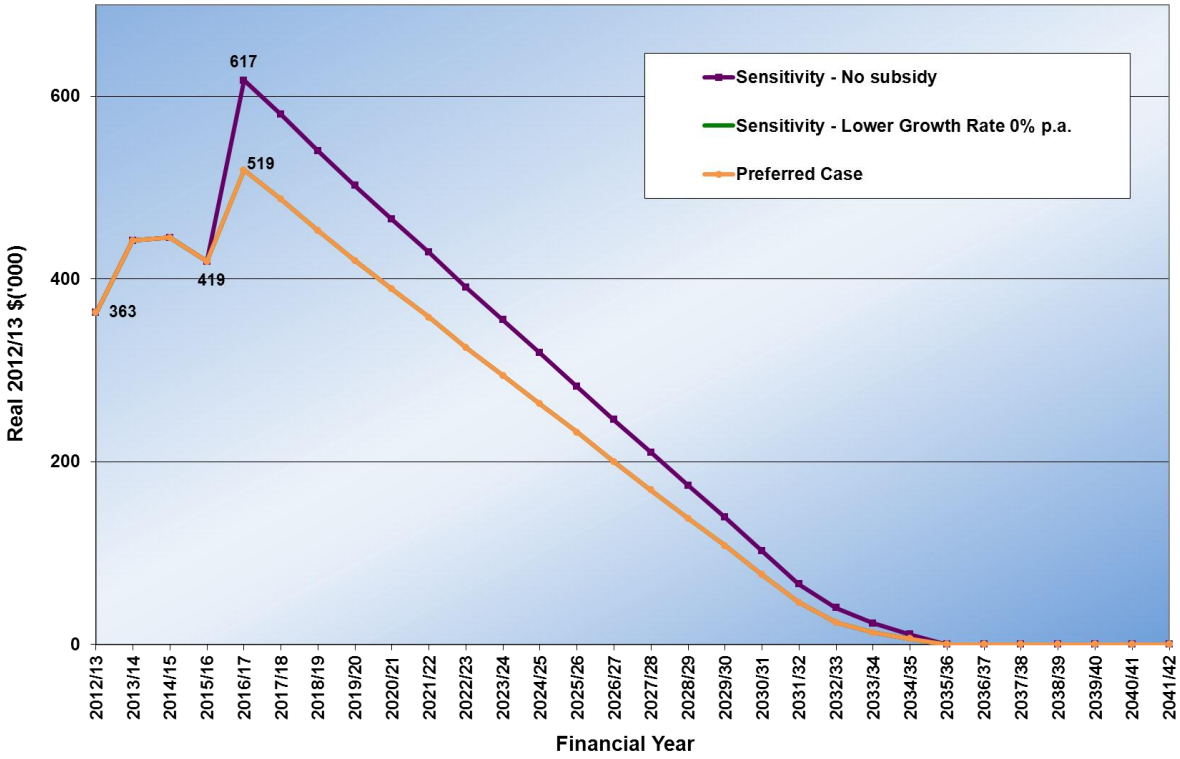


Figure 23 – Sensitivity of Borrowing Outstanding – Water Supply



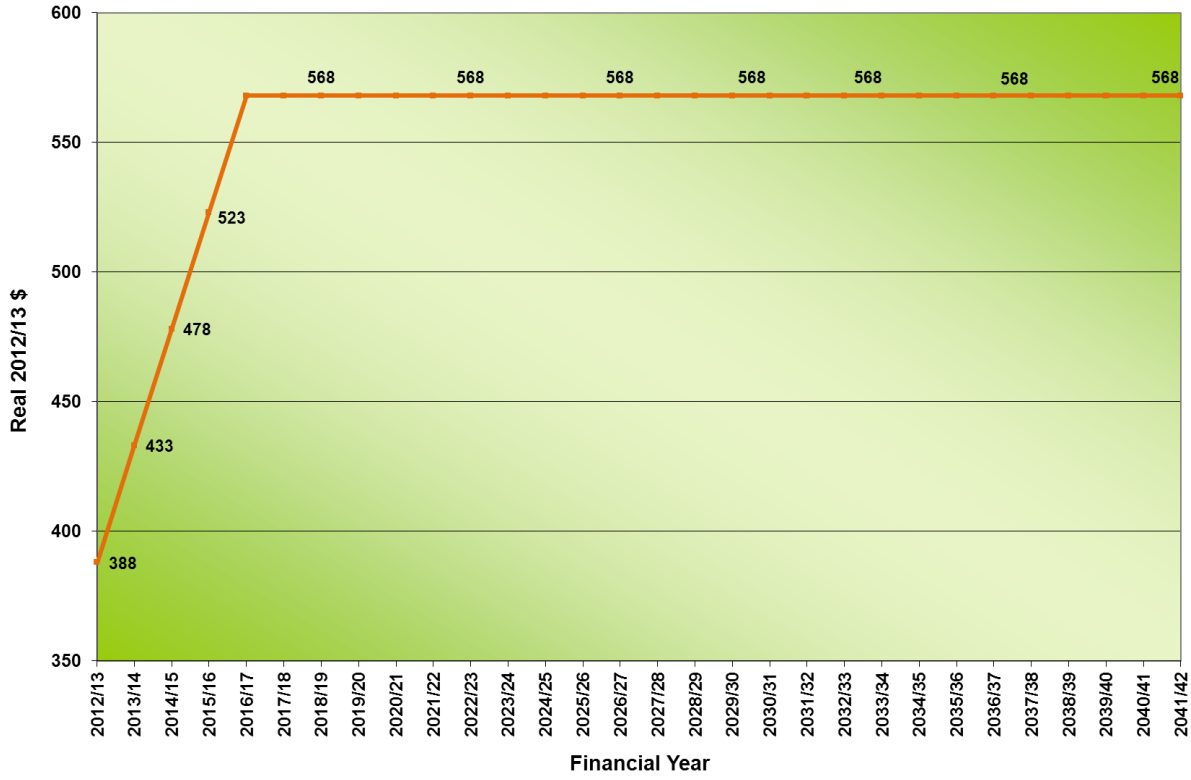
Sensitivity analysis indicates that the typical residential bill for water supply is slightly sensitive to lower growth rate. The financial model indicates the same level of sensitivity if subsidies for the water quality improvement works (carbon filters and fluoridation) and emergency bores as expected by Council are not available.

12.4.2 Sewerage

Council has adopted a typical residential bill of $446 p.a. for sewerage for the year 2013/14 ($433 in 2012/13$). Financial mode has demonstrated that the typical residential sewerage bill, measured in 2012/13 dollars, will need to be increased by $45 per year for next 3 years to $568 p.a. in 2016/17. Thereafter (from 2017/18 onwards), the residential sewerage bill can be maintained at $568 p.a. for the remainder of the forecast period (see Figure below). These projections have been modelled based on an annual adjustment for CPI/ inflation at the rate of 3% p.a.

The financial model will be reviewed and the forecasts updated after 3 years in accordance with Best Practice Guidelines.

Figure 24 – Typical Residential Sewerage Bill



This level of typical water charges for sewerage services is sufficient to maintain liquidity with a minimum of $150,000 of cash in hand over the period.

All the planned capital works will be funded through internal funds and external borrowings through the forecast period. Funding of STP upgrade works during the next 5 years will required external borrowing to the tune of $ 2Million. Borrowing outstanding will reach a maximum of $1,787 K in 2017/18 and can be retired by 2035/36. Sewer fund will require new loan for the proposed replacement of existing STP in 2036/37. The levels of cash and borrowing outstanding as the planned capital works program is implemented during the forecast period are depicted in the following Figure.

A summary of projected financial results is presented in Table 12-8.

Figure 25 – Cash and Borrowing Projections - Sewerage

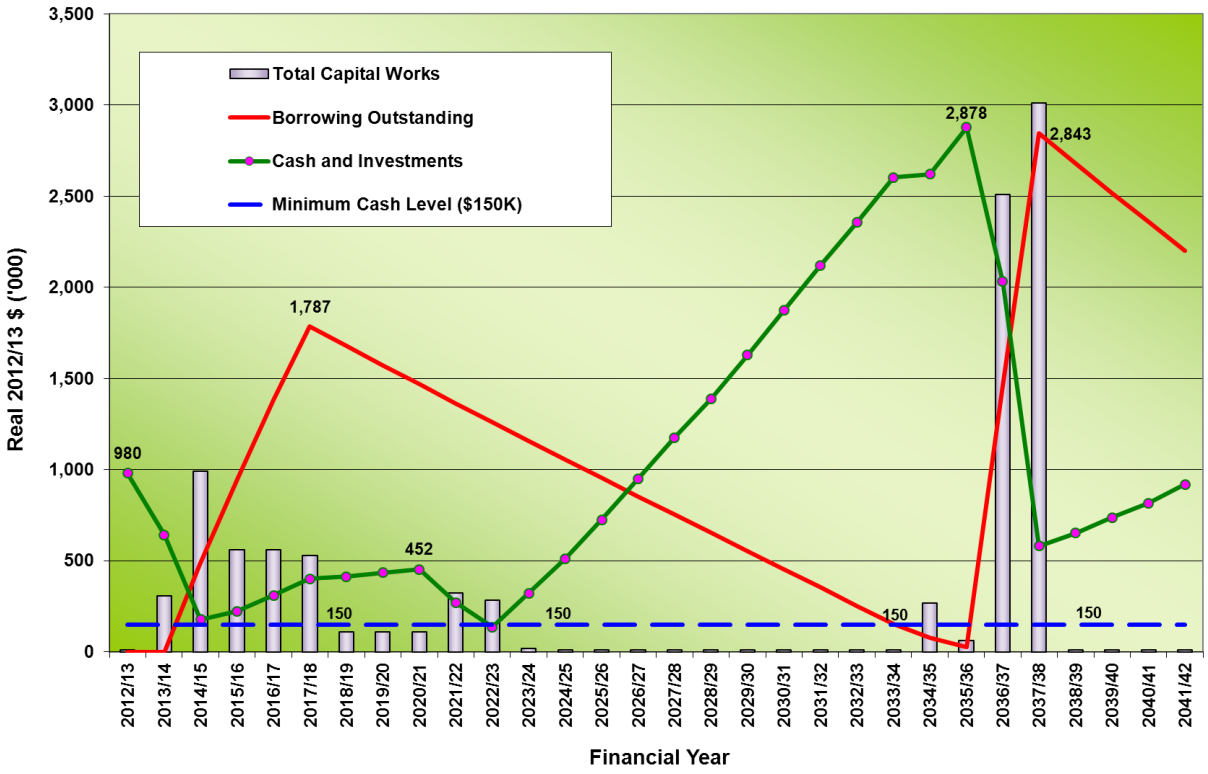


Table 12-8: Projected Financial Results - Sewerage

2012/13 ($'000)	Revenue and Expenses			Capital Transactions		Financial Position					System Assets			
Financial Year	Total Revenue	Total Expenses	Operating Result (Before Grants)	Acquisition of Assets	Principal Loan Payments	Cash and Investments	Borrowings	Total Assets	Total Liabilities	Net Assets Committed	Current Replacement Cost	Less: Accumulated Depreciation	Written Down Current Cost	Typical Residential Bills
2012/13	828	1,070	-242	10	0	980	0	12,834	5	12,829	17,951	6,477	11,474	388
2013/14	913	1,199	-286	305	0	642	0	12,509	5	12,504	18,051	6,524	11,527	433
2014/15	985	1,207	-222	993	13	177	487	12,745	492	12,253	18,127	5,861	12,266	478
2015/16	1,070	1,217	-147	560	26	222	948	13,058	953	12,105	18,253	5,682	12,570	523
2016/17	1,170	1,261	-91	561	40	309	1,382	13,414	1,386	12,028	18,377	5,503	12,874	568
2017/18	1,176	1,274	-98	530	53	400	1,787	13,747	1,792	11,955	18,378	5,230	13,148	568
2018/19	1,181	1,273	-92	110	56	412	1,679	13,581	1,683	11,898	18,378	5,377	13,001	568
2019/20	1,184	1,262	-78	110	58	435	1,573	13,427	1,577	11,850	18,377	5,523	12,854	568
2020/21	1,187	1,268	-81	110	59	452	1,468	13,271	1,471	11,800	18,377	5,670	12,708	568
2021/22	1,185	1,248	-63	323	61	271	1,363	13,130	1,367	11,763	18,377	5,603	12,775	568
2022/23	1,181	1,217	-36	282	63	136	1,260	13,021	1,264	11,757	18,377	5,576	12,801	568
2023/24	1,186	1,165	22	20	66	321	1,158	12,970	1,162	11,808	18,377	5,812	12,565	568
2024/25	1,197	1,171	26	10	69	511	1,056	12,916	1,059	11,857	18,377	6,057	12,320	568
2025/26	1,206	1,149	57	10	70	725	955	12,885	958	11,927	18,377	6,302	12,075	568
2026/27	1,218	1,144	75	10	73	949	854	12,863	857	12,006	18,377	6,548	11,829	568
2027/28	1,227	1,140	87	10	76	1,175	754	12,845	757	12,088	18,377	6,792	11,585	568
2028/29	1,236	1,152	84	10	79	1,388	653	12,814	656	12,158	18,377	7,037	11,340	568
2029/30	1,247	1,127	120	10	81	1,629	553	12,811	556	12,255	18,377	7,281	11,096	568
2030/31	1,256	1,123	133	10	84	1,873	453	12,810	456	12,354	18,377	7,526	10,852	568
2031/32	1,265	1,118	147	10	87	2,120	353	12,813	356	12,457	18,377	7,770	10,608	568
2032/33	1,273	1,127	146	10	90	2,355	252	12,804	255	12,549	18,378	8,014	10,364	568
2033/34	1,282	1,113	169	10	93	2,603	152	12,809	155	12,654	18,378	8,258	10,120	568
2034/35	1,283	1,102	181	268	71	2,621	77	12,841	79	12,762	18,391	8,257	10,134	568
2035/36	1,291	1,099	192	61	49	2,878	26	12,905	28	12,877	18,404	8,463	9,941	568
2036/37	1,269	1,221	48	2,510	62	2,032	1,463	14,305	1,465	12,840	19,029	6,842	12,187	568
2037/38	1,230	1,306	-76	3,011	78	580	2,843	15,590	2,845	12,745	19,717	4,794	14,923	568
2038/39	1,235	1,328	-94	10	80	652	2,680	15,396	2,682	12,714	19,717	5,060	14,657	568
2039/40	1,240	1,316	-76	10	83	737	2,518	15,215	2,521	12,694	19,717	5,326	14,391	568
2040/41	1,244	1,322	-78	10	86	816	2,359	15,028	2,361	12,667	19,717	5,592	14,125	568
2041/42	1,249	1,297	-48	10	89	918	2,201	14,864	2,203	12,661	19,717	5,858	13,859	568

Sensitivity Analysis

In accordance with the NOW Financial Guidelines, the following sensitivities have been modelled to determine the impact of various scenarios on typical residential bill for sewerage services.

Table 12-9: Sensitivity Analysis Variations for Sewerage

Criteria	Preferred Case	Sensitivity
Assessment growth rate	0.2% p.a.	0% p.a.
Borrowing Interest Rate	6.5% p.a.	10% p.a.

As the model does not involve any subsidy/grant for capital works, sensitivity analysis for a 'no subsidy scenario' does not arise. The results of modelling are presented in graphs in the following pages.

Figure 26 – Sensitivity of Typical Residential Bill - Sewerage

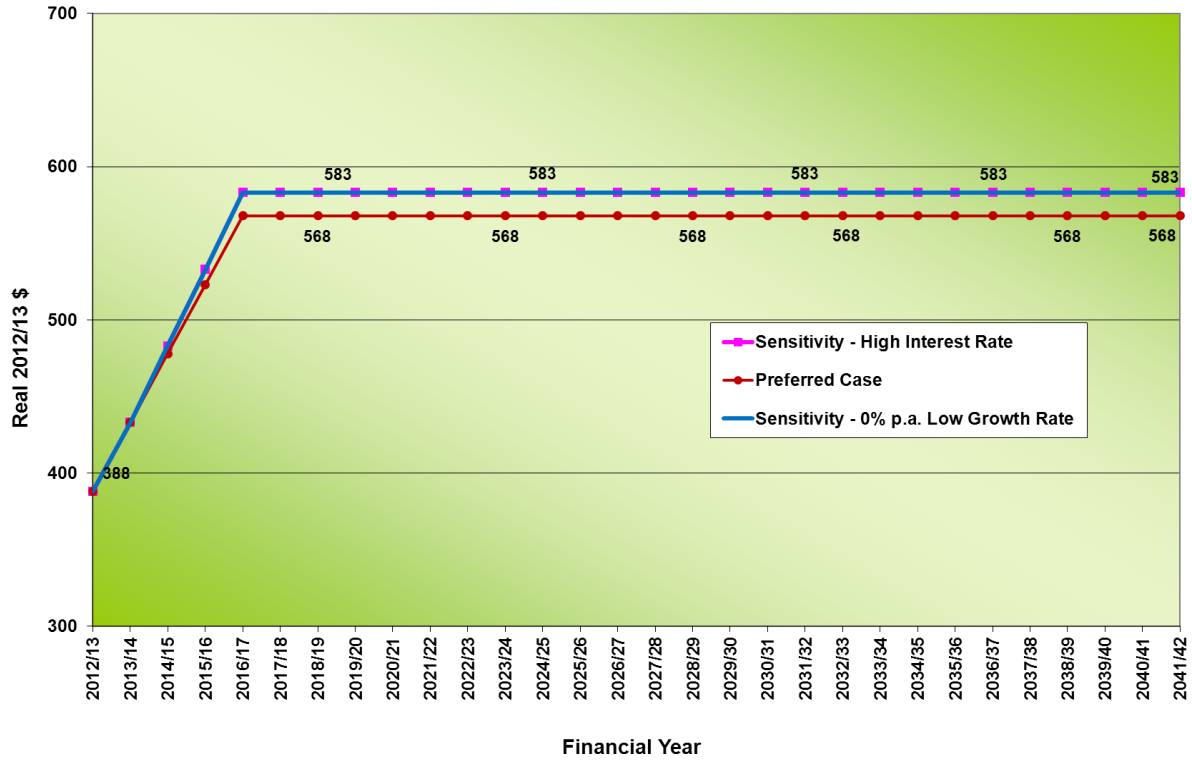


Figure 27 – Sensitivity of Cash Levels – Sewerage

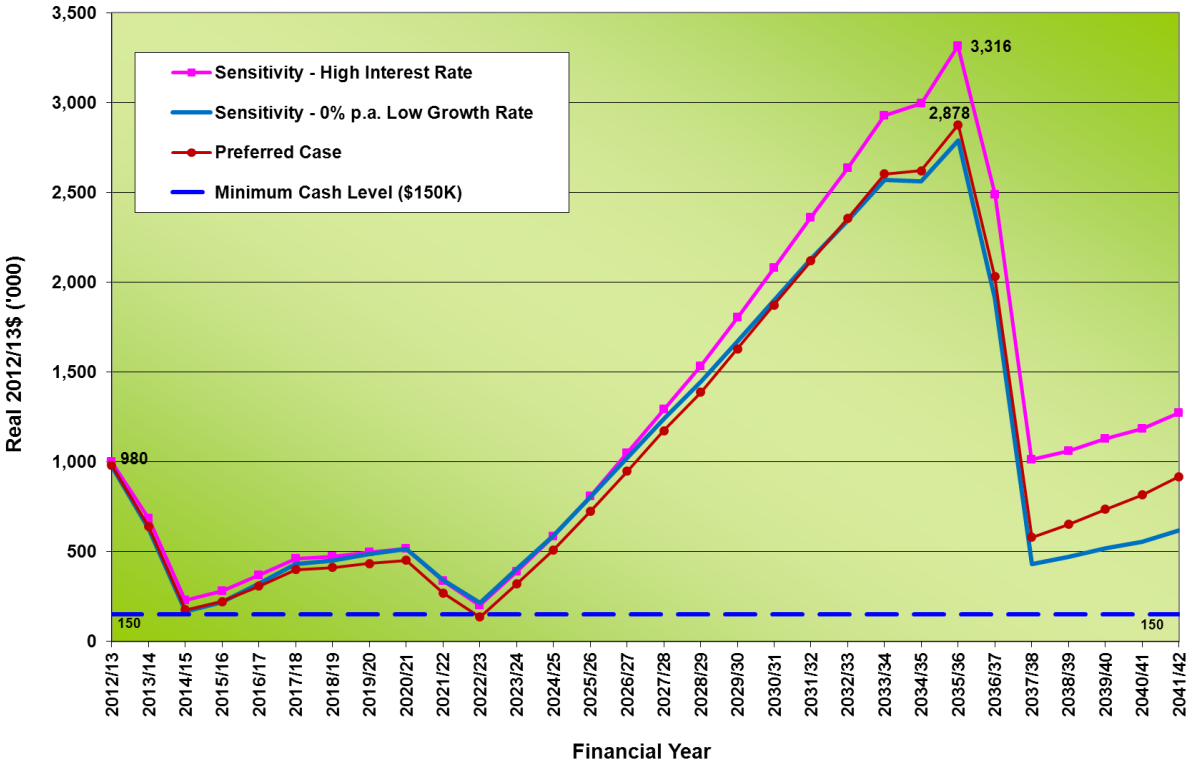


Figure 28 – Sensitivity of Outstanding Borrowing - Sewerage

Sensitivity analysis indicates that the typical residential bill for sewerage service is moderately sensitive to lower growth rate and for higher borrowing interest rates. The financial model will be reviewed and the forecasts updated if the assessment growth rate and borrowing interest rates approach the levels adopted for the sensitivity analysis.

References

Australian Bureau of Statistics 2012, *2011 Census Community Profiles, Cat. no. 2001.0,* Australian Bureau of Statistics, Canberra.

Department of Land and Water Conservation, 1996, *Sewerage inflow and infiltration management study*, Department of Land and Water Conservation, Sydney

National Water Commission 2012, 2011-12 National Performance Framework: urban performance reporting indicators and definitions handbook (online copy), National Water Commission, Commonwealth of Australia, Canberra.

NSW Department of Water and Energy 2007, *Guidelines for Best-Practice Management of Water Supply and Sewerage*, NSW Department of Water and Energy, NSW

NRMMC 2011, *Australian Drinking Water Guidelines Paper 6 National Water Quality Management Strategy*. *(online copy),* National Health and Medical Research Council, National Resource Management Ministerial Council, Commonwealth of Australia, Canberra.

HBD 2007, Oberon Local Government Area Local Environmental Study, Oberon Council

Appendices

Appendix A Inputs for Reporting under IPR Framework

The main requirements of the Local Government Integrated Planning and Reporting Framework 2010 for the 10-year Community Strategic Plan, 4-year Delivery Program, Annual Operational Plan and Annual Report are summarised below. Inputs for water supply and sewerage services for inclusion in each of these reports are also presented alongside the summaries.

A.1 Community Strategic Plan

The requirements for the Community Strategic Plan in the IPR framework include:

- To be revised at least every 10 years.
- Give due regard to the State Plan and other relevant state and regional plans.
- Include a community vision statement.

The planning process is generally used to:

- Identify main priorities and aspirations for the future.
- Enable community input on the identification of social, environmental, economic and civic leadership issues.
- Establish strategic objectives and proposed strategies to achieve those objectives that address issues identified above.
- Establish expected levels of service.

Input to Community Strategic Plan

"For sustainable water supply services the Strategic Business Plan (SBP) for Water Supply and Sewerage will be reviewed and implemented in accordance with the NSW Government's Best Practice Management of Water Supply and Sewerage Guidelines, August 2007.

Major water supply and sewerage capital works identified in the current Strategic Business Plan for completion over the next 10 years are shown in the Table next page. The justifications for why these works have been planned also are presented in the Table below.

Proposed Capital Work	Year	Justification
Water Treatment Works - Membrane replacement	2013	Improved level of service and asset renewal
Replacement of reticulation mains	2014 onwards	Improved level of service and asset renewal
Replacement of trunk mains	2016 - 2017	Replacement of ageing asset and improved levels of service
Sewage Pump Station – Pumps renewal (50m head)	2013 and 2018	Improved level of service and asset renewal
Sewage Pump Station – Pumps renewal (25m head)	2014 and 2021 - 2022	Improved level of service and asset renewal
Sewage Treatment Plant Upgrade	2013 - 2014	Improved level of service and asset renewal

A.2 Resourcing Strategy

Sets out what Council will do over the next 10 years to address the community's main priorities in the Community Strategic Plan. Council determines its Resourcing strategy from the following:

- Total Asset Management Planning;
- Work Force Planning; and
- Long-term Financial Planning.

Input to Resourcing Strategy

"The SBP for Water Supply and Sewerage is the Council's resourcing strategy for the water and sewerage services in which the strategies for Asset Management Planning (AMP), Work Force Planning (WFP) and the Long-term Financial Planning are presented in detail".

Note regarding the AMP and WFP, the SBP details the current status and key outcomes and detailed reference is from the individual planning documents

A.3 Delivery Program

- Directly addresses the objectives and strategies of the Community Strategic Plan.
- Identifies principal activities council will undertake.
- Identifies principal activities be undertaken within available resources.
- Provides financial estimates for the 4 year period.
- Considers priorities and expected level of service in the Community Strategic Plan.

Input to Delivery Program

"The SBP for Water Supply and Sewerage (Sections 8 to 12) is the Council's delivery program for water and sewerage services wherein the objectives, strategies, activities planned for the next 4 - 5 years including the costs, start and end dates and responsible Council staff are presented in detail. The financial estimates for the next 4 year period are presented as part of the 30-year financial projections of the Long-term Financial Plan".

A.4 Operational Plan and Annual Report

- Operational Plan outlines the activities to be undertaken for the year as part of the Delivery Program and is prepared as a sub-plan of the Delivery Program
- Operational Plan includes Statement of Revenue Policy – fees and charges, pricing methodology, proposed borrowings, and detailed budget for activities to be undertaken in the year.
- Annual Report is a report to the community which outlines council's achievements in implementing the Delivery Program as planned in the Operational Plan.
- Annual Report outlines the effectiveness of the principal activities undertaken in achieving the objectives in the Community Strategic Plan.

Input to Operational Plan

"The SBP for Water Supply and Sewerage (Sections 8 to 12) is the Council's operational plan for water and sewerage services in which all the planned activities for delivery program are presented in detail".

Appendix B Legislative Framework

B.1 Legislative Framework

Oberon Council delivers potable water supply and reticulated sewerage services to the community under the authority of the Local Government Act, 1993. Council has embraced the principles underlying this Act as being of benefit to the community it serves. Community consultation and involvement in decision-making has been increased in line with the Act in the last few years.

Several other Acts also affect Council's scheme. These generally fall into three main categories as follows:

Act	General Implications for Council
PRICING	

Local Government Act 1993
Esp. Sections 64 and 428
	- Determining developer charges:
	  o provide a source of funding for infrastructure required for new urban development
	  o provide signals regarding costs of urban development and encourage less costly forms
	- Need to be more accountable.
	- Need for better asset management.

Environmental Planning and Assessment Act 1979	- Determining developer charges. - Requirement for LEP and DCPs - Council control of service approvals.
Water Management Act 2000 Progressively replaces the previous Water Act 1912, Water Authorities Act 1987 and 10 others including irrigation, rivers and foreshores Acts)	- Determining developer charges - Water rights, licences, allocations.
Local Government Regulation 2005 (Savings and Transitional) Independent Pricing and Regulatory Tribunal Act 1992	- Determining developer charges. - Gives powers to the Independent Pricing and Regulatory Tribunal to inquire into and regulate prices. - IPART has developed a set of consistent pricing principles to be adopted by local government authorities. - Guidelines for 'user pays' charging system in the water and wastewater industry.
Water Industry Competition Act 2006	- Establishment of third-party access regime for water and sewerage infrastructure to encourage competition - Authorisation of IPART to regulate licensed private network operators to ensure services are delivered in a safe and reliable manner
ENVIRONMENTAL PROTECTION	
Protection of the Environment Operations Act 1997	- Regulating pollution activities and issue of licenses as well as the monitoring of and reporting on waste output. - Council is required to be "duly diligent" in undertaking the scheme operations
Soil Conservation Act 1938	- Conserves soil resources and farm water resources and the mitigation of erosion and land degradation. - Preservation of watercourse environments
Environmental Planning and Assessment Act 1979	- Encourages the proper management of natural and man-made resources, the orderly use of land, the provision of services and protection of the environment.
Catchment Management Act 1989	- Promotes the coordination of activities within catchment areas. Council believes this Act has implications for the management of river water quality and quantity. - Requirement for ongoing management plan. - Requirement of Capital Works Plan under Sydney Catchment Authority Regulations.

Act	General Implications for Council
Water Management Act 2000	- The Act provides for sustainable and integrated management of State's water sources. - Water rights, licences, allocations.
HEALTH AND SAFETY	
Public Health Act 2010	- Prevention of the spread of disease. - Effluent disposal methods. - Delivery of quality water.
Fluoridation of Public Water Supplies Act 1957	Addition of fluoride in public water supply by water utilities
Work Health and Safety Act 2011 (and Regulations 2011)	- Council's responsibility to ensure health, safety and welfare of employees and others at places of work. - Likely be cost implications - Impacts all operations. - Note public safety – insurance.
Dam Safety Act 1978	Obligations and responsibility for local water utilities for the safety of dams under their jurisdiction

Local Government Act 1993

The main purpose of the Local Government Act 1993 is to provide the legal framework for an effective, efficient, environmentally responsible, and open system of Local Government in NSW.

The Act is, in the main, administered by the Minister for Local Government, but the Minister for Water has significant powers under the Act for water, sewerage and drainage.

The Act confers service functions on Councils. These include the provision, management and operation of water supply and sewerage works and facilities. The Act provides Councils with broad power to carry out their functions, and a "Council may do all such things as are supplemented or incidental to, or consequential on, the exercise of its functions" (section 23 of the Act).

Some particular parts of the Act relating to water supply and sewerage are:

- Section 64 - developer charges (Under this section of the new Act, a Council may use the relevant provisions of the Water Management Act 2000 to obtain water supply and sewerage developer charges. The provisions of Section 94 of the Environmental Planning and Assessment Act are no longer available to Councils for obtaining water supply and sewerage developer contributions.);
- Section 68 - Council approval of plumbing works;
- Sections 634-651 - water supply, sewerage and drainage offences; and
- Water, Sewerage and Drainage Regulation which cover matters from the "old" ordinance 4.5 and 4.6.

The role of the Minister for Water in regard to water supply, sewerage and drainage is covered in Sections 56-66. The Minister's role is generally along the lines of Part XIV of the 1919 Act, and it includes matters such as construction of works, hand over and vesting of work, approval of dams and treatment works, directions to Councils concerning dams and treatment works, action during emergencies, and the appointment of an administrator.

The NSW Office of Water provides section 60 approvals to council proposals to construct a dam, water or sewage treatment works and for effluent and biosolids reuse.

The NSW Office of Water carries out section 61 inspections of LWU dams and water and sewage treatment works.

The NSW Office of Water provides concurrence to Council liquid trade waste approvals under section 90(2) of the Act.

Councils issue approval to applications to discharge trade waste to their sewerage system under section 68 of the Local Government Act. Conditions of approval are imposed under clause 32 of the Local Government Regulation 2005.

Environmental Planning and Assessment Act 1979

The Environmental Planning and Assessment (EP&A) Act was enacted in 1979, and amended by the Environmental Planning and Assessment (Amendment) Act (1985). The Act is the principal planning instrument in NSW, and it specifies the environmental considerations required in all development activities. It also governs the procedures of all proposals that have an effect on the environment. Its objectives are to encourage the proper management of natural and man-made resources, the orderly use of land, the provision of services, and the protection of the environment.

The Act is administered by the Minister for Planning.

The Act requires that all proposals, activities, and functions which are investigated, designed, planned, constructed, and operated by Councils should be studied during all stages for their environmental impact on the basis of scale, location, and performance.

Environmental studies are to be undertaken concurrently with the technical or planning investigations. The findings of environmental studies should be reported initially in Reviews of Environmental Factors (REF), which indicate the need for further studies, their extent and depth, and the degree of public or other involvement required. The REF can often be used for consents or approvals. A Council can give consents for a development as prescribed in Local Environmental Plans (LEP) when the Council are the consent authorities (Part IV of the EP&A Act).

An Environmental Impact Statement (EIS) is a comprehensive report compiled from extensive studies. An EIS is required for:

- designated developments (Part IV of the EP&A Act);
- projects which affect the environment significantly (Part V of the EP&A Act); and
- when designated by a State Environmental Planning Policy or in an LEP.

Catchment Management Act 1989

The objectives of this Act are:

- To coordinate policies, programs and activities as they relate to total catchment management;
- To achieve active community participation in natural resource management;
- To identify and rectify natural resource degradation;
- To promote the sustainable use of natural resources; and
- To provide stable and productive soil, high quality water and protective and productive soil and vegetation cover within each of the State's water catchments.

The Act is administered by the Minister for Land and Water Conservation.

Soil Conservation Act 1938

The objective of the Soil Conservation Act is the conservation of soil resources and farm water resources and the mitigation of erosion and land degradation.

The Act is administered by the Minister for Land and Water Conservation.

Under Section 21C of the Act, a Council is required to protect land along prescribed streams and to prevent any destruction of trees and soil erosion on protected land. The same section of the Act specifies the rules for any person or occupier or any protected land from ringbarking, cutting down, felling, poisoning of, or otherwise destroying, vegetation or trees.

Section 21D of the Act requires that the land owner or occupier must obtain an authority before damaging or destroying trees between the banks or within 20 metres of banks of a

prescribed stream. Public Works is responsible for preparing inspection reports for sites downstream of the tidal limit.

Section 22 of the Act outlines requirements for preservation of proclaimed works and catchment areas.

Public Health Act 2010

The Public Health Act 2010 replaced the Public Health Act 1991. The main objectives of the Public Health Act 2010 are:

- to promote, protect and improve public health;
- to control the risks to public health;
- to promote the control of infectious diseases; and
- to prevent the spread of infectious diseases.

The Act recognises the role of local government in protecting public health. Under the Act, a local government authority has the responsibility to take appropriate measures to ensure compliance with the requirements of this Act in relation to public swimming pools and spa pools, regulated systems and premises on which skin penetration procedures are carried out. A local government authority has the responsibility of appointing authorised officers to enable it to exercise its functions under this Act and ensuring that its authorised officers duly exercise their functions under this Act.

Part 3 Division 1 of the Act includes the provisions in respect to safety measures for drinking water.

The Minister for Health has the power to take actions and to issue directions, as the Minister considers necessary:

- to restrict or prevent the use of unsafe water, potable or otherwise, that is likely to be a risk to public health; and
- to bring unsafe water to such a condition that it is no longer unsafe water.

The Director General has the power to direct a supplier of drinking water to carry out testing and produce information in relation to the treatment and quality of drinking water.

The Chief Health Officer has the responsibility for determining the necessity for a boil water advice and additional information or correction or re-traction of such advice, by a supplier of drinking water for the drinking water it supplies. The Chief Health Officer may also prepare advice concerning public health risks or boil water advice, and provide the advice to the drinking water supplier.

According to the Clause 25 of the Act a supplier of drinking water must establish and adhere to a quality assurance program that complies with the requirements prescribe by the regulations. The regulations are yet to be enacted.

Fluoridation of Public Water Supplies Act 1957

This Act covers addition of fluoride to a public water supply by a water utility.

The Act is administered by the Minister for Health.

Under the Act, approval of NSW Health is required in order that a Council can add fluoride to a water supply.

The NSW Office of Water provides assistance to NSW Health in the training of authorised officers to operate fluoridation plants and conducts pre-commissioning inspections of fluoridation plants to confirm they have met the requirement of the NSW Fluoridation Code of Practice.

Dam Safety Act 1978

The Dams Safety Act constitutes the Dams Safety Committee and imposes, on the Committee, functions relating to the safety of certain dams. The functions of the Committee include the following:

- Maintain a surveillance of prescribed dams;
- Investigate the location, design, and construction of prescribed dams;
- Obtain information and keep records on matters relating to the safety of dams;
- Formulate measures to ensure the safety of dams; and
- Report to the Minister in relation to the safety of prescribed dams,

The Act is administered by the Minister for Primary Industries.

Under the Act, the Dams Safety Committee may require the owner of a prescribed dam to:

- Make observations, take measurements and keep records in regard to such dams; and
- Furnish the committee with such information;

Local water utilities have obligations and responsibility for the safety of dams under their jurisdiction. Among other matters, local water utilities are required to prepare a five-yearly Dam Surveillance Report for their dams.

Water Act 1912

This Act is being progressively phased out and replaced by the Water Management Act 2000, but some provisions are still in force.

The Water Act covers matters such as water rights, licences and water allocations.

It is necessary under this Act for the Council to obtain a licence for a work for the purpose of:

- Water conservation, irrigation, water supply or drainage;
- Prevention of inundation of land and overflow of water thereon; and
- Changing the course of the river.

Water Management Act 2000

The Water Management Act 2000 is the key NSW water legislation for the sustainable management of water. The Act promotes the sharing of responsibility for the sustainable and efficient use of water between the NSW Government and water users.

The Act provides a legal basis for water planning, the allocation of water resources and water access entitlements.

The main tool the Act provides for managing the NSW water resources are water sharing plans. The plans for each catchment set out the rules for the sharing of water between water users and the environment and rules for the trading of water.

Chapter 6 of the Act provides for the constitution, construction, operation and charging regimes for major water utilities and local water utilities.

Section 305 of the Act provides water utilities with a mechanism to control development in relation to water services through the provision of a “certificate of compliance”.

Section 306 of the Act enables water supply authorities and local water utilities, through a cross reference to section 64 of the Local Government Act 1993, to levy developer charges towards the cost of water infrastructure required for serving development.

The Act is administered by the Minister for Primary Industries and the Minister for Finance and Services.

Independent Pricing and Regulatory Tribunal Act 1992

The Independent Pricing and Regulatory Tribunal Act establishes the Independent Pricing and Regulatory Tribunal and enables the Tribunal to determine and advise on prices and pricing policy for government monopoly services. A government monopoly service is a service supplied by a government agency (which may include a local

government council) and declared by the regulations, or the Minister, to be a government monopoly service.

The Tribunal conducts investigations and makes reports to the Minister on the determination of the maximum price and on a periodic review of pricing policies for services applied by these agencies specified in Schedule 1 to the Act. Schedule 1 presently includes Sydney Water Corporation, Hunter Water Corporation, Water Supply Authorities, including Gosford City Council, Wyong Shire Council, State Water (Fish River Water Supply) and Essential Energy (Broken Hill).

The Tribunal may also conduct investigations and make reports for any government monopoly service, at the request of the Minister, whether or not it is supplied by a government agency specified in Schedule 1.

Work Health and Safety Act 2011

This revised Act details Council's responsibilities to ensure health, safety and welfare of employees and others at places of work. All of the scheme's operational activities are impacted on by this Act. This act is administered by the Work Cover Authority.

Protection of the Environment (Operations) Act 1997

This Act came into effect in July 1998 and consolidated existing legislation to eradicate the duplication of powers and overlapping use of resources. The Act brought together what used to be five separate pieces of legislation:

- Clean Air Act 1961;
- Clean Waters Act 1970;
- Pollution Control Act 1970;
- Noise Control Act 1975; and
- Environmental Offences and Penalties Act 1989.

The POEO Act introduces a holistic approach to protecting the environment, changing from pollution control legislation to environment protection legislation.

The Act enables the NSW Government to set out explicit protection of the environment policies (PEPs) involving environmental standards, goals, protocols and guidelines.

Key features of the Act are as follows:

- Single licensing arrangement relating to air pollution, water pollution, noise pollution and waste management;
- EPA issues licences and is the regulatory authority for scheduled activities specified in Schedule 1 of the Act;
- Local councils are the regulatory authorities for non-scheduled activities except activities undertaken by a public authorities;
- EPA can issue licences to regulate water pollution from a non-scheduled activity therefore becomes the regulating authority;
- Environment protection notices that can be issued by appropriate regulatory authorities;
- The Act includes an offence regime and may involve heavy penalties and or gaol.
- The Act includes civil enforcement provisions for third parties.

The Act is administered by Office of Environment and Heritage.

The POEO Act is a powerful tool for regulation of sewerage and trade waste by local water utilities and facilitating compliance with the utility's conditions of approval for liquid trade waste discharges to the sewerage system.

Councils may issue a penalty notice under section 222 of the Act to a discharger who fails to obtain an approval to discharge trade waste to the council's sewerage system or who fails to comply with the conditions of the council's approval. In addition, section 123 of the Act may be used to sue a discharger causing major damage to the council's sewerage system or to the environment

The legislation also incorporates major regulatory provisions of the Waste Minimisation and Management Act.

Water Industry Competition Act 2006

The objectives of the Act and supporting regulations are to encourage competition in the water industry and to foster innovative recycling projects and dynamic efficiency in the provision of water and wastewater services.

Increasing competition in the metropolitan water market and water recycling are key actions in the NSW Government's Metropolitan Water Plan and State Plan.

The Act provides for the matters such as:

- the establishment of a new licensing regime for private sector providers of reticulated drinking water, recycled water and sewerage services;
- the establishment of a third-party access regime for water and sewerage infrastructure;
- provisions for a licensed network operator to construct or remove water industry infrastructure; and
- provisions to authorise IPART to undertake regulatory functions in certain parts of the Act.

Key aspects of General Regulation include:

- ensuring new entrants and the public water utilities face similar obligations, where like services are provided;
- strict licensing rules to ensure that drinking water meets Australian standards, that recycled water is 'fit for purpose' and that all services are delivered in a safe, reliable manner with minimal environmental impacts;
- provisions to prevent retailers from disconnecting small customers for non-payment of debt and to require the implementation of NSW Government social policies, such as pensioner rebates;

B.2 Other Government Initiatives

Initiative	Purpose
Efficient Operation	The Department of Local Government is concerned that councils generally are well managed.
Efficient Resource Use	The Federal Industry Commission Report on the Australian Water Industry is concerned to ensure efficient use of resources - natural, physical and financial. Its 1992 Report's recommendations were wide-ranging and covered matters such as pricing reforms and structural reforms (e.g. amalgamation of authorities).
Competition Policy	In 1995 the Council of Australian Governments (COAG) ratified the National Competition Policy. Of particular significance to the water and sewerage functions of Council is the application of competitive neutrality to operations. The purpose of this is to have councils "*operate under similar competitive pressures to those experienced by the private sector*". The NSW Government has embraced these principles and set in motion a number of policies to increase the efficiency and the competitiveness of this type of business area. (Refer to the NSW Government Policy Statement on the Application of National Competition Policy to Local Government).
Asset Management	The NSW Government, which has ultimate responsibility for water and sewerage in the State, is concerned to ensure that the $7 billion asset base in water supply and sewerage schemes of country towns under the care of Local Governments is well managed.

Financial Assistance	The NSW Government has been providing grants for the development and improvement of water supply and sewerage schemes in country areas, under the Country Towns Water, Sewerage and Drainage Program, which is now administered by the NSW Office of Water. The Minister responsible for water has made changes to the subsidy provisions. The main changes are the requirement to implement best industry management practices and the withdrawal of subsidies for growth related capital works. These changes are outlined in the publication Country Towns Water Supply and Sewerage Program: Technical and Financial Assistance available to Councils.
Best Practice Management	The NSW Government encourages best practice for all LWUs. The purpose of best practice management is: - To encourage the effective and efficient delivery of water supply and sewerage services; and - To promote sustainable water conservation practices and water demand management throughout NSW. From 1 July 2004, compliance with the six best practice criteria is mandatory for payment of a dividend from the surplus of an LWU's water supply and sewerage businesses and future financial assistance under the Country Towns Water Supply & Sewerage program.

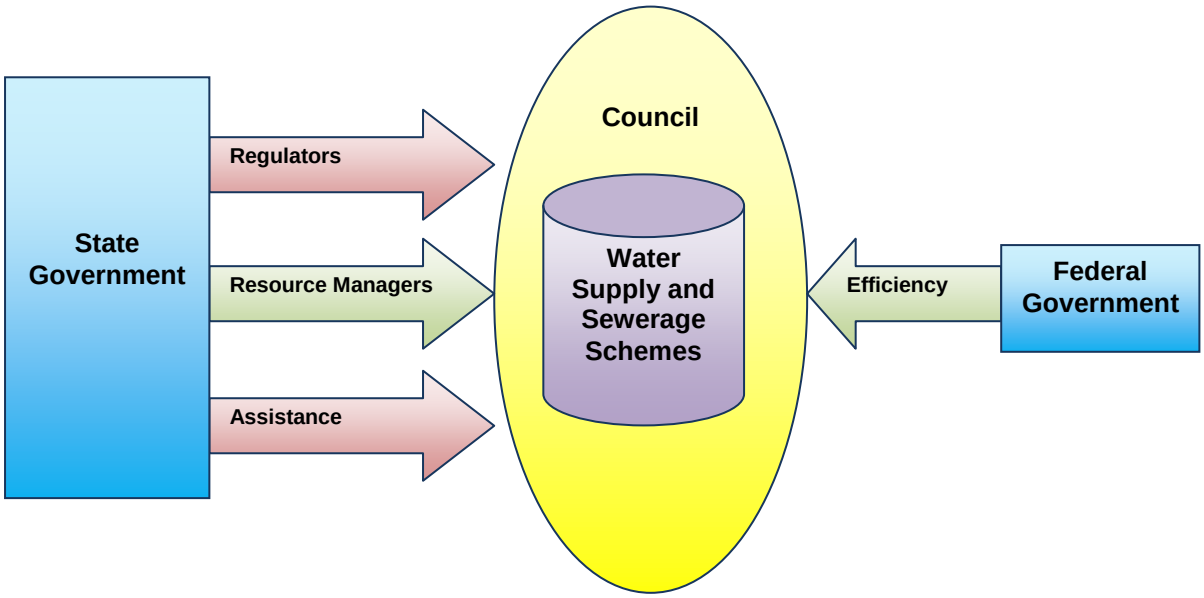
Appendix C Stakeholder Review

C.1 Identification of Stakeholders

Stakeholders are individuals and organisations with an interest and/or equity in the water supply services provided by Council. Stakeholders may have different expectations, and the extent to which Council meets, or is perceived to meet, these expectations may vary.

Institutional Stakeholders

A large number of government departments and agencies have interest in, and impact on, the management of the water supply and sewerage schemes, as shown in the chart below.



Local Government

The water supply and sewerage undertaking are an integral part of Council's operation. Council has the ultimate responsibility for the development, operations, maintenance and performance of the scheme. As the owner of the undertaking, Council is also responsible for any liability of the water supply scheme.

State Government

The State Government has a significant impact on the water supply and sewerage schemes. Various government agencies fill a role in one or more of the following areas.

Regulators

These are the agencies that are largely responsible for administering the various acts listed in the preceding section. Of particular significance to the water supply sewerage schemes are the Independent Pricing and Regulatory Tribunal (IPART), which is urging councils to adopt the pricing principles outlined in Pricing Principles for Local Water Authorities, and the Environment Protection Authority (EPA) who regulates environmental protection, issues licences to discharge effluent and administers the various pollution control acts. Council discharges effluent from sewage treatment plants under license from the EPA.

Resource Managers

These are the agencies responsible for managing the State's resources, such as water resources, forestry and land.

The NSW Office of Water (NOW), while nominally a resource manager has a special role in the development of water supply schemes, setting standards and guidelines and administering the Government grants program (refer below).

Assistance

The State Government has been providing financial and administrative assistance for improvements of water supply and sewerage schemes through the Country Towns Water Supply and Sewerage Program. Under the newly introduced guidelines, assistance is generally available for servicing backlog areas and improving standards, but not for augmentation works required to accommodate growth. This program is administered by the NSW Office of Water.

Other assistance is in the form of services, such as the professional services provided by the NSW Public Works.

Federal Government

The Federal Government has no direct bearing on the water supply and sewerage schemes. Indirectly, the Federal Government is taking the initiative on reforming the way services are delivered to the community by Government agencies in order to improve efficiency.

C.2 Stakeholder Analysis

Stakeholders are individuals and organisations with an interest and/or equity in the water supply and sewerage services provided by the Council. Stakeholders may have different expectations, and the extent to which Council meets, or is perceived to meet, these expectations may vary.

The Table next page lists the major stakeholders and their general level of satisfaction with the water supply and sewerage operations as perceived by the participants of the Strategic Planning Workshop and the comments of Council regarding the standing of their operations.

Low scores or perception gaps between Council and Stakeholders suggest the need for improvement in service standards and or communication.

Stakeholder	How to judge success?	How does Council rate its service? 1 – Poor 10 - Excellent	How do stakeholders rate the service 1 – Poor 10 - Excellent
GENERAL USERS			
Property Owners/ Ratepayers/ Residents (including pensioners)	• Value for money • Guaranteed levels of service • Quality services • Public health standards met and maintained • Guaranteed service • Reasonable cost • Palatability of water	W – 9 S – 9	8 8
Commercial and Industrial customers	• Quality • Sufficient supply • Guaranteed service • Reasonable cost	9 9	8 8
OTHER USERS			
Downstream water users	• Clean quality water • Continued supply • No future interference with their operations	8 8	8 8
Environmental groups	• Environmental responsibility • Minimisation of wastage • Environmental sustainability	8	8
Tourists	• Quality and quantity of service • Aesthetics	8	7 (taste of water)
COUNCIL			
Councillors	• No complaints • Good public profile • Security of supply • Compliance • Pressure • Continued availability • Price	No score given during the planning workshop	No score given during the planning workshop
Council Employees	• Recognition for work • Safe workplace • Competency/training • Pride in workplace/ schemes • Support and security	9	9

Stakeholder	How to judge success?	How does Council rate its service? 1 – Poor 10 - Excellent	How do stakeholders rate the service 1 – Poor 10 - Excellent
GOVERNMENT			
DLG	• Accountability • Financial stability	No score given during the planning workshop	No score given during the planning workshop
NOW	• Efficient operations • Performance • Best practice management	No score given during the planning workshop	No score given during the planning workshop
OEH /EPA	• Environmental requirements • Effluent and biosolids disposal • Catchment management	No score given during the planning workshop	No score given during the planning workshop
Others (Dept. of Health, Work Cover, CENTROC, Central West CMA)	• Water quality • Effluent and biosolids disposal • Septic tanks • Catchment management • OHS	No score given during the planning workshop	No score given during the planning workshop

Appendix D Performance Indicators

D.1 NOW TBL Report 2011-12 - Water Supply

Oberon Council — **TBL Water Supply Performance** — **2011-12**

WATER SUPPLY SYSTEM - Oberon Council serves a population of 3,100 (1,390 connected properties). Oberon is a reticulator with a treatment works to treat unfiltered bulk water provided by Fish River Water Supply.The water supply network comprises 2 service reservoirs (4 ML), no pumping stations, 6.5 ML/d delivery capacity into the distribution system, 4 km of transfer and trunk mains and 35 km of reticulation.

PERFORMANCE - Oberon Council achieved 80% compliance with Best Practice requirements. The 2012-13 typical residential bill was $471 which was close to the statewide median of $490 (Indicator 14). However, the economic real rate of return was negative (Indicator 43). The operating cost (OMA) per property was $703 which was well above the statewide median of $380 (Indicator 49). Water quality complaints were similar to the statewide median of 3 (Indicator 25). Compliance was achieved for microbiological water quality (1 of 1 zones compliant), chemical water quality (1 of 1 zones compliant) and physical water quality. There were no failures of the chlorination system or the treatment system. Oberon Council reported no water supply public health incidents. Current replacement cost of system assets was $11M ($8,000 per assessment). Cash and investments were $0.1M, debt was $0.3M and revenue was $1.1M (excluding capital works grants).

IMPLEMENTATION OF REQUIREMENTS OF BEST-PRACTICE MANAGEMENT FRAMEWORK

(1) Complete Current Strategic Business Plan & Financial Plan			(3) Sound water conservation implemented	YES
(2) (2a) Pricing - Full Cost Recovery, without significant cross subsidies		Yes	(4) Sound drought management implemented	YES
(2b,2c) Pricing - Appropriate Residential Charges		Yes	(5) Complete performance reporting (by 15 September)	YES
(2d) Pricing - Appropriate Non-residential Charges		Yes	(6) Integrated water cycle management strategy	YES
(2e) Pricing - DSP with Commercial Developer Charges			IMPLEMENTATION OF ALL REQUIREMENTS	80%

TRIPLE BOTTOM LINE (TBL) PERFORMANCE INDICATORS

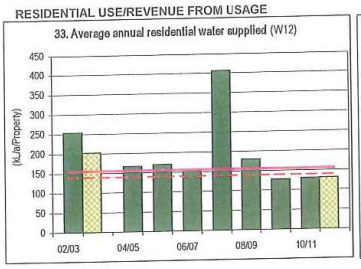
	NWI	No.			LWU RESULT	RANKING 200 to 1,500	RANKING All LWUs	MEDIANS Statewide	MEDIANS National
						Note 1	Note 2	Note 3	Note 4
					Col 1	Col 2	Col 3	Col 4	Col 5
UTILITY / CHARACTERISTICS	C1	1	**Population served:** 3100						
	C4	2	**Number of connected properties:** 1390	Number of assessments: 1380					
		3	**Residential connected properties** (% of total)	%	83			91	
		4	**New residences connected to water supply** (%)	%	0.3	4	4	0.9	
	A3	5	**Properties served per kilometre of water main**	Prop/km	36			32	35
		6	**Rainfall** (% of median annual rainfall)	%	124	5	4	138	
	W11	7	**Total urban water supplied at master meters** (ML)	ML	530			6,100	8,610
		8	**Peak week to average consumption** (%)	%				130	
		9	**Renewals expenditure** (% of current replacement cost of system assets)	%	1.1	1	1	0.4	
		10	**Employees per 1000 properties**	per 1,000 prop	2.2	1	4	1.5	
SOCIAL / CHARGES & BILLS	P1		**Residential tariff structure for 2012-13:** two part; independent of land value; access charge $241						
	P1.3	12a	**Residential water usage charge for 2011-12all usage (c/kL)**	c/kL (2011-12)	149	2	3	179	167
		12	**Residential water usage charge for 2012-13all usage (c/kL)**	c/kL (2012-13)	176	1	2	185	
	P3	14a	**Typical residential bill for 2011-12** ($/assessment)	$ (2011-12)	336	1	1	457	474
		14	**Typical residential bill for 2012-13** ($/assessment)	$ (2012-13)	471	1	2	490	
		15	**Typical developer charge for 2012-13** ($/equivalent tenement)	$ (2012-13)	1,230	3	5	5,200	
	F4	16	**Residential revenue from usage charges** (% of residential bills)	%	58	3	4	69	65
	F5	17	**Revenue per property** - water ($)	$	800	3	4	659	691
HEALTH		18	**Urban population without reticulated water supply** (%)	%	5.3	1	4	0.8	
	H6	18a	**Risk based drinking water quality plan?**		No				
		19	**Physical compliance achieved? Note 11**		Yes	1	1		
		19a	**Chemical compliance achieved? Note11**		Yes	1	1		
	H4	19b	**Number of zones with chemical compliance**		1 of 1				
		20	**Microbiological (E. coli) compliance achieved? Note 11**		Yes	1	1		
	H3	20a	**% population with microbiological compliance**	%	100	1	1	100	100
SERVICE LEVELS	C9	25	**Water quality complaints per 1000 properties**	per 1,000 prop	2.9	4	4	3	3
	C10	26	**Water service complaints per 1000 properties**	per 1,000 prop	2.9	2	2	4	1
	C17	27	**Average frequency of unplanned interruptions per 1000 properties**	per 1,000 prop	32	4	3	37	69
	C15	28	**Average duration of interruption** (min)	min	240	5	5	168	119
	A8	30	**Number of water main breaks per 100 km of water main**	per 100km	8	1	2	9	13
		31	**Drought water restrictions** (% of time)	%	0	1	1	0	
		32	**Total days lost** (%)	%				2.0	
ENVIRONMENTAL / NATURAL RESOURCE MANAGEMENT	W12	33	**Average annual residential water supplied per property** (kL)	kL	131	1	1	155	167
		33a	**Average annual residential water supplied - COASTAL** (kL/property)	kL	131	1	1	140	
		33b	**Average annual residential water supplied - INLAND** (kL/property)	kL				203	
	A10	34	**Real losses** (leakage) (L/service connection/day)	L/connection/day				65	73
		35	**Energy consumption per Megalitre** (kiloWatt hours)	kWh				650	
		36	**Renewable energy consumption** (% of total energy consumption)	%				0	
	E12	36a	**Net greenhouse gas emissions - WS & Sge** (net tonnes CO2 - equivalents per 1000 properties)	t CO2				370	390
ECONOMIC / FINANCE	F17	43	**Economic real rate of return** - Water (%)	%	-0.2	2	4	0.5	0.6
		44	**Return on assets** - Water (%)	%	-0.2	3	4	0.0	
	F22	45	**Net Debt to equity** - WS&Sge (%)	%	2	1	2	2	11
	F23	46	**Interest cover** - WS&Sge		0	5	5	1	2
		47	**Loan payment per property** - Water ($)	$	81	1	2	60	
	F24	47b	**Net profit after tax** - WS & Sge ($'000)	$'000	20	2	3	73	2591
EFFICIENCY		48	**Operating cost (OMA) per 100km of main** ($'000)	$'000	2,510	5	5	1,280	
	F11	49	**Operating cost (OMA) per property ($) Note 9**	$	703	4	5	380	393
		50	**Operating cost (OMA) per kilolitre** (cents)	c/kL	184	4	4	131	
		51	**Management cost per property ($)**	$	97	2	1	130	
		52	**Treatment cost per property ($)**	$	178	3	4	49	
		53	**Pumping cost per property ($)**	$				28	
		54	**Energy cost per property ($)**	$				18	
		55	**Water main cost per property ($)**	$	31	1	1	59	
	F28	56	**Capital Expenditure per property ($)**	$	88	3	4	189	213

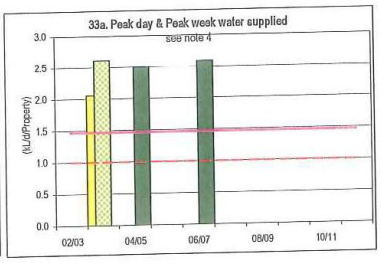
NOTES :

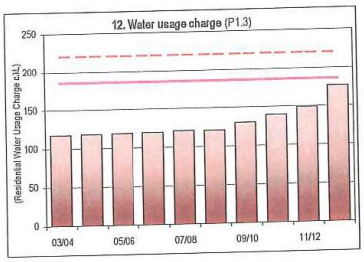
1 Col 2 rankings are on a % of LWUs basis - best reveals performance compared to similar sized LWUs (ie. Col 1 is compared with LWUs with 200 to 1,500).
2 Col 3 rankings are on a % of LWUs basis - best reveals performance compared to all LWUs (ie. Col 1 is compared with all LWUs).
3 Col 4 (Statewide Median) is on a % of connected properties basis- best reveals statewide performance (gives due weight to larger LWUs & reduces effect of smaller LWUs).
4 Col 5 (National Median) is the median value for the 67 utilities reporting water supply performance in the National Performance Report 2011-12 (www.nwc.gov.au).
5 LWUs are required to annually review key projections & actions in their Strategic Business Plan and annually update their financial plan. The SBP should be updated after 4 years.
6 Oberon Council is a reticulator - costs include operating and treatment. Water harvesting and bulk storage are provided by Fish River Water Supply.
7 2012-13 Non-residential Tariff: Uniform Access Charge ($241); Two Part Tariff; Usage Charge 176c/kL.
8 Non-residential water supplied was 68% of potable water supplied excluding non-revenue water.
Non-residential revenue was 60% of annual rates and charges, indicating fair pricing of services between the residential and non-residential sectors.
9 The reticulation operating cost (OMA) per property was $703, including $397 for bulk supply.
10 Oberon Council rehabilitations included 2.6% of its water mains and 3.59% of its service connections. Renewals expenditure was $303,000/100km of main.
11 Compliance with ADWG 2011 for drinking water quality is shown as "Yes" if compliance has been achieved (indicators 19, 19a & 20), otherwise the % of samples complying is shown.

(Results shown for 10 years together with 2011-12 Statewide Median and Top 20%)

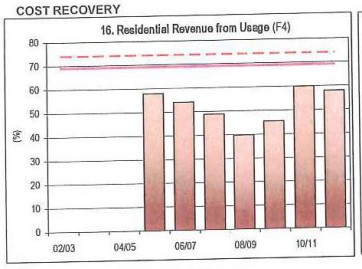
RESIDENTIAL USE/REVENUE FROM USAGE

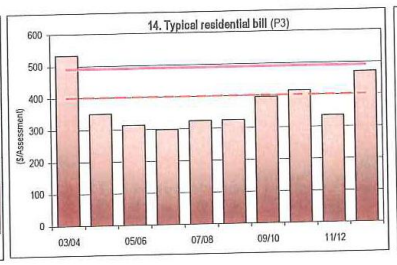


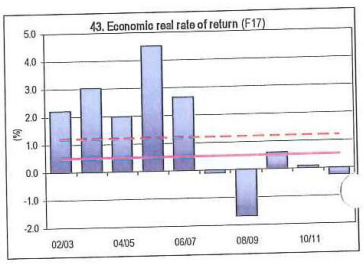




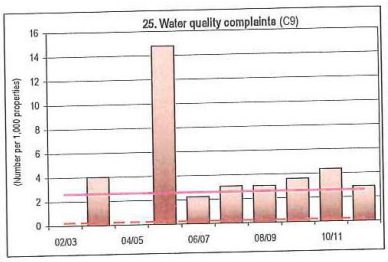
COST RECOVERY

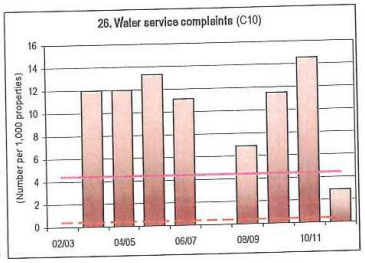




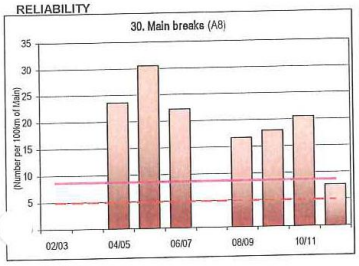


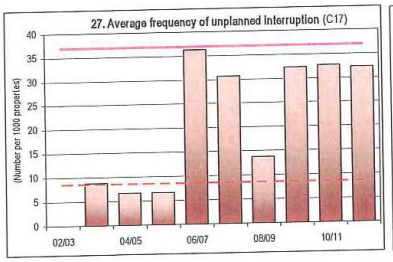
WATER QUALITY/CUSTOMER SERVICE

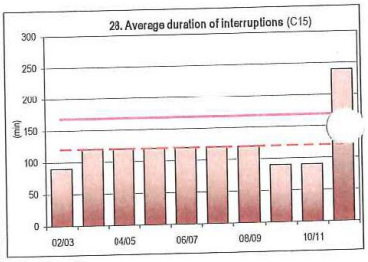




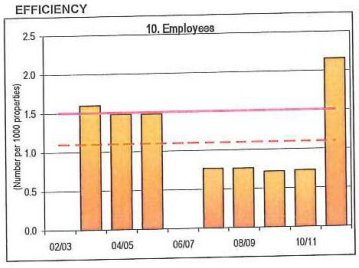
RELIABILITY

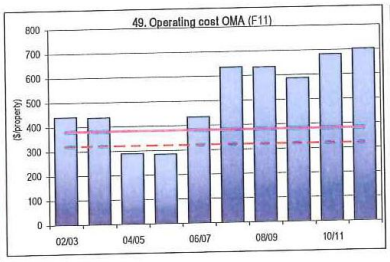


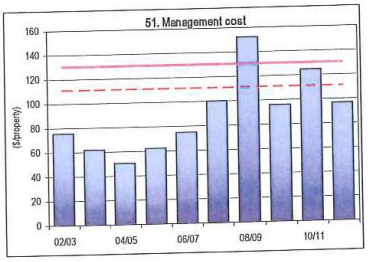




EFFICIENCY







NOTES:

1. Costs are in Jan 2012$ except for graphs 12 and 14, which are in Jan 2013$.
2. Microbiological water quality compliance 1999-00 to 2003-04 was on the basis of 1996 NHMRC/ARMCANZ Australian Drinking Water Guidelines for E. coli; from 2004-05 to 2010-11 compliance was on the basis of the 2004 NHMRC/NRMMC Australian Drinking Water Guidelines (ADWG) and for 2011-12 compliance was on the basis of the 2011 ADWG.
3. Indicators 33 and 33a - Green shading shows % of Time Drought Water Restrictions applied in each year: Nil or < 30% | 30-50% | >50%
4. Indicator 33a - Yellow bars show Peak Week Water Supplied for comparison with Peak Day Water Supplied: Peak Week Water Supplied

LEGEND
2011-12 State Median
2011-12 Top 20%

D.2 NOW TBL Report 2011-12 - Sewerage

Oberon Council — **TBL Sewerage Performance** — **2011-12**

SEWERAGE SYSTEM - Oberon Council has 1 sewage treatment works providing secondary treatment. The system comprises 7,000 EP treatment capacity (Trickling Filter), 3 pumping stations , 3 km of rising mains and 35 km of gravity trunk mains and reticulation. 100% of effluent was recycled and treated effluent is discharged to river.

PERFORMANCE - Residential growth for 2011-12 was 0.5% which is lower than the statewide median. Oberon Council achieved 89% implementation of Best-Practice requirements. The 2012-13 typical residential bill was $388 which was much less than the statewide median of $600 (Indicator 12). The economic real rate of return was 0.3% which was less than the statewide median (Indicator 46). The operating cost per property (OMA) was $539 which was above the statewide median of $410 (Indicator 50). Sewage odour complaints were less than the statewide median of 0.5 (Indicator 21). Oberon Council reported no public health incidents. Council did not comply with the P requirements of the environmental regulator for effluent discharge. The current replacement cost of system assets was $17M ($14,700 per assessment), cash and investments were $1M, debt was nil and revenue was $0.8M (excluding capital works grants).

IMPLEMENTATION OF REQUIREMENTS OF BEST-PRACTICE MANAGEMENT FRAMEWORK

(1) Complete current strategic business plan & financial plan	Yes	(2e) Pricing - DSP with commercial developer charges	Yes
(2) (2a) Pricing - Full Cost Recovery without significant cross subsidies	Yes	(2f) Pricing - Liquid trade waste approvals & policy	Yes
(2b) Pricing - Appropriate Residential Charges	Yes	(3) Complete performance reporting (by 15 September)	YES
(2c) Pricing - Appropriate Non-Residential Charges	Yes	(4) Integrated water cycle management strategy	YES
(2d) Pricing - Appropriate Trade Waste Fees and Charges		IMPLEMENTATION OF ALL REQUIREMENTS	89%

TRIPLE BOTTOM LINE (TBL) PERFORMANCE INDICATORS

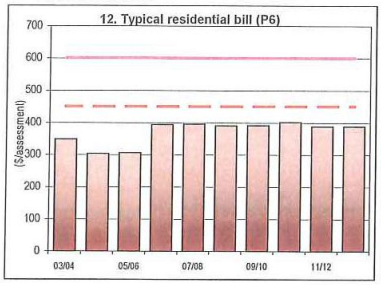
		NWI	No.		LWU RESULT	RANKING 200 to 1,500 Note 1	RANKING All LWUs Note 2	MEDIANS Statewide Note 3	MEDIANS National Note 4
								Col 1	Col 2	Col 3	Col 4	Col 5
UTILITY	CHARACTERISTICS	C5	1	Population served: 3,100					
		C8	2	Number of connected properties: 1,210	Number of assessments: 1,190				
		C6	3	Number of residential connected properties: 1,020					
			4	New residences connected to sewerage (%)	%	0.5	3	4	0.8	
		A6	5	Properties served per kilometre of main	Prop/km	32			40	42
		W18	6	Volume of sewage collected (ML)	ML	192			5,400	6,630
			7	Renewals expenditure (% of current replacement cost of system assets)	%	0.0	3	4	0.3	
			8	Employees per 1000 properties	per 1,000 prop	2.5	3	4	1.6	
SOCIAL	CHARGES & BILLS	P4		Description of residential tariff structure: access charge/prop; independent of land value						
		P4.1	11a	Residential access charge for 2011-12 ($/assessment)	$ 2011-12	388	2	2	570	537
			11	Residential access charge for 2012-13 ($/assessment)	$ 2012-13	388	2	2	598	
		P6	12a	Typical residential bill for 2011-12 ($/assessment)	$ 2011-12	388	2	1	574	595
			12	Typical residential bill for 2012-13 ($/assessment)	$ 2012-13	388	2	1	600	
			13	Typical developer charge for 2012-13 ($/equivalent tenement)		1,570	2	5	4,500	
			14	Non-residential sewer usage charge (c/kL)	c/kL	128	2	3	125	
		F6	15	Revenue per property - Sge ($)	$	640	1	3	713	791
	HEALTH		16	Urban properties without reticulated sewerage service (%)	%	0.2	1	1	3.8	
		E3	17	Percent of sewage treated to a tertiary level (%)	%	100	1	1	94	92
		E4	18	Percent of sewage volume treated that was compliant (%)	%	10	5	5	100	99
		E5	19	Number of sewage treatment works compliant at all times		0 of 1				
	SERVICE LEVELS		21	Odour complaints per 1000 properties	per 1,000 prop	0.0	1	1	0.5	
		C11	22	Service complaints - sewerage per 1000 properties	per 1,000 prop	7	2	2	11	1
		C16	23a	Average sewerage interruption (minutes)	min	120	3	3	102	116
			25	Total days lost (%)	%	0.0	1	1	2.0	
ENVIRONMENTAL	NATURAL RESOURCE MANAGEMENT	W19	26	Volume of sewage collected per property (kL)	kL	159	1	1	250	236
		W26	26a	Total recycled water supplied (ML)	ML	190	1	3	450	1362
		W27	27	Recycled water (% of effluent recycled)	%	100	1	1	5	14
		E3	28	Biosolids reuse (%)	%				100	100
			30	Energy consumption - sewerage (kWh/ML)	kWh				790	
			31	Renewable energy consumption (% of total energy consumption)	%				0	
		E12	32	Net greenhouse gas emissions - WS & Sge (net tonnes CO2 equivalents per 1000 properties)					370	390
	ENVIRONMENTAL PERFORMANCE		33	90th Percentile licence limits for effluent discharge: BOD 20 mg/L; SS 25 mg/L; Total N 15 mg/L; Total P 1 mg/L						
			34	Compliance with BOD in licence (%)	%	100	1	1	100	
			35	Compliance with SS in licence (%)	%	100	1	1	100	
		A14	36	Sewer main breaks and chokes (per 100 km of main)	per 100km main	24	3	2	33	21
			37a	Sewer overflows (per 100 km of main)	per 100km main				15	
		E13	37b	Sewer overflows reported to environmental regulator (per 100km of main)					0.3	0.4
			39	Non res & trade waste % of total sge volume	%				17	
ECONOMIC	FINANCE		43	Revenue from non-residential plus trade waste charges (% of total revenue)	%	48	1	1	17	
			44	Revenue from trade waste charges (% of total revenue)	%	17.8	1	1	2.4	
		F18	46	Economic real rate of return - Sge (%)	%	0.3	2	3	1.0	1.6
			46a	Return on assets - Sge (%)	%	0.7	3	3	0.5	
			48a	Loan payment per property - Sge ($)	$				87	
		F24	48b	Net profit after tax - WS & Sge ($'000)	$'000	20	3	3	73	2591
	EFFICIENCY		49	Operating cost (OMA) per 100 km of main ($'000)	$'000	1,720	5	5	1,570	
		F12	50	Operating cost (OMA) per property ($) (Note 9)	$	539	5	5	410	398
			51	Operating cost (OMA) per kilolitre (cents)	c/kL	340	5	5	152	
			52	Management cost per property ($)	$	184	5	5	140	
			53	Treatment cost per property ($)	$	262	5	5	137	
			54	Pumping cost per property ($)	$	50	3	3	70	
			55	Energy cost per property ($)	$	44	5	4	36	
			56	Sewer main cost per property ($)	$	43	3	3	45	
		F29	57	Capital Expenditure per property - Sewerage ($)	$	0	5	5	244	236

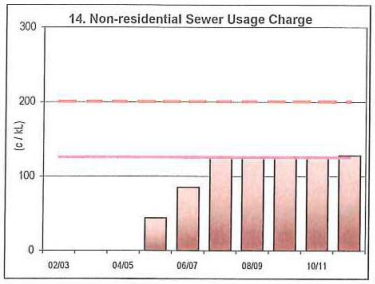
NOTES :

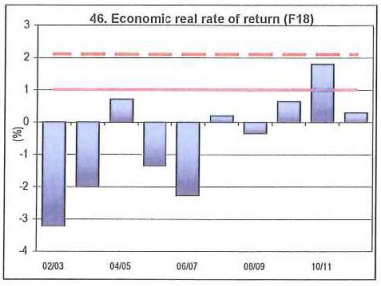
1 Col 2 rankings are on a % of LWUs basis - best reveals performance compared to similar sized LWUs (ie. Col 1 is compared with LWUs with 200 to 1,500).
2 Col 3 rankings are on a % of LWUs basis - best reveals performance compared to all LWUs (ie. Col 1 is compared with all LWUs). - see attachment.
3 Col 4 (Statewide Median) is on a % of connected properties basis- best reveals statewide performance (gives due weight to larger LWUs & reduces effect of smaller
4 Col 5 (National Median) is the median value for the 66 utilities reporting sewerage performance in the National Performance Report 2011-12 (www.nwc.gov.au).
5 LWUs are required to annually review key projections & actions in their Strategic Business Plan and annually update their financial plan. The SBP should be updated after 4 years.
6 Non-residential access charge - $105, proportional to square of size of service connection. Sewer usage charge - 128 c/kl.
7 Non-residential revenue was 48% of revenue from access, usage & trade waste charges. The sewage collected (residential, non-residential & trade waste) was not reported.
8 Compliance with Total N in Licence was 100%.
9 Operating cost (OMA)/property was $539. Components were: management ($184), operation ($232), maintenance ($64), energy ($44) and chemical ($16).
10 Oberon Council rehabilitations included 0.3% of its sewerage mains and 0.4% of its service connections.

(Results shown for 10 years together with 2011/12 Statewide Median and Top 20%)

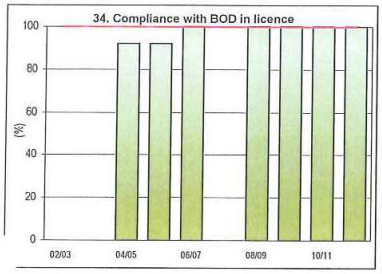
COST RECOVERY

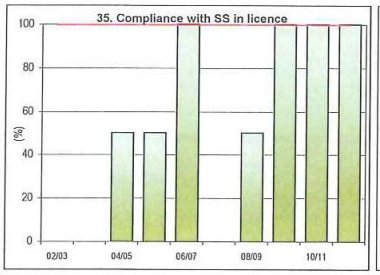


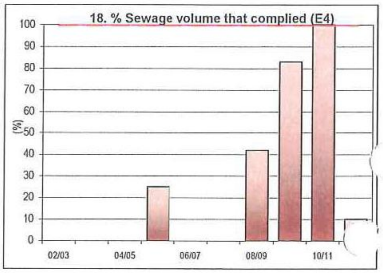




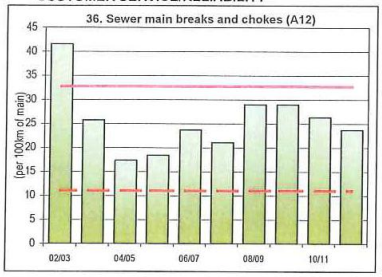
COMPLIANCE

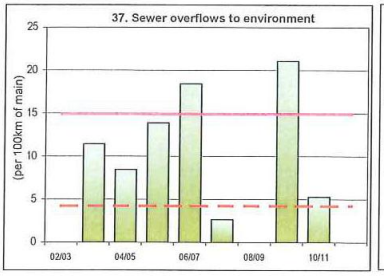


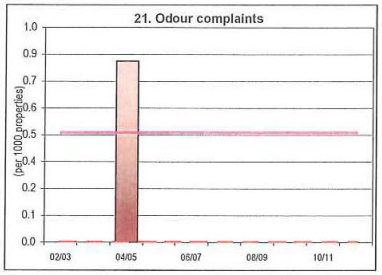




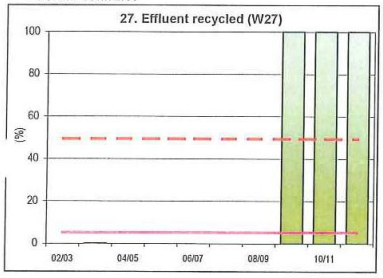
CUSTOMER SERVICE/RELIABILITY

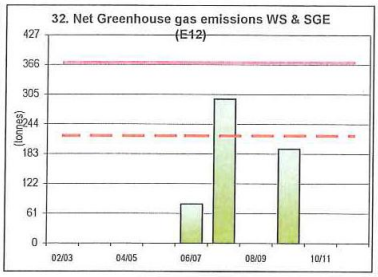


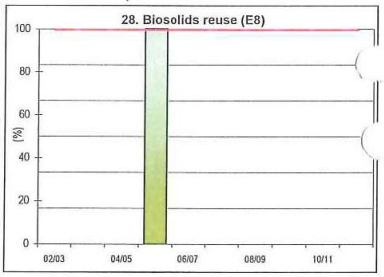




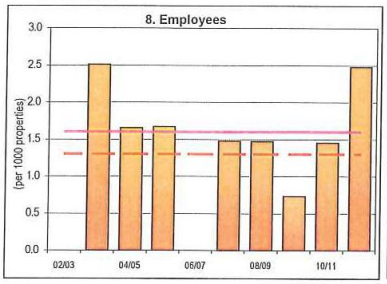
ENVIRONMENT

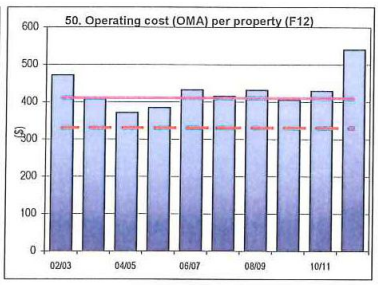






EFFICIENCY





NOTES:

1. Costs are in Jan 2012$ except for graph 12, which is in Jan 2013$.

LEGEND
2011-12 State Median
2011-12 Top 20%

Appendix E Projected Cost Schedules

E.1 30-year Capital Works Program- Water Supply

OBERON COUNCIL - STRATEGIC ACTION PLANNING

WATER - 30-Year Capital Works Program Current Year 2012 /13

CAPITAL WORKS IN 2012$('000)

	SUBSIDY	ILOS	GROWTH	RENEW	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
					Total	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42
Oberon																																			
Water Mains - Reticulation				100%	**810**	180	130	160	40	150									150																
Water Mains - Trunk				100%	**1150**		25		125										1000																
Water Reservoirs - Concrete				100%	**325**					75									250																
WTP - Conventional - Drying beds - concrete				100%	**170**																			170										
WTP - Conventional - Filters - bed				100%	**120**																				120									
WTP - Conventional Filters - membrane				100%	**360**		120										120									120								
WTP - Conventional - Instruments				100%	**600**						150					150					150				150									
WTP - Piping Works within the plant				100%	**250**																				250									
WTP - Conventional - Water Treatment Plant Structures				100%	**0**																													
WTP - Carbon Filters for Algae Control	50%	100%			**200**					200																									
WTP - Fluoridation System	50%	100%			**250**							250																							
WTP - Mechanical Thickener Upgrade				100%	**0**																													
WTP - Membrane Tank Drainage System Upgrade, including pumps		25%		75%	**0**																													
WTP - Chlorine Analyser on Raw Water Intake		100%			**50**			50																											
Drought Emergency Bore	50%	100%			**100**						100																								
Flowmeters for Water Loss Program					**0**																													
Domestic Meter Replacement				100%	**1200**		50	100	100	100	50						50	100	100	100	50						50	100	100	100	50				
WTP & WPS Painting/Cleaning Program				100%	**300**	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
GRAND TOTAL					**5885**	**190**	**335**	**320**	**275**	**535**	**310**	**260**	**10**	**10**	**10**	**160**	**180**	**110**	**1510**	**110**	**210**	**10**	**10**	**10**	**180**	**530**	**180**	**110**	**110**	**110**	**60**	**10**	**10**	**10**	**10**
Expected Subsidy / Contribution on Projects					**275**	**0**	**0**	**0**	**0**	**100**	**50**	**125**	**0**	**0**	**0**																				

E.2 30-year Capital Works Program – Sewerage

OBERON COUNCIL - STRATEGIC ACTION PLANNING																																			
SEWER - 30-Year Capital Works Program			Current Year	2012 /13																															
CAPITAL WORKS IN 2012$('000)					0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	SUBSIDY	ILOS	GROWTH	RENEW	Total	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42
Oberon																																			
Ancillory - Monitoring				100%	10												10																		
SPS - Submersible 25m head				100%	721			162							213	222												124							
SPS - Submersible 50m head				100%	690			370			320																								
STP - Effluent Lagoons				100%	250																								250						
STP - Trickling Filter		25%		75%	6400			300	500	500																		50	50	2500	2500					
STP - Preliminary Treatment				100%	100						100																								
STP - Sludge Lagoons		25%		75%	250																								250						
STP - Septage Receival and Chemical Delivery System		100%			100		100																												
STP - Primary Sedimentation Tanks Sludge Cleaning Upgrad		50%		50%	0																														
STP - Refurbishment of metalwork & covers for digesters				100%	30		30																												
STP - Sludge Lagoon Pontoon Access Bridges				100%	15		15																												
Sewer Mains - Gravity Reticulation				100%	83																							83							
Sewer Mains - Rising Mains				100%	0																														
Sewer Manhole Rehabilitation Program				100%	500		50	50	50	50	50	50	50	50	50	50																			
Effluent Reuse Scheme				100%	0																														
STP &SPS Painting/Cleaning Program				100%	300	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Inflow/Infiltration Program (net of grant)				100%	450		100	100			50	50	50	50	50																				
				100%	0																														
GRAND TOTAL					9899	10	305	992	560	560	530	110	110	110	323	282	20	10	10	10	10	10	10	10	10	10	10	267	60	2510	3010	10	10	10	10
Expected Subsidy / Contribution on Projects					0	0	0	0	0	0																									

E.3 30-year Recurrent Cost Schedule – Water Supply

WATER SUPPLY - OPERATIONS, MAINT, ADMIN AND REVENUE OVERRIDES <INCREASES IN RECURRENT EXPENDITURE> (2012/13 $000)

	30 YEAR	2012	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	TOTAL	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42
Administration																																	
Action																																	
Strategic Business Plan	118			13				15				15				15				15				15				15				15	
Best Practice Compliance Audit	3				3																												
Feasibiity Study for Burraga and Black Springs	15						15																										
Water Loss Management Study	0																																
Review and Update Drought Management Plan	35					5				5				5				5				5				5							
IWCM- Strategy Implementation (Provisional)	1,140				20	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Carry out Energy Audit and Optimise energy usage	30				5					5					5					5					5				5				
Total Adjustment	1,341			13	28	45	55	55	40	50	40	55	40	45	45	55	40	45	40	60	40	45	40	55	45	45	40	55	40	50	40	55	40
Override (Inflated to 12/13$ and pro-rata adjustment for growth)	3,329	53	62	77	92	109	120	120	105	115	105	120	105	111	111	121	106	111	106	127	107	112	107	122	112	112	107	123	108	118	108	124	108
Engineering and Supervision																																	
12 Recruit new staff - Technical Officer	1,120					40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
12	0																																
	0																																
Total Adjustment	1,120			0	0	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Override (Inflated to 12/13$ and pro-rata adjustment for growth)	3,454	113	73	75	75	116	116	116	116	116	117	117	117	117	117	117	118	118	118	118	118	118	119	119	119	119	119	119	120	120	120	120	120
Operations Expenses																																	
Asset Revaluation of Fair Values	27						3			3			3			3			3			3			3			3			3		
9 Prepare Operations Plan	5				5																												
9 WHS review of water facilities	10					10																											
GIS Layers implementation - water	8				8																												
Total Adjustment	50			0	13	10	3	0	0	3	0	0	3	0	0	3	0	0	3	0	0	3	0	0	3	0	0	3	0	0	3	0	0
Override (Inflated to 12/13$ and pro-rata adjustment for growth)	6,464	203	203	209	223	220	213	211	211	214	212	212	215	212	213	216	213	214	217	214	215	218	215	215	219	216	216	220	217	217	221	218	218
Maintenance Expenses																																	
Prepare Maintenance Plan	5				5																												
10 Reservoir Cleaning and Painting	40				4			4			4			4			4			4			4			4			4			4	
10 Maintenance Equipment purchase	0																																
Total Adjustment	5			0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Override (Inflated to 12/13$ and pro-rata adjustment for growth)	1,301	44	41	42	47	42	42	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	44	44	44	44	44	44	44	44	44	44
Energy Costs																																	
Allowance for increasing energy costs	90			3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
	0																																
Total Adjustment	90			3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Override (Inflated to 12/13$ and pro-rata adjustment for growth)	90	0	0	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Chemical Costs																																	
Addl. Chemical cost for fluoridation	48									2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
	0																																
Total Adjustment	48			0	0	0	0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Override (Inflated to 12/13$ and pro-rata adjustment for growth)	1,535	72	47	48	49	49	49	49	49	51	51	51	51	51	51	51	51	52	52	52	52	52	52	52	52	52	52	52	52	52	52	53	53
Purchase of Water																																	
	0																																
	0																																
Total Adjustment	0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Override (Inflated to 12/13$ and pro-rata adjustment for growth)	17,472	423	553	570	571	572	573	574	575	575	576	577	578	579	580	580	581	582	583	584	584	585	586	587	588	589	589	590	591	592	593	594	594
Other Expenses																																	
	0																																
	0																																
Total Adjustment	0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Override (Inflated to 12/13$ and pro-rata adjustment for growth)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Revenue																																	
	0																																
	0																																
Total Adjustment	0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Override (Inflated to 12/13$ and pro-rata adjustment for growth)	249	10	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	9	9	9	9	9	9	9	9	9

E.4 30-year Recurrent Cost Schedule – Sewerage

SEWERAGE - OPERATIONS, MAINT, ADMIN AND REVENUE OVERRIDES <INCREASES IN RECURRENT EXPENDITURE> (2012/13 $000)

		30 YEAR	2012	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
		TOTAL	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42
Administration																																		
Obj.	**Action**																																	
1	Review and update Strategic Business Plan	117			12				15				15				15				15				15				15				15	
1	Best Practicce Compliance Audit	2				2																												
2	Feasibility study for Burraga and Black Springs	15					15																											
3	Liquid trade waste Policy/ Register and Awareness campaign	20				20																												
4	Best Practicce - Load based Sewerage Pricing	5				5																												
7	Carry out Energy Audit and Optimise energy usage	30				5					5					5					5				5				5				
8	Due Diligence Plans (Emergency Response, Risk Management etc	0																																
		0																																
Total Adjustment		189			12	32	15	0	15	0	5	0	15	0	0	5	15	0	0	0	20	0	0	0	15	5	0	0	15	0	5	0	15	0
Override (Inflated to 12/13$ and pro-rata adjustment for growth)		1,517	40	42	55	75	58	43	59	43	49	44	59	44	44	49	59	44	44	44	65	44	44	45	60	50	45	45	60	45	50	45	61	45
Engineering and Supervision																																		
12	Recruit new staff - Technician Officer	1,160				40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
		0																																
Total Adjustment		1,160			0	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Override (Inflated to 12/13$ and pro-rata adjustment for growth)		6,903	158	181	186	226	227	227	227	228	228	229	229	229	230	230	230	231	231	232	232	232	233	233	234	234	234	235	235	235	236	236	237	237
Operations Expenses																																		
	Addl. Operating cost after STP replacement/ upgrade																														25	25	25	25
	I/I Program (CCTV) - Mains condition monitoring	500				50	50	50	50	50	50	50	50	50	50																			
	Asset Revaluation of Fair Values	18						2			2			2			2			2				2			2			2			2		
	Prepare Operations Plan	5				5																												
	GIS Layers implementation	7				7																												
	WHS Risk management of sewerage facilities	10					10																											
Total Adjustment		640			0	62	60	52	50	50	52	50	50	52	50	0	2	0	0	2	0	0	2	0	0	2	0	0	2	0	25	27	25	25
Override (Inflated to 12/13$ and pro-rata adjustment for growth)		9,517	244	281	289	351	350	342	341	341	344	343	343	346	344	294	296	295	295	298	296	297	299	298	298	301	299	300	302	301	327	330	328	329
Maintenance Expenses																																		
	Prepare Maintenance Plan	5				5																												
		0																																
		0																																
Total Adjustment		5			0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Override (Inflated to 12/13$ and pro-rata adjustment for growth)		2,435	73	77	79	84	79	79	80	80	80	80	80	80	80	81	81	81	81	81	81	81	81	82	82	82	82	82	82	82	83	83	83	83
Energy Costs																																		
		0																																
	Allowance for increasing energy costs	60			2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
		0																																
Total Adjustment		60			2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Override (Inflated to 12/13$ and pro-rata adjustment for growth)		1,735	36	53	56	57	57	57	57	57	57	57	57	57	57	57	58	58	58	58	58	58	58	58	58	58	59	59	59	59	59	59	59	59
Chemical Costs																																		
		0																																
		0																																
Total Adjustment		0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Override (Inflated to 12/13$ and pro-rata adjustment for growth)		600	20	19	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Other Expenses																																		
	Reduction in trade waste revenue from timber industry	3,000			100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
		0																																
Total Adjustment		3,000			100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Override (Inflated to 12/13$ and pro-rata adjustment for growth)		3,080	0	0	100	100	101	101	101	101	101	101	102	102	102	102	102	102	103	103	103	103	103	103	104	104	104	104	104	104	105	105	105	105

Appendix F Financial Input Data – Water Supply

Oberon Council Water Fund Financial Model 2012/13 : Preferred Case-Water

Historical Operating Statement

FINMOD
DEPARTMENT OF COMMERCE

	2010/11*	2011/12*
EXPENSES		
Management Expenses	*166*	*135*
Administration	53	62
Engineering and Supervision	113	73
Operation and Maintenance Expenses	*742*	*844*
Operation Expenses	203	203
Maintenance Expenses	44	41
Energy Costs		
Chemical Costs	72	47
Purchase of Water	423	553
Depreciation	*172*	*157*
System Assets	166	152
Plant & Equipment	6	5
Interest Expenses	32	26
Other Expenses		
TOTAL EXPENSES	**1112**	**1162**
REVENUES		
Rates & Service Availability Charges	*314*	*294*
Residential	226	239
Non-Residential	88	55
User Charges	*728*	*785*
Sales of Water : Residential	197	197
Sales of Water : Non-Residential	531	588
Extra Charges	6	7
Interest Income	36	30
Other Revenues	10	8
Grants	*26*	*17*
Grants for Acquisition of Assets		
Pensioner Rebate Subsidy	10	11
Other Grants	16	6
Contributions	*2*	*7*
Developer Charges	2	7
Developer Provided Assets		
Other Contributions		
TOTAL REVENUES	**1122**	**1148**
OPERATING RESULT	**10**	**-14**
OPERATING RESULT (less Grants for Acq of Assets)	**10**	**-14**

Oberon Council Water Fund Financial Model 2012/13 : Preferred Case-Water

Historical Statement of Financial Position

FINMOD
DEPARTMENT OF COMMERCE

	2010/11*	2011/12*
Cash and Investments	273	105
Receivables	187	166
Inventories		
Property, Plant & Equipment	*6786*	*7382*
System Assets (1)	6717	7313
Plant & Equipment	69	69
Other Assets		
TOTAL ASSETS	**7246**	**7653**
LIABILITIES		
Bank Overdraft		
Creditors	106	5
Borrowings	358	270
Provisions		
TOTAL LIABILITIES	**464**	**275**
NET ASSETS COMMITTED	**6782**	**7378**
EQUITY		
Accumulated Operating Result	5214	4615
Asset Revaluation Reserve	1568	2763
TOTAL EQUITY	**6782**	**7378**
(1) Notes to System Assets		
Current Replacement Cost	8754	11057
Less: Accumulated Depreciation	2037	3744
Written Down Current Cost	6717	7313

Oberon Council Water Fund Financial Model 2012/13 : Preferred Case-Water

Base Forecast Data

FINMOD
DEPARTMENT OF COMMERCE

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Financial Data																									
Inflation Rate - General (%)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Inflation Rate - Capital Works (%)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Borrowing Interest Rate for New Loans (%)	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Investment Interest Rate (%)	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Number of Assessments																									
Growth Rate (%)																									
Residential Assessments	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Non-Residential Assessments	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Total Assessments	0.15	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Number of New Assessments																									
Residential	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Non-Residential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total New Assessments	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Projected Number of Assessments																									
Residential	1150	1152	1154	1156	1158	1160	1162	1164	1166	1168	1170	1172	1174	1176	1178	1180	1182	1184	1186	1188	1190	1192	1194	1196	1198
Non-Residential	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230
Total Projected Assessments	1380	1382	1384	1386	1388	1390	1392	1394	1396	1398	1400	1402	1404	1406	1408	1410	1412	1414	1416	1418	1420	1422	1424	1426	1428
Backlog Assessments																									
Residential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Residential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Backlog Assessments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developer Charges / Vacant Assessments (Values in 2012/13 $)																									
Developer Charges $/Assessment																									
Residential	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268
Non-Residential	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268	1268
Number of Vacant Residential Assessments	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64
Average Charge of Vacant Assessments	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
% of Occupied Assessments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation of Existing Plant and Equipment (Values in 2012/13 $'000)																									
Current Replacement Cost of System Assets	11389																								
Override																									
Written Down Current Cost of System Assets	7532																								
Override																									
Annual Depreciation of Existing System Assets	157																								
Override																									
Written Down Value of Plant and Equipment	69																								
Override																									
Annual Depreciation of Existing Plant and Equipment	7	7	7	7	7	7	7	7	7	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Oberon Council Water Fund Financial Model 2012/13 : Preferred Case-Water

Base Forecast Data

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Existing Loan Payments (Values in Inflated $'000)																									
Existing Loan Payments : Principal (Total:270)	93	102	75	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Existing Loan Payments : Interest (Total:26)	10	12	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Works Program (Values in 2012/13 $'000)																									
Subsidised Scheme (Total:600)	0	0	50	0	200	100	250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other New System Assets (Total:0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Renewals (Total:5285)	190	335	270	275	335	210	10	10	10	10	160	180	110	1510	110	210	10	10	10	180	530	180	110	110	110
Total Capital Works (Total:5885)	190	335	320	275	535	310	260	10	10	10	160	180	110	1510	110	210	10	10	10	180	530	180	110	110	110
Grant For Acquisition of Assets (% of Subsidised Scheme)	0.00	0.00	0.00	0.00	50.00	50.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grant For Acquisition of Assets ($) (Total:275)	0	0	0	0	100	50	125	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developer Provided Assets (Total:0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and Equipment Expenditure / Asset Disposal (Values in 2012/13 $'000)																									
Plant and Equipment Expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from Disposal of Plant and Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Written Down Value of Plant and Equipment Disposed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gain/Loss on Disposal of Plant and Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Written Down Value of Assets Disposed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gain/Loss on Disposal of System Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Oberon Council Water Fund Financial Model 2012/13 : Preferred Case-Water

Revised/Additional Forecast Data

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
OMA / Revenue Overrides (Values in 2012/13 $'000)																									
Administration	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64
Override	77	92	109	120	120	105	115	105	120	105	111	111	121	106	111	106	127	107	112	107	122	112	112	107	123
Engineering and Supervision	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75
Override	75	75	116	116	116	116	116	117	117	117	117	117	117	118	118	118	118	118	118	119	119	119	119	119	119
Operating Expenses	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209
Override	209	223	220	213	211	211	214	212	212	215	212	213	216	213	214	217	214	215	218	215	215	219	216	216	220
Maintenance Expenses	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42
Override	42	47	42	42	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	44	44	44	44	44
Energy Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Override	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Chemical Costs	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48
Override	48	49	49	49	49	49	51	51	51	51	51	51	51	51	52	52	52	52	52	52	52	52	52	52	52
Purchase of Water	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594
Override																									
Other Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Override																									
Other Revenue	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Override																									
Other Grants	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Override	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Override																									
Developer Charges Overrides (Values in 2012/13 $'000)																									
Calculated from Scheme Data	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Override																									
Pensioner Rebate (Values in Inflated $)																									
Pensioner Rebate per Pensioner ($)	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50
Override																									
Pensioner Rebate Subsidy (%)	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00
Override																									
Number of Pensioner Assessments	229	230	230	231	231	231	232	232	233	233	233	234	234	235	235	235	236	236	237	237	237	238	238	239	239
Override																									
Percentage of Pensioners (%)	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95
Override																									
Pensioner Rebate	20	20	20	20	20	20	20	20	20	20	20	20	20	21	21	21	21	21	21	21	21	21	21	21	21
Pensioner Rebate Subsidy	11	11	11	11	11	11	11	11	11	11	11	11	11	12	12	12	12	12	12	12	12	12	12	12	12
Revenue Split (%)																									
Residential Rates	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79
Override																									
Non-Residential Rates	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70
Override																									
Sales of Water: Residential	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46	18.46
Override																									
Sales of Water: Non-Residential	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44	52.44
Override																									
Extra Charges	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61
Override																									
Total Non-Residential Revenue (%)	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14	59.14
Total Residential Revenue (%)	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25	40.25
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Oberon Council Water Fund Financial Model 2012/13 : Preferred Case-Water

Revised/Additional Forecast Data

FINMOD
DEPARTMENT OF COMMERCE

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
New Loan Payment Overrides (Values in Inflated $'000)																									
Standard Loan Payments: Principal	4	12	14	14	20	20	23	24	24	26	30	30	32	35	37	39	42	43	49	50	36	20	12	12	0
Standard Loan Payments: Interest	12	26	31	30	38	38	36	34	33	32	31	28	25	24	22	20	18	12	11	9	4	2	2	0	0
Structured Loan Payments: Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Structured Loan Payments: Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitalised Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total New Loan Payments: Principal Override	4	12	14	14	20	20	23	24	24	26	30	30	32	35	37	39	42	43	49	50	36	20	12	12	0
Total New Loan Payments: Interest Override	12	26	31	30	38	38	36	34	33	32	31	28	25	24	22	20	18	12	11	9	4	2	2	0	0
Capitalised Interest Override	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix G Detailed Financial Statements – Water Supply

Oberon Council Water Fund Financial Model 2012/13 : Preferred Case-Water

Operating Statement

FINMOD
DEPARTMENT OF COMMERCE

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
EXPENSES																									
Management Expenses	*152*	*167*	*225*	*236*	*236*	*221*	*231*	*222*	*237*	*222*	*228*	*228*	*238*	*224*	*229*	*224*	*245*	*225*	*230*	*226*	*241*	*231*	*231*	*226*	*242*
Administration	77	92	109	120	120	105	115	105	120	105	111	111	121	106	111	106	127	107	112	107	122	112	112	107	123
Engineering and Supervision	75	75	116	116	116	116	116	117	117	117	117	117	117	118	118	118	118	118	118	119	119	119	119	119	119
Operation and Maintenance Expenses	*872*	*892*	*886*	*880*	*879*	*882*	*888*	*887*	*887*	*891*	*889*	*891*	*895*	*893*	*896*	*900*	*897*	*900*	*904*	*902*	*904*	*909*	*907*	*908*	*913*
Operation Expenses	209	223	220	213	211	211	214	212	212	215	212	213	216	213	214	217	214	215	218	215	215	219	216	216	220
Maintenance Expenses	42	47	42	42	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	44	44	44	44	44
Energy Costs	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Chemical Costs	48	49	49	49	49	49	51	51	51	51	51	51	51	51	52	52	52	52	52	52	52	52	52	52	52
Purchase of Water	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594
Depreciation	*164*	*164*	*165*	*165*	*167*	*168*	*171*	*171*	*171*	*169*	*164*	*164*	*164*	*164*	*164*	*164*	*163*	*163*	*163*	*163*	*163*	*163*	*163*	*163*	*162*
System Assets	157	157	158	158	161	162	165	165	165	165	164	164	164	164	164	164	163	163	163	163	163	163	163	163	162
Plant & Equipment	7	7	7	6	6	6	6	6	6	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Expenses	22	37	33	27	34	33	30	28	26	25	23	20	18	16	15	13	11	7	6	5	2	1	1	0	0
Other Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	**1210**	**1260**	**1309**	**1309**	**1316**	**1303**	**1320**	**1307**	**1321**	**1308**	**1304**	**1304**	**1315**	**1297**	**1304**	**1300**	**1317**	**1295**	**1304**	**1296**	**1309**	**1304**	**1302**	**1297**	**1317**
REVENUES																									
Rates & Service Availability Charges	*357*	*383*	*400*	*400*	*401*	*403*	*404*	*405*	*407*	*407*	*408*	*409*	*410*	*411*	*413*	*413*	*414*	*414*	*416*	*417*	*419*	*419*	*420*	*421*	*422*
Residential	273	293	305	306	307	308	309	310	311	311	312	313	314	315	315	316	317	317	318	319	320	320	321	322	323
Non-Residential	84	90	94	94	94	95	95	95	96	96	96	96	96	97	97	97	97	97	98	98	99	98	99	99	99
User Charges	*890*	*952*	*994*	*997*	*999*	*1003*	*1005*	*1008*	*1010*	*1012*	*1016*	*1019*	*1021*	*1023*	*1026*	*1028*	*1029*	*1033*	*1036*	*1038*	*1040*	*1042*	*1045*	*1047*	*1050*
Sales of Water : Residential	232	248	259	259	260	261	261	263	263	264	264	265	266	266	267	268	268	269	270	270	271	271	272	273	274
Sales of Water : Non-Residential	658	705	735	738	738	742	744	746	748	749	752	753	755	757	759	760	762	764	766	768	770	771	773	774	777
Extra Charges	8	8	8	8	9	9	8	9	9	8	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
Interest Income	9	14	13	12	11	9	13	24	35	46	53	56	62	29	21	25	32	42	51	55	48	51	55	61	65
Other Revenues	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Grants	*11*	*11*	*10*	*10*	*110*	*60*	*134*	*9*	*9*	*8*	*8*	*8*	*8*	*8*	*8*	*8*	*7*	*7*	*7*	*7*	*7*	*6*	*6*	*6*	*6*
Grants for Acquisition of Assets	0	0	0	0	100	50	125	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pensioner Rebate Subsidy	11	11	10	10	10	9	9	9	9	8	8	8	8	8	8	8	7	7	7	7	7	6	6	6	6
Other Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contributions	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*
Developer Charges	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Developer Provided Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	**1286**	**1379**	**1437**	**1438**	**1540**	**1494**	**1576**	**1466**	**1480**	**1493**	**1505**	**1511**	**1519**	**1491**	**1488**	**1493**	**1503**	**1517**	**1530**	**1538**	**1533**	**1538**	**1547**	**1555**	**1563**
OPERATING RESULT	**76**	**118**	**127**	**129**	**224**	**191**	**256**	**159**	**159**	**185**	**200**	**207**	**204**	**194**	**184**	**193**	**186**	**221**	**226**	**242**	**224**	**235**	**245**	**258**	**246**
OPERATING RESULT (less Grants for Acq of Assets)	**76**	**118**	**127**	**129**	**123**	**141**	**131**	**159**	**159**	**185**	**200**	**207**	**204**	**194**	**184**	**193**	**186**	**221**	**226**	**242**	**224**	**235**	**245**	**258**	**246**

Oberon Council Water Fund Financial Model 2012/13 : Preferred Case-Water

Cashflow Statement

FINMOD
DEPARTMENT OF COMMERCE

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Cashflow From Operating Activities																									
Receipts																									
Rates and Charges	1255	1344	1403	1405	1408	1415	1417	1422	1426	1428	1432	1436	1439	1443	1447	1449	1452	1456	1461	1465	1468	1470	1474	1476	1481
Interest Income	9	14	13	12	11	9	13	24	35	46	53	56	62	29	21	25	32	42	51	55	48	51	55	61	65
Other Revenues	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Grants	11	11	10	10	110	60	134	9	9	8	8	8	8	8	8	8	7	7	7	7	7	6	6	6	6
Contributions	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Total Receipts from Operations	**1286**	**1379**	**1437**	**1438**	**1540**	**1494**	**1576**	**1466**	**1480**	**1493**	**1505**	**1511**	**1519**	**1491**	**1488**	**1493**	**1503**	**1517**	**1530**	**1538**	**1533**	**1538**	**1547**	**1555**	**1563**
Payments																									
Management	152	167	225	236	236	221	231	222	237	222	228	228	238	224	229	224	245	225	230	226	241	231	231	226	242
Operations (plus WC Inc)	877	897	892	886	884	887	893	892	893	897	894	897	901	898	902	905	903	905	909	907	909	914	912	914	918
Interest Expenses	22	37	33	27	34	33	30	28	26	25	23	20	18	16	15	13	11	7	6	5	2	1	1	0	0
Other Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Payments from Operations	**1051**	**1101**	**1150**	**1149**	**1154**	**1140**	**1154**	**1142**	**1156**	**1143**	**1145**	**1145**	**1157**	**1139**	**1145**	**1142**	**1159**	**1137**	**1146**	**1138**	**1152**	**1146**	**1145**	**1140**	**1160**
Net Cash from Operations	**235**	**278**	**287**	**288**	**386**	**354**	**422**	**324**	**324**	**349**	**359**	**366**	**363**	**353**	**342**	**351**	**344**	**379**	**384**	**400**	**381**	**392**	**402**	**415**	**403**
Cashflow from Capital Activities																									
Receipts																									
Proceeds from Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments																									
Acquisition of Assets	190	335	320	275	535	310	260	10	10	10	160	180	110	1510	110	210	10	10	10	180	530	180	110	110	110
Net Cash from Capital Activities	**-190**	**-335**	**-320**	**-275**	**-535**	**-310**	**-260**	**-10**	**-10**	**-10**	**-160**	**-180**	**-110**	**-1510**	**-110**	**-210**	**-10**	**-10**	**-10**	**-180**	**-530**	**-180**	**-110**	**-110**	**-110**
CashFlow from Financing Activities																									
Receipts																									
New Loans Required	190	200	100	0	130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments																									
Principal Loan Payments	97	111	84	13	18	17	19	20	19	20	22	22	22	24	24	25	26	26	29	29	20	11	6	6	0
Net Cash from Financing Activities	**93**	**89**	**16**	**-13**	**112**	**-17**	**-19**	**-20**	**-19**	**-20**	**-22**	**-22**	**-22**	**-24**	**-24**	**-25**	**-26**	**-26**	**-29**	**-29**	**-20**	**-11**	**-6**	**-6**	**0**
TOTAL NET CASH	**138**	**32**	**-17**	**1**	**-37**	**27**	**142**	**295**	**295**	**320**	**177**	**165**	**230**	**-1181**	**208**	**116**	**308**	**343**	**345**	**191**	**-169**	**202**	**286**	**299**	**293**
Current Year Cash	138	32	-17	1	-37	27	142	295	295	320	177	165	230	-1181	208	116	308	343	345	191	-169	202	286	299	293
Cash & Investments @Year Start	105	236	260	236	230	187	208	340	617	885	1170	1308	1429	1611	418	608	703	981	1286	1584	1723	1509	1661	1890	2125
Cash & Investments @Year End	243	268	243	237	193	214	350	635	912	1205	1347	1472	1659	430	626	724	1011	1324	1631	1775	1554	1710	1947	2189	2418
Capital Works Funding:																									
nternal Funding for New Works ($'000)	0	0	50	0	0	50	126	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Internal Funding for Renewals	0	135	170	275	305	210	10	10	10	10	160	180	110	1510	110	210	10	10	10	180	530	180	110	110	110
New Loans	190	200	100	0	130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants	0	0	0	0	100	50	125	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital Works	**190**	**335**	**320**	**275**	**535**	**310**	**260**	**10**	**10**	**10**	**160**	**180**	**110**	**1510**	**110**	**210**	**10**	**10**	**10**	**180**	**530**	**180**	**110**	**110**	**110**

Oberon Council Water Fund Financial Model 2012/13 : Preferred Case-Water

Statement of Financial Position

FINMOD
DEPARTMENT OF COMMERCE

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Cash and Investments	243	260	229	217	171	185	293	516	720	924	1002	1063	1164	293	414	465	630	801	958	1012	860	919	1016	1109	1189
Receivables	171	171	172	172	172	173	173	172	173	173	173	173	174	174	175	175	175	175	176	176	176	176	176	177	177
Inventories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property, Plant & Equipment	*7627*	*7796*	*7949*	*8057*	*8424*	*8564*	*8653*	*8491*	*8331*	*8172*	*8167*	*8183*	*8129*	*9475*	*9420*	*9466*	*9313*	*9159*	*9006*	*9023*	*9390*	*9408*	*9355*	*9302*	*9250*
System Assets (1)	7565	7743	7904	8019	8394	8541	8636	8481	8326	8172	8167	8183	8129	9475	9420	9466	9313	9159	9006	9023	9390	9408	9355	9302	9250
Plant & Equipment	62	53	45	38	30	23	17	11	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	**8041**	**8227**	**8350**	**8446**	**8768**	**8921**	**9119**	**9180**	**9223**	**9268**	**9343**	**9420**	**9467**	**9942**	**10009**	**10105**	**10118**	**10136**	**10140**	**10211**	**10427**	**10503**	**10547**	**10588**	**10617**
LIABILITIES																									
Bank Overdraft	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors	5	5	5	5	4	4	4	4	4	4	4	4	4	3	3	3	3	3	3	3	3	3	3	3	2
Borrowings	363	442	445	419	519	487	453	420	389	358	325	294	263	232	200	169	138	108	76	46	24	13	6	0	0
Provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	**368**	**447**	**450**	**424**	**523**	**491**	**457**	**424**	**393**	**362**	**329**	**298**	**267**	**235**	**204**	**173**	**141**	**111**	**79**	**48**	**27**	**16**	**9**	**3**	**2**
NET ASSETS COMMITTED	**7673**	**7781**	**7900**	**8022**	**8244**	**8430**	**8661**	**8755**	**8830**	**8907**	**9014**	**9122**	**9200**	**9707**	**9805**	**9933**	**9976**	**10025**	**10060**	**10162**	**10400**	**10488**	**10539**	**10586**	**10614**
EQUITY																									
Accumulated Operating Result	4691	4673	4664	4657	4745	4798	4914	4930	4946	4987	5042	5102	5158	5202	5234	5274	5307	5374	5443	5527	5589	5661	5741	5832	5909
Asset Revaluation Reserve	2982	3209	3448	3699	3962	4245	4542	4851	5164	5481	5801	6130	6470	6818	7235	7662	8104	8552	9006	9466	9941	10450	10975	11513	12064
TOTAL EQUITY	**7673**	**7788**	**7914**	**8042**	**8266**	**8460**	**8718**	**8874**	**9022**	**9188**	**9358**	**9531**	**9696**	**9845**	**10017**	**10192**	**10357**	**10548**	**10733**	**10925**	**11093**	**11279**	**11469**	**11666**	**11843**
(1) Notes to System Assets																									
Current Replacement Cost	11389	11389	11439	11439	11639	11739	11989	11989	11989	11989	11989	11989	11989	11989	11989	11989	11988	11988	11988	11988	11988	11988	11988	11988	11988
Less: Accumulated Depreciation	3824	3647	3536	3420	3246	3199	3353	3508	3663	3818	3822	3806	3860	2514	2568	2523	2676	2829	2982	2965	2598	2581	2633	2686	2738
Written Down Current Cost	7565	7743	7904	8019	8394	8541	8636	8481	8326	8172	8167	8183	8129	9475	9420	9466	9313	9159	9006	9023	9390	9408	9355	9302	9250

Oberon Council Water Fund Financial Model 2012/13 : Preferred Case-Water

Performance Indicators

FINMOD
DEPARTMENT OF COMMERCE

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Typical Residential Bills	470	500	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520
Average Residential Bills (2012/13$)	439	470	489	489	490	491	491	492	492	492	493	493	494	494	495	494	495	495	496	496	497	497	497	497	498
Mgmnt Cost / Assessment (2012/13$)	110	120	163	170	171	159	166	159	170	159	163	163	170	159	163	159	173	159	163	160	169	162	162	159	170
OMA Cost per Assessment (2012/13$)	329	353	389	393	390	380	390	381	392	382	384	384	393	380	385	383	394	381	386	380	390	386	384	380	393
Operating Sales Margin (%)	6.97	10.38	10.33	10.14	10.26	11.43	10.31	11.27	10.43	11.33	11.74	11.77	10.97	12.39	12.08	12.29	11.23	12.64	12.27	12.92	11.97	12.46	12.77	13.20	12.09
Economic Real Rate of Return (%)	1.17	1.82	1.85	1.79	1.74	1.91	1.71	1.92	1.81	2.01	2.09	2.09	1.97	1.91	1.88	1.91	1.77	2.03	2.02	2.12	1.89	1.97	2.04	2.12	1.96
Debt Service Ratio	0.09	0.11	0.08	0.03	0.04	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.01	0.01	0.00	0.00	0.00
Debt/Equity Ratio	0.05	0.06	0.06	0.05	0.06	0.06	0.05	0.05	0.04	0.04	0.03	0.03	0.03	0.02	0.02	0.02	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Interest Cover	4.45	4.21	4.86	5.70	4.66	5.29	5.36	6.74	7.12	8.56	9.68	11.25	12.64	12.88	13.64	16.00	17.61	31.50	36.00	48.11	102.00	219.50	235.50	0.00	0.00
Return on capital (%)	1.22	1.89	1.92	1.85	1.93	2.02	1.99	2.03	2.01	2.27	2.39	2.42	2.34	2.12	1.98	2.03	1.95	2.26	2.29	2.42	2.17	2.25	2.33	2.44	2.32
Cash and Investments (2012/13$'000)	243	268	243	237	193	214	350	635	912	1205	1347	1472	1659	430	626	724	1011	1324	1631	1775	1554	1710	1947	2189	2418
Debt outstanding (2012/13$'000)	363	442	445	419	519	487	453	420	389	358	325	294	263	232	200	169	138	108	76	46	24	13	6	0	0
Net Debt (2012/13$'000)	120	174	202	182	326	273	103	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Oberon Council Water Fund Financial Model 2012/13 : Preferred Case-Water

FINMOD
DEPARTMENT OF COMMERCE

STANDARD LOAN PAYMENT SCHEDULE

Drawdown		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
2012/13 Principal	190	4	6	6	6	6	6	7	8	8	8	10	10	10	11	12	12	14	14	16	16	0	0	0	0	0
Interest		12	12	12	12	10	10	10	10	9	8	8	8	6	6	6	4	4	2	2	1	0	0	0	0	0
2013/14 Principal	206		6	6	6	6	6	8	8	8	8	10	10	10	12	12	13	14	14	16	16	18	0	0	0	0
Interest			14	13	12	12	12	12	10	10	10	10	8	8	8	6	6	5	4	3	2	1	0	0	0	0
2014/15 Principal	106			2	2	4	4	4	4	4	4	4	4	6	6	6	6	6	7	8	8	8	9	0	0	0
Interest				6	6	6	6	6	6	6	6	5	4	4	4	4	4	3	2	2	2	1	0	0	0	0
2016/17 Principal	146					4	4	4	4	4	6	6	6	6	6	7	8	8	8	9	10	10	11	12	12	0
Interest						10	10	8	8	8	8	8	8	7	6	6	6	6	4	4	4	2	2	2	0	0
Total Principal	**648**	4	12	14	14	20	20	23	24	24	26	30	30	32	35	37	39	42	43	49	50	36	20	12	12	0
Total Interest		12	26	31	30	38	38	36	34	33	32	31	28	25	24	22	20	18	12	11	9	4	2	2	0	0

Oberon Council Water Fund Financial Model 2012/13 : Preferred Case-Water

Summary Report of Assumptions and Results

FINMOD
DEPARTMENT OF COMMERCE

	2012/13	2016/17	2021/22	2026/27	2031/32	2036/37	2041/42
Inflation Rates - General (%)	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Inflation Rates - Capital Works (%)	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Borrowing Interest Rate (%)	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Term of New Loans (years)	20	20	20	20	20	20	20
Investment Interest Rate (%)	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Growth Rate - Residential (%)	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Developer Charges per Assessment - Residential (2012/13 $)	1268	1268	1268	1268	1268	1268	1268
Subsidised Scheme Capital Works ($m)	0.00	0.20	0.00	0.00	0.00	0.00	0.00
Grants on Acquisition of Assets ($m)	0.00	0.10	0.00	0.00	0.00	0.00	0.00
Renewals ($m)	0.19	0.34	0.01	0.11	0.18	0.11	0.01
Renewals (%)	1.67	2.88	0.08	0.92	1.50	0.92	0.08
Cash and Investments ($m)	0.24	0.17	0.92	0.41	1.01	1.19	1.72
Borrowing Outstanding ($m)	0.36	0.52	0.36	0.20	0.05	0.00	0.00
Mgmnt Cost / Assessment	110	171	159	163	160	170	159
Debt Equity Ratio	0.05	0.06	0.03	0.01	0.00	0.00	0.00
OMA Cost Per Assessment	329	390	382	385	380	393	380
Economic Real Rate of Return (%)	1.17	1.74	2.01	1.88	2.12	1.96	2.40
Return on Capital (%)	1.22	1.93	2.27	1.98	2.42	2.32	2.89
Net Debt ($m)	0.12	0.33	0.00	0.00	0.00	0.00	0.00
Debt Service Ratio	0.09	0.04	0.03	0.03	0.02	0.00	0.00
Average Residential Bills	439	490	492	495	496	498	499
Typical Residential Bills (2012/13$)	470	520	520	520	520	520	520

Appendix H Financial Input Data – Sewerage

Oberon Council Sewer Fund Financial Model 2012/13 : Preferred Case

Historical Operating Statement

FINMOD
DEPARTMENT OF COMMERCE

	2010/11*	2011/12*
EXPENSES		
Management Expenses	*198*	*223*
Administration	40	42
Engineering and Supervision	158	181
Operation and Maintenance Expenses	*373*	*430*
Operation Expenses	244	281
Maintenance Expenses	73	77
Energy Costs	36	53
Chemical Costs	20	19
Depreciation	*90*	*91*
System Assets	59	56
Plant & Equipment	31	35
Interest Expenses		
Other Expenses		
TOTAL EXPENSES	**661**	**744**
REVENUES		
Rates & Service Availability Charges	*561*	*579*
Residential	347	366
Non-Residential	214	213
Trade Waste Charges	182	125
Other Sales and Charges		
Extra Charges	4	5
Interest Income	68	50
Other Revenues	4	51
Grants	*9*	*10*
Grants for Acquisition of Assets		
Pensioner Rebate Subsidy	9	10
Other Grants		
Contributions	*3*	*9*
Developer Charges	3	9
Developer Provided Assets		
Other Contributions		
TOTAL REVENUES	**831**	**829**
OPERATING RESULT	**170**	**85**
OPERATING RESULT (less Grants for Acq of Assets)	**170**	**85**

Oberon Council Sewer Fund Financial Model 2012/13 : Preferred Case

Historical Statement of Financial Position

FINMOD
DEPARTMENT OF COMMERCE

	2010/11*	2011/12*
Cash and Investments	809	950
Receivables	74	80
Inventories		
Property, Plant & Equipment	*5666*	*11705*
System Assets (1)	4347	11373
Plant & Equipment	1319	332
Other Assets		
TOTAL ASSETS	**6549**	**12735**
LIABILITIES		
Bank Overdraft		
Creditors	10	5
Borrowings		
Provisions		
TOTAL LIABILITIES	**10**	**5**
NET ASSETS COMMITTED	**6539**	**12730**
EQUITY		
Accumulated Operating Result	5530	5202
Asset Revaluation Reserve	1009	7528
TOTAL EQUITY	**6539**	**12730**

(1) Notes to System Assets

Current Replacement Cost	6030	17428
Less: Accumulated Depreciation	1683	6055
Written Down Current Cost	4347	11373

Oberon Council Sewer Fund Financial Model 2012/13 : Preferred Case

Base Forecast Data

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Financial Data																									
Inflation Rate - General (%)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Inflation Rate - Capital Works (%)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Borrowing Interest Rate for New Loans (%)	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Investment Interest Rate (%)	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Number of Assessments																									
Growth Rate (%)																									
Residential Assessments	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Non-Residential Assessments	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Total Assessments	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16
Number of New Assessments																									
Residential	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Non-Residential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total New Assessments	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Projected Number of Assessments																									
Residential	1003	1005	1007	1009	1011	1013	1015	1017	1019	1021	1023	1025	1027	1029	1031	1033	1035	1037	1039	1041	1043	1045	1047	1049	1051
Non-Residential	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186
Total Projected Assessments	1189	1191	1193	1195	1197	1199	1201	1203	1205	1207	1209	1211	1213	1215	1217	1219	1221	1223	1225	1227	1229	1231	1233	1235	1237
Backlog Assessments																									
Residential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Residential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Backlog Assessments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developer Charges / Vacant Assessments (Values in 2012/13 $)																									
Developer Charges $/Assessment																									
Residential	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615
Non-Residential	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615	1615
Number of Vacant Residential Assessments	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43
Average Charge of Vacant Assessments	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
% of Occupied Assessments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation of Existing Plant and Equipment (Values in 2012/13 $'000)																									
Current Replacement Cost of System Assets	17951																								
Override																									
Written Down Current Cost of System Assets	11714																								
Override																									
Annual Depreciation of Existing System Assets	58																								
Override	250																								
Written Down Value of Plant and Equipment	332																								
Override																									
Annual Depreciation of Existing Plant and Equipment	35	33	33	33	33	33	33	33	33	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Oberon Council Sewer Fund Financial Model 2012/13 : Preferred Case

Base Forecast Data

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Existing Loan Payments (Values in Inflated $'000)																									
Existing Loan Payments : Principal (Total:0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Existing Loan Payments : Interest (Total:0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Works Program (Values in 2012/13 $'000)																									
Subsidised Scheme (Total:1764)	0	100	75	125	125	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13	13	625
Other New System Assets (Total:0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Renewals (Total:8138)	10	205	917	435	435	530	110	110	110	323	282	20	10	10	10	10	10	10	10	10	10	10	255	48	1885
Total Capital Works (Total:9902)	10	305	992	560	560	530	110	110	110	323	282	20	10	10	10	10	10	10	10	10	10	10	268	61	2510
Grant For Acquisition of Assets (% of Subsidised Scheme)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grant For Acquisition of Assets ($) (Total:0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developer Provided Assets (Total:0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and Equipment Expenditure / Asset Disposal (Values in 2012/13 $'000)																									
Plant and Equipment Expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from Disposal of Plant and Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Written Down Value of Plant and Equipment Disposed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gain/Loss on Disposal of Plant and Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Written Down Value of Assets Disposed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gain/Loss on Disposal of System Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Oberon Council Sewer Fund Financial Model 2012/13 : Preferred Case

Revised/Additional Forecast Data

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
OMA / Revenue Overrides (Values in 2012/13 $'000)																									
Administration	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43
Override	55	75	58	43	59	43	49	44	59	44	44	49	59	44	44	44	65	44	44	45	60	50	45	45	60
Engineering and Supervision	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187
Override	186	226	227	227	227	228	228	229	229	229	230	230	230	231	231	232	232	232	233	233	234	234	234	235	235
Operating Expenses	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290
Override	289	351	350	342	341	341	344	343	343	346	344	294	296	295	295	298	296	297	299	298	298	301	299	300	302
Maintenance Expenses	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79
Override	79	84	79	79	80	80	80	80	80	80	80	81	81	81	81	81	81	81	81	82	82	82	82	82	82
Energy Costs	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55
Override	56	57	57	57	57	57	57	57	57	57	57	57	58	58	58	58	58	58	58	58	58	58	59	59	59
Chemical Costs	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Override																									
Other Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Override	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Other Revenue	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
Override	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Other Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Override																									
Other Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Override																									
Developer Charges Overrides (Values in 2012/13 $'000)																									
Calculated from Scheme Data	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Override																									
Pensioner Rebate (Values in Inflated $)																									
Pensioner Rebate per Pensioner ($)	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50
Override																									
Pensioner Rebate Subsidy (%)	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00
Override																									
Number of Pensioner Assessments	208	209	209	210	210	211	211	211	212	212	213	213	213	214	214	215	215	215	216	216	217	217	218	218	218
Override																									
Percentage of Pensioners (%)	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78	20.78
Override																									
Pensioner Rebate	18	18	18	18	18	18	18	18	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19
Pensioner Rebate Subsidy	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Revenue Split (%)																									
Residential Rates	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96
Override																									
Non-Residential Rates	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33	29.33
Override																									
Trade Waste Charges	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09
Override																									
Other Sales and charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Override																									
Extra Charges	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62
Override																									
Total Non-Residential Revenue (%)	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42	50.42
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Total Residential Revenue (%)	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96	48.96

Oberon Council Sewer Fund Financial Model 2012/13 : Preferred Case

Revised/Additional Forecast Data

FINMOD
DEPARTMENT OF COMMERCE

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
New Loan Payment Overrides (Values in Inflated $'000)																									
Standard Loan Payments: Principal	0	0	14	28	45	62	67	71	75	80	87	93	100	105	112	120	128	136	145	155	167	177	140	100	130
Standard Loan Payments: Interest	0	0	34	70	102	140	132	130	124	120	119	112	106	100	94	86	78	70	61	51	40	28	19	10	202
Structured Loan Payments: Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Structured Loan Payments: Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitalised Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total New Loan Payments: Principal Override	0	0	14	28	45	62	67	71	75	80	87	93	100	105	112	120	128	136	145	155	167	177	140	100	130
Total New Loan Payments: Interest Override	0	0	34	70	102	140	132	130	124	120	119	112	106	100	94	86	78	70	61	51	40	28	19	10	202
Capitalised Interest Override	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix I Detailed Financial Statements – Sewerage

Oberon Council Sewer Fund Financial Model 2012/13 : Preferred Case

Operating Statement

FINMOD
DEPARTMENT OF COMMERCE

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
EXPENSES																									
Management Expenses	*241*	*301*	*286*	*270*	*285*	*271*	*277*	*273*	*288*	*273*	*274*	*279*	*289*	*275*	*275*	*276*	*297*	*276*	*277*	*278*	*294*	*284*	*279*	*280*	*295*
Administration	55	75	58	43	59	43	49	44	59	44	44	49	59	44	44	44	65	44	44	45	60	50	45	45	60
Engineering and Supervision	186	226	227	227	227	228	228	229	229	229	230	230	230	231	231	232	232	232	233	233	234	234	234	235	235
Operation and Maintenance Expenses	*444*	*514*	*505*	*498*	*498*	*498*	*502*	*500*	*500*	*502*	*502*	*452*	*455*	*454*	*454*	*456*	*455*	*456*	*458*	*459*	*458*	*461*	*460*	*461*	*463*
Operation Expenses	289	351	350	342	341	341	344	343	343	346	344	294	296	295	295	298	296	297	299	298	298	301	299	300	302
Maintenance Expenses	79	84	79	79	80	80	80	80	80	80	80	81	81	81	81	81	81	81	81	82	82	82	82	82	82
Energy Costs	56	57	57	57	57	57	57	57	57	57	57	57	58	58	58	58	58	58	58	58	58	58	59	59	59
Chemical Costs	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Depreciation	*285*	*284*	*285*	*286*	*286*	*285*	*284*	*283*	*282*	*281*	*256*	*256*	*255*	*255*	*255*	*255*	*255*	*255*	*254*	*254*	*254*	*254*	*254*	*254*	*264*
System Assets	250	252	254	255	257	256	256	256	256	256	256	256	255	255	255	255	255	255	254	254	254	254	254	254	264
Plant & Equipment	35	32	31	30	29	28	28	27	26	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Expenses	0	0	32	64	91	121	111	106	98	92	89	81	74	68	62	55	49	42	36	29	22	15	10	5	99
Other Expenses	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
TOTAL EXPENSES	**1070**	**1199**	**1207**	**1217**	**1261**	**1274**	**1273**	**1262**	**1268**	**1248**	**1220**	**1167**	**1174**	**1152**	**1146**	**1143**	**1155**	**1129**	**1125**	**1120**	**1128**	**1114**	**1103**	**1100**	**1222**
REVENUES																									
Rates & Service Availability Charges	*593*	*668*	*742*	*817*	*892*	*895*	*897*	*899*	*902*	*904*	*906*	*909*	*912*	*914*	*916*	*919*	*920*	*924*	*926*	*928*	*931*	*933*	*935*	*937*	*940*
Residential	371	417	464	512	558	560	561	563	564	566	567	569	571	571	573	574	576	578	579	581	582	583	585	586	588
Non-Residential	222	250	278	306	334	335	336	337	338	339	339	340	342	343	343	344	345	346	347	348	349	350	350	351	352
Trade Waste Charges	160	180	200	220	241	241	242	242	243	244	244	245	245	246	247	248	248	249	250	250	251	252	252	252	253
Other Sales and Charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extra Charges	5	5	6	6	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	8	7	8	7
Interest Income	52	43	21	10	13	17	18	19	19	14	9	12	19	27	34	40	47	53	60	66	71	76	75	80	56
Other Revenues	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Grants	*10*	*10*	*9*	*9*	*9*	*9*	*8*	*8*	*8*	*8*	*7*	*7*	*7*	*7*	*7*	*6*	*6*	*6*	*6*	*6*	*6*	*5*	*5*	*5*	*5*
Grants for Acquisition of Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pensioner Rebate Subsidy	10	10	9	9	9	9	8	8	8	8	7	7	7	7	7	6	6	6	6	6	6	5	5	5	5
Other Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contributions	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*
Developer Charges	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Developer Provided Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	**828**	**913**	**985**	**1070**	**1170**	**1176**	**1181**	**1184**	**1187**	**1185**	**1182**	**1188**	**1199**	**1208**	**1220**	**1229**	**1237**	**1248**	**1257**	**1265**	**1273**	**1282**	**1283**	**1291**	**1269**
OPERATING RESULT	**-242**	**-286**	**-222**	**-147**	**-91**	**-98**	**-92**	**-78**	**-81**	**-63**	**-37**	**21**	**25**	**56**	**73**	**86**	**82**	**119**	**132**	**145**	**145**	**168**	**180**	**191**	**47**
OPERATING RESULT (less Grants for Acq of Assets)	**-242**	**-286**	**-222**	**-147**	**-91**	**-98**	**-92**	**-78**	**-81**	**-63**	**-37**	**21**	**25**	**56**	**73**	**86**	**82**	**119**	**132**	**145**	**145**	**168**	**180**	**191**	**47**

Oberon Council Sewer Fund Financial Model 2012/13 : Preferred Case

Cashflow Statement

FINMOD
DEPARTMENT OF COMMERCE

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Cashflow From Operating Activities																									
Receipts																									
Rates and Charges	758	852	947	1043	1140	1142	1146	1149	1153	1155	1158	1161	1165	1167	1171	1173	1176	1180	1183	1186	1189	1192	1194	1197	1201
Interest Income	52	43	21	10	13	17	18	19	19	14	9	12	19	27	34	40	47	53	60	66	71	76	75	80	56
Other Revenues	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Grants	10	10	9	9	9	9	8	8	8	8	7	7	7	7	7	6	6	6	6	6	6	5	5	5	5
Contributions	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Total Receipts from Operations	**828**	**913**	**985**	**1070**	**1170**	**1176**	**1181**	**1184**	**1187**	**1185**	**1182**	**1188**	**1199**	**1208**	**1220**	**1229**	**1237**	**1248**	**1257**	**1265**	**1273**	**1282**	**1283**	**1291**	**1269**
Payments																									
Management	241	301	286	270	285	271	277	273	288	273	274	279	289	275	275	276	297	276	277	278	294	284	279	280	295
Operations (plus WC Inc)	447	517	508	501	501	500	504	502	502	504	504	455	458	456	457	459	457	459	461	461	461	464	462	463	466
Interest Expenses	0	0	32	64	91	121	111	106	98	92	89	81	74	68	62	55	49	42	36	29	22	15	10	5	99
Other Expenses	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Total Payments from Operations	**788**	**917**	**926**	**934**	**977**	**992**	**992**	**981**	**988**	**969**	**966**	**915**	**922**	**900**	**894**	**890**	**902**	**877**	**873**	**869**	**877**	**863**	**851**	**848**	**960**
Net Cash from Operations	**40**	**-5**	**59**	**135**	**193**	**184**	**189**	**202**	**199**	**216**	**217**	**274**	**277**	**308**	**326**	**338**	**335**	**371**	**384**	**396**	**396**	**419**	**432**	**442**	**309**
Cashflow from Capital Activities																									
Receipts																									
Proceeds from Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments																									
Acquisition of Assets	10	305	993	560	561	530	110	110	110	323	282	20	10	10	10	10	10	10	10	10	10	10	268	61	2510
Net Cash from Capital Activities	**-10**	**-305**	**-993**	**-560**	**-561**	**-530**	**-110**	**-110**	**-110**	**-323**	**-282**	**-20**	**-10**	**-10**	**-10**	**-10**	**-10**	**-10**	**-10**	**-10**	**-10**	**-10**	**-268**	**-61**	**-2510**
CashFlow from Financing Activities																									
Receipts																									
New Loans Required	0	0	501	501	501	499	0	0	0	0	50	0	0	0	0	0	0	0	0	0	0	0	0	0	1500
Payments																									
Principal Loan Payments	0	0	13	26	40	53	56	58	59	61	65	67	70	71	74	77	80	82	85	88	92	95	73	51	64
Net Cash from Financing Activities	**0**	**0**	**487**	**475**	**461**	**446**	**-56**	**-58**	**-59**	**-61**	**-15**	**-67**	**-70**	**-71**	**-74**	**-77**	**-80**	**-82**	**-85**	**-88**	**-92**	**-95**	**-73**	**-51**	**1436**
TOTAL NET CASH	**30**	**-310**	**-446**	**50**	**93**	**100**	**23**	**35**	**30**	**-168**	**-80**	**186**	**197**	**227**	**242**	**251**	**245**	**278**	**288**	**298**	**294**	**314**	**90**	**330**	**-765**
Current Year Cash	30	-310	-446	50	93	100	23	35	30	-168	-80	186	197	227	242	251	245	278	288	298	294	314	90	330	-765
Cash & Investments @Year Start	950	951	623	172	216	300	389	400	422	439	263	178	353	535	739	953	1168	1372	1602	1836	2071	2296	2534	2548	2795
Cash & Investments @Year End	**980**	**642**	**177**	**222**	**309**	**400**	**412**	**435**	**452**	**271**	**183**	**364**	**551**	**761**	**981**	**1203**	**1413**	**1650**	**1891**	**2133**	**2365**	**2610**	**2625**	**2879**	**2030**
Capital Works Funding:																									
nternal Funding for New Works ($'000)	0	100	75	25	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13	13	125
Internal Funding for Renewals	10	205	417	35	35	30	110	110	110	323	232	20	10	10	10	10	10	10	10	10	10	10	255	48	885
New Loans	0	0	501	501	501	499	0	0	0	0	50	0	0	0	0	0	0	0	0	0	0	0	0	0	1500
Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital Works	**10**	**305**	**993**	**560**	**561**	**530**	**110**	**110**	**110**	**323**	**282**	**20**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**268**	**61**	**2510**

Oberon Council Sewer Fund Financial Model 2012/13 : Preferred Case

Statement of Financial Position

FINMOD
DEPARTMENT OF COMMERCE

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Cash and Investments	980	642	177	222	309	400	412	435	452	271	183	364	551	761	981	1203	1413	1650	1891	2133	2365	2610	2625	2879	2030
Receivables	83	83	84	84	84	85	85	85	84	84	84	85	85	85	85	85	85	85	85	86	86	86	86	86	86
Inventories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property, Plant & Equipment	*11771*	*11783*	*12484*	*12752*	*13021*	*13262*	*13084*	*12908*	*12734*	*12775*	*12801*	*12565*	*12320*	*12075*	*11829*	*11585*	*11340*	*11096*	*10852*	*10608*	*10364*	*10120*	*10134*	*9941*	*12187*
System Assets (1)	11474	11527	12266	12570	12874	13148	13001	12854	12708	12775	12801	12565	12320	12075	11829	11585	11340	11096	10852	10608	10364	10120	10134	9941	12187
Plant & Equipment	297	256	218	181	147	114	83	54	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	**12834**	**12509**	**12745**	**13058**	**13414**	**13747**	**13581**	**13427**	**13271**	**13130**	**13068**	**13014**	**12955**	**12921**	**12896**	**12874**	**12839**	**12832**	**12828**	**12827**	**12815**	**12816**	**12845**	**12906**	**14303**
LIABILITIES																									
Bank Overdraft	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors	5	5	5	5	4	4	4	4	4	4	4	4	4	3	3	3	3	3	3	3	3	3	3	3	2
Borrowings	0	0	487	948	1382	1787	1679	1573	1468	1363	1309	1204	1098	995	892	789	686	584	482	379	276	173	94	41	1476
Provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	**5**	**5**	**492**	**953**	**1386**	**1792**	**1683**	**1577**	**1471**	**1367**	**1313**	**1207**	**1102**	**998**	**895**	**792**	**689**	**587**	**485**	**382**	**278**	**175**	**97**	**44**	**1478**
NET ASSETS COMMITTED	**12829**	**12504**	**12253**	**12105**	**12028**	**11955**	**11897**	**11851**	**11799**	**11763**	**11755**	**11807**	**11853**	**11923**	**12001**	**12082**	**12150**	**12245**	**12343**	**12445**	**12536**	**12641**	**12748**	**12862**	**12825**
EQUITY																									
Accumulated Operating Result	4960	4529	4175	3906	3701	3495	3301	3127	2956	2807	2688	2630	2578	2559	2558	2569	2577	2620	2676	2743	2808	2894	2989	3093	3050
Asset Revaluation Reserve	7869	7975	8078	8200	8327	8460	8596	8724	8844	8956	9068	9176	9275	9364	9443	9512	9573	9625	9667	9702	9729	9747	9758	9769	9774
TOTAL EQUITY	**12829**	**12504**	**12253**	**12105**	**12028**	**11955**	**11897**	**11851**	**11799**	**11763**	**11755**	**11807**	**11853**	**11923**	**12001**	**12082**	**12150**	**12245**	**12343**	**12445**	**12536**	**12641**	**12748**	**12862**	**12825**
(1) Notes to System Assets																									
Current Replacement Cost	17951	18051	18127	18253	18377	18378	18378	18377	18377	18377	18377	18377	18377	18377	18377	18377	18377	18377	18377	18377	18378	18378	18391	18404	19029
Less: Accumulated Depreciation	6477	6524	5861	5682	5503	5230	5377	5523	5670	5603	5576	5812	6057	6302	6548	6792	7037	7281	7526	7770	8014	8258	8257	8463	6842
Written Down Current Cost	11474	11527	12266	12570	12874	13148	13001	12854	12708	12775	12801	12565	12320	12075	11829	11585	11340	11096	10852	10608	10364	10120	10134	9941	12187

Oberon Council Sewer Fund Financial Model 2012/13 : Preferred Case

Performance Indicators

FINMOD
DEPARTMENT OF COMMERCE

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Typical Residential Bills	388	433	478	523	568	568	568	568	568	568	568	568	568	568	568	568	568	568	568	568	568	568	568	568	568
Average Residential Bills (2012/13$)	370	416	461	507	552	553	553	553	554	554	554	555	556	555	556	556	556	558	557	558	558	558	558	559	559
Mgmnt Cost / Assessment (2012/13$)	203	252	239	226	238	226	231	227	239	226	226	230	238	227	226	227	243	226	226	227	239	231	226	227	239
OMA Cost per Assessment (2012/13$)	576	683	663	642	655	641	648	643	654	642	641	604	614	600	599	601	616	598	600	601	612	605	599	600	613
Operating Sales Margin (%)	-37.89	-37.83	-21.90	-8.81	-1.15	0.45	0.00	0.77	-0.14	1.31	3.61	7.62	6.78	8.24	8.58	8.48	7.07	9.02	8.98	9.03	7.97	8.83	9.51	9.59	7.50
Economic Real Rate of Return (%)	-2.50	-2.79	-1.69	-0.73	-0.10	0.04	0.00	0.07	-0.01	0.12	0.33	0.71	0.65	0.81	0.86	0.87	0.74	0.97	0.99	1.02	0.92	1.05	1.13	1.17	0.75
Debt Service Ratio	0.00	0.00	0.05	0.08	0.11	0.15	0.14	0.14	0.13	0.13	0.13	0.12	0.12	0.12	0.11	0.11	0.10	0.10	0.10	0.09	0.09	0.09	0.06	0.04	0.13
Debt/Equity Ratio	0.00	0.00	0.04	0.08	0.11	0.15	0.14	0.13	0.12	0.12	0.11	0.10	0.09	0.08	0.07	0.07	0.06	0.05	0.04	0.03	0.02	0.01	0.01	0.00	0.12
Interest Cover	0.00	0.00	-5.94	-1.30	0.00	0.19	0.17	0.26	0.18	0.32	0.58	1.26	1.33	1.82	2.18	2.56	2.69	3.80	4.67	5.98	7.55	12.14	19.16	38.70	1.48
Return on capital (%)	-1.89	-2.29	-1.49	-0.64	0.00	0.16	0.14	0.21	0.13	0.22	0.39	0.78	0.76	0.96	1.05	1.10	1.02	1.25	1.31	1.36	1.30	1.43	1.48	1.52	1.02
Cash and Investments (2012/13$'000)	980	642	177	222	309	400	412	435	452	271	183	364	551	761	981	1203	1413	1650	1891	2133	2365	2610	2625	2879	2030
Debt outstanding (2012/13$'000)	0	0	487	948	1382	1787	1679	1573	1468	1363	1309	1204	1098	995	892	789	686	584	482	379	276	173	94	41	1476
Net Debt (2012/13$'000)	0	0	310	726	1073	1387	1267	1138	1016	1092	1126	840	547	234	0	0	0	0	0	0	0	0	0	0	0

Oberon Council Sewer Fund Financial Model 2012/13 : Preferred Case

STANDARD LOAN PAYMENT SCHEDULE

FINMOD
DEPARTMENT OF COMMERCE

Drawdown		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
2014/15	Principal 531			14	14	16	16	18	18	20	21	22	24	26	27	29	31	33	35	38	40	43	45	0	0	0
	Interest			34	34	32	32	30	29	28	27	25	24	22	20	19	17	15	13	10	8	5	2	0	0	0
2015/16	Principal 547				14	15	16	17	18	19	20	22	23	25	26	28	30	32	34	36	39	41	44	47	0	0
	Interest				36	34	34	32	31	30	29	28	26	24	23	21	19	17	15	13	11	8	5	3	0	0
2016/17	Principal 564					14	16	16	18	18	20	21	22	24	26	27	29	31	33	35	37	40	43	45	49	0
	Interest					36	36	34	34	32	31	30	28	27	25	24	22	20	18	16	13	11	8	5	3	0
2017/18	Principal 579						14	16	17	18	19	20	22	23	24	26	28	30	32	34	36	39	41	44	47	49
	Interest						38	36	36	34	33	32	30	29	28	26	24	22	20	18	16	14	11	9	5	3
2022/23	Principal 67											2	2	2	2	2	2	2	2	2	3	4	4	4	4	4
	Interest											4	4	4	4	4	4	4	4	4	3	2	2	2	2	2
2036/37	Principal 3049																									77
	Interest																									197
2037/38	Principal 3141																									
	Interest																									
Total Principal	8478	0	0	14	28	45	62	67	71	75	80	87	93	100	105	112	120	128	136	145	155	167	177	140	100	130
Total Interest		0	0	34	70	102	140	132	130	124	120	119	112	106	100	94	86	78	70	61	51	40	28	19	10	202

Oberon Council Sewer Fund Financial Model 2012/13 : Preferred Case

Summary Report of Assumptions and Results

FINMOD
DEPARTMENT OF COMMERCE

	2012/13	2016/17	2021/22	2026/27	2031/32	2036/37	2041/42
Inflation Rates - General (%)	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Inflation Rates - Capital Works (%)	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Borrowing Interest Rate (%)	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Term of New Loans (years)	20	20	20	20	20	20	20
Investment Interest Rate (%)	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Growth Rate - Residential (%)	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Developer Charges per Assessment - Residential (2012/13 $)	1615	1615	1615	1615	1615	1615	1615
Subsidised Scheme Capital Works ($m)	0.00	0.13	0.00	0.00	0.00	0.63	0.00
Grants on Acquisition of Assets ($m)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Renewals ($m)	0.01	0.44	0.32	0.01	0.01	1.89	0.01
Renewals (%)	0.06	2.37	1.76	0.05	0.06	9.91	0.05
Cash and Investments ($m)	0.98	0.31	0.27	0.98	2.13	2.03	0.90
Borrowing Outstanding ($m)	0.00	1.38	1.36	0.89	0.38	1.48	2.20
Mgmnt Cost / Assessment	203	238	226	226	227	239	226
Debt Equity Ratio	0.00	0.10	0.09	0.05	0.02	0.06	0.07
OMA Cost Per Assessment	576	655	642	599	601	613	620
Economic Real Rate of Return (%)	-2.50	-0.10	0.12	0.86	1.02	0.75	0.56
Return on Capital (%)	-1.89	0.00	0.22	1.05	1.36	1.02	0.67
Net Debt ($m)	0.00	1.07	1.09	0.00	0.00	0.00	1.30
Debt Service Ratio	0.00	0.11	0.13	0.11	0.09	0.13	0.19
Average Residential Bills	370	552	554	556	558	559	560
Typical Residential Bills	388	568	568	568	568	568	568