Council is seeking comment and feedback to our High level plans and budget:

- Delivery Program 2017/2018-2020/2021
- Operational Plan 2020/2021

Notes:

Upper Hunter Shire Council encourages residents to provide written comment on the Draft Delivery Program 2017/2018-2020/2021 and Operational Plan 2020/2021, which include operational budgets, capital works program and fees and charges. The draft plans outline Council’s proposed activities including information about services provided, capital works to be undertaken and proposed fees and charges.

This year public meetings about the draft Plans will not be held in the interests of community safety.

Council is required to work within the Integrated Planning and Reporting framework, consistent with the Local Government Act and Office of Local Government. Together with the Community Strategic Plan 2027, the Delivery Program and Operational Plan are key documents in this process, that work together to set the direction to move the Upper Hunter Shire forward and to communicate how this is achieved.

These plans are a statutory requirement under the Integrated Planning and Reporting (IP&R) framework. Every NSW council is required to undertake long term planning, based on comprehensive community engagement, and resourced by robust plans for finances, assets and workforce. The IP&R framework provides a systematic and rigorous approach for making well-tuned plans aligned with community’s vision and priorities, as well as Government priorities and plans for the region.

The framework lays out where the Shire is heading over a ten-year period, backed up by detailed plans for the short and medium-terms. This provides the community and Council with a clear picture of:

- Where we want to go (Community Strategic Plan)
- How we plan to get there (Delivery Program, Operational Plan/Budget, Resourcing Strategy)
- How we will report our progress (monthly/quarterly, annual and end-of-term reports).

This ensures that our planning and implementation are transparent and accountable.

If you have a questions prior to making a submission, please email council@upperhunter.nsw.gov.au
Welcome

Council’s Draft Delivery Program 2017/2018-2020/2021 and Operational Plan 2020/2021 is out for public exhibition. These documents will establish the Council’s future activities including information about works and services, how they are funded and details of Council’s finances.

These are Council’s main working documents so we are keen to hear your comments and feedback.

It’s a big document of around 300 pages but you can choose the areas you are interested in whether that is sports facilities, fees and charges, or road repairs.

I look forward to receiving your submissions for the delivery Program 2017/2018-2020/2021 and Operational Plan 2020/2021. The documents are an important mechanism in ensuring Council’s decisions and activities are transparent to the Community. I hope you take the time to read these documents and ensure we are on the right track.

Please be assured the safety and wellbeing of our shire and our staff is of the upmost priority for Council as we navigate through an unprecedented and difficult time locally, nationally and internationally. COVID-19 presents many challenges and with it changes to the way in which we live, work and interact with one another.

Most of you are aware we have had to cancel many events and community gatherings that have been planned over the coming months, including our annual Public Meetings held during the Public Exhibition of these documents. This is the start of a lot of tough decisions and measures that will need to be made to reduce the spread of the virus and maintain the health of our Shire. Council is committed to delivering the services and projects outlined in the Delivery Program and Operational Plan, however we have and will continue to adjust as needed to the changing situation. We will keep the Community engaged throughout this situation to ensure any impacts are communicated.

The next year will bring many new opportunities and challenges for our community in these challenging times. I have every confidence that our community will continue to work together to overcome these obstacles and further cement the Upper Hunter Shire as one of the most desirable places to live, work and play.
Notes:

Our Shire has a land area of 8,100 km² and a population of 14,112.

The Core Business Functions of Council are:

The provision and maintenance of the roads system throughout the Shire

The provision of water, sewer and waste services for its residents

The provision of planning, building and regulatory services

The development and maintenance of recreation, sporting and cultural facilities, libraries, saleyards and airport.
OUR COMMUNITY PROFILE

Environment
- Land Area: 8,100km²
- Waste Management Facilities: 5
- National Parks: 686 km²
- Principle River Systems: Pages River
  - Isis River
  - Hunter River
  - Goulburn River
- Other important water sources:
  - Dart Brook, Middle Brook, Wybong Creek,
  - Mootjaw River, Krui River, Moonan Brook
  and Stawarts Brook

Upper Hunter Shire supports a diverse range of native flora and fauna species and ecosystems as a result of its topography, geology and climate. Includes parts of the following bioregions: Sydney Basin, Brigalow Belt South, NSW North Coast, Nandewar and New England.

Economy
- Labour force: 6,615
  - Full-time: 60%
  - Part-time: 29.9%
  - Unemployed: 4.8%

Key Economic & Employment Sectors
- Primary production (beef cattle),
  - horse farming (equine),
  - coal mining,
  - meat processing
- Local government administration

Community
- 22 Playgrounds
- 119 hectares Sports Ground
- 3 Public Swimming Pools
- 8 Community Halls
- 1 Theatre
- 3 Approved Children’s Education and Care Services
  - The Early Learning Centre
  - Family Day Care
  - Scone Out of School Hours / Vacation Care
- 3 Youth Centres
- 17 Independent Living Units
- 1 Aged Care Hostel
- 2 Low Income Units

Agriculture
- 1,344 jobs
- 482,703m²
- Livestock selling centre
- 1,344
- 1,344

Governance
- 3 Council Branch Offices
- 9 Local Councillors
- 1 State Member
- 1 Federal Representative
- 22 Playgrounds
- 119 hectares Sports Ground
- 3 Public Swimming Pools
- 8 Community Halls
- 1 Theatre
- 3 Approved Children’s Education and Care Services
  - The Early Learning Centre
  - Family Day Care
  - Scone Out of School Hours / Vacation Care
- 3 Youth Centres
- 17 Independent Living Units
- 1 Aged Care Hostel
- 2 Low Income Units

Notes:
Council Manages:
- 3 Council Branch Offices
- 8 Community Halls
- 5 Public Library Branches
- 3 Public Swimming Pools
- Youth
  - 3 Youth Centres
  - Early intervention services including:
    - Family and youth support
    - Skills groups
    - Counselling
- 3 Approved Children’s Education and Care Services
  - The Early Learning Centre (ELC)
- Long Day Care
  - Family Day Care (FDC)
  - Scone Out of School Hours / Vacation
- Care Program (SOOSH)
- 17 Independent Living Units
- 1 Aged Hostel
- 2 Low Income Units
- 3 Animal Shelters
- 5 Waste depots
- More than 119 hectares of sports ground
Public Exhibition

- Wednesday 29 April 2020 to Thursday 28 May 2020
- Community Feedback is very important – Please tell us what you think.

Notes:
We have distributed a brochure to every household to advise of the exhibition period and we have advertised in the papers and on social media. Our aim is to continue the engagement of the Community, to ensure these Plans reflect the vision and aspirations of the Community.

We encourage questions and feedback from the Community. It is critical that these Plans reflect the views of the Community.
Council’s High-level Plans and Budget

- Community Strategic Plan (CSP) 2027 provides a roadmap of what is important to the Community and where it wants to be in 10 years.
- Delivery Program 2017/2018-2020/2021 translates the directions and strategies into actions.
- Operational Plan 2020/2021 provides a detailed financial budget and delivery responsibilities.

Notes:
Delivery Program and Operational Plan are currently on exhibition. The Community Strategic Plan 2027 was finalised in 2017/2018 and the Operational Plan 2020/2021 represents the 4th year of our reporting period.
How They Fit Together

Notes:
Diagram above illustrates how the documents fit together.
Business Improvement

• Why?
• Current Improvements; and
• Future Improvement;

Notes:
At the start of the Council term, we carried out a major rewrite of our Community Strategic Plan 2027. We did updates of the Delivery Program and Operational Plan but had identified that further improvement was needed.

Moving forward from this, we have continued the business improvements to our Delivery Program and Operational Plan. This will ensure a further increase in transparency for the Community in terms of what Council is committed to providing.

There are a number of new sections in the documents that reflect these improvements, including:

• Our Community Profile in Part 1;
• Present and Beyond Tables in Part 4;
• Climate Change in Part 5; and
• Drought Community Programme 2020 in Part 5.
Notes:
You will continue to see the 11 Community Priorities throughout the document and the CSP 2027 is linked through the service summaries. This is meeting one of our statutory responsibilities as it shows how we are delivering these priorities for the community.

The 11 Community Priorities represent what the Community believes to be the 10 most important priorities for the future and the final priority is to highlight the importance for Council to be Fit for the Future.
New Format

- What looks the same; and
- What has changed.

Notes:
Part 1 to Part 3 format is the same as current, just updated slightly and there is a new Community Profile overview on p.13.
Part 4 – Is the new Present and Beyond Tables.
Part 5 and attachments, is a similar format. The Service Summaries link to the new Part 4 tables.
Part 6 is the new Fees and charges and our rate category maps.
The additional updates further increase the transparency to the Community.
Notes:

Example 1 – Asset Management
The Service Summaries and Present and Beyond Tables link.
Notes:
Example 2 – Sustainability
The Service Summaries and Present and Beyond Tables link.
**Overview**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>78.27</td>
<td>62.44</td>
</tr>
<tr>
<td>Operational Expenditure</td>
<td>(48.94)</td>
<td>(47.81)</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>(61.15)</td>
<td>(40.28)</td>
</tr>
<tr>
<td>Non-Operating Revenue/Exp</td>
<td>31.82</td>
<td>25.63</td>
</tr>
<tr>
<td>Net Surplus (Deficiency)</td>
<td>0</td>
<td>(0.02)</td>
</tr>
</tbody>
</table>

**Notes:**

The proposed budget for the 2020/2021 financial year is a balanced budget.

The table provides a very high level view of the budget’s revenue and expenditure comparative between the 2020 and 2021 years.

As you can see from the table the revenue from operations has increased from $62m to $78m which represents an increase of approximately 25% on the revised budget for 2020.

This increase in revenue is primarily off-set by the expansion of the capital works program which has risen from a revised budget of $40m in the 2020 year to a proposed expenditure of $61m in the 2021 year.

The other areas within the budget such as Operational Expenditure and Non-Operating Revenue and Expenditure have also increased from 2020 to 2021 in order to provide the balanced budget.

We will now go through these high level numbers in more detailed.
Notes:

Pie Chart – Total revenue

The pie chart provides an overview of where Council obtains its revenue from both its operations and non-operating sources which totals $105m for the 2021 year.

It is interesting to note from the pie graph that the general rates levied by Council only represent 10.8% of its total revenue.

It is further highlighted that even when you include Council’s essential services such as Water, Sewer and the general fees and charges that the total revenue from these sources only represent 28.1% of Council’s total revenue.

What this means when we look at the large pieces of pie on the right hand side of the chart is that Council is extremely reliant on grant funding from Government agencies.

This grant funding represents a total 42.6% of Council’s overall revenue for the 2021 year, which includes 11.2% from operational grant funding that is used to help provide services to the community and 31.4% capital grant funding which is driven towards delivery of major infrastructure works.

It is noted that the Capital grant funding is quite substantial for the 2021 year due to the delivery of projects such as the Regional Road Infrastructure, Bridge Replacements, Airport redevelopment and Scone CBD upgrade to name a few which we will highlight further in coming slides.

The other significant revenue source that Council is required to secure during the 2021 year is loan funding. These loan proceeds are coupled together with capital grant funding in order to deliver portions of the major infrastructure works program for the 2021 year.

Overall when looking at the pie graph it can be easily acknowledged that Council is extremely reliant on Government grant funding in order to provide the community with services and upgrading of it’s infrastructure.
BUDGET SUMMARY

Total Expenditure

Notes:
Pie Chart – Total Expenditure
As with any balanced budget where you have $105m in revenue there must be $105m in expenditure.
The pie chart on total expenditure provides an overview of where Council spends its money.
It is noted when looking at the chart that the major items of the pie represent the essential
services of Council being roads, bridges, water, sewer and environment (i.e. waste) totaling 52% of Council’s overall spend for the 2021 year. If you add in the airport major infrastructure works it increases to nearly 75% of the total expenditure.
So as you can see the main focus of Council is towards providing these essential services.
## Operating Revenue

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Rates</td>
<td>11.39</td>
<td>11.10</td>
<td>2.6</td>
</tr>
<tr>
<td>Annual Charges</td>
<td>7.78</td>
<td>7.73</td>
<td>0.6</td>
</tr>
<tr>
<td>User, Statutory &amp; Other Charges</td>
<td>10.37</td>
<td>10.51</td>
<td>(3.3)</td>
</tr>
<tr>
<td>Operating Grants &amp; Contributions</td>
<td>11.71</td>
<td>9.65</td>
<td>21.3</td>
</tr>
<tr>
<td>Capital Grants &amp; Contributions</td>
<td>33.00</td>
<td>19.09</td>
<td>72.9</td>
</tr>
<tr>
<td>Interest</td>
<td>0.65</td>
<td>0.79</td>
<td>(17.7)</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>3.37</td>
<td>3.57</td>
<td>(5.6)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>78.27</strong></td>
<td><strong>62.44</strong></td>
<td><strong>17.8</strong></td>
</tr>
</tbody>
</table>

### Notes:

Moving onto the more detailed dollar number movements between the 2020 and 2021 years it is highlighted that revenues have increase by $16m or 17.8%.

When looking at these revenue items in isolation the following is noted:

- General rates have increased by the IPART recommended rate peg of 2.6%;
- Annual access charges such as water, sewer and waste have remained relatively consistent;
- User and statutory fees have slightly reduced;
- Operational grants and contributions have increase by 21% which is primarily due to the prepayment of 50% of the 2020 years Federal Government’s financial assistance grant in June 2019 which effectively reduces the 2020 operation grant total by $2m in the 2020 year;
- Interest revenues have declined over the 2020 year with investment interest rates spiraling downwards to approximately 1.0% to 1.4% returns; and
- All other revenues have declined by 5.6% from the 2020 year.

This only leaves the item that is expected to significantly increase from the 2020 year which is the Capital Works grant funding with an increase of 72.9%.
**General Rate Revenue**
- Increased by IPART recommended increase of 2.6%.

**Annual Charges & User Fees**
- **Water** – increase by CPI and maintaining the NSW State Water’s recommended pricing of 25% Access Charge to 75% User Consumption Charge.
- **Sewer** – increase by 5% for future infrastructure works
- **Waste** – Full review of charges undertaken to reflect appropriate fees for Waste disposal including Gov’t Waste Levy. Increase of approx. 10% required.
- **Stormwater** – no change (fixed by legislation)
- **Other Fees and Charges** – increased by CPI, cost recovery or approved statutory legislation.

**Notes:**
An overview of what changes are proposed for ratepayers in regards to the general rate and annual access charges that will be levied plus the user fees and charges applied for council's services is summarised as follows:

General rate is increased by the IPART recommended 2.6% rate peg;

Increase in Water User and Annual Access have increased in line with CPI with Council still maintaining the best practice for pricing recommended by NSW State Water of 25% access charge to 75% user consumption;

Sewer charges have increased by 5% to fund future sewer infrastructure works required for Council aging sewer network;

Waste charges is one that has increased significantly from the 2020 year by approximately 10%. The reason for the increase is due primarily to the ever increasing cost of waste disposal and future remediation required for each of Council’s five waste facility sites. Council is strategically reviewing its waste management facilities in order to minimise the cost, maximize the facilities useful lifecycle and provide an efficient operational service. It is proposed that for a collection of a residents kerbside general waste (Red Bin) and recycle products (Yellow Bin) that the annual charge increase from $598 in 2020 to $655 in the 2021 year.

Stormwater annual charge has not changed as it is fixed by legislation; and

All other user fees and charges have increased by either CPI, general cost recovery or approved statutory legislation.
### Operational Grants & Contributions

<table>
<thead>
<tr>
<th></th>
<th>2021 ($’m)</th>
<th>2020 ($’m)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAGS – General</td>
<td>3.27</td>
<td>1.52</td>
<td>115.1</td>
</tr>
<tr>
<td>FAGS - Roads</td>
<td>2.07</td>
<td>1.01</td>
<td>105.0</td>
</tr>
<tr>
<td>R2R &amp; R4R Funding</td>
<td>1.50</td>
<td>1.79</td>
<td>(16.2)</td>
</tr>
<tr>
<td>RMS Block &amp; Repair Funding</td>
<td>1.59</td>
<td>1.54</td>
<td>3.2</td>
</tr>
<tr>
<td>Aged &amp; Childcare Subsidies</td>
<td>2.40</td>
<td>2.30</td>
<td>4.3</td>
</tr>
<tr>
<td>Other</td>
<td>0.88</td>
<td>1.49</td>
<td>(40.9)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11.71</strong></td>
<td><strong>9.65</strong></td>
<td><strong>21.3</strong></td>
</tr>
</tbody>
</table>

**Notes:**

As highlighted previously, the two major sources of Council’s revenue for the 2021 year revolve around Operational and Capital Government funding.

The table provides an overview of what type of operational grant funding Council secures in order to assist with its provision of infrastructure maintenance, community services and general administration activities and the movement in the funding from the 2020 year:

The Federal Government’s Financial Assistance Grants (FAGS) for both general administration and roads has increased in 2021 due to the 2020 value being lowered by the prepayment of 50% of the allocation in June 2019 (2019 year).

Roads to Recovery (R2R) and Regional for Resources (R4R) dependent on road infrastructure renewal activities undertaken in each year.

Roads and Maritime Services (RMS) block and repair funding has increased relative to CPI.

Council receives subsidies for its aged care facility at Gummun Place and it’s Childrens Services at the Early Learning Centre (ELC, SOOSH, Family Day Care and Youth Services which are dependent on the entitlements and circumstances of the aged care residents and parents of the children. There has been a modest increment from 2020 to 2021.

Other miscellaneous grants and contribution received by Council has declined from 2020 due to that year receiving community drought funding.

So overall the operation grant funding has increased by 21% primarily due to the FAGS funding.
## Capital Grants & Contributions

<table>
<thead>
<tr>
<th>Description</th>
<th>Funded</th>
<th>Amount (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerodrome Redevelopment</td>
<td>Yes</td>
<td>11.08</td>
</tr>
<tr>
<td>Cassilis Sewer System</td>
<td>Yes</td>
<td>0.78</td>
</tr>
<tr>
<td>Scone WTP – UV &amp; Chlorination</td>
<td>Yes</td>
<td>0.85</td>
</tr>
<tr>
<td>Reservoir and Village Reticulation</td>
<td>Yes</td>
<td>1.57</td>
</tr>
<tr>
<td>Scone CBD Upgrade – Western Side</td>
<td>Yes</td>
<td>3.00</td>
</tr>
<tr>
<td>MR62 Bunnan Road</td>
<td>Part</td>
<td>5.50</td>
</tr>
<tr>
<td>Hunter Road – Naracoote to Glenmore Bridge</td>
<td>No</td>
<td>2.00</td>
</tr>
<tr>
<td>Bridge Replacements &amp; Causeway Upgrade</td>
<td>Yes</td>
<td>4.47</td>
</tr>
<tr>
<td>Other</td>
<td>Part</td>
<td>3.75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>33.00</strong></td>
</tr>
</tbody>
</table>

### Notes:

As highlighted previously, the two major sources of Council’s revenue for the 2021 year revolve around Operational and Capital Government funding.

The table provides an overview of what type of operational grant funding Council secures in order to assist with its provision of infrastructure maintenance, community services and general administration activities and the movement in the funding from the 2020 year:

- The Federal Government’s Financial Assistance Grants (FAGS) for both general administration and roads has increased in 2021 due to the 2020 value being lowered by the prepayment of 50% of the allocation in June 2019 (2019 year).
- Roads to Recovery (R2R) and Regional for Resources (R4R) dependent on road infrastructure renewal activities undertaken in each year.
- Roads and Maritime Services (RMS) block and repair funding has increased relative to CPI.
- Council receives subsidies for its aged care facility at Gummun Place and it’s Childrens Services at the Early Learning Centre (ELC, SOOSH, Family Day Care and Youth Services) which are dependent on the entitlements and circumstances of the aged care residents and parents of the children. There has been a modest increment from 2020 to 2021.
- Other miscellaneous grants and contribution received by Council has declined from 2020 due to that year receiving community drought funding.

So overall the operation grant funding has increased by 21% primarily due to the FAGS funding.
Operational Expenditure

<table>
<thead>
<tr>
<th></th>
<th>$’m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised 19/20</td>
<td>47.81</td>
</tr>
<tr>
<td>Proposed 20/21</td>
<td>48.94</td>
</tr>
<tr>
<td>Total % Increase</td>
<td>2.36%</td>
</tr>
</tbody>
</table>

Notes:

Now looking at Council's operational expenditure for the 2020/2021 year when compared to the 2019/2020 year, its overall increase has been a modest 2.36% which equates primarily to CPI.

Council is always endeavouring to ensure that operational costs are minimised to the best of it’s ability by constantly reviewing its processes and procedures in order to deliver its services in the most efficient and cost effective manner possible.
# CAPITIAL WORKS BUDGET

<table>
<thead>
<tr>
<th>Revised 19/20</th>
<th>40.28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed 20/21</td>
<td>61.15</td>
</tr>
<tr>
<td>Increase</td>
<td>21.17</td>
</tr>
<tr>
<td>Increase (%)</td>
<td>52.56</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Major increase relates construction phases of:</th>
<th>$’m</th>
<th>Funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerodrome Redevelopment</td>
<td>21.70</td>
<td>Yes</td>
</tr>
<tr>
<td>Scone CBD Revitalisation</td>
<td>4.00</td>
<td>Yes</td>
</tr>
<tr>
<td>Bridge &amp; Causeway Upgrades</td>
<td>4.95</td>
<td>Yes</td>
</tr>
<tr>
<td>Bunnan Road Upgrade (MR62)</td>
<td>5.90</td>
<td>Yes</td>
</tr>
<tr>
<td>Hunter Road – Naracoote to Glenmore Bridge</td>
<td>2.00</td>
<td>No</td>
</tr>
<tr>
<td>UV Chlorination Upgrade</td>
<td>1.70</td>
<td>Yes</td>
</tr>
<tr>
<td>Murrurundi Reservoir &amp; Village Reticulation</td>
<td>2.32</td>
<td>Yes</td>
</tr>
<tr>
<td>Cassilis Sewer System</td>
<td>1.66</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Notes:**

As highlighted with the major increase in capital grant funding revenue, the other side of the equation will be the increase in the capital work expenditure.

Council’s capital works program for the 2020/2021 year is proposed to increase by 52% from the revised 2019/2020 program. This increase is predominantly due to the major Aerodrome redevelopment works which included the Aviation War Museum and airside infrastructure works to ensure compliance with the Civil Aviation Safety Authority (CASA). This project will provide a tourism attraction and business hub which will provide a great economic boost and benefit for the community.

Other major projects that have now reached the construction phase is:

- Commencement of the revitalisation of the Scone CBD post Bypass
- Improvements to Council’s transport infrastructure with roads, bridges and causeway renewals and upgrades
- Improved levels of services for Council’s Water and Sewer infrastructure with Scone Water Treatment Plant UV & Chlorination upgrade, Cassilis sewer system, new Murrurundi reservoir and the commencement of village reticulation systems along the Scone to Murrurundi pipeline.

Again it is noted that the majority of these projects have successfully secured funding to complete.
Non-Operating Revenue & Expenditure

<table>
<thead>
<tr>
<th>Description</th>
<th>$’m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td>11.43</td>
</tr>
<tr>
<td>Depreciation</td>
<td>10.53</td>
</tr>
<tr>
<td>Internal Fleet Hire &amp; Gravel</td>
<td>5.05</td>
</tr>
<tr>
<td>Principle Loan Repayments</td>
<td>(1.98)</td>
</tr>
<tr>
<td>Restrictions Movement</td>
<td>6.79</td>
</tr>
<tr>
<td>Total</td>
<td>31.82</td>
</tr>
</tbody>
</table>

Notes:

- Included in the formulation of Councils “balanced budget” is a number of revenue and expenditure items that are outside the actual operational aspects of Council but have a part to play in the funding and transactional accounting of Council’s business.

- Items of note in this area relate to:
  - Proposed loan borrowings to be obtained by Council to assist with funding of some capital works projects;
  - Off-setting credit for the write-down of Council’s infrastructure, buildings and plant through annual depreciation (This is done to provide a cashflow type budget);
  - Internal revenue generated from Council’s fleet usage and gravel material used from Council’s quarry sites;
  - Principle component of loan repayments to Council existing borrowings; and
  - Movement to and from Council restricted cash reserves earmarked for specific purposes.
2020/2021 Year

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount (‘m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scone Regional Aerodrome</td>
<td>7.80</td>
</tr>
<tr>
<td>Cassilis Sewer System</td>
<td>1.47</td>
</tr>
<tr>
<td>Waste Management Facilities</td>
<td>2.00</td>
</tr>
<tr>
<td>Gummun Place</td>
<td>0.16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11.43</strong></td>
</tr>
</tbody>
</table>

It is proposed that these borrowings are drawn down in full with unused funding included in Restricted Assets for funding of planned capital works for each project.

**Notes:**

When borrowing funds Council reviews its capacity to borrow, repay the debt and meet the Office of Local Government borrowing benchmark as set by the “Fit for the Future” guidelines.

As highlighted previously in the Non-Operating Revenue and Expenditure, part of Council’s overall budget process includes loan borrowings to facilitate its delivery of some of it’s capital works projects.

For the 2020/2021 year Council proposes to enter into four loan borrowings to supplement capital grant funding to advance the completion of the following projects:

- Aviation War Museum and airside infrastructure works which has a project value of $23.55m;
- Cassilis Sewer System with a project value of $2.7m;
- Waste Management facility upgrades which supplements $400k in capital grant funding which will provide infrastructure to efficiently and effectively run the facilities; and
- Gummun Place small infrastructure funding to provide improved facilities for the aged care residents.

When undertaking these proposed borrowings Council reviews its Debt Services Coverage ratio to ensure that it meets the recommended benchmark of the Office of Local Government.

Following these borrowing it is anticipated, based on the proposed 2020/2021 Operational Plan that the consolidated ratio will be 3.86x which is well above the recommended >2.0x.

In summary, Council will continue to strive to ensure that the provision of services and facilities to the community in an effective and efficient manner whilst maintaining the “Fit for the Future” recommended benchmarks.
What’s Next

Submissions close on Thursday 28 May 2020.

Notes:
The documents are on public exhibition from 29 April 2020 and written submissions are welcome by 28 May 2020. These can be submitted on Council's website, posted to PO Box 208 Scone NSW 2337 or email council@upperhunter.nsw.gov.au
If you have any questions before making a submission, please email council@upperhunter.nsw.gov.au

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