



Volunteers took part in Graffiti Removal Day - removing graffiti from a number of sites around the Shire including the Toukley Senior Citizens Centre.

Wyong Shire Council

Business Paper

ORDINARY COUNCIL MEETING

28 October 2015

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MEETING NOTICE

**The ORDINARY COUNCIL MEETING
of Wyong Shire Council
will be held in the Council Chamber,
Wyong Civic Centre, Hely Street, Wyong on
WEDNESDAY 28 OCTOBER 2015 at 5.00 pm,
for the transaction of the business listed below:**

OPENING PRAYER

ACKNOWLEDGEMENT OF COUNTRY

RECEIPT OF APOLOGIES

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9.1	Central Coast Regional Airport & Warner Industrial Park <i>(to be distributed under separate cover)</i>	
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At the conclusion of the meeting and at the discretion of the Mayor, Council may meet with staff in an informal, non-decision making mode for a period of no more than 30 minutes.

Rob Noble
ACTING CHIEF EXECUTIVE OFFICER

1.1 Disclosure of Interest

TRIM REFERENCE: F2015/00040-02 - D12107869

MANAGER: Lesley Crawley, Manager Corporate Governance

AUTHOR: Sonia Witt; TL Governance and Councillor Services

The provisions of Chapter 14 of the *Local Government Act, 1993* regulate the way in which Councillors and nominated staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public trust.

The Act prescribes that where a member of Council (or a Committee of Council) has a direct or indirect financial (pecuniary) interest in a matter to be considered at a meeting of the Council (or Committee), that interest must be disclosed as soon as practicable after the start of the meeting and the reasons for declaring such interest.

As members are aware, the provisions of the Local Government Act restrict any member who has declared a pecuniary interest in any matter from participating in the discussions, voting on that matter, and require that member to vacate the Chamber.

Council's Code of Conduct provides that if members have a non-pecuniary conflict of interest, the nature of the conflict must be disclosed. The Code also provides for a number of ways in which a member may manage non pecuniary conflicts of interest.

RECOMMENDATION

That Councillors now disclose any conflicts of interest in matters under consideration by Council at this meeting.

1.2 Proposed Briefings and Inspections

TRIM REFERENCE: F2015/00040-02 - D12107870

MANAGER: Lesley Crawley, Manager Corporate Governance

AUTHOR: Sonia Witt; TL Governance and Councillor Services

SUMMARY

Briefings proposed for this meeting and future meetings to be held in the Wilfred Barrett and Tim Farrell Committee Rooms:

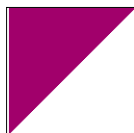
Date	Briefing	Directorate
28/10/2015	CONFIDENTIAL - Central Coast Airport CBA	Property and Economic
28/10/2015	Ourimbah Masterplan	Property and Economic
28/10/2015	2015/16 Councillor Uniforms	Community and Recreation Services
28/10/2015	Fit for the Future - Review	CEO Unit

RECOMMENDATION

That Council receive the report on Proposed Briefings and Inspections.

ATTACHMENTS

- 1 Councillor Proposed Briefings - 28 October 2015 D12122431



Proposed Briefings List to Date



Briefing Title:	Directorate:	Proposed Month:	Proposed Date:
CONFIDENTIAL - Central Coast Airport CBA	Property and Economic Development	October	28/10/2015
Ourimbah Masterplan	Property and Economic Development		28/10/2015
2015/16 Councillor Uniforms	Community and Recreation Services		28/10/2015
Fit for the Future - Review	CEO Unit		28/10/2015
INSPECTION - Rural Land Use Review & Strategy	Development and Building		04/11/2015
Lakeside Plaza, The Entrance Planning Proposal	Development and Building		11/11/2015
Ward Boundary Adjustment	GM Unit		11/11/2015
Skate Park	Community and Recreation Services		11/11/2015
Core Systems Transition Status Report	GM Unit		11/11/2015
Strategic Planning Calendar & Process	GM Unit		11/11/2015
Lake Munmorah Kiosk	Community and Recreation Services		11/11/2015
2016/17 Environmental Strategy	Development and Building		11/11/2015
Development Infrastructure - Porters Creek Stormwater Diversion Project	Development and Building		25/11/2015
Tourism Update	Community and Recreation Services		25/11/2015
Central Coast Regional Plan	Development and Building		25/11/2015
Rural Land Use Review & Strategy	Development and Building		25/11/2015
Budgewoi Boardwalk	Property and Economic Development	October	25/11/2015
Specifications for the Domestic Waste Collection Service.	Property and Economic Development	November	

1.3 Address By Invited Speakers

TRIM REFERENCE: F2015/00040-02 - D12107871

MANAGER: Lesley Crawley, Manager Corporate Governance

AUTHOR: Sonia Witt; TL Governance and Councillor Services

SUMMARY

There have been no requests to address the Ordinary Meeting at the time of printing the Business Paper.

RECOMMENDATION

- 1 *That Council receive the report on Invited Speakers.***
- 2 *That Council agree meeting practice be varied to allow reports from Directors and/or the General Manager to be dealt with following an Invited Speaker's address.***

ATTACHMENTS

Nil.

1.4 Confirmation of Minutes of Previous Meeting

TRIM REFERENCE: F2015/00040-02 - D12107872

MANAGER: Lesley Crawley, Manager Corporate Governance

AUTHOR: Sonia Witt; TL Governance and Councillor Services

SUMMARY

Confirmation of minutes of the previous Ordinary Meeting of Council held on 14 October 2015.

RECOMMENDATION

That Council confirm the minutes of the previous Ordinary Meeting of Council held on 14 October 2015.

ATTACHMENTS

- | | | |
|---|---|-----------|
| 1 | CONFIDENTIAL MINUTES - Ordinary Meeting - 14 October 2015 - | D12112960 |
| 2 | MINUTES - Ordinary Meeting Meeting - 14 October 2015 | D12112112 |

WYONG SHIRE COUNCIL

**MINUTES OF THE
ORDINARY COUNCIL MEETING OF COUNCIL**

**HELD IN THE COUNCIL CHAMBER
WYONG CIVIC CENTRE, HELY STREET, WYONG
ON 14 OCTOBER 2015
COMMENCING AT 5.00PM**

PRESENT

Councillors D J Eaton OAM (Chairperson), G P Best, R L Graham, K G Greenwald, L A Matthews, L S Taylor, A Troy, D P Vincent and L D Webster.

IN ATTENDANCE

Acting Chief Executive Officer, Director Development and Building, Director Infrastructure and Operations, Director Property and Economic Development, Director Community and Recreation Services, General Counsel, Communications Coordinator, IT and Operations Manager, Team Leader Governance and Councillor Services and Councillor Services Officer.

The Mayor, Councillor Eaton OAM, declared the meeting open at 5.03pm and advised in accordance with the Code of Meeting Practice that the meeting is being recorded.

The Mayor, Councillor Eaton OAM, delivered the opening prayer and read an acknowledgment of country statement.

APOLOGIES

There were no apologies.

At the commencement of the ordinary meeting report numbers 1.1, 1.2, 1.3, 1.4 and 8.2, were dealt with first then the remaining reports in order. However for the sake of clarity the reports are recorded in their correct agenda sequence.

1.1 Disclosures of Interest

Item 2.2 - DA/705/2015 - Proposed Light Industrial Building comprising 10 units, Associated Parking, Landscaping and Signage

Councillor Best declared a pecuniary conflict of interest in the matter for the reason that he is the representative for the applicant. This item was resolved by the exception method.

Councillor Eaton declared a non-pecuniary significant conflict of interest in the matter for the reason that his family owns the property immediately next door to the proposed development. This item was resolved by the exception method.

Item 9.1 - Mayoral Minute - Former Wyong Grove Public School Site

Councillor Matthews declared a non-pecuniary insignificant interest in the matter for the reason that she is an employee of Wyoming Public School and participated in consideration of this matter.

Councillor Matthews stated:

"I choose to remain in the chamber and participate in discussion and voting as the conflict has not influenced me in carrying out my public duty because I am merely and employee, who makes no decisions regarding land holdings etc."

Mr Greg McDonald, Director of Infrastructure and Operations, declared a non-pecuniary insignificant interest in the matter for the reason that the decision is likely to mention potential purchasers, one being the Salvation Army. I am involved in the Salvation Army's work in Maitland (as a Volunteer) however will leave the meeting for the purpose of transparency. Mr Greg McDonald left the meeting at 7.01pm and did not return.

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor TAYLOR:

1049/15 That Council receive the report on Disclosure of Interest and note advice of disclosures.

1.2 Proposed Inspections and Briefings

RESOLVED unanimously on the motion of Councillor MATTHEWS and seconded by Councillor WEBSTER:

1050/15 That Council receive the report on Proposed Inspections and Briefings.

1.3 Address By Invited Speakers

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor WEBSTER:

1051/15 That Council receive the amended report on Invited Speakers.

1.4 Confirmation of Minutes of Previous Meeting

RESOLVED unanimously on the motion of Councillor TAYLOR and seconded by Councillor TROY:

1052/15 That Council confirm the minutes of the previous Ordinary Meeting of Council held on Wednesday 23 September 2015.

Business Arising

There was no business arising.

PROCEDURAL MOTION

RESOLVED unanimously on the motion of Councillor TAYLOR and seconded by Councillor WEBSTER:

1053/15 That Council allow meeting practice to be varied.

1054/15 That Council use the exception method to deal with the balance of the Agenda.

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

1055/15 That with the exception of report numbers 4.2, 5.2, 5.4, 5.5, 6.1, 8.1, 8.2 and 9.1 Council adopt the recommendations contained in the remaining reports.

1.5 Mayoral Minute - CEO Performance Plan 2015 - 2016

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

1056/15 That Council receive and endorse the Acting Chief Executive Officer's (CEO) Performance Plan for 2015-16 as attached. Following the Councillor Briefing on 23 September 2015, the Acting CEO has provided his input, which has been discussed and a final version is now attached.

1.6 Notice of Intention to Deal with Matters in Confidential Session

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

1057/15 That Council consider the following matters in Confidential Session, pursuant to Sections 10A (2)(d)(ii) of the Local Government Act 1993:

9.1 Mayoral Minute – Former Wyong Grove Public School Site

1058/15 That Council note its reason for considering Report No 9.1 – Mayoral Minute – Former Wyong Grove Public School Site, as it contains commercial information of a confidential nature that would, if disclosed confer a commercial advantage on a competitor of the Council.

1059/15 That Council request the Chief Executive Officer to report on these matters in open session of Council.

2.1 Wyong DCP 2013 - Minor Amendments Package

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

- 1060/15 That Council request that a draft amendment to Wyong Development Control Plan (DCP) 2013 as set out in Attachment 1 be publically exhibited for a period of 28 days.
- 1061/15 That Council note that a further report outlining submissions received during the exhibition period will be provided.
- 1062/15 That, should no submissions be received during the exhibition period, Council adopt the proposed amendments to Wyong DCP 2013 and appropriate public notice be given.
- 1063/15 That Council forward a copy of Wyong DCP 2013 containing the amended Chapters to the Secretary of the NSW Department of Planning and Environment within 28 days of the DCP becoming effective.

FOR: CRS GB BEST, DE EATON, B G GRAHAM, KG GREENWALD, LM MATTHEWS, LT TAYLOR, AT TROY, DV VINCENT AND LW WEBSTER

AGAINST: NIL

2.2 DA/705/2015 - Proposed Light Industrial Building comprising 10 units, Associated Parking, Landscaping and Signage

Councillor Best declared a pecuniary conflict of interest in the matter for the reason that he is the representative for the applicant. This item was resolved by the exception method.

Councillor Eaton declared a non-pecuniary significant conflict of interest in the matter for the reason that his family owns the property immediately next door to the proposed development. This item was resolved by the exception method.

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

- 1064/15 That Council grant consent to DA/705/2015 at 2 London Drive, North Wyong for construction of a light industrial building including 10 units, associated parking, landscaping and signage subject to the conditions provided in Attachment 3.

FOR: CRS GB BEST, DE EATON, B G GRAHAM, KG GREENWALD, LM MATTHEWS, LT TAYLOR, AT TROY, DV VINCENT AND LW WEBSTER

AGAINST: NIL

3.1 Proposed Grant of Easement for Right of Access at 466 The Entrance Road, Bateau Bay

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

- 1065/15 That Council grant a Right of Carriageway over Lot 1 DP 614688, 466 The Entrance Road, Bateau Bay to provide access to Lot 16 DP 22151 at 468 The Entrance Road, Bateau Bay for an amount of compensation agreed at \$2,000.
- 1066/15 The Council authorise the Common Seal of Wyong Shire Council to be affixed to related documents as required.
- 1067/15 That Council authorise the General Manager to execute all documents relating to the grant of easement between Wyong Shire Council and the owner of Lot 16 DP 22151.

4.1 CPA/224527 - Design, Documentation and Construction of Charmhaven and Toukley STW Waste Receiving Stations

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

- 1068/15 That Council accept the tender from the company nominated as Tenderer No 2, Gongues Constructions P/L, in the attached Tender Evaluation Report, for the lump sum amount of \$498,000 (excl GST) for Contract CPA/224527 – Design, Documentation and Construction of Charmhaven and Toukley STW Waste Receiving Stations.
- 1069/15 That Council approve the contingency sum as detailed in the Tender Evaluation Report in Attachment A.

4.2 CPA/261063 - Upgrade of Sewage Pump Station WS11

RESOLVED unanimously on the motion of Councillor EATON and seconded by Councillor WEBSTER:

- 1070/15 That Council defer this matter for consideration at the next Council meeting, scheduled for 11 November 2015, pending further information.

5.1 Community Subsidy Program and Sport and Cultural Sponsorship Program

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

1071/15 That Council allocate \$1,055.00 from the 2015-16 Community Subsidy Program as follows:

Applicant	Project Name Summary	Staff Funding Recommended
Autism Central Coast Inc	Venue hire of The Entrance Community Centre and Printing	\$1,055.00
Total		\$1,055.00

1072/15 That Council allocate \$6,000.00 from the 2015-16 Sport and Cultural Sponsorship Program as follows:

Applicant	Project Name Summary	Staff Funding Recommended
Mark Atmore	Duathlon World Championships, Adelaide, representing NSW	\$500.00
Fletcher Cunningham	Junior Olympic Hopes Regatta, Poland, representing Australia	\$1,000.00
James Dezius	Australian Country Open Men's Water Polo, Hawaii, representing Australia	\$1,000.00
Rosie Stimson	Born 99 NSW Waratah Women's Water Polo, Brisbane, representing NSW	\$500.00
Hannah Batten	2015 Junior National Oztog Championships, Coffs Harbour, representing NSW	\$500.00
Michael Taylor	National U13 Hockey Championships, Darwin, representing NSW	\$500.00
Kallan Strong	Australian National Tenpin Bowling Championships, Melbourne, representing NSW	\$500.00
Stephen Jack	Ironman Triathlon World Championship, Hawaii, representing Australia	\$1000
Holly Gibbons	TAG World Cup, Sunshine Coast, representing Australia	\$500.00
Total		\$6,000.00

1073/15 That Council decline applications for the reasons indicated in the table below, the applicants be advised and where relevant, directed to alternate funding programs:

Applicant	Project Name Summary	Staff Recommendation
Ellie Stimson	East Coast Water Polo Challenge, Brisbane, representing NSW	Application not received 30 days in advance

5.2 2014-15 Annual Financial Statements

RESOLVED unanimously on the motion of Councillor BEST and seconded by Councillor TROY:

- 1074/15 That Council adopt the draft Wyong Shire Council Financial Statements for 2014-15 as presented.
- 1075/15 That Council refer the draft Wyong Shire Council Financial Statements for 2014-15 (as presented) to external audit.
- 1076/15 That Council authorise the Mayor, Deputy Mayor, Acting Chief Executive Officer and Responsible Accounting Officer to execute all documents related to the draft 2014-15 Financial Statements as required by legislation.
- 1077/15 That Council fix 28 October 2015 as the date for the presentation of the audited 2014-15 Financial Statements and external audit reports in accordance with section 419(1) of the Local Government Act 1993.

5.3 Proposed Councillors' Community Improvement Grants

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

- 1078/15 That Council allocate an amount of \$10,738 from the 2015-16 Councillors' Community Improvement Grants as follows:

Berkeley Vale Neighbourhood Centre Ass Inc. (\$910)	The purchase of 17.5 cubic metres of quality organic garden soil to fill newly created garden beds for the Berkeley Vale Community Garden.	910
Central Coast CC Australian Italian Friendship Inc. (\$2500)	Facilitating social contact for a group of elderly Italian Nationals for integration within the general community.	2,500
Charmhaven Tennis Centre Inc. (\$4000)	Provide security lighting for night time when locking up and the purchase of additional seating for parents/players.	2,200
Chittaway Bay Public School P&C Association Inc. (\$754)	Repair storm and severe weather damage to the Anzac Memorial Garden that the students of the school proudly created.	520
Good Grief Limited (\$158)	To cover the cost of books for children participating in the program who are experiencing grief and loss through the loss of a loved one either through divorce or death.	158
Norah Head Ratepayers and Coast Care Association Inc. (\$1000)	Administration Costs.	600
San Remo Community Environment Project Inc. (\$4000)	To build new raised garden beds at the Community garden in San Remo for members and non-members to grow their own fresh vegies and flowers.	1,600

Toukley Neighbourhood Centre (\$3840)	To provide subsidies art classes after school for children aged 7-14 years.	1,250
Wyong Dog Training Club Inc. (\$3699)	To purchase a laptop computer to run and manage the club on a daily basis.	1,000

5.4 Delegate to Committees - Vacancy in Civic Office

RESOLVED unanimously on the motion of Councillor TAYLOR and seconded by Councillor WEBSTER:

- 1079/15 That Council nominate an alternate delegate, Councillor Troy, to the Joint Regional Planning Panel for the remainder of the term of Council.**
- 1080/15 That Council elect a delegate, Councillor Eaton, to the Local Traffic Committee for the remainder of the term of Council.**
- 1081/15 That Council elect a delegate, Councillor Taylor, to the Audit and Risk Committee for the remainder of the term of Council.**
- 1082/15 That Council elect a delegate, Councillor Taylor, to the Employment and Economic Development Committee for the remainder of the term of Council.**
- 1083/15 That Council elect a delegate, Councillor Matthews, to the Grants Advisory Group for the remainder of the term of Council.**
- 1084/15 That Council elect a delegate, Councillor Matthews, to the Sports Advisory Group for the remainder of the term of Council.**
- 1085/15 That Council elect a delegate, Councillor Troy, to Greater Toukley Vision for the remainder of the term of Council.**
- 1086/15 That Council elect a delegate, Councillor Taylor, to the Executive - Central Coast Regional Organisation of Councils for the remainder of the term of Council.**

5.5 Tetratheca juncea Investigation Study

Councillor Matthews left the meeting at 6.44 pm returned to the meeting at 6.46 pm during consideration of this item.

RESOLVED unanimously on the motion of Councillor VINCENT and seconded by Councillor GREENWALD:

- 1087/15 That Council note the report prepared by Dr. John Hunter "Preliminary Feasibility Report on Proposed Delisting of Tetratheca juncea".**
- 1088/15 That Council not pursue the delisting of Tetratheca juncea any further.**

**5.6 Councillor Attendance - Australian Local Government Association (ALGA)
National Local Roads and Transport Congress**

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

1089/15 That Council authorise those interested Councillors to attend the Australian Local Government Association (ALGA) National Local Roads and Transport Congress in accordance with the Council's Facilities and Expenses Policy for Councillors.

1090/15 That Council authorise the reimbursement of expenses for Councillors in accordance with the Council's Facilities and Expenses Policy for Councillors.

5.7 Councillor Attendance - Central Coast Tourism - Sizzling Summer Product Showcase 2015

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

1091/15 That Council authorise the attendance of interested Councillors at the Central Coast Tourism Sizzling Summer Product Showcase 2015 in accordance with the Council's Facilities and Expenses Policy for Councillors.

1092/15 That Council authorise the reimbursement of expenses for Councillors in accordance with the Council's Facilities and Expenses Policy for Councillors.

6.1 End of Financial Year Update on EP & A and LGA Developer contributions

RESOLVED unanimously on the motion of Councillor BEST and seconded by Councillor TAYLOR:

1093/15 That Council receive the report on End of Financial Year Update on EP & A and LGA Developer contributions.

1094/15 That Council refer any long outstanding issues around section 94 credits to the Employment and Economic Development Committee for discussions.

6.2 Road Capital Works Program

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

1095/15 That Council receive the report on the status of the Council's Road Capital Rolling Works Program.

6.3 Annual Disclosure of Interest Returns 2014-15

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

- 1096/15 That Council receive the report on Annual Disclosure of Interest Returns 2014-15.

6.4 Outstanding Questions on Notice and Notices of Motion

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

- 1097/15 That Council receive the report on Outstanding Questions on Notice and Notices of Motion.

6.5 Response from Minister for Local Government Regarding By-Election

RESOLVED unanimously on the motion of Councillor GREENWALD and seconded by Councillor VINCENT:

- 1098/15 That Council receive the letter from the NSW Office of Local Government dated 12 October 2015.
- 1099/15 That Council note that an order has been made pursuant to s. 294(2)(a) of the Local Government Act 1993 that the casual vacancy created by the resignation of Cr Nayna is not to be filled by way of a by-election.

8.1 Notice of Motion - Wyongah to Tuggerawong Pathway

RESOLVED unanimously on the motion of Councillor TROY and seconded by Councillor TAYLOR:

- 1100/15 That Council note its cycleway program for the next 2 years is fully committed to the Magenta pathway that will deliver 33 km of road cycleway around our lakes.
- 1101/15 That Council include this project in the Pathway Strategy.
- 1102/15 That Council consult with the community before any decision on the pathway.
- 1103/15 That Council advise the proponents that due to existing Council commitments the proponents need to find external funding in order to prioritise this matter.

8.2 Notice of Motion - Amalgamation / Questionable Financial Stability?

Councillor Matthews left the meeting at 5.26 pm returned to the meeting at 5.28 pm during consideration of this item.

Councillor Vincent left the meeting at 5.33 pm returned to the meeting at 5.35 pm during consideration of this item.

Councillor Taylor left the meeting at 5.45 pm returned to the meeting at 5.48 pm during consideration of this item.

Councillor Best left the meeting at 6.02 pm returned to the meeting at 6.04 pm during consideration of this item.

Councillor Troy left the meeting at 6.20 pm returned to the meeting at 6.21 pm during consideration of this item.

Mr Phil Aiken, Local Resident, addressed the meeting at 5.24 pm, answered questions and retired at 5.45 pm.

It was MOVED on the motion of Councillor BEST and seconded by Councillor TROY:

1 *That Council note that further to Chief Financial Officer's Councillor Briefing presented on the 9 September 2015 around Wyong's year-end financial results that outline Council's excellent economic turnaround over the past 5 years. The key drivers to this achievement were:*

- "Right-sizing" the organisation – aligning inputs to priority outputs*
- Service Delivery Review removing \$8m from the cost base*
- Using our own resource, not consultants*
- Benchmarking and testing alternate service delivery models*
- Better budgeting – focusing on community priorities*
- Better discipline in meeting budgets*
- More effective measurement. Closer monitoring of spend*
- Better procurement practices and outcomes.*

This has now resulted in a \$10.6million surplus and thereby providing Council the opportunity to not levy the scheduled 2016/17 approved extra ordinary rate rise.

2 *That further Council note with concern investment report item 6.1 from 23 September 2015 that provides some commentary/financial comparisons between Gosford and Wyong Councils. Of significant note is Gosford's decline in cash Table 9, Graph 1 declining investment portfolio returns, Table 10 and Graph 2 declining portfolio returns. (Tables and Graphs attached below).*

3 *That as Wyong and Gosford Councils are partners in the billion dollar water supply and that there is a real prospect of amalgamation, it is responsible and incumbent upon Council to establish a thorough and accurate economic analysis heading into any further partnerships. Consequently Council respectfully request Gosford City Council provide full and unfettered access to its 2014/15 accounts, Including all supporting documentation for a proper analysis.*

4 *That Council recognise the importance of working cooperatively and transparently with our sister Central Coast Council. It is with this understanding, that Wyong reciprocates access to all necessary statements that will assist Gosford in any similar financial analysis.*

An AMENDMENT was moved by Councillor GREENWALD and seconded by Councillor GRAHAM:

That Council defer this matter until a decision is made on amalgamation by the State Government.

FOR: CRS B G GRAHAM, KG GREENWALD, LM MATTHEWS AND DV VINCENT

AGAINST: CRS GB BEST, DE EATON, LT TAYLOR, AT TROY AND LW WEBSTER

The AMENDMENT was put to the vote and declared LOST.

RESOLVED on the motion of Councillor BEST and seconded by Councillor TROY:

1104/15 That Council note that further to Chief Financial Officer's Councillor Briefing presented on the 9 September 2015 around Wyong's year-end financial results that outline Council's excellent economic turnaround over the past 5 years. The key drivers to this achievement were:

- **"Right-sizing" the organisation – aligning inputs to priority outputs**
- **Service Delivery Review removing \$8m from the cost base**
- **Using our own resource, not consultants**
- **Benchmarking and testing alternate service delivery models**
- **Better budgeting – focusing on community priorities**
- **Better discipline in meeting budgets**
- **More effective measurement. Closer monitoring of spend**
- **Better procurement practices and outcomes.**

1105/15 This has now resulted in a \$10.6million surplus and thereby providing Council the opportunity to not levy the scheduled 2016/17 approved extra ordinary rate rise.

1106/15 That further Council note with concern investment report item 6.1 from 23 September 2015 that provides some commentary/financial comparisons between Gosford and Wyong Councils. Of significant note is Gosford's decline in cash Table 9, Graph 1 declining investment portfolio returns, Table 10 and Graph 2 declining portfolio returns. (Tables and Graphs attached below).

1107/15 That as Wyong and Gosford Councils are partners in the billion dollar water supply and that there is a real prospect of amalgamation, it is responsible and incumbent upon Council to establish a thorough and accurate economic analysis heading into any further partnerships. Consequently Council respectfully request Gosford City Council provide full and unfettered access to its 2014/15 accounts, Including all supporting documentation for a proper analysis.

1108/15 That Council recognise the importance of working cooperatively and transparently with our sister Central Coast Council. It is with this understanding, that Wyong reciprocates access to all necessary statements that will assist Gosford in any similar financial analysis.

FOR: CRS GB BEST, DE EATON, LT TAYLOR, AT TROY AND LW WEBSTER

AGAINST: CRS B G GRAHAM, KG GREENWALD, LM MATTHEWS AND DV VINCENT

CONFIDENTIAL SESSION

RESOLVED unanimously on the motion of Councillor TROY and seconded by Councillor TAYLOR:

1109/15 That Council move into Confidential Session.

At this stage of the meeting being 7.00 pm council moved into Confidential Session with the members of the press and public excluded from the meeting of the closed session and access to the correspondence and reports relating to the items considered during the course of the closed session being withheld. This action is taken in accordance with Section 10a of The Local Government Act, 1993.

OPEN SESSION

Council resumed in open session at 7.11 pm and the Acting Chief Executive Officer reported on proceedings of the confidential session of the ordinary meeting of council as follows:

9.1 Mayoral Minute - Former Wyong Grove Public School Site

Mr Howard Oxley, representative from the Wyong Drama Group and Wyong Musical Society, addressed the meeting, during open session, at 5.08 pm, answered questions and retired at 5.23 pm.

Councillor Matthews declared a non-pecuniary insignificant interest in the matter for the reason that she is an employee of Wyoming Public School and participated in consideration of this matter.

Councillor Matthews stated:

"I choose to remain in the chamber and participate in discussion and voting as the conflict has not influenced me in carrying out my public duty because I am merely and employee, who makes no decisions regarding land holdings etc."

Mr Greg McDonald, Director of Infrastructure and Operations, declared a non-pecuniary insignificant interest in the matter for the reason that the decision is likely to mention potential purchasers, one being the Salvation Army. I am involved in the Salvation Army's work in Maitland (as a Volunteer) however will leave the meeting for the purpose of transparency. Mr Greg McDonald left the meeting at 7.01pm and did not return.

1110/15 That Council authorise the Acting CEO to acquire Lot 1 DP 123075 and Lot 18 DP 219825 North Road, Wyong at fair market value.

1111/15 That Council authorise the Acting CEO to execute all necessary documentation relevant to the acquisition of the site.

1112/15 That Council resolve that Lot 1 DP 123075 and Lot 18 DP 219825 be classified as "Operational" land for the purposes of the Local Government Act 1993, when that land is acquired by the Council.

1113/15 That the Council resolve to acquire Lot 1 DP 123075 and Lot 18 DP 219825 by agreement or compulsory process pursuant to the Land Acquisition (Just Terms Compensation) Act 1991.

- 1114/15** ***That the Council request the Acting Chief Executive Officer seek the approval of the NSW Minister for Local Government for the Council to give an acquisition notice under the Land Acquisition (Just Terms Compensation) Act 1991 for the acquisition of Lot 1 DP 123075 and Lot 18 DP 219825 under that Act.***

QUESTIONS ON NOTICE

Q44/15 Fenced off Beach Access
Councillor Adam Troy
F2004/07718

"It has been brought to my attention by a ratepayer that some residents of Gomul Street, Noraville have fenced off the beach access in their street and have locked a gate that only they have the keys to. Could staff please advise how this is possible?"

Q45/15 Transport for NSW's Depot Proposal
Councillor Greg Best
F2004/07718

"Mr Mayor

I understand you are meeting with a group of ratepayers from Kangy Angy around the TFNSW's (Transport for NSW) rail depot proposal; this is an important issue and I for one request that you formally report the initiatives and outcomes of your meeting?

Thank you"

Q46/15 Follow up on Proliferation of Illegal Camping
Councillor Greg Best
F2004/07718

"Mr Mayor

I recall some months ago Deputy Mayor Webster made representation on behalf of the good folk of North Entrance and Jenny Dixon / Norah Head with regard to the proliferation of illegal camping. Staff indicated they would look into the matter with a view to addressing the issue prior to the summer 2015 season, to date I have not seen nor heard of any action around this important issue, Could you urgently advise where this matter is up to?"

Q47/15 Renewable Energy Projects
Councillor Doug Vincent
F2004/07718

"Could staff please advise what renewable energy projects Council may have planned for the future. i.e. The methane extraction plant at Buttonderry Waste Managed Facility and Solar Cell installations?"

THE MEETING closed at 7.12 pm.

1.5 Notice of Intention to Deal with Matters in Confidential Session

TRIM REFERENCE: F2015/00040-02 - D12121096

MANAGER: Lesley Crawley, Manager Corporate Governance

AUTHOR: Jacquie Elvidge; Councillor Services Officer

SUMMARY

It is necessary for the Council to adopt a resolution to formalise its intention to deal with certain matters in Confidential Session. The reports are incorporated in the "Confidential" business paper which has been circulated to Councillors.

The Local Government Act, 1993 requires the Chief Executive Officer to identify those matters listed on the business paper which may be categorised as confidential in terms of Section 10A of the Local Government Act, 1993.

RECOMMENDATION

- 1 That Council consider the following matters in Confidential Session, pursuant to Sections 10A (2)(d)(ii) of the Local Government Act 1993:**

9.1 - Central Coast Regional Airport & Warner Industrial Park

- 2 That Council note its reason for considering Report No 9.1 - Central Coast Regional Airport & Warner Industrial Park, as it contains commercial information of a confidential nature that would, if disclosed confer a commercial advantage on a competitor of the Council.**
- 3 That Council request the Chief Executive Officer to report on these matters in open session of Council.**

1.5 Notice of Intention to Deal with Matters in Confidential Session (contd)

Note: Explanation - Section 10A of the Local Government Act 1993 states:

- “2(a) personnel matters concerning particular individuals (other than Councillors),*
- 2(b) the personal hardship of any resident or ratepayer,*
- 2(c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business,*
- 2(d) commercial information of a confidential nature that would, if disclosed:*
 - (i) prejudice the commercial position of the person who supplied it, or*
 - (ii) confer a commercial advantage on a competitor of the Council, or*
 - (iii) reveal a trade secret,*
- 2(e) information that would, if disclosed, prejudice the maintenance of law,*
- 2(f) matters affecting the security of the Council, Councillors, Council staff or Council property,*
- 2(g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege,*
- 2(h) information concerning the nature and location of a place or an item of Aboriginal significance on community land.*
- 2(i) alleged contraventions of any code of conduct requirements applicable under section 440.”*

ATTACHMENTS

Nil

2.1 Acquisition of Land at Kallaroo Road and Goorama Ave, San Remo for Road Widening

TRIM REFERENCE: F2015/00025 - D12117549

MANAGER: Peter Stokes, Manager Property Management

AUTHOR: Julie Tattersall; Property Officer

SUMMARY

Approval is sought to acquire land at San Remo for road widening purposes, being Part of Lot 48 DP 28798 at 62 Kallaroo Road, San Remo and Part of Lot 96 DP 28798 at 36 Goorama Avenue, San Remo.

RECOMMENDATION

- 1 That Council acquire part of Lot 48 DP 28798 at 62 Kallaroo Road, San Remo and Part of Lot 96 DP 28798 at 36 Goorama Avenue, San Remo as public road.**
- 2 That Council authorise the payment of compensation, if necessary, for the acquisition of the land in accordance with the Land Acquisition (Just Terms Compensation) Act 1991 and based on assessment by a qualified valuer.**
- 3 That Council proceed to compulsorily acquire the land in the event that negotiations with the property owners cannot be satisfactorily resolved.**
- 4 That Council authorise the Common Seal of Wyong Shire Council to be affixed to all documents relating to the acquisition and transfer of the land to Wyong Shire Council and the dedication of that land as public road and to any necessary application to the Office of Local Government for the approval of the Minister and the Governor in order to proceed with the compulsory acquisition.**
- 5 That Council authorise the Mayor and the General Manager to execute all documents relating to the acquisition and transfer of the land and all documents relating to any application to the Office of Local Government for the compulsory acquisition of the land.**

BACKGROUND

Council's Roads and Drainage Unit is undertaking a staged reconstruction of Goorama Avenue, San Remo between Emu Drive and Richardson Avenue. The reconstruction will improve the road environment and road safety along Goorama Avenue and will also minimise flooding of the properties in the area.

A roundabout is to be constructed at the intersection of Goorama Avenue and Kallaroo Road requiring drainage construction and relocation of water mains and services.

The works are scheduled to commence in 2015/2016.

THE PROPOSAL

The land affected by the road reconstruction is:

- Lot 48 DP 28798 at 62 Kallaroo Road, San Remo (Lot 48), and
- Lot 96 DP 28798 at 36 Goorama Avenue, San Remo (Lot 96)

To facilitate the road reconstruction, drainage works and relocation of services, it will be necessary to acquire a small splay corner from each of Lot 48 and Lot 96 (the Road Widening Land) to provide adequate sight lines. The area of the Road Widening Land for each lot is approximately 9.99 square metres and 4.27 square metres respectively. The Road Widening Land is shown outlined in red on the plan below.

The Road Widening Land, when transferred, will be dedicated as public road.

Council staff will endeavour to acquire the Road Widening Land by agreement with the land owners. If, however, Council is unable to reach agreement within a reasonable time, it will be necessary to apply to the Office of Local Government for compulsory acquisition of the Road Widening Land.

OPTIONS

If Council does not authorise the acquisition of the Road Widening Land, the drainage upgrade works and road widening in the area cannot proceed as Council needs to ensure that adequate sight lines are provided for the roundabout.

Budget Impact

Funds for the construction and acquisition have been provided for in the Capital Works Program 2016/2017.

CONSULTATION

The owners of the Road Widening Land have been consulted and negotiations will proceed subject to Council approval.

GOVERNANCE AND POLICY IMPLICATIONS

Section 177 of the Roads Act 1993 provides for Council, as a roads authority, to acquire land for the purposes of the Act.

Compensation for acquisition of land is to be determined in accordance with the Land Acquisition (Just Terms Compensation) Act 1991.

MATERIAL RISKS AND ISSUES

Nil Impact.



CONCLUSION

It is recommended that the Road Widening Land is acquired and dedicated as public road, to accommodate the road reconstruction and drainage works in Goorاما Avenue, San Remo.

ATTACHMENTS

Nil.

3.1 CPA/261429 - Provision of Electrical Maintenance and Repair Services

TRIM REFERENCE: CPA/261429 - D12096338

MANAGER: Peter Stokes, Manager Property Management

AUTHOR: Julie Vigar; Senior Contract Coordinator

SUMMARY

Evaluation and selection of tenders for Contract CPA/261429 – Provision of Electrical Maintenance and Repair Services

“Councillors are reminded that the name of the successful tenderer will be released after resolution of this item. This means that the contents of Attachment A cannot be disclosed during discussion in the open session of the Council meeting.”

RECOMMENDATION

- 1 That Council accepts the tender from the company nominated as Tenderer 4 in the attached Tender Evaluation Report, for the estimated total amount of \$953,560.00 (excl GST) for Contract CPA/261429 – Provision of Electrical Maintenance and Repair Services.**
- 2 That Council determines the Tender Evaluation Report in Attachment A remains confidential in accordance with Section 10 A (2) (d) of the Local Government Act 1993 as the report contains commercial information of a confidential nature, except for the name of the successful tenderer, which may be disclosed after Council has resolved to accept that tender.**

BACKGROUND

After the creation of Wyong Water, licensed Electricians are required to assist the Property Management Unit undertake electrical maintenance and repair work generated in the management of the 500 buildings, facilities and public amenities under their control.

Property and Economic Development (PED) have engaged two full time licensed Electricians who will be responsible for ensuring that the scope and quality of all work is undertaken in a cost effective and safe manner.

The scope of work under this contract will include the provision of reactive maintenance and repair work, programmed electrical maintenance/repair work and emergency electrical services when requested by (PED) at any of Council 500 assets. It is important to note that all capital project or upgrade work must be procured in accordance with Council's procurement policy and the relevant project plan for the required work.

CONTRACT PLAN

The Contract Plan for this tender process was approved by the Director Property and Economic Development, before the Request for Tender was issued. The approved Contract Plan is in TRIM D11990425

INVITATION TO TENDER

The tender was advertised in the Sydney Morning Herald, Central Coast Express Advocate and eTender on 18 August 2015 and closed on 17 September 2015.

The invitation documents called for schedule of rates tenders, based on a detailed specification.

Tenders closed at Council's Chambers at 2.00pm on 18 September 2015.

TENDER SUBMISSIONS

The following tenders were received and are listed in alphabetical order:

- BH Equestrian Pty Ltd;
- Brooklyn Trade Services Pty Ltd;
- CEC Callaghan Electrical Contractors Pty Ltd;
- DNA Electrical Pty Ltd;
- FIP Electrical Services Pty Ltd;
- Focused Solutions Pty Ltd;
- GB Electrical Contractors Pty Ltd;
- Informe Group Pty Ltd;
- Innertec Electrical Services Pty Ltd;
- Master Electrical Contractors Pty Ltd;
- Metwest Engineering Pty Ltd;
- Nevmat Australia Pty Ltd;
- ProGroup Management Pty Ltd;
- Rees Electrical Pty Ltd;
- Star Electrical Co. Pty Ltd;
- Switched on Lighting & Electrical Pty Ltd; and
- WEC Group Pty Ltd.

TENDER EVALUATION

All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.

The relative ranking of tenders as determined from the total weighted score is provided in the "Confidential Tender Evaluation Report – Attachment A".

All submissions were assessed in accordance with the approved evaluation criteria being:

- a) Price;
- b) Experience and capacity to perform the work; and
- c) Proven performance delivering services with specified response times.

FINANCIAL IMPLICATIONS

There are sufficient funds allocated for this contract within the operational budgets of the Asset Planners.

RELEVANT LEGISLATION

The tender has been conducted in accordance with the *Local Government Act 1993*, the *Local Government (General) Regulation 2005* and Council's Procurement Policy.

Information provided by tenderers which is commercial-in-confidence has been protected and will not be disclosed in accordance with section 10A (2) (d) of the *Local Government Act 1993*. A consistent standard for all tenderers has been used in assessing any request for confidentiality by a tenderer.

RISK

This contract has been assessed as a low risk contract. The key risks and mitigations measures have been addressed in the Contract Plan which is on the TRIM file.

REGULATORY APPROVALS

The following regulatory approvals have been obtained for this Contract:

- Nil

PROCESS REVIEW

The Tender evaluation and recommendations have been endorsed in TRIM by the Commercial Manager, Contracts and Project Management.

OPTIONS / ALTERNATIVES

Council has the option of not proceeding with this contract by resolving not to accept an offer from any of the Tendering parties. This option is not recommended.

PUBLIC CONSULTATION

No public consultation specific to this contract was necessary and none has occurred.

ATTACHMENTS

- | | | |
|----------|---|-----------|
| 1 | "A1" - Confidential Report - T144 - Tender Evaluation Report -
CPA/261429 - Electrical Maintenance and Repair Services - | D12102323 |
|----------|---|-----------|

3.2 CPA/261063 - Upgrade of Sewage Pump Station WS11

TRIM REFERENCE: CPA/261063 - D12120921

MANAGER: Greg McDonald, Director

AUTHOR: John Tennant, Engineer

SUMMARY

Evaluation and selection of tenders for Contract CPA/261063 – Upgrade of Sewage Pump Station WS11

“Councillors are reminded that the name of the successful tenderer will be released after resolution of this item. This means that the contents of Attachment ‘A’ cannot be disclosed during discussion in the open session of the Council meeting.”

RECOMMENDATION

- 1 That Council accept the tender from the company nominated as Tenderer No. 2 in the attached Tender Evaluation Report, for the lump sum amount of \$2,762,000.00 (excl GST) for Contract CPA/261063 – Upgrade of Sewage Pump Station WS11.**
- 2 That Council determine the Tender Evaluation Report in Attachment A, remains confidential in accordance with Section 10 A (2) (d) of the Local Government Act 1993 as the report contains commercial information of a confidential nature, except for the name of the successful tenderer, which may be disclosed after Council has resolved to accept that tender.**
- 3 That Council approve the contingency sum as detailed in the Tender Evaluation Report in Attachment A.**

BACKGROUND

Sewage Pumping Station (SPS) WS 11 is located in Apex Park, Wyong and serves the suburbs of Wyong, Watanobbi, Wadalba, Wyongah and Tacoma. SPS WS11 is one of six pumping stations that transport sewage to Wyong South Wastewater Treatment Plant. In addition to its own gravity flow catchment, SPS WS 11 accepts flow from 26 subsidiary pumping stations.

The original pumping station was constructed in the mid 1960's and upgraded to its current capacity in the late 1980's. The station is now approaching its design capacity and currently suffers from a number of operational problems that include:

- a. Inadequate storage volume and pumping capacity;
- b. Aging and corroded machinery and structures;
- c. The risk of discharge to residential properties under wet weather flows;
- d. Offensive odours.

The works to be undertaken under this contract include:

1. Construction of a new 6.7metre diameter x 6.7metre deep wet well with 4 submersible pumps and associated electrical and control gear;
2. The conversion of the existing wet/dry well to a collection manhole and the conversion of the existing dry well to an offline emergency storage;
3. Construction of an odour control soil biofilter bed;
4. Associated roadworks and other site works.

Tenders for the works were previously invited under Contract No. CPA/249912, however, at its meeting of 13 May 2015, Council:

“RESOLVED on the motion of Councillor EATON and seconded by Councillor BEST:

499/15 That Council reject all tenders and direct the General Manager to invite fresh tenders based on the same or similar details.”

Fresh tenders have been invited under Contract No. 261063 and it is in respect to those fresh tenders that this report relates.

CONTRACT PLAN

The Contract Plan for this tender process was approved by the Director Infrastructure and Operations before the Request for Tender was issued. The approved Contract Plan is in TRIM D12047791.

INVITATION TO TENDER

The tender was advertised in the Sydney Morning Herald on 26 May 2015, The Central Coast Express on 27 May 2015 and on Council's eTender site on 26 May 2015. The advertised closing date for tenders was 26 June 2015.

The invitation documents called for lump sum tenders, based on a detailed specification.

A compulsory pre-tender meeting was held at the site of the works on 9 June 2015 to allow tenderers to become familiar with site conditions.

Tenders closed at Council's Chambers at 2.00pm on 26 June 2015.

TENDER SUBMISSIONS

The following tenders were received and are listed in alphabetical order:

- Eire Constructions Pty Ltd
- Gongues Constructions Pty Ltd
- Kerroc Constructions Pty Ltd
- Leed Engineering and Constructions Pty Ltd
- McNamee constructions Pty Ltd

No late submissions were received.

TENDER EVALUATION

All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.

The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Attachment 'A' –Tender Evaluation Report CPA/261063.

All submissions were assessed in accordance with the approved evaluation criteria being:

Threshold Criteria:

- Conformity to the Request for Tender documentation including lodgement by closing time;
- Evidence of satisfactory completion of a similar Sewage Pumping Station upgrade project with bypass system within the last five years.
- Evidence of corporate systems to manage safety, environment and quality;

Weighted Criteria:

- The tendered price and structure; as well as any other potential costs to Council that may be identified;
- Local Content;
- Quality of methodology proposed to complete the works including management of existing pumping station operation during periods of sewage bypass, construction of the new wet well and impacts on the local community;
- Proven experience and performance of key personnel and sub-contractors in the delivery of similar projects including referee checks;
- Quality of the tenderer's corporate systems to manage safety, environment and quality risks.

FINANCIAL IMPLICATIONS

There are sufficient funds allocated for this contract within the current year's capital works program under Project No. 15806.

RELEVANT LEGISLATION

The tender has been conducted in accordance with the *Local Government Act 1993*, the *Local Government (General) Regulation 2005* and Council's Procurement Policy.

Information provided by tenderers which is commercial-in-confidence has been protected and will not be disclosed in accordance with Section 10A (2) (d) of the *Local Government Act 1993*. A consistent standard for all tenderers has been used in assessing any request for confidentiality by a tenderer.

CRITICAL DATES / TIME FRAMES

It is anticipated that the contract will be awarded on 19 October 2015 and that the works will be available to be put into service by November 2016.

RISK

This contract has been assessed as a high risk contract. The key risks and mitigations measures have been addressed in the Contract Plan and detailed Risk Assessment which is on the TRIM file.

REGULATORY APPROVALS

The following regulatory approvals have been obtained for this Contract:

- Part 5 assessment under the Environmental Planning and Assessment Act 1979

PROCESS REVIEW

The tender evaluation and this report and recommendations have been endorsed in TRIM by the Acting Commercial Manager, Contracts and Project Management.

OPTIONS / ALTERNATIVES

Council has the option of not proceeding with this contract by resolving not to accept an offer from any of the Tendering parties. This option is not recommended.

PUBLIC CONSULTATION

Public consultation specific to this contract was necessary and has occurred with neighboring residents who will be affected by short term construction activities.

ATTACHMENTS

- | | | |
|---|--|-----------|
| 1 | CPA/261063 - Confidential Attachment A - T144 - Tender Evaluation Report - | D12099076 |
|---|--|-----------|

4.1 Presentation of 2014-15 Annual Financial Statements

TRIM REFERENCE: F2014/00992 - D12083553

MANAGER: Stephen Naven, Chief Financial Officer

AUTHOR: Kim Fitcher, Financial Controller

SUMMARY

This report presents the final Wyong Shire Council 2014-15 financial statements and Wyong Water 2014-15 financial statements, including external audit reports.

RECOMMENDATION

- 1 That Council present the audited 2014-15 financial statements in accordance with the Local Government Act 1993.**
- 2 That Council invite the external auditor, Mr Peter Buchholz (representing PricewaterhouseCoopers) to formally present the auditor's report on Council's 2014-15 financial statements.**
- 3 That Council adopt the final audited 2014-15 financial statements for Wyong Shire Council and Wyong Water.**

BACKGROUND

Council at its meeting held on 14 October 2015 resolved as follows:

"RESOLVED unanimously on the motion of Councillor BEST and seconded by Councillor TROY:

- | | |
|---------|---|
| 1074/15 | <i>That Council <u>adopt</u> the draft Wyong Shire Council Financial Statements for 2014-15 as presented.</i> |
| 1075/15 | <i>That Council refer the draft Wyong Shire Council Financial Statements for 2014-15 (as presented) to external audit.</i> |
| 1076/15 | <i>That Council authorise the Mayor, Deputy Mayor, Acting Chief Executive Officer and Responsible Accounting Officer to execute all documents related to the draft 2014-15 Financial Statements as required by legislation.</i> |
| 1077/15 | <i>That Council fix 28 October 2015 as the date for the presentation of the audited 2014-15 Financial Statements and external audit reports in accordance with section 419(1) of the Local Government Act 1993."</i> |

In accordance with Section 419(1) of the Local Government Act 1993, Council must present its audited financial reports, together with the auditor's reports, at a meeting of the Council held on the date fixed.

CURRENT STATUS

In accordance with the above resolutions and also Section 419(2) of the Local Government Act 1993 whereby Council's auditor may attend, Mr Peter Buchholz of PricewaterhouseCoopers will present the audited 2014-15 financial statements and external audit report.

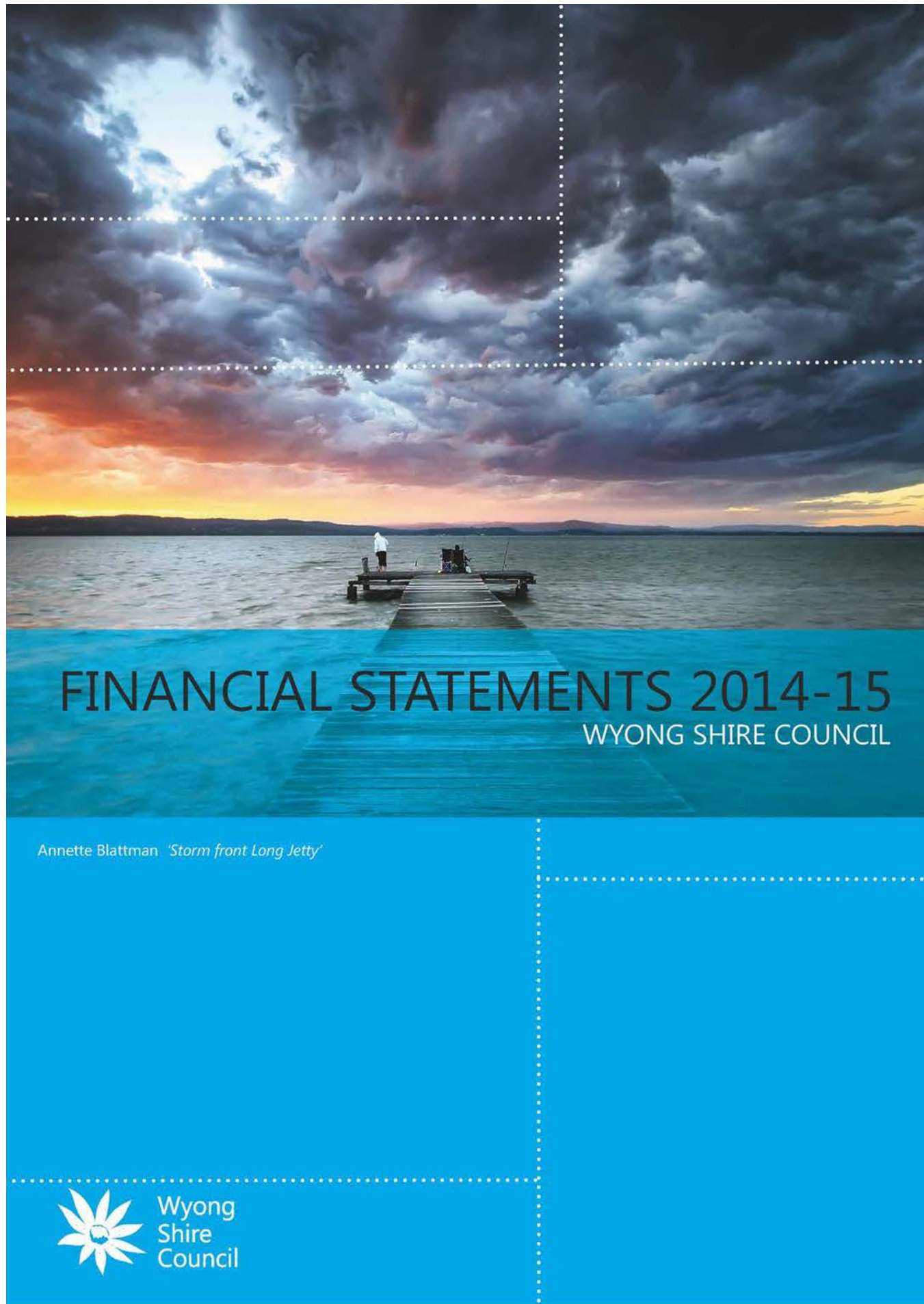
Council has achieved a record consolidated operating surplus of \$10.2 million (before capital grants and contributions) and has exceeded all industry benchmarks.

CONCLUSION

Council is required to present and adopt the audited financial reports at a Council meeting and has invited the external auditor to present.

ATTACHMENTS

- | | | |
|---|--|-----------|
| 1 | Wyong Shire Council 2014-15 Financial Statements | D12118446 |
| 2 | Wyong Water 2014-15 Financial Statements | D12118449 |



WYONG SHIRE COUNCIL



General Purpose Financial Statements

Wyong Shire Council

General purpose financial statements
for the financial year ended 30 June 2015

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Overview

(i) These financial statements are general purpose financial statements and cover the consolidated operations for Wyong Shire Council.

(ii) Wyong Shire Council is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's statutory charter is detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services and facilities, and to carry out activities appropriate to the current and future needs of the local community and of the wider public,
- the responsibility for administering regulatory requirements under the LGA and
- a role in the management, improvement and development of the resources in the area.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

(iii) All figures presented in these financial statements are presented in Australian Currency.

(iv) These financial statements were authorised for issue by the Council on 28 October 2015. Council has the power to amend and reissue these financial statements.

Wyong Shire Council

Financial statements

for the financial year ended 30 June 2015

Chief Executive Officer's Report



Rob Noble
Acting Chief Executive
Officer

It is with great pleasure that I present the 2015 financial statements for Wyong Shire Council.

FINANCIAL PERFORMANCE

Over the past six years staff have worked hard to move from an operating deficit of \$30.0 million to a surplus this year of \$10.2 million. This is an outstanding effort and reflects our commitment to enhance delivery on the big six essential services (roads, drainage, water, sewerage, parks and waste management).

During the year we continued our focus on ensuring best value delivery of services, with a review of our water business. The business faces a number of challenges including regulated pricing, reduced water usage, interest rates and the dissolution of the Central Coast Water Corporation. A new business unit, Wyong Water, will focus on transforming operations through a focus on deliverables, improved accountability and performance.

FINANCIAL POSITION/ASSETS

Council is responsible for managing \$4.3 billion in infrastructure and other assets that belong to the community, who have requested that we get back to basics by addressing asset maintenance and the asset backlog.

In 2014-15 we spent \$86.3 million on capital expenditure, of which \$10.4 million was

specifically allocated to address the asset backlog. To assist funding the increased investment in community assets an extra \$2.7 million was collected in rates receipts via the Special Rate Variation (SRV) during 2014-15.

We spent \$25.1 million on roads, footpaths, kerb and gutter, car parks and drainage. Other significant projects included the Metro Cinema and Commercial Complex at Lake Haven (\$6.8 million), continued works at Wyong South Sewage Treatment Plant (\$2.4 million), Norah Head Boat Ramp (\$2.0 million), Warnervale Town Centre Entry Road (\$1.3 million), Alison Homestead rebuild (\$1.1 million), and the Saltwater Creek Pedestrian Bridge at Long Jetty (\$0.7 million).

In 2015-16, Council will invest \$104.9 million in capital works and spend a total of \$360.7 million to deliver best value essential services to our Community.

Wyong Shire Council

Financial statements

for the financial year ended 30 June 2015

Chief Financial Officer's Report



Steve Naven
Chief Financial Officer

I am pleased to present the 2014-15 audited financial statements.

OVERALL PERFORMANCE

This year we have delivered a surplus of \$10.2 million¹. This is our third successive year in surplus, improving \$4.7 million over last year's result and being favourable by \$9.6 million against our original 2014-15 budget.

These results demonstrate our commitment to positive operating performance, strong liquidity, focus on assets, reduced levels of debt, leveraging off our assets and maintaining or enhancing service levels.

**PATH TO RECOVERY**

We have worked hard over the past five years to review and improve the way we do business and to ensure we are identifying and meeting our community needs.

The success of our financial turnaround has been the result of major reforms that have seen:

- an increased commercial focus for user pay services, such as commercial waste
- introduction of a special rate variation to address our asset infrastructure backlog
- the majority of capital spending focused on upgrade and renewal works
- focus on attracting development and investment
- operational reviews to ensure our structure is aligned to meet customer needs
- internally resourced projects, rather than using external contractors and consultants
- the benchmarking and testing of alternate delivery methods
- focus on the Community Strategic Plan
- increased rigour around budgeting and expenditure
- improved data capture and analysis to identify and drive business improvements
- improved procurement processes.

¹ excluding Capital Grants and Contributions

Wyong Shire Council

Financial statements

for the financial year ended 30 June 2015

Chief Financial Officer's Report

FINANCIAL SUSTAINABILITY

During the year we responded to the Independent Local Review Panel's Fit for the Future (FFTF) review of NSW Local Governments, clearly demonstrating that we are fit now and into the future against all financial sustainability targets.

Fit for the Future targets

Operating Performance ratio - we are able to contain operating expenditure within operating revenue.

FFTF Target: Higher than 0
Our result: 4.46%
✓

Own source revenue - we do not have to rely on grants and have strong financial flexibility.

FFTF Target: Over 60%
Our result: 82.30%
✓

Building and infrastructure asset renewal - we are renewing our assets at the same, or higher, rate they are depreciating.

FFTF Target: Over 100%
Our result: 100.34%
✓

Infrastructure backlog ratio - the value of our backlog works against the total value of our assets is improving.

FFTF Target: less than 2%
Our result: 1.94% (based on written down value)
✓

Asset maintenance ratio - we are investing enough funds on maintenance to stop the infrastructure asset backlog from growing.

FFTF Target: Over 1.00
Our result: 1.07
✓

Real operating expenditure per capita - expenditure is decreasing per head of population.

FFTF Target: Decreasing over time
Our result: Moved from \$1,510 in 2011-12 to \$1,290 in 2014-15
✓

Other targets

We are also strong against other targets set by the Office of Local Government (OLG) to assess financial sustainability.

Unrestricted current ratio - For every dollar of current liabilities we have \$1.55 of working capital.

OLG Target: Over 1.5
Our result: 1.56
✓

Rates, annual charges, interest and extra charges outstanding percentage - we have worked with debtors to reduce the amount of debt owed to us in a socially responsible manner.

OLG Target: Less than 5%
Our result: 4.56%
✓

Cash expense cover ratio - we are able to operate for a period of 8.57 months without additional income from grants or other sources outside of Council.

OLG Target: Over 3 months
Our result: 9.01 months
✓

Capital expenditure ratio - we are spending more on assets than the amount they are deteriorating, which reflects special rate variation expenditure on the replacement and renewal of assets, in line with our Asset Management Strategy.

OLG Target: Higher than 1
Our result: 1.52
✓

Debt service cover ratio - our ability to cover our debts is strengthening as our operating result improves and debt is repaid.

OLG Target: Between 0 and 20%
Our result: 3.51
✓

Wyong Shire Council

Financial statements

for the financial year ended 30 June 2015

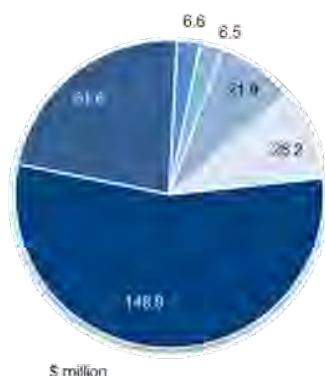
Chief Financial Officer's Report

INCOME

2014-15 income was \$271.7 million, funded from property rates, the provision of services (such as waste, water and sewer), user charges and fees, interest and operating and capital grants and contributions.

As with previous years, the major source of income was rates and annual charges. Income excluding capital grants and contributions was \$245.5 million. Total grants and contributions income was \$48.1 million (\$21.9 million from operating grants and contributions and \$26.2 million from capital grants and contributions).

- 55% Rates and annual charges
- 23% User charges and fees
- 2% Interest and investment revenue
- 2% Other revenues
- 8% Grants and contributions - operating
- 10% Grants and contributions - capital

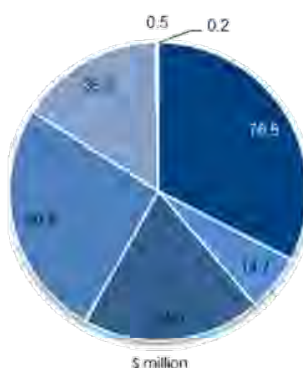


EXPENDITURE

Operational

Over the year we spent \$235.3 million on operating expenses.

- 33% Employee benefits and on-costs
- 6% Borrowing costs
- 19% Materials and contracts
- 28% Depreciation and amortisation
- 16% Other expenses
- 0% Net losses from disposal of assets
- 0% Net share of interest in joint ventures



Capital

We invested \$86.3 million on capital expenditure (86% of the original budget), of which \$10.4 million was specifically allocated to address the infrastructure asset backlog, funded by an additional \$4.9 million (cumulative over 2013-14 and 2014-15) raised via the Special Rate Variation (SRV).



Roads received \$25.2 million on upgrades and renewals, reaching our target of delivering 53.9 kilometres of pavement renewals and reseals works. The two biggest upgrades were The Ridgeway Tumby Umbi and Berkeley Road, Berkeley Vale, costing almost \$2.9 million combined.

We have also continued to invest in our water and sewer infrastructure with further improvements in sewage treatment at the Wyong South facility.

Wyong Shire Council

Financial statements

for the financial year ended 30 June 2015

Chief Financial Officer's Report

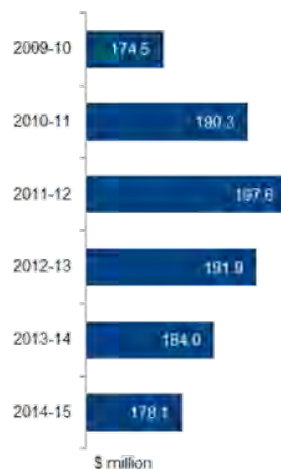
NET WORTH

Our net worth continues to strengthen with a closing equity of \$2.9 billion, increasing \$1.1 billion over the past six years.



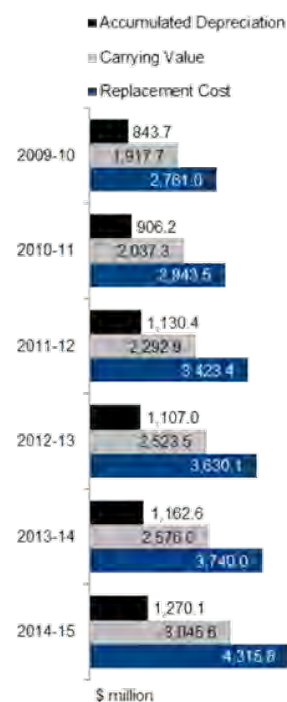
DEBT POSITION

Our loan liability continues to reduce, with \$178.1 million in external debt. Of this, 96.5% is secured loans in our Water Supply Authority.



ASSET MANAGEMENT

Our public assets have a replacement cost of \$4.3 billion including roads, community buildings, land, pools, water and sewerage network, stormwater drainage, footpaths, bridges, parks, ovals, cash and investments, receivables, inventories and intangible assets.



Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Understanding Council's financial statements

Introduction

Each year, individual Local Governments across NSW are required to present a set of audited financial statements to their Council and Community.

What you will find in the statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2015.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by the Office of Local Government.

About the Councillor/Management statement

The financial statements must be certified by senior staff as "presenting fairly" the Council's financial results for the year, and are required to be adopted by Council - ensuring both responsibility for and ownership of the financial statements.

About the primary financial statements

The financial statements incorporate "primary" financial statements:

1. The income statement

Summarises Council's financial performance for the year, listing all income and expenses.

This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

2. The statement of comprehensive income

Primarily records changes in the fair values of Council's infrastructure, property, plant and equipment.

3. The statement of financial position

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

4. The statement of changes in equity

The overall change for the year (in dollars) of Council's "net wealth".

5. The statement of cash flows

Indicates where Council's cash came from and where it was spent.

This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the notes to the financial statements

The notes to the financial statements provide greater detail and additional information on the five primary financial statements.

About the Auditor's reports

Council's financial statements are required to be audited by external accountants (that generally specialize in Local Government).

In NSW, the Auditor provides two audit reports:

1. An opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. Their observations on the conduct of the Audit including commentary on the Council's financial performance and financial position.

Who uses the financial statements?

The financial statements are publicly available documents and must be presented at a Council meeting between 7 days and 5 weeks after the date of the Audit Report.

Submissions from the public can be made to Council up to 7 days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

Financial Statements 2015

Wyong Shire Council

General purpose financial statements
for the financial year ended 30 June 2015

Statement by Councillors and Management

made pursuant to Section 413(2)(c) of the Local Government Act 1993 (as amended)

The attached general purpose financial statements have been prepared in accordance with:

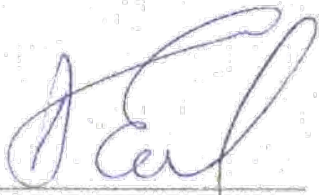
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these financial statements:

- present fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records.

We are not aware of any matter that would render the reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 14 October 2015.


Doug Eaton
MAYOR
Lynne Webster
COUNCILLOR
Rob Noble
ACTING CHIEF EXECUTIVE OFFICER
Stephen Naven
RESPONSIBLE ACCOUNTING OFFICER

Wyong Shire Council

Income statement

for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
Income from continuing operations				
Revenue:				
149,580	Rates and annual charges	3a	148,856	142,129
59,020	User charges and fees	3b	61,582	56,743
7,520	Interest and investment revenue	3c	6,599	7,479
4,179	Other revenues	3d	6,589	5,483
20,594	Grants and contributions provided for operating purposes	3e,f	21,916	15,616
14,725	Grants and contributions provided for capital purposes	3e,f	26,169	15,765
Other income:				
1,812	Net gains from the disposal of assets	5	-	-
257,429	Total income from continuing operations		271,711	243,215
Expenses from continuing operations				
83,045	Employee benefits and on-costs	4a	76,515	74,076
14,577	Borrowing costs	4b	14,716	15,084
53,284	Materials and contracts	4c	45,742	41,598
56,052	Depreciation and amortisation	4d	60,751	55,511
-	Impairment	4d	-	-
35,150	Other expenses	4e	36,862	34,727
-	Net losses from the disposal of assets	5	478	981
-	Net share of interests in joint ventures and associates using the equity method	19	229	-
242,109	Total expenses from continuing operations		235,293	221,977
15,320	Operating result from continuing operations		36,418	21,238
Discontinued operations				
-	Operating result from discontinued operations	24	-	-
15,320	Net operating result for the year		36,418	21,238
15,320	Net operating result attributable to Council		36,418	21,238
-	Net operating result attributable to non-controlling interests		-	-
596	Net operating result for the year before grants and contributions provided for capital purposes		10,249	5,473

¹ Original budget as approved by Council - refer Note 16

² Financial Assistance Grants for 2014 were lower reflecting one off timing differences due to a change in how the grant was paid in prior years - refer Note 3 (a)

Financial Statements 2015

Wyong Shire Council

Statement of comprehensive income
for the financial year ended 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
Net operating result for the year (as per Income Statement)		36,418	21,238
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	20b (ii)	259,957	34,359
Impairment (loss) reversal relating to infrastructure, property, plant and equipment		-	(1,324)
Other movements - correction of error	20b (ii)	183,134	-
Total items which will not be reclassified subsequently to the operating result		443,091	33,035
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
Total other comprehensive income for the year		443,091	33,035
Total comprehensive income for the year		479,509	54,273
Total comprehensive income attributable to Council		479,509	54,273
Total comprehensive income attributable to non-controlling Interests		-	-

This Statement should be read in conjunction with the accompanying Notes.

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Financial Statements 2015

Wyong Shire Council

Statement of financial position

as at 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
Assets			
Current assets			
Cash and cash equivalents	6a	38,212	19,357
Investments	6b	93,167	102,913
Receivables	7	32,129	31,738
Inventories	8	712	1,442
Other	8	972	720
Non-current assets classified as "held for sale"	22	-	-
Total current assets		165,192	156,170
Non-current assets			
Investments	6b	25,000	25,000
Receivables	7	438	480
Inventories	8	-	-
Infrastructure, property, plant and equipment	9	3,045,665	2,576,048
Investments accounted for using the equity method	19	21	250
Investment property	14	-	-
Intangible assets	25	206	340
Total non-current assets		3,071,330	2,602,118
Total assets		3,236,522	2,758,288
Liabilities			
Current liabilities			
Payables	10	39,715	34,103
Borrowings	10	12,084	11,368
Provisions	10	22,601	23,424
Total current liabilities		74,400	68,895
Non-current liabilities			
Payables	10	11,621	12,290
Borrowings	10	166,014	172,672
Provisions	10	55,079	54,532
Total non-current liabilities		232,714	239,494
Total liabilities		307,114	308,389
Net assets		2,929,408	2,449,899
Equity			
Retained earnings	20	1,584,254	1,364,702
Revaluation reserves	20	1,345,154	1,085,197
Council equity interest		2,929,408	2,449,899
Non-controlling equity interests		-	-
Total equity		2,929,408	2,449,899

This Statement should be read in conjunction with the accompanying Notes.

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Wyong Shire Council

Statement of changes in equity
for the financial year ended 30 June 2015

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2015						
Opening balance (as per last year's audited accounts)		1,364,702	1,085,197	2,449,899	-	2,449,899
a. Correction of prior period errors	20 (c)	-	-	-	-	-
b. Changes in accounting policies (prior year effects)	20 (d)	-	-	-	-	-
Revised opening balance (as at 1/7/14)		1,364,702	1,085,197	2,449,899	-	2,449,899
c. Net operating result for the year		36,418	-	36,418	-	36,418
d. Other comprehensive income						
- Revaluations : IPP&E asset revaluation reserve	20b (i)	-	259,957	259,957	-	259,957
- Revaluations: other reserves	20b (ii)	-	-	-	-	-
- Transfers to income statement	20b (iii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (iv)	-	-	-	-	-
- Other movements - correction of error	20a	183,134	-	183,134	-	183,134
Other comprehensive income		183,134	259,957	443,091	-	443,091
Total comprehensive income (c&d)		219,552	259,957	479,509	-	479,509
e. Distributions to/(contributions from) non-controlling interests		-	-	-	-	-
f. Transfers between equity		-	-	-	-	-
Equity - balance at end of the reporting period		1,584,254	1,345,154	2,929,408	-	2,929,408

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2014						
Opening balance (as per last year's audited accounts)		1,343,464	1,052,162	2,395,626	-	2,395,626
a. Correction of prior period errors	20 (c)	-	-	-	-	-
b. Changes in accounting policies (prior year effects)	20 (d)	-	-	-	-	-
Revised opening balance (as at 1/7/13)		1,343,464	1,052,162	2,395,626	-	2,395,626
c. Net operating result for the year		21,238	-	21,238	-	21,238
d. Other comprehensive income						
- Revaluations : IPP&E asset revaluation reserve	20b (i)	-	34,359	34,359	-	34,359
- Revaluations: other reserves	20b (ii)	-	-	-	-	-
- Transfers to income statement	20b (iii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (iv)	-	(1,324)	(1,324)	-	(1,324)
Other comprehensive income		-	33,035	33,035	-	33,035
Total comprehensive income (c and d)		21,238	33,035	54,273	-	54,273
e. Distributions to/(contributions from) non-controlling interests		-	-	-	-	-
f. Transfers between equity		-	-	-	-	-
Equity - balance at end of the reporting period		1,364,702	1,085,197	2,449,899	-	2,449,899

This Statement should be read in conjunction with the accompanying Notes.

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Wyong Shire Council

Statement of cash flows

for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
Cash flows from operating activities				
Receipts:				
149,264	Rates and annual charges		148,898	142,570
59,086	User charges and fees		58,177	57,699
7,649	Investment and interest revenue received		6,826	7,307
33,727	Grants and contributions		43,119	23,862
-	Bonds, deposits and retention amounts received		1,001	474
4,513	Other		21,566	11,811
Payments:				
(83,327)	Employee benefits and on-costs		(77,411)	(75,378)
(52,182)	Materials and contracts		(44,744)	(52,160)
(12,916)	Borrowing costs		(11,035)	(14,834)
-	Bonds, deposits and retention amounts refunded		(527)	(435)
(47,348)	Other		(49,382)	(36,728)
58,466	Net cash provided (or used in) operating activities	11b	96,488	64,188
Cash flows from investing activities				
Receipts:				
641	Sale of investment securities		110,913	94,827
14,900	Sale of infrastructure, property, plant and equipment		4,639	1,695
Payments:				
-	Purchase of investment securities		(101,167)	(90,364)
(100,093)	Purchase of infrastructure, property, plant and equipment		(86,076)	(71,809)
(84,552)	Net cash provided (or used in) investing activities		(71,691)	(65,651)
Cash flows from financing activities				
Receipts:				
20,000	Proceeds from borrowings and advances		5,900	3,000
Payments:				
(11,365)	Repayment of borrowings and advances		(11,842)	(10,847)
8,635	Net cash flow provided (used in) financing activities		(5,942)	(7,847)
(17,451)	Net increase/(decrease) in cash and cash equivalents		18,855	(9,310)
19,357	plus: Cash and cash equivalents - beginning of year	11a	19,357	28,667
1,906	Cash and cash equivalents - end of the year	11a	38,212	19,357
Additional Information:				
	plus: Investments on hand - end of year	8b	118,167	127,913
	Total cash, cash equivalents and investments		156,379	147,270

Please refer to Note 11 for information on the following:

- non-cash financing and investing activities.
- financing arrangements.
- net cash flow disclosures relating to any discontinued operations.

This Statement should be read in conjunction with the accompanying Notes.

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Wyong Shire Council

Notes to the financial statements

for the financial year ended 30 June 2015

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Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the Local Government Act (1993) and Regulation, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity for the purpose of preparing the financial statements.

New and amended standards adopted by Council

During the current year, the following relevant standards became mandatory for Council and have been adopted:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosures of Interests in Other Entities

AASB 10 introduced a new definition of control based on the substance of the relationship and required Councils to consider their involvement with other entities regardless of whether there was a financial interest.

AASB 11 classified joint arrangements into either joint ventures (equity accounting) or joint operations (accounting for share of assets and liabilities).

AASB 12 has increased the level of disclosures required where Council has any interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities.

Early adoption of standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2014.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and

liabilities and certain classes of property, plant and equipment and investment property.

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

- (i) Estimated fair values of infrastructure, property, plant and equipment
- (ii) Estimated tip remediation provisions

Significant judgements in applying the Council's accounting policies

- (i) Impairment of receivables
Council has made a significant judgement about the impairment of a number of its receivables in Note 7
- (ii) Projected Section 94 commitments
Council has used significant judgement in determining future Section 94 income and expenditure in Note 17

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

Rates, annual charges, grants and contributions

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts. Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Revenue is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at reporting date, the unused grant or contribution is disclosed in Note 3(g). The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

User charges and fees

User charges and fees (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or

when the penalty has been applied, whichever first occurs.

Sale of plant, property, infrastructure and equipment

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Interest

Interest income is recognised using the effective interest rate at the date that interest is earned.

Rent

Rental income is accounted for in accordance with the terms of the lease.

Other income

Other income is recorded when the payment is due, the value of the payment is notified or the payment is received, whichever occurs first.

(c) Principles of consolidation

The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

The following entities have been included as part of the Consolidated fund:

- General purpose operations
- Wyong Water, established under the Water Management Act 2000
- Committees established under the Local Government Act 1993 S355
- Central Coast Water Corporation

The Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993 (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust which must be applied only for the

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

purposes of or in accordance with the trusts relating to those monies. Trust monies and property subject to Council's control have been included in these reports.

Trust monies and property held by Council but not subject to the control of Council, have been excluded from these reports. A separate statement of monies held in the Trust Fund is available for inspection at the Council office by any person free of charge.

Interests in other entities

Joint Arrangements

AASB 11 Joint Arrangements defines a joint arrangement as an arrangement of which two or more parties have joint control and classifies these arrangements as either joint ventures or joint operations. Council has determined that it has both joint ventures and joint operations.

Details related to Council's joint arrangements are contained within Note 19.

Joint operations

In relation to its joint operations, where the venturer has the rights to the individual assets and obligations arising from the arrangement, Council has recognised:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation;
- Its expenses, including its share of any expenses incurred jointly.

These figures are incorporated into the relevant line item in the primary statements.

Joint ventures

Joint ventures are those joint arrangements which provide Council with rights to the net assets of the arrangements. Interests in joint ventures are accounted for using the equity method in

accordance with AASB 128 Associates and Joint Ventures. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If the Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Council discontinues recognising its share of further losses.

Council's share in the joint ventures gains or losses arising from transactions between itself and its joint venture are eliminated.

Adjustments are made to the joint ventures accounting policies where they are different from those of the Council for the purpose of the consolidated financial statements.

(d) Leases

Leases of property, plant and equipment where Council, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Council currently has no finance lease obligations.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement over the period of the lease.

Lease income from operating leases where Council is a lessor is recognised in the income statement in accordance with the terms of the lease.

(e) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

amount is the higher of an asset's fair value less costs to sell and value in use.

Where an asset is not held principally for cash generating purposes and would be replaced if the Council was deprived of it then depreciated replacement cost is used as value in use, otherwise value in use is estimated by using a discounted cash flow model.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Cash and cash equivalents

For Statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to

short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(h) Inventories

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw material. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Investments and other financial assets

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables (note 7) in the statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially

recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Impairment

Council assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(i) Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

Investment Policy

Council has an approved investment policy complying with Section 625 of the Local Government Act 1993 and Section 212 of the Local Government (General) Regulation 2005. Investments are placed and managed in accordance with that policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order. Council maintains an investment policy that complies with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations. As at the reporting date, Council does not hold any investments that are not prescribed.

(j) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(k) Infrastructure, property, plant and equipment (IPPE)

Council's assets have been progressively revalued to fair value in accordance with a staged implementation advised by the Office of Local Government. At reporting date the following classes of IPPE were stated at their fair value:

- Operational land (external valuation)
- Buildings – specialised/non-specialised (external valuation)
- Water/Sewerage networks (internal valuation)
- Plant and equipment (as approximated by depreciated historical cost)
- Road assets – roads including other road related assets, bridges and footpaths (internal valuation)
- Drainage assets – (internal valuation)
- Bulk earthworks – (internal valuation)
- Community land – (Valuer General's valuation)
- Land improvements (as approximated by depreciated historical cost)
- Other structures (as approximated by depreciated historical cost)
- Other assets (as approximated by depreciated historical cost)

Water and sewerage network assets are indexed annually between full revaluations in accordance with the latest indices provided in the NSW Office of Water – Rates Reference Manual. For all other assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date. If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount. Full revaluations are undertaken for all assets on a 5 year cycle.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised in profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land, land under roads, bulk earthworks, detention basins and wetlands (part of the Stormwater Drainage asset class) are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and equipment	
Vehicles	3 to 14 years
Heavy equipment	5 to 41 years
Small equipment	2 to 35 years
Other plant and equipment	2 to 33 years
Office equipment	2 to 10 years
Furniture and fittings	5 to 20 years
Depreciable land improvements	20 to 100 years
Buildings	
Non-specialised	25 to 63 years
Specialised	8 to 150 years
Other structures	5 to 100 years
Roads	
Car parks	15 to 63 years
Roads	
Surface	8 to 95 years
Base and sub-base	10 to 125 years

Other road related assets, including bus shelters, guard rails, kerb and gutters, median, pavement, pedestrian refuge, roundabouts, shared paths, speed humps and street lighting)	8 to 116 years
Bridges	
Footbridges	50 to 100 years
Road bridges	50 to 100 years
Footpaths	15 to 100 years
Stormwater drainage	25 to 182 years
Water supply network	15 to 150 years
Sewerage network	15 to 100 years
Swimming pools	10 to 100 years
Open space/recreational assets	10 to 100 years
Heritage collections	100 years
Library books	5 to 10 years
Other assets	50 Years
Tip asset	9 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Land, other than land under roads, is classified as either operational or community in accordance with Part 2 of Chapter 6 of the Local Government Act (1993). This classification is made in Note 9(a).

(l) Payables

These amounts represent liabilities for goods and services provided to the Council prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(n) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(o) Provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in

settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(p) Employee benefits**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if Council does not

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Defined benefit plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the statement of financial position, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans ie. as an expense when it becomes payable.

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the "Local Government Superannuation Scheme – Pool B".

This Scheme has been deemed to be a "multi-employer fund" for the purposes of AASB 119.

Sufficient information is not available to account for the Scheme as a defined benefit plan (in accordance with AASB 119) because the assets to the scheme are pooled together for all Councils.

The last valuation of the Scheme was performed by Mr Martin Stevenson of Mercer Consulting (Australia) on 20 February 2013.

However the position is monitored annually and the Actuary has estimated that as at 30 June 2015 the prior period deficit still exists.

Effective from 1 July 2009, employers are required to provide additional contributions to assist in extinguishing this deficit.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of superannuation expenses at Note 4(a) for the year ending 30 June 2015 was \$ 2,349,263.

The expected contributions to the Fund by Council for the next annual reporting period are \$2,237,137. Additional contributions of \$1,054,547 are estimated to remain in place until 30 June 2016. Information about any deficit or surplus in the plan may affect the amount of future contributions, including the basis used.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member Councils.

For this reason, no liability for the deficiency has been recognised in these financial statements.

Council has, however, disclosed a contingent liability in Note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(q) Land under roads

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051. Any land under roads that was recognised before 1 July 2008 was derecognised at 1 July 2008 against the opening balance of retained earnings.

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment.

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

(r) Self insurance

Council has decided to self-insure for workers compensation risks. A provision for self-insurance has been made to recognise outstanding claims the amount of which is detailed in Note 10. Council also maintains cash and investments to meet expected future claims and these are detailed in Note 6(c).

(s) Intangible assets

IT development and software

Council has acquired, under a managed service arrangement, a licence to access information technology services. In conjunction with this contract, costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis.

IT development costs include only those directly attributable to the development phase and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset.

(t) Crown Reserves

Crown Reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown Reserves are also recorded as assets, while maintenance costs

incurred by Council and revenues relating the reserves are recognised within Council's income statement.

Representations from both State and Local Government are being sought to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

(u) Rural Fire Service assets

Under section 119 of the Rural Fire Services Act 1997, "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the Council of the area for or on behalf of which the firefighting equipment has been purchased or constructed". Until such time as discussions on this matter have concluded and the legislation changed, Council will recognise rural fire service assets including land, buildings, plant and vehicles.

(v) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(w) New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. Council's assessment of the impact of the new standards and interpretations relevant to them is set out below.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

AASB 9 – Financial Instruments and associated amending standards

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- Fair value, and
- Amortised cost (where financial assets will only be able to be measured at amortised cost where very specific conditions are met).

AASB 124 – Related Party Disclosures

From 1 July 2016, AASB 124 Related Party Disclosures will apply to Council.

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

AASB 2014 – 10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not).

A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

This standard will only impact Council where there has been a sale or contribution of assets between the entity and the joint venture.

AASB 2014 – 3 Amendments to Australian Accounting Standards – Accounting for acquisitions of interests in joint operations [AASB 1 and AASB 11]

This standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.

The amendments require:

- a) The acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and
- b) The acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

This standard also makes an editorial correction to AASB 11.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

If a joint operation is acquired during the reporting period, then this standard clarifies the accounting for the acquisition to be in accordance with AASB 3, i.e. assets and liabilities acquired to be measured at fair value.

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

AASB 15 - Revenue from Contracts with customers and associated amending standards

AASB 15 introduces a five step process for revenue recognition with the core principle requiring Council to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in timing of revenue recognition, treatment of contract costs and contracts which contain a financing element.

AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The effective date of this standard is for annual reporting periods beginning on after 1 January 2017.

The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.

(x) Rounding of amounts

Unless otherwise indicated, amounts in the financial statements have been rounded off to the nearest thousand dollars.

(y) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported within these financial statements and/or the notes.

(z) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 2(a). Council functions / activities - financial information

Functions/Activities	Income, expenses and assets have been directly attributed to the following functions / activities. Details of these functions/activities are provided in Note 2(b).									
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Total assets held (current and non-current)
	Original budget 2015	Actual 2015	Actual 2014	Original budget 2015	Actual 2015	Actual 2014	Original budget 2015	Actual 2015	Actual 2014	
Governance	2	-	2	1,838	1,360	1,577	(1,836)	(1,360)	(1,576)	-
Communities	226	176	199	3,622	3,137	2,518	(3,397)	(2,961)	(2,319)	148
Travel	12,527	19,981	14,482	43,508	46,602	42,653	(30,981)	(26,621)	(28,171)	5,112
Facilities and services	119,329	127,554	116,680	138,643	140,349	132,145	(19,314)	(12,794)	(15,465)	5,597
Education	5,727	4,107	4,838	11,674	8,978	10,277	(5,947)	(4,871)	(5,439)	899
Natural areas	368	514	135	2,906	2,510	2,557	(2,538)	(1,996)	(2,422)	477
Environmental programs	2,257	3,302	2,568	8,823	5,908	5,135	(6,566)	(2,606)	(2,568)	1,556
Business sector and employment	11,068	11,873	10,364	20,748	15,656	16,424	(9,680)	(3,783)	(6,060)	1,007
Civic leadership	10,692	9,550	8,303	12,336	12,011	10,595	(1,644)	(2,461)	(2,292)	148
Corporate income and expense	10,566	7,886	6,004	(1,989)	(1,447)	(1,905)	12,555	9,33	7,910	135
Total functions and activities	172,762	184,943	163,575	242,109	235,064	221,976	(69,348)	(50,121)	(58,402)	15,079
Share of gains/(losses) in associates and joint ventures (using the equity method)	-	-	-	-	229	-	-	(229)	-	-
General purpose income ¹	84,667	86,768	79,640	-	-	-	84,667	86,768	79,640	14,104
Operating result from continuing operations	257,429	271,711	243,215	242,109	235,293	221,976	15,319	36,418	21,238	29,183
										18,947
										3,236,521
										2,758,289

1. Includes: rates and annual charges (incl. ex-gratia), unified general purpose grants and unrestricted interest and investment income.

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 2(b). Council functions / activities - component descriptions

Details relating to the Council's functions / activities as reported in Note 2(a) are as follows:

Governance

Governance costs include elections, member's fees and expenses, meeting of council and policy making committees, area representation, and public disclosure. This expenditure helps provide the framework to facilitate sound decision making.

Communities

The objective is to create and support communities where individuals feel closely connected, people know their neighbours, relationships are built within local neighbourhoods, there is participation in the local community and a sense of belonging and pride in the local area. Services provided include community and cultural programs, community planning and learning, marketing and communications and engagement of customers.

Travel

The objective is to provide availability to affordable, safe and clean transport options allowing easy travel both within the Shire and to other regional centres and cities. Services provided include roads and drainage maintenance, construction and management, roadside litter collection and strategic planning of transport options.

Facilities and services

There are a range of local and regional facilities that support the diverse needs of the community and contribute to its vibrancy, connections and pride, including complementary programs, services and activities that are affordable and financially sustainable. Services provided include parks and sportsfields, community halls and centres, management of natural aquatic and beach areas, health services and compliance, animal care facilities, emergency management, waste management and the provision of water and sewer services.

Education

Establish Wyong Shire as a learning community where people value learning, have an opportunity to enhance their knowledge and skills, be creative and innovative. This will lead to improving income opportunities from a skilled local workforce and the attraction of business, social cohesion, cultural understanding and active participation. Services include the provision of childcare, speech pathology, community education programs and libraries.

Natural areas

This objective looks at retaining and maintaining areas of natural value by preserving endangered species, ecological communities and biodiversity as well as supporting programs for the restoration of degraded natural areas. Services include environmental management, public tree risk management, noxious weeds, tree applications and lifeguard services. Attention is also focused on wetland and streambank management.

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 2(b). Council functions / activities - component descriptions

Details relating to the Council's functions / activities as reported in Note 2(a) are as follows:

Environmental programs

This objective focuses on the development and establishment of a range of programs and activities that create community involvement and allows the community to appreciate and embrace areas of the Shire. Services include estuary management programs, dredging operations and wrack harvesting in Tuggerah Lakes, environmental community support programs, street tree planting, bushfire protection and environmental waste reduction programs.

Business sector and employment

This objective looks at creating a strong business sector that withstands financial downturn, and ensures local businesses achieve sustained growth and local job availability through strategic business and property development by Council. Services include the provision of holiday parks, airports, management of council property, developing and executing strategies for future development, rezoning and town centre management.

Civic leadership

This objective aims to provide management, administrative and technical support to the above objectives. Services include legal, risk, financial and administrative services, management oversight of the above objectives, safe work environments and training.

Corporate income and expense

The objective of this area is to capture the receipt and management of rates and annual charges for Council, management of interest and non-specific grants and the management of developer contributions.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 3. Income from continuing operations

\$ '000	Notes	Actual 2015	Actual 2014
(a) Rates and annual charges			
Ordinary rates			
Residential		59,366	54,749
Farmland		331	318
Mining		762	878
Business		8,976	8,498
Total ordinary rates		69,435	64,443
Special rates			
Town improvement		728	1,072
Stormwater		1,729	1,720
Total special rates		2,457	2,792
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 and s.611)			
Domestic waste management services		28,865	28,555
Drainage		7,146	6,426
Liquid trade waste		235	228
Section 611 charges		47	48
Sewerage services		28,230	27,435
Water supply services		10,312	10,029
Waste management services (non-domestic)		2,129	2,173
Total annual charges		76,964	74,894
Total rates and annual charges		148,856	142,129

Council has used 2014 year valuations provided by the NSW Valuer General in calculating its rates.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(b) User charges and fees			
Specific user charges (per s.502 - specific "actual use" charges)			
Domestic waste additional services		-	6
Water supply services		27,190	26,940
Sewerage services		1,029	467
Waste management services (non-domestic)		61	44
Liquid trade waste		713	611
Total user charges		28,993	28,068
Other user charges and fees			
(i) Fees and charges - statutory and regulatory functions (per s.608)			
Building certification		582	446
Building inspection		542	490
Development applications		1,522	1,394
Inspection services		139	135
Regulatory/statutory certificates		266	191
Regulatory/statutory fees		165	81
Registration fees		53	39
Rezoning fees		366	148
Section 149 certificates (EPA Act)		407	423
Section 355 committees		309	424
Section 603 certificates		356	396
Shop inspection fees		304	303
Other		114	103
Total fees and charges - statutory and regulatory		5,125	4,573
(ii) Fees and charges - other (incl. general user charges) (per s.608)			
Child care		3,072	3,770
Community centres		589	728
Companion animals		223	253
Engineering design fees		1,013	486
Holiday parks		9,320	9,179
On Site Sewer Management (OSSM)		176	178
RMS (formerly RTA) charges (State Roads not controlled by Council)		1,590	1,959
Tipping fees		10,644	6,974
Other		837	575
Total fees and charges - other		27,464	24,102
Total user charges and fees		61,582	56,743

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Interest and investment revenue (incl. losses)			
Interest and dividends			
- Interest on overdue rates and annual charges (incl. special purpose rates)		801	868
- Interest earned on investments (interest and coupon payment income)		5,723	6,722
- Interest and dividend income (other)		18	22
Fair value adjustments			
- Fair valuation movements in investments (at fair value or held for trading)		-	(197)
Amortisation of premiums and discounts			
- Interest free (and interest reduced) loans provided		2	(10)
Other		55	74
Total interest and investment revenue		6,599	7,479
Interest revenue is attributable to:			
Unrestricted investments/financial assets:			
Overdue rates and annual charges (General Fund)		801	868
General Council cash and investments		2,428	2,710
Restricted investments/funds - external:			
Development contributions			
- Section 94 - General		634	648
- Section 94 - Drainage		297	301
- Section 94A		25	19
- Section 93F - General		43	42
- Section 93F - Drainage		15	16
- Section 93F - Water		15	18
- Section 93F - Sewer		6	6
- Section 64 - Water		402	415
- Section 64 - Sewer		299	292
Water Fund operations		315	630
Sewer Fund operations		1,320	1,514
Total interest and investment revenue recognised		6,599	7,479
(d) Other revenues			
Fines - parking		528	280
Fines - other		294	166
Legal fees recovery - other		247	171
Commissions and agency fees		12	10
Diesel rebate		88	67
Insurance claim recoveries		128	80
Sales - general		67	106
Cemetery income		238	203
External works		307	245
Landfill gas royalty payment		507	437
Property rents		2,424	1,971
Restoration from utility providers		461	806
Sale of scrap metal		162	116
Sewerage connections		182	198
Water connections		448	263
Other		496	364
Total other revenue		6,589	5,483

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 3. Income from continuing operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
(e) Grants				
General purpose (untied)				
Financial assistance - general component	¹ 10,714	5,465	-	-
Financial assistance - local roads component	¹ 2,164	1,009	-	-
Pensioners' rates subsidies - general component	1,226	1,245	-	-
Total general purpose	14,104	7,719	-	-

¹ The Financial Assistance Grant for the comparative 2014 year reflects a one off timing difference (reduction). This grant ceased being paid in advance in the 2014 year by up to 50% as had occurred in previous years.

Specific purpose

Pensioners' rates subsidies:

- Water	702	703	-	-
- Sewerage	672	672	-	-
- Domestic waste management	760	747	-	-
Water supplies	-	-	-	950
Aged and disabled	40	34	-	-
Bushfire and emergency services	920	787	485	491
Child care	401	379	-	-
Community care	37	-	110	-
Employment and training programs	39	100	-	-
Environmental protection	781	833	1,196	80
Health services	37	41	-	-
Heritage and cultural	31	-	199	-
Library	361	356	30	46
LIRS subsidy	353	305	-	-
Recreational facilities	-	-	1,810	308
Roads and bridges	60	68	4,860	1,499
Storm damage	-	40	-	32
Street lighting	404	235	-	-
Transport	10	13	-	-
Transport (Roads to Recovery)	-	-	732	1,150
Youth services	49	54	-	1,000
Other	-	305	-	-
Total specific purpose	5,657	5,672	9,422	5,556
Total grants	19,761	13,391	9,422	5,556

Grant revenue is attributable to:

- Commonwealth funding	221	-	2,222	2,230
- State funding	19,438	13,343	7,200	3,326
- Other funding	102	48	-	-
	19,761	13,391	9,422	5,556

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 3. Income from continuing operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
(f) Contributions				
Developer contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 93F - contributions using planning agreements	-	-	273	298
S 94A - fixed development consent levies	-	-	783	534
S 64 - water supply contributions	-	-	1,918	1,330
S 64 - sewerage service contributions	-	-	2,403	1,247
S 94 - stormwater contributions	-	-	752	763
S 94 - roadworks	-	-	1,398	968
S 94 - open space	-	-	1,795	1,459
S 94 - community facilities	-	-	1,658	1,276
Other developer contributions	-	-	110	40
Total developer contributions	17	-	11,090	7,915
Other contributions:				
Community facilities	-	-	8	-
Dedications (other than by S94)	-	-	5,306	2,048
Kerb and gutter	-	-	105	97
Other environmental protection	-	60	-	-
Paving	-	-	59	-
RMS Contributions (Regional Roads, Block Grant)	807	794	-	-
Town planning	-	150	-	-
Vehicle contributions by employees	1,041	1,001	-	-
Other Councils - Long Service Leave Contribution	131	49	-	-
SES Contributions	71	-	-	-
Other	105	171	179	149
Total other contributions	2,155	2,225	5,657	2,294
Total contributions	2,155	2,225	16,747	10,209
Total grants and contributions	21,916	15,616	26,169	15,765

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 3. Income from continuing operations (continued)

	Actual 2015	Actual 2014
\$ '000		
(g) Restrictions relating to grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the close of the previous reporting period	45,373	42,614
add: grants and contributions recognised in the current period but not yet spent:	15,711	15,374
less: grants and contributions recognised in a previous reporting period now spent:	(9,441)	(12,614)
Net increase (decrease) in restricted assets during the period	6,270	2,760
Unexpended and held as restricted assets	51,643	45,373
Comprising:		
- Specific purpose unexpended grants	3,816	3,727
- Developer contributions	47,242	40,814
- Other contributions	585	832
	51,643	45,373

Note 4. Expenses from continuing operations

(a) Employee benefits and on-costs		
Salaries and wages	57,529	56,596
Travelling	28	19
Employee Leave Entitlements (ELE)	13,097	12,870
Superannuation	7,588	7,669
Workers' compensation insurance	2,150	968
Fringe Benefit Tax (FBT)	166	163
Payroll tax	998	1,010
Training costs (other than salaries and wages)	817	868
Other	1,937	1,387
Total employee costs	84,310	81,550
less: capitalised costs	(7,795)	(7,474)
Total employee costs expensed	76,515	74,076
Number of "Equivalent Full Time" employees at year end	906	927

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		12,641	13,270
Other debts		132	237
Total interest bearing liability costs expensed		12,773	13,507
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
- Remediation liabilities	26	1,943	1,576
- Financial instruments		-	1
Total other borrowing costs		1,943	1,577
Total borrowing costs expensed		14,716	15,084
(c) Materials and contracts			
Raw materials and consumables		10,215	10,229
Contractor and consultancy costs		19,262	15,417
- Contractor and consultancy costs garbage collection		10,944	10,556
- Contractor and consultancy costs corporate systems		2,043	1,844
- Contractor and consultancy costs green waste processing		2,003	1,854
Auditors remuneration ⁽¹⁾		210	189
Legal expenses:			
- Legal expenses: planning and development		8	4
- Legal expenses: debt recovery		167	225
- Legal expenses: other		382	599
Operating leases:			
- Operating lease rentals: minimum lease payments ⁽²⁾		508	681
Total materials and contracts		45,742	41,598
1. Auditor remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor (and the Auditors of other consolidated entities):			
(i) Audit and other assurance services			
- Audit and review of financial statements: Council's auditor		198	189
Remuneration for audit and other assurance services		198	189
(ii) Taxation services			
- Other taxation advice		12	-
Remuneration for taxation services		12	-
Total auditor remuneration		210	189
2. Operating lease payments are attributable to:			
Buildings		49	65
Computers		421	568
Other		38	48
		508	681

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Impairment costs		Depreciation/amortisation	
		Actual 2015	Actual 2014	Actual 2015	Actual 2014
(d) Depreciation, amortisation and impairment					
Plant and equipment		-	-	3,969	4,547
Office equipment		-	-	1,105	709
Furniture and fittings		-	-	254	207
Land improvements (depreciable)		-	-	1,184	1,544
Buildings - non-specialised		-	-	69	73
Buildings - specialised		-	1,324	3,930	3,285
Other structures		-	-	622	817
Infrastructure:					
- Roads		-	-	15,554	12,402
- Bridges		-	-	289	187
- Footpaths		-	-	655	407
- Stormwater drainage		-	-	3,077	2,619
- Water supply network		-	-	14,097	13,618
- Sewerage network		-	-	12,857	12,508
- Swimming pools		-	-	31	30
- Other open space/recreational assets		-	-	1,817	1,116
Other assets					
- Heritage collections		-	-	1	1
- Library books		-	-	412	489
- Other		-	-	1	1
Tip asset	9 & 26	-	-	693	565
Intangible assets	25	-	-	134	386
Total depreciation and impairment costs		-	1,324	60,751	55,511
less: impairments (to)/from ARR [Equity]	9a	-	(1,324)	-	-
Total depreciation and impairment costs		-	-	60,751	55,511

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(e) Other expenses			
Advertising		837	651
Bad and doubtful debts		3	85
Bank charges		440	456
Computer software charges		1,045	1,639
Commissions		2,199	1,996
Contributions/levies to other levels of Government			
- Caravan park levy		404	404
- Department of Planning levy		159	156
- NSW Fire Brigade levy		1,189	1,192
- NSW Rural Fire Service levy		577	581
- State Emergency Services		221	199
- Waste minimisation levy		13,165	9,067
- Other contributions/levies		10	54
Councillor expenses - Mayoral fee		56	58
Councillor expenses - Councillors' fees		236	233
Councillors' expenses (incl. Mayor) - other (excluding fees above)		65	62
Donations, contributions and assistance to other organisations (Section 356)			
- Central Coast Business Mentors Services Inc		49	28
- Central Coast Tourism Inc		150	150
- Community groups tipping fees		201	148
- The Entrance Town Centre		1,499	1,528
- Toukley Town Centre		170	152
- Wyong Town Centre		67	73
- Other contributions and donations		888	894
Electricity and heating		5,664	6,389
Gas charges		164	164
Insurance		1,799	1,710
Licences		202	227
Planning NSW Development Application fees		263	222
Postage		387	370
Printing and stationery		509	450
Street lighting		2,752	3,308
Subscriptions and publications		345	387
Telephone and communications		807	705
Tip rehabilitation provision adjustment		(1,343)	(1,115)
Valuation fees		8	9
Valuer General fees		357	348
Vehicle registrations		319	341
Other		999	1,406
<u>Total other expenses</u>		<u>36,862</u>	<u>34,727</u>

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 5. Gains or losses from the disposal of assets

\$ '000	Notes	Actual 2015	Actual 2014
Property (excl. investment property)			
Proceeds from disposal - property		3,837	58
less: carrying amount of property assets sold / written off		(3,472)	(139)
Net gain/(loss) on disposal		365	(81)
Plant and equipment			
Proceeds from disposal - plant and equipment		802	1,637
less: carrying amount of plant and equipment assets sold / written off		(835)	(2,285)
Net gain/(loss) on disposal		(33)	(648)
Infrastructure			
Proceeds from disposal - infrastructure		-	-
less: carrying amount of infrastructure assets sold / written off		(307)	(252)
Net gain/(loss) on disposal		(307)	(252)
Financial assets			
Proceeds from disposal / redemptions / maturities - financial assets		110,913	94,827
less: carrying amount of financial assets sold / redeemed / matured		(110,913)	(94,827)
Net gain/(loss) on disposal		-	-
Water stock			
Proceeds from disposal - water stock		-	-
less: carrying amount of water stock assets sold / written off		(503)	-
Net gain/(loss) on disposal		(503)	-
Net gain/(loss) from disposal of assets		(478)	(981)

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 6a. - Cash assets and Note 6b. - Investments

\$ '000	Notes	2015	2015	2014	2014
		Actual Current	Actual Non-current	Actual Current	Actual Non-current
Cash and cash equivalents (Note 6a)					
Cash on hand and at bank		3,838	-	1,876	-
Cash equivalent assets ¹					
- Deposits at call		34,374	-	17,481	-
Total cash and cash equivalents		38,212	-	19,357	-
Investments (Note 6b)					
- Long term deposits		93,167	15,000	102,913	15,000
- Bank bonds		-	10,000	-	10,000
Total investments		93,167	25,000	102,913	25,000
<u>Total cash assets, cash equivalents and investments</u>		<u>131,379</u>	<u>25,000</u>	<u>122,270</u>	<u>25,000</u>

¹ Those investments where time to maturity (from date of purchase) is < 3 mths.

Cash, cash equivalents and investments were classified at year end in accordance with AASB 139 as follows:

Cash and cash equivalents					
a. "At fair value through profit or loss"		38,212	-	19,357	-
Investments					
a. "At fair value through profit or loss"					
- "Held for trading"	6(b-i)	-	-	-	-
- "Designated at fair value on initial recognition"	6(b-l)	-	-	-	-
b. "Held to maturity"	6(b-ii)	93,167	25,000	102,913	25,000
Total investments		93,167	25,000	102,913	25,000

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 6b. Investments (continued)

	2015 Actual Current	2015 Actual Non-current	2014 Actual Current	2014 Actual Non-current
\$ '000				
Note 6(b-i)				
Reconciliation of investments classified as "At fair value through profit or loss"				
Balance at the beginning of the year	-	-	-	4,703
Revaluations (through the income statement)	-	-	(197)	-
Additions	-	-	321	-
Disposals (sales and redemptions)	-	-	(4,827)	-
Transfers between current/non-current	-	-	4,703	(4,703)
Balance at end of year	-	-	-	-
Note 6(b-ii)				
Reconciliation of investments classified as "Held to maturity"				
Balance at the beginning of the year	102,913	25,000	116,000	11,870
Additions	91,167	10,000	75,043	15,000
Disposals (sales and redemptions)	(110,913)	-	(90,000)	-
Transfers between current/non-current	10,000	(10,000)	1,870	(1,870)
Balance at end of year	93,167	25,000	102,913	25,000
Comprising:				
- Long term deposits	93,167	15,000	71,043	15,000
- Bank bonds	-	10,000	-	10,000
- Other long term financial assets	-	-	31,870	-
Total	93,167	25,000	102,913	25,000

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 6c. Restricted cash, cash equivalents and investments - details

	2015 Actual Current	2015 Actual Non-current	2014 Actual Current	2014 Actual Non-current
\$ '000				
Total cash, cash equivalents and investments	131,379	25,000	122,270	25,000
attributable to:				
External restrictions (refer below)	97,488	25,000	91,180	25,000
Internal restrictions (refer below)	27,175	-	28,688	-
Unrestricted	6,716	-	2,402	-
	131,379	25,000	122,270	25,000

2015 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
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Details of restrictions

External restrictions - included in liabilities

Specific purpose unexpended loans-General (A)	998	-	(855)	143
Specific purpose unexpended loans-Sewer (A)	-	5,900	(428)	5,472
RMS (formerly RTA) advances (B)	80	1,590	(1,610)	60
External restrictions - included in liabilities	1,078	7,490	(2,893)	5,675

External restrictions - other

Developer contributions - General (D)	4,846	5,594	(8,116)	2,324
Developer contributions - Water Fund (D)	9,983	2,320	(768)	11,535
Developer contributions - Sewer Fund (D)	13,000	2,706	(1,639)	14,067
Developer contributions - Drainage (D)	7,308	7,152	-	14,460
Developer contributions - VPA -General (D)	2,410	264	(140)	2,534
Developer contributions - S94a (D)	1,060	808	(1,840)	28
Developer contributions - VPA - Water (D)	1,842	81	-	1,923
Developer contributions - VPA - Sewer (D)	364	6	-	370
Specific purpose unexpended grants (F)	2,192	27,568	(27,479)	2,282
Specific purpose unexpended grants-Water Fund (F)	1,535	898	(899)	1,535
Specific purpose unexpended grants-Sewer Fund (F)	-	717	(717)	-
Water supplies (G)	373	-	(280)	93
Prepaid contributions - Water supplies (G)	1,008	-	-	1,008
Self insurance - Water (G)	-	181	-	181
Sewerage services (G)	25,487	-	(8,275)	17,212
Self insurance - Sewer (G)	-	153	-	153
Domestic waste management (G)	28,593	3,306	-	31,899
Stormwater management (G)	5,154	1,729	(1,826)	5,057
Contributions to works - General (H)	703	658	(905)	456
Contributions to works - Water Holiday parks (H)	129	-	-	129
Cemeteries	8,011	9,320	(12,524)	4,807
RMS contributions to works	372	235	(274)	333
Public liability insurance - Water	-	807	(807)	-
Employees leave entitlement - Water	15	-	(6)	9
Employees leave entitlement - Sewer	342	-	(3)	339
Self insurance - General	375	-	(127)	248
	-	3,833	-	3,833
External restrictions - other	115,102	68,335	(66,624)	116,813
Total external restrictions	116,180	75,826	(69,518)	122,488

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 6c. Restricted cash, cash equivalents and investments - details (continued)

2015 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
Internal restrictions				
Employees leave entitlement - General	3,643	76	-	3,719
Contributions - bonus provisions	4,526	177	-	4,703
Expenditure carried forward	451	150	(167)	434
Land development	3,624	-	(3,624)	-
Lifeguard contract savings	64	743	-	807
Prepaid contributions - General	1,361	-	-	1,361
Public liability insurance - General	274	59	-	333
Section 355/advances/deposits	689	-	(21)	668
Tip replacement/rehabilitation	14,056	1,094	-	15,150
Total internal restrictions	28,688	2,299	(3,812)	27,175
Total restrictions	144,868	78,124	(73,330)	149,663

- A Loan moneys which must be applied for the purposes for which the loans were raised.
- B Advances by Roads and Maritime Services for (RMS) works on the State's classified roads.
- D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- F Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- G Water, Sewerage, Domestic Waste Management (DWM) and other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.
- H External contributions not yet expended for the provision of specific services and amenities

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 7. Receivables

\$ '000	Notes	2015		2014	
		Current	Non-current	Current	Non-current
Purpose					
Rates and annual charges		3,025	2	3,057	12
Domestic waste mgt annual charges		1,551	3	1,621	9
Drainage annual charges		428	-	302	-
Water annual charges		454	1	522	3
Sewerage annual charges		1,036	2	1,615	10
Interest and extra charges		680	-	779	-
User charges and fees		15,656	-	13,721	-
Accrued revenues					
- Interest on investments		2,425	-	2,553	-
- Other income accruals		1,013	-	640	-
Government grants and subsidies		1,977	-	3,195	-
Net GST receivable		2,153	-	1,707	-
Liquid trade waste		419	-	260	-
Toukley Golf Club Limited		36	407	56	420
Wyong Community Recreation Assoc. loan		-	794	-	794
Other debtors		1,882	23	2,318	26
Total		32,735	1,232	32,346	1,274
less: Provision for impairment					
User charges and fees		(310)	-	(300)	-
Wyong Community Recreation Assoc. loan		-	(794)	-	(794)
Other debtors		(296)	-	(308)	-
Total provision for impairment - receivables		(606)	(794)	(608)	(794)
Total net receivables		32,129	438	31,738	480
Externally restricted receivables					
Water supply					
- Specific purpose grants		59	-	1,027	-
- Rates and availability charges		882	1	823	3
- Other		14,898	406	13,412	420
Sewerage services					
- Specific purpose grants		45	-	-	-
- Rates and availability charges		1,037	2	1,615	10
- Other		2,154	-	1,661	-
Domestic waste management		1,551	3	1,621	9
Total external restrictions		20,626	412	20,159	442
Internally restricted receivables		-	-	-	-
Unrestricted receivables		11,503	26	11,579	38
Total net receivables		32,129	438	31,738	480

Notes on debtors above:

- (i) Rates and annual charges outstanding are secured against the property.
- (ii) Doubtful rates debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates and charges at 8.50% (2014 9.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning credit risk and fair value disclosures.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 8. Inventories and other assets

\$ '000	Notes	2015		2014	
		Current	Non-current	Current	Non-current
Inventories					
Stores and materials		702	-	926	-
Water treatment supplies		-	-	503	-
Other		10	-	13	-
Total inventories		712	-	1,442	-
Other assets					
Prepayments		972	-	720	-
Total other assets		972	-	720	-
Total inventories and other assets		1,684	-	2,162	-
Externally restricted assets					
Water					
Water treatment supplies		-	-	503	-
Total water		-	-	503	-
Sewerage					
Prepayments		57	-	-	-
Total sewerage		57	-	-	-
Total externally restricted assets		57	-	503	-
Total internally restricted assets		-	-	-	-
Total unrestricted assets		1,627	-	1,659	-
Total inventories and other assets		1,684	-	2,162	-
Other disclosures					
(a) Details for real estate development					
Movements:					
Real estate assets at beginning of the year		-	-	469	-
- Transfers in from (out to) Note 9		-	-	(469)	-
Total real estate for resale		-	-	-	-

(b) Inventories recognised as an expense for the year included:

Stores and materials	4,084	5,519
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(c) Inventory write downs

There were no amounts recognised as an expense relating to the write down of inventory balances held during the year.

Wyong Shire Council

Financial Statements 2015

Notes to the financial statements
for the financial year ended 30 June 2015

Note 9a. Infrastructure, property, plant and equipment

\$ '000	as at 30/6/2014					Asset movements during the reporting period							as at 30/6/2015						
	At cost	At fair value	Accumulated dep'n	Impairment	Carrying value	Asset sections	WDV of asset disposed	Depreciation expense	WIP transfers	Adjustments and transfers	Newly Recognised Assets	Revaluation increments to equity (A/RP)	Revaluation increments to equity (A/RP)	At cost	At fair value	Accumulated dep'n	Impairment	Carrying value	
Capital work in progress	51,881	-	-	-	51,881	86,330	-	-	(64,290)	(496)	-	-	-	73,425	-	-	-	-	73,425
Plant and equipment	-	41,200	20,384	-	20,816	-	(834)	(3,969)	3,777	(6)	-	-	-	-	42,296	22,512	-	19,784	
Office equipment	-	6,000	3,412	-	2,588	-	-	(1,105)	979	-	-	-	-	-	6,869	4,407	-	2,462	
Furniture and fittings	-	2,839	1,548	-	1,291	-	-	(254)	771	-	-	-	-	-	3,597	1,789	-	1,808	
Land:																			
- Operational land	-	311,913	-	-	311,913	-	(2,543)	-	-	870	-	-	-	-	310,240	-	-	310,240	
- Community land	-	124,750	-	-	124,750	-	(436)	-	-	(820)	-	-	-	-	123,494	-	-	123,494	
- Land under roads (not shown)	-	511	-	-	511	-	-	-	-	-	-	-	-	-	511	-	-	511	
Land improvements - depreciable	-	32,894	13,330	-	19,564	-	-	(1,184)	3,056	(6,549)	-	-	-	-	22,799	7,912	-	14,887	
Buildings - non-specialised	-	4,506	4,031	-	475	-	(42)	(69)	-	-	-	-	-	-	4,132	3,768	-	364	
Buildings - specialised	-	172,108	21,758	1,350	149,000	-	(223)	(3,930)	7,936	(224)	-	-	-	-	177,560	25,001	-	162,559	
Other structures	-	20,159	6,612	-	13,547	-	(229)	(622)	2,630	(2,177)	-	-	-	-	17,289	4,120	-	13,149	
Infrastructure:																			
- Roads	-	601,614	274,352	-	327,262	1,423	-	(15,554)	18,066	8,867	9,759	-	148,787	-	787,418	288,809	-	496,609	
- Bridges	-	13,192	6,557	-	6,635	-	-	(289)	1,516	706	4,050	(693)	-	-	16,752	4,827	-	11,925	
- Footpaths	-	38,469	6,164	-	32,305	-	-	(655)	1,180	(1,566)	1,079	(1,727)	-	-	44,858	14,242	-	30,616	
- Bulk earthworks (non-depreciable)	-	3,219	-	-	3,219	-	-	-	163	-	168,459	(1,777)	-	-	170,064	-	-	170,064	
- Stormwater drainage	-	310,251	73,797	-	237,154	2,098	-	(3,077)	8,804	4,005	-	-	97,262	-	465,684	119,438	-	346,246	
- Water supply network	-	934,711	376,572	-	558,139	669	-	(14,097)	746	-	-	-	8,161	-	949,955	396,337	-	553,618	
- Sewerage network	-	996,537	327,202	-	669,335	1,544	(307)	(12,857)	4,184	-	-	-	9,844	-	1,016,442	344,619	-	671,823	
- Swimming pools	-	5,943	3,653	-	2,290	-	-	(31)	-	14	-	-	-	-	5,959	3,686	-	2,273	
- Other open space/recreational assets	-	57,384	15,516	-	41,868	-	-	(1,817)	2,260	(3,162)	-	-	-	-	56,047	16,898	-	39,149	
Other assets:																			
- Heritage collections	-	205	36	-	169	-	-	(1)	-	-	-	-	-	-	205	37	-	168	
- Library books	-	4,188	3,066	-	1,122	18	-	(412)	279	-	-	-	-	-	4,036	3,029	-	1,007	
- Other	-	38	1	-	37	-	-	(1)	-	-	-	-	-	-	38	2	-	36	
Reinstatement, rehabilitation and restoration assets (refer Note 20):																			
- TIP assets	-	4,765	4,588	-	177	-	-	(693)	7,963	-	-	-	-	-	16,127	8,690	-	7,447	
Total infrastructure, property, plant and equipment	51,881	3,688,096	1,162,579	1,350	2,576,946	82,083	(4,614)	(60,617)	0	(538)	183,347	(4,197)	254,154	73,425	4,242,359	1,270,113	-	3,045,665	

Additions to buildings and infrastructure assets are made up of asset renewals (\$53,190) and new assets (\$10,447). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Refer to Note 27 - Fair value measurement for information regarding the fair value of other infrastructure, property, plant and equipment.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 9b. Externally restricted infrastructure, property, plant and equipment

\$ '000	Actual 2015				Actual 2014			
	At cost	At fair value	A/Dep and impairm't	Carrying value	At cost	At fair value	A/Dep & impairm't	Carrying value
Water supply								
Work in progress	17,948	-	-	17,948	14,720	-	-	14,720
Plant and equipment	-	411	312	99	-	411	270	141
Office equipment	-	360	246	114	-	290	204	86
Furniture and fittings	-	137	115	22	-	117	104	13
Land								
- Operational land	-	34,631	-	34,631	-	34,631	-	34,631
- Community land	-	1,105	-	1,105	-	1,113	-	1,113
Buildings	-	6,405	892	5,513	-	6,405	724	5,681
Other structures	-	1,222	117	1,105	-	1,176	81	1,095
Infrastructure - water supply	-	949,955	396,338	553,617	-	934,711	376,572	558,139
Infrastructure - stormwater	-	459,624	117,865	341,759	-	310,951	73,797	237,154
Total Water Supply	17,948	1,453,850	515,885	955,913	14,720	1,289,805	451,752	852,773
Sewerage services								
Work in progress	10,695	-	-	10,695	4,719	-	-	4,719
Plant and equipment	-	824	610	214	-	819	482	337
Office equipment	-	244	179	65	-	222	150	72
Furniture and fittings	-	32	28	4	-	32	27	5
Land								
- Operational land	-	22,986	-	22,986	-	23,021	-	23,021
Buildings	-	7,556	1,284	6,272	-	7,556	1,149	6,407
Other structures	-	360	44	316	-	350	32	318
Infrastructure	-	1,016,442	344,620	671,822	-	996,537	327,202	669,335
Other assets	-	58	16	42	-	-	-	-
Total sewerage services	10,695	1,048,502	346,781	712,416	4,719	1,028,537	329,042	704,214
property, plant and equipment	28,643	2,502,352	862,666	1,668,329	19,439	2,318,342	780,794	1,556,987

Note 9c. Infrastructure, property, plant and equipment - current year impairments

\$ '000	Notes	Actual 2015	Actual 2014
Impairment losses recognised direct to equity (ARR):			
Impairment - Wyong Memorial Hall		-	(1,324)
Total impairment losses		-	(1,324)
Impairment of assets - direct to equity (ARR)	20 (ii)	-	(1,324)

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 10a. Payables, borrowings and provisions

\$ '000	Notes	2015		2014	
		Current	Non-current	Current	Non-current
Payables					
Goods and services		8,207	-	7,939	-
Payments received in advance		3,155	11,621	3,966	12,290
Accrued expenses:					
- Borrowings		1,270	-	1,323	-
- Salaries and wages		2,144	-	2,481	-
- Other expenditure accruals		18,207	-	13,584	-
Security bonds, deposits and retentions		1,247	-	773	-
Developer bonds		1,105	-	930	-
Overpayments		4,079	-	2,952	-
Other		301	-	155	-
Total payables		39,715	11,621	34,103	12,290
Borrowings					
Loans - secured ¹		12,084	166,014	11,368	172,672
Total borrowings		12,084	166,014	11,368	172,672
Provisions					
Employee benefits;					
Annual leave		6,088	-	6,180	-
Sick leave		3,897	-	4,374	-
Long service leave		8,842	858	9,095	861
Gratuities		267	-	-	-
Other leave		261	-	262	-
Sub total - aggregate employee benefits		19,355	858	19,911	861
Self insurance - workers compensation		811	4,155	719	3,459
Self insurance - public liability		225	-	220	-
Self insurance - other		118	-	69	-
Asset remediation/restoration (future works)	26	1,937	50,061	2,315	50,207
Payroll tax		155	5	190	5
Total provisions		22,601	55,079	23,424	54,532
Total payables, borrowings and provisions		74,400	232,714	68,895	239,494

Refer next page for liabilities relating to restricted assets

¹. Loans are secured over the general rating income of Council

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 15.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 10a. Payables, borrowings and provisions (continued)

\$ '000	Notes	2015		2014	
		Current	Non-current	Current	Non-current

(i) Liabilities relating to restricted assets

Externally restricted assets

Water	19,432	133,123	22,081	162,431
Sewer	6,250	27,101	5,268	23,055
Domestic waste management	3,102	-	1,737	-
Self insurance Water Fund	80	136	29	64
Self insurance Sewer Fund	58	124	1	9
Other insurance Water Fund	9	-	15	-
Developer contributions in advance General	1,361	9,973	2,395	9,397
Developer contributions in advance Water	1,008	584	485	1,941
Developer contributions in advance Sewer	-	1,064	156	881
Self insurance General Fund	673	3,895	-	-
Liabilities relating to externally restricted assets	31,973	176,000	32,167	197,778

Internally restricted assets

Self insurance General Fund	-	-	689	3,386
Other insurance General Fund	333	-	274	-
Liabilities relating to internally restricted assets	333	-	963	3,386

Total liabilities relating to restricted assets

Total liabilities relating to unrestricted assets

Total payables, borrowings and provisions

Total liabilities relating to restricted assets	32,307	176,000	33,130	201,164
Total liabilities relating to unrestricted assets	42,093	56,714	35,765	38,330
Total payables, borrowings and provisions	74,400	232,714	68,895	239,494

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 10a. Payables, borrowings and provisions (continued)

	Actual 2015	Actual 2014
\$ '000		
(ii) Current liabilities not anticipated to be settled within the next 12 months		
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - employees benefits	11,199	10,294
Payables - security bonds, deposits and retentions ¹	2,793	-
Total	13,992	10,294

Note 10b. Description of and movements in provisions

Class of provision	2014	2015				
	Opening balance as at 1/7/14	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	Closing balance as at 30/6/15
Annual leave	6,180	5,101	(5,193)	-	-	6,088
Sick leave	4,374	2,800	(3,277)	-	-	3,897
Long service leave	9,956	2,324	(2,580)	-	-	9,700
Other leave	262	496	(497)	-	-	261
Gratuities	-	267	-	-	-	267
Self insurance	4,467	2,025	(1,183)	-	-	5,309
Asset remediation	52,522	-	(1,124)	3,734	(3,134)	51,998
Other	195	998	(1,033)	-	-	160
Total	77,956	14,011	(14,887)	3,734	(3,134)	77,680

- Employees leave entitlements and on-costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- Self insurance provisions represent both (i) claims incurred but not reported and (ii) claims reported and estimated as per the actuarial assessment.
- Asset remediation, reinstatement and restoration provisions represent the present value estimate of future costs Council will incur in order to remove, restore and remediate assets and/or activities as a result of past operations.
- Other provisions represent payroll tax.

¹ Payables not expected to be settled represent average balances held in security bonds, deposits, and overpayments

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 11. Statement of cash flows - additional information

\$ '000	Notes	Actual 2015	Actual 2014
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	8a	38,212	19,357
Less bank overdraft	10	-	-
Balance as per the statement of cash flows		38,212	19,357
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from income statement		36,418	21,238
Adjust for non-cash items:			
Depreciation and amortisation		60,751	55,511
Net losses/(gains) on disposal of assets		478	981
Non-cash capital grants and contributions		(6,184)	(5,079)
Losses/(gains) recognised on fair value re-measurements through the income statement			
- Investments classified as "At fair value" or "Held for trading"		-	197
- Other		-	(10)
Amortisation of premiums, discounts and prior period fair valuations			
- Interest on all fair value adjusted interest free advances made by Council		(2)	10
- Discount adjustment relating to remediation provision		1,943	1,576
Unwinding of discount rates on reinstatement provisions		1,791	(1,253)
Share of net (profits) or losses of associates/joint ventures		229	-
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(345)	(5,942)
Increase/(decrease) in provision for doubtful debts		(2)	55
Decrease/(increase) in inventories		730	36
Decrease/(increase) in other assets		(252)	(183)
Increase/(decrease) in payables		268	(6,438)
Increase/(decrease) in accrued interest payable		(53)	(73)
Increase/(decrease) in other accrued expenses payable		4,286	8,594
Increase/(decrease) in other liabilities		442	(1,081)
Increase/(decrease) in employee leave entitlements		(559)	(2,173)
Increase/(decrease) in other provisions		(3,451)	(1,778)
Net cash provided from/(used in) operating activities from the statement of cash flows		96,488	64,188

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 11. Statement of cash flows - additional information (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Non-cash investing and financing activities			
S94 contributions "in kind"		878	3,031
Other dedications		5,306	2,048
Total non-cash investing and financing activities		6,184	5,079
(d) Financing arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank overdraft facilities ⁽¹⁾		500	500
Credit cards / purchase cards		750	750
Master lease facilities		2,000	2,000
Standby credit facilities		5,000	5,043
Total financing arrangements		8,250	8,293
Amounts utilised as at balance date:			
- Credit cards / purchase cards		138	80
- Lease facilities		762	570
- Standby credit facilities		-	5,043
Total financing arrangements utilised		900	5,693

1. The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Interest rates on overdrafts are interest rates on loans and other payables are disclosed in Note 15.

(ii) Secured loan liabilities

Loans are secured by a mortgage over future years rate revenue only.

(e) Bank guarantees

Council does not have any current bank guarantees provided to third parties.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 12. Commitments for expenditure

\$ '000	Notes	Actual 2015	Actual 2014
(a) Capital commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, plant and equipment			
Plant and equipment		336	222
Land and buildings		8,440	143
Infrastructure - including roads, water and sewerage network, open space		22,137	11,094
Other		225	170
Tip assets		670	3,271
Total commitments		31,808	14,900
These expenditures are payable as follows:			
Within the next year		31,808	14,900
Total payable		31,808	14,900
Sources for funding of capital commitments:			
Unrestricted General Funds		11,424	3,221
Future grants and contributions		-	1
Section 64 and 94 funds/reserves		9,738	1,740
Externally restricted reserves		9,752	6,668
Internally restricted reserves		670	3,270
Insurance claim		224	-
Total sources of funding		31,808	14,900

Details of capital commitments

Major works being undertaken include upgrades to the sewerage infrastructure for \$15.7m, the design and construction of the Wyong Performing Arts Centre for \$8.1m, construction of a regional skate park for \$1.7m and an upgrade to Kanangra Drive for \$1.1m. The remaining commitments are for various capital works across all areas of Council.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 12. Commitments for expenditure (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(b) Finance lease commitments			
Nil			
(c) Operating lease commitments (non-cancellable)			
a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:			
Within the next year		416	403
Later than one year and not later than 5 years		641	474
Later than 5 years		1,622	1,149
Total non-cancellable operating lease commitments		2,679	2,026

b. Non-cancellable operating leases include the following assets:

Computer equipment - PC's, monitors and laptops: Lease terms were all originally for 60 months. The most recent leases have 45 months remaining.

Printers: Lease terms were originally for 60 months. The most recent leases have 57 months remaining.

Northlakes child care centre premises: Expiry date of the lease is 31 December 2051.

Conditions relating to operating leases:

- All operating lease agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Council regarding future debt etc.

(d) Investment in joint operations - commitments

For capital commitments and other commitments relating to investments in joint operations, refer to Note 19 (c)

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 13a(i). Statement of performance measurement - indicators (consolidated)

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 2014 2013	
Local Government industry indicators - consolidated				
1. Operating performance ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. Capital Grants and Contributions) - operating expenses	10,956	4.46%	2.92%	3.66%
Total continuing operating revenue ⁽¹⁾	245,542			
(excl. capital grants and contributions)				
2. Own source operating revenue ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. all grants and contributions)	223,626	82.30%	87.11%	83.37%
Total continuing operating revenue ⁽¹⁾	271,711			
3. Unrestricted current ratio				
Current assets less all external restrictions ⁽²⁾	47,020	1.56x	1.56	1.98
Current liabilities less specific purpose liabilities ^(3, 4)	30,098			
4. Debt service cover ratio				
Operating result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation	86,423	3.51x	3.17	2.89
Principal repayments (from the statement of cash flows) + borrowing costs (from the income statement)	24,615			
5. Rates, annual charges, interest and extra charges outstanding percentage				
Rates, annual and extra charges outstanding	7,182	4.56%	5.22%	6.10%
Rates, annual and extra charges collectible	157,587			
6. Cash expense cover ratio				
Current year's cash and cash equivalents + all term deposits	146,379	9.01	8.65	9.23
Payments from cash flow of operating and financing activities	16,245	months	months	months

Notes

⁽¹⁾ Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and the net share of interests in joint ventures and associates.

⁽²⁾ Refer Notes 6-8 inclusive.

Also excludes any real estate and land for resale not expected to be sold in the next 12 months

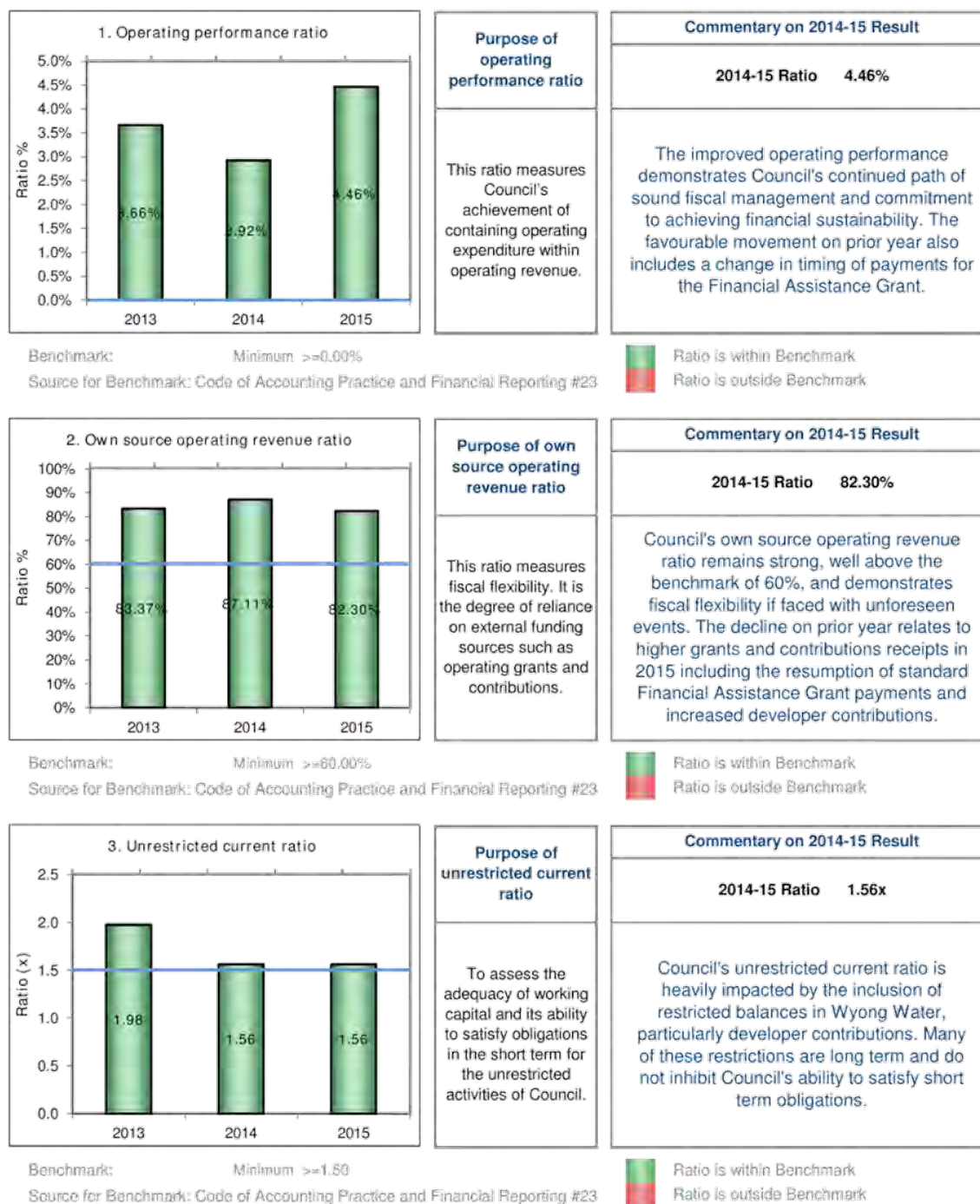
⁽³⁾ Refer to Note 10(a).

⁽⁴⁾ Refer to Note 10(a)(ii) - excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 13a(ii). Local Government industry indicators - graphs (consolidated)



Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 13a(ii). Local Government industry indicators - graphs (consolidated)

<p>4. Debt service cover ratio</p> <p>Benchmark: Minimum ≥ 2.00 Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of debt service cover ratio</p> <p>This ratio measures the availability of operating cash to service debt including interest, principal and lease payments</p>	<p>Commentary on 2014-15 Result</p> <p>2014-15 Ratio 3.51x</p> <p>Council's debt service cover ratio continues to strengthen aligned with the improved operating result and stable debt levels.</p>
<p>5. Rates, annual charges, interest and extra charges outstanding percentage</p> <p>Benchmark: Maximum $< 5.00\%$ Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of rates and annual charges outstanding ratio</p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p>Commentary on 2014-15 Result</p> <p>2014-15 Ratio 4.56%</p> <p>Council's benchmark achievement of the rates and annual charges outstanding percentage for the first time in 2015 demonstrates perseverance in recovery efforts and success in implementation of socially responsible debt management strategies.</p>
<p>6. Cash expense cover ratio</p> <p>Benchmark: Minimum ≥ 3.00 Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of cash expense cover ratio</p> <p>This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.</p>	<p>Commentary on 2014-15 Result</p> <p>2014-15 Ratio 9.01</p> <p>Council's cash expense cover ratio remains strong and reflects continued sound cash management.</p>

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 13b. Statement of performance measurement - indicators (by Fund)

\$ '000	Water 2015	Sewer 2015	General ⁵ 2015
Local Government industry indicators - by Fund			
1. Operating performance ratio			
Total continuing operating revenue ⁽¹⁾			
(excl. capital grants and contributions) - operating expenses	-10.51%	-7.17%	10.91%
Total continuing operating revenue ⁽¹⁾			
(excl. capital grants and contributions)	prior period: -11.78%	-12.93%	10.63%
2. Own source operating revenue ratio			
Total continuing operating revenue ⁽¹⁾	88.03%	87.47%	80.01%
(excl. all grants and contributions)			
Total continuing operating revenue ⁽¹⁾	prior period: 90.21%	92.64%	85.33%
3. Unrestricted current ratio			
Current assets less all external restrictions ⁽²⁾	0.94x	3.84x	1.56x
Current liabilities less specific purpose liabilities ^(3, 4)	prior period: 0.80	6.91	1.53
4. Debt service cover ratio			
Operating result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation	1.10x	4.37x	57.61x
Principal repayments (from the statement of cash flows)			
+ Borrowing costs (from the income statement)	prior period: 1.06	3.95	45.92
5. Rates, annual charges, interest and extra charges outstanding percentage			
Rates, annual and extra charges outstanding	5.49%	3.78%	4.61%
Rates, annual and extra charges collectible	prior period: 5.59%	5.65%	4.97%
6. Cash expense cover ratio			
Current year's cash and cash equivalents			
+ all term deposits	5.50	19.02	8.40
Payments from cash flow of operating and financing activities	mths	mths	mths
	prior period: 5.46	15.60	8.46

Notes

(1) - (4) Refer to Notes at Note 13a(i) above.

(5) General Fund refers to all of Council's activities except for its Water and Sewer activities which are listed separately.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 14. Investment properties

\$ '000

Council has not classified any land or buildings as "Investment properties"

Note 15. Financial risk management

Risk management

Council's activities expose it to a variety of financial risks including (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's Finance section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2015	2014	2015	2014
Financial assets				
Cash and cash equivalents	38,212	19,357	38,212	19,357
Investments				
- "Held to maturity"	118,167	127,913	118,167	127,913
Receivables	32,567	32,218	32,567	32,218
Total financial assets	188,946	179,488	188,946	179,488
Financial liabilities				
Payables	36,560	30,137	36,560	30,137
Loans / advances	178,098	184,040	217,916	221,235
Total financial liabilities	214,658	214,177	254,476	251,372

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** - are estimated to be the carrying value which approximates market value
- **Borrowings and held to maturity investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) "at fair value through profit or loss" or (ii) **available for sale** - are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Wyong Shire Council

Notes to the financial statements

for the financial year ended 30 June 2015

Note 15. Financial risk management (continued)

\$ '000

(a) Cash and cash equivalents, financial assets 'at fair value through the profit or loss' "available for sale" financial assets and "held to maturity" investments

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's Finance section manages the cash and investments portfolio.

Council has an investment policy which complies with the Local Government Act and Minister's Investment Order. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

- **Price risk** - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** - the risk that movements in interest rates could affect returns and income.
- **Credit risk** - the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

The following represents a summary of the sensitivity of Council's income statement and accumulated surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2015				
Possible impact of a 1% movement in interest rates	1,564	1,564	(1,564)	(1,564)
2014				
Possible impact of a 1% movement in interest rates	1,473	1,473	(1,473)	(1,473)

Wyong Shire Council

Notes to the financial statements

for the financial year ended 30 June 2015

Note 15. Financial risk management (continued)

\$ '000

(b) Receivables

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts - that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages the payment of debt.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Council's receivables credit risk at reporting date follows:

		2015 Rates and annual charges	2015 Other receivables	2014 Rates and annual charges	2014 Other receivables
(i) Ageing of receivables - %					
Current (not yet overdue)		0%	80%	0%	82%
Overdue		100%	20%	100%	18%
		100%	100%	100%	100%
		Rates and annual charges	Other receivables	Rates and annual charges	Other receivables
(ii) Ageing of receivables - value					
Rates and annual charges	Other receivables				
Current	Current	-	21,900	-	20,636
< 1 year overdue	0 - 30 days overdue	5,059	1,253	3,173	2,413
1 - 2 years overdue	30 - 60 days overdue	1,036	279	1,456	638
2 - 5 years overdue	60 - 90 days overdue	800	1,422	976	70
> 5 years overdue	> 90 days overdue	287	1,931	2,325	1,933
		7,182	26,785	7,930	25,690
(iii) Movement in provision for impairment of receivables				2015	2014
Balance at the beginning of the year				1,402	1,347
+ new provisions recognised during the year				3	55
- amounts already provided for and written off this year				(5)	-
Balance at the end of the year				1,400	1,402

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 15. Financial risk management (continued)

\$ '000

(c) Payables and borrowings

Payables and borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's payables and borrowings are set out in the maturity table below:

\$ '000	Subject	payable in:						Total	Actual
	to no maturity	≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs	Cash Outflows	Carrying Values
2015									
Trade/other payables	1,247	35,313	-	-	-	-	-	36,560	36,560
Loans and advances	-	24,195	23,924	23,653	23,122	44,364	108,181	247,439	178,098
Total financial liabilities	1,247	59,508	23,924	23,653	23,122	44,364	108,181	283,999	214,658
2014									
Trade/other payables	773	29,364	-	-	-	-	-	30,137	30,137
Loans and advances	-	23,079	23,559	23,256	22,873	22,639	149,627	265,033	184,040
Total financial liabilities	773	52,443	23,559	23,256	22,873	22,639	149,627	295,170	214,177

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through the diversification of borrowing types, maturities and interest rate structures.

The following interest rates were applicable to Council's borrowings at reporting date:

	2015		2014	
	Carrying value	Average interest rate	Carrying value	Average interest rate
Commercial banks	178,098	6.9%	183,331	7.0%
NSW Government agencies	-	0.0%	709	4.4%
	178,098		184,040	

Loan agreement breaches

There were no loan agreement breaches during the year

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 16. Material budget variations

\$ '000

Council's original financial budget for 2014-15 was adopted by the Council on 28 May 2014.

While the income statement included in this general purpose financial report must disclose the original budget adopted by Council, the Local Government Act requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This Note sets out the details of material variations between Council's original budget and its actual results for the year as per the income statement - even though such variations may have been adjusted for during each quarterly budget review.

Note that for variations* of budget to actual :

Material variations represent those variances that amount to **10%** or more of the original budgeted figure.

F = Favourable budget variation, U = Unfavourable budget variation

\$ '000	2015 Budget	2015 Actual	2015 ----- Variance* -----	
Revenues				
Rates and annual charges	149,580	148,856	(724)	(0%) U
User charges and fees	59,020	61,582	2,562	4% F
Interest and investment revenue	7,520	6,599	(921)	(12%) U
This variance is due to lower than anticipated interest rates, resulting in a reduction in the return on investment from 4.20% in 2013-14 to 3.78% in 2014-15.				
Other revenues	4,179	6,589	2,410	58% F
This variance is due to higher than expected recovery on the National Broadband Network (NBN) reinstatement works as well as favourable royalty payments (as a result of positive spot rates) for gas extraction at the Buttonderry Waste Management Facility.				
Operating grants and contributions	20,594	21,916	1,322	6% F
Capital grants and contributions	14,725	26,169	11,444	78% F
This variance is a result of additional grant funding for roads, increased assets dedicated to Council and increased developer contributions in line with increased development within the Shire.				
Net gains from disposal of assets	1,812	-	(1,812)	(100%) U
The net gains and losses on disposal of assets have been combined as a net loss in operating expenses. The net gain was not achieved due to lower than budgeted gains on overall property sales and increased losses on disposal of assets associated with write-offs (including the demolition of Wyong Memorial Hall).				

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 16. Material budget variations (continued)

\$ '000	2015 Budget	2015 Actual	2015 ----- Variance* -----	
Expenses				
Employee benefits and on-costs	83,045	76,515	6,530	8% F
Borrowing costs	14,577	14,716	(139)	(1%) U
Materials and contracts	53,284	45,742	7,542	14% F
This variance resulted from reduced costs of strategic projects in progress including investigations into the regional airport and Local Government initiatives/reforms such as Fit for the Future. Savings in fuel prices also contributed to this favourable variance.				
Depreciation and amortisation	56,052	60,751	(4,699)	(8%) U
Other expenses	35,150	36,862	(1,712)	(5%) U
Net losses from disposal of assets	-	478	(478)	0% U
The gains and losses on disposal of assets have been combined as a net loss in operating expenses. The net loss is due to lower than budgeted gains on overall property sales and increased losses on disposal of assets associated with write-offs (Including demolition of Wyong Memorial Hall).				
Joint ventures and associates - net losses	-	229	(229)	0% U
This variance is due to the reduced value of the investment in the Central Coast Water Corporation.				

Budget variations relating to Council's cash flow statement include:

Cash flows from operating activities	58,466	96,488	38,023	65.0% F
This variance is a result of increased grant and developer contribution revenue received and reduced expenditure on employee costs and materials and contracts including strategic projects.				
Cash flows from investing activities	(84,552)	(71,691)	12,861	(15.2%) F
This variance is due to lower than anticipated purchases of infrastructure, property, plant and equipment, offset by increased sales of investments.				
Cash flows from financing activities	8,635	(5,942)	(14,577)	(168.8%) U
This variance is a result of expected new loans not being drawn due to sufficient cash levels being maintained during the reporting period.				

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 17. Statement of developer contributions

\$ '000

Council recovers contributions, raises levies and enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions and levies and the value of all remaining funds which are "restricted" in their future use.

Summary of contributions and levies

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
Drainage	7,308	646	107	297	514	5,588	14,460	38,451	(60,344)	(7,433)	-
Roads	1,010	1,076	322	151	(513)	(1,656)	390	148,033	(145,943)	2,479	(2,372)
Parking	12	-	-	6	-	-	18	-	(3,139)	(3,121)	341
Open space	957	1,554	240	155	(240)	(1,986)	680	81,637	(64,681)	17,636	(9,985)
Community facilities	2,713	1,493	166	320	(1,668)	(1,818)	1,206	64,862	(80,216)	(14,148)	11,975
Other	155	107	2	2	(107)	(129)	30	10,050	(5,494)	4,586	41
S94 Contributions - under a Plan	12,155	4,876	837	931	(2,014)	(1)	16,784	343,033	(359,818)	-	-
S94A Levies - under a Plan	1,060	783	-	25	(1,840)	-	28				
Total S94 Revenue under Plans	13,215	5,659	837	956	(3,854)	(1)	16,812				
S93F Planning Agreements	4,615	273	-	79	(140)	-	4,827				
S64 Contributions	22,984	4,280	41	701	(2,404)	1	25,603				
Total contributions	40,814	10,212	878	1,736	(6,398)	0	47,242				

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 17. Statement of developer contributions (continued)

\$ '000

Developer contributions - under a plan

Contribution plan number 1 - Wyong											
Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
Drainage	1,001	-	-	32	-	840	1,873	704	(4,258)	(1,681)	-
Roads	138	18	-	45	-	(156)	45	2,915	(4,976)	(2,016)	988
Parking	9	-	-	4	-	-	13	-	(3,060)	(3,047)	258
Open space	158	37	-	41	-	(118)	118	2,555	(500)	2,173	2,093
Community facilities	358	58	-	38	-	(434)	20	3,468	(4,500)	(1,012)	2,191
Other	3	-	-	-	-	-	3	7	-	10	43
S94 Total	1,667	113	-	160	-	132	2,072	9,649	(17,294)	(5,573)	5,573
s64 - Water	2,138	281	-	72	-	-	2,491	-	-	-	-
s64 - Sewer	3,482	579	-	65	(16)	(1,150)	2,960	-	-	-	-
S64 Total	5,620	860	-	137	(16)	(1,150)	5,451	-	-	-	-
Total	7,287	973	-	297	(16)	(1,018)	7,523	-	-	-	-

Contribution plan number 2 - Southern Lakes

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
Drainage	1,090	34	-	19	-	-	1,143	240	(906)	476	-
Roads	32	6	-	15	-	-	53	142	(828)	(633)	788
Open space	102	244	-	23	-	(318)	51	1,785	(3,412)	(1,576)	1,412
Community facilities	187	154	-	19	-	(349)	11	1,492	(2,574)	(1,071)	1,146
Other	8	23	-	-	(22)	(6)	3	220	(764)	(542)	-
S94 Total	1,419	461	-	76	(22)	(673)	1,261	3,879	(8,484)	(3,346)	3,346
s64 - Water	1,500	227	-	62	-	-	1,789	-	-	-	-
s64 - Sewer	2,424	349	-	46	(3)	-	2,816	-	-	-	-
S64 Total	3,924	576	-	108	(3)	-	4,605	-	-	-	-
Total	5,343	1,037	-	184	(25)	(673)	5,866	-	-	-	-

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 17. Statement of developer contributions (continued)

\$ '000

Developer contributions - under a plan

Contribution plan number 3 - The Entrance

Purpose	Opening balance	Contributions received during the year Cash	Non-cash	Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Future income	Exp still outstanding	Over or (under) funding	Cumulative Internal borrowings due/(payable)
Drainage	2	-	-	-	-	2	4	-	(110)	(106)	-
Roads	377	462	-	42	-	(841)	40	3,840	(6,494)	(2,614)	2,619
Parking	3	-	-	2	-	-	5	-	(78)	(73)	77
Open space	25	110	-	14	-	(105)	44	924	(226)	742	852
Community facilities	18	167	-	15	-	(131)	69	1,420	(1,173)	316	(1,813)
S94 Total	425	739	-	73	-	(1,075)	162	6,184	(8,081)	(1,735)	1,735
s93F - General	349	-	-	6	-	-	355	-	-	-	-
s93F - Water	402	-	-	7	-	-	409	-	-	-	-
S93F Total	751	-	-	13	-	-	764	-	-	-	-
s64 - Water	553	39	-	52	-	-	644	-	-	-	-
s64 - Sewer	898	10	-	15	(119)	-	806	-	-	-	-
S64 Total	1,451	49	-	67	(119)	2	1,450	-	-	-	-
Total	2,627	788	-	153	(119)	(1,073)	2,376	-	-	-	-

Contribution plan number 5 - Ourimbah

Purpose	Opening balance	Contributions received during the year Cash	Non-cash	Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Future income	Exp still outstanding	Over or (under) funding	Cumulative Internal borrowings due/(payable)
Roads	9	-	-	4	-	-	13	42	(226)	(171)	221
Open space	2	15	-	3	-	(19)	1	26	(166)	(139)	102
Community facilities	160	12	-	31	-	(135)	68	21	(1,821)	(1,732)	1,765
Other	-	2	-	1	(2)	-	1	3	(50)	(46)	-
S94 Total	171	29	-	39	(2)	(154)	83	92	(2,263)	(2,088)	2,088
s64 - Water	666	18	-	16	-	-	700	-	-	-	-
s64 - Sewer	327	14	-	12	-	-	353	-	-	-	-
S64 Total	993	32	-	28	-	-	1,053	-	-	-	-
Total	1,164	61	-	67	(2)	(154)	1,136	-	-	-	-

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 17. Statement of developer contributions (continued)

\$ '000

Developer contributions - under a plan

Contribution plan number 6 - Toukey											
Purpose	Opening balance	Contributions received during the year	Contributions received during the year	Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Future income	Exp still outstanding	Over or (under) funding	Cumulative Internal borrowings due/(payable)
Drainage	-	-	-	-	-	4	4	1,622	-	1,626	-
Roads	-	-	-	1	-	-	1	-	(148)	(147)	14
Parking	-	-	-	-	-	-	-	-	-	-	6
Open space	76	67	71	10	(71)	(105)	48	6,003	(8,000)	(1,949)	561
Community facilities	156	70	110	22	(110)	(205)	43	6,232	(7,583)	(1,308)	1,273
Other	-	-	-	-	-	-	-	-	(76)	(76)	-
S94 Total	232	137	181	33	(181)	(306)	96	13,857	(15,807)	(1,854)	1,854
s64 - Water	468	41	-	18	-	-	527	-	-	-	-
s64 - Sewer	2	13	-	8	(1,156)	1,150	17	-	-	-	-
S64 Total	470	54	-	26	(1,156)	1,150	544	-	-	-	-
Total	702	191	181	59	(1,337)	844	640	-	-	-	-

Contribution plan number 7 - Gorokan

Purpose	Opening balance	Contributions received during the year	Contributions received during the year	Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Future income	Exp still outstanding	Over or (under) funding	Cumulative Internal borrowings due/(payable)
Roads	28	-	-	12	-	-	40	-	(1,259)	(1,219)	(24)
Open space	160	115	-	12	-	(183)	104	2,162	(1,610)	657	682
Community facilities	49	106	-	2	-	-	157	1,806	(2,400)	(437)	50
Other	5	8	-	-	(8)	(1)	4	293	-	297	(6)
S94 Total	242	229	-	26	(8)	(184)	305	4,261	(5,269)	(702)	702
s93F - Water	22	-	-	-	-	-	22	-	-	-	-
s93F - Sewer	15	-	-	-	-	-	15	-	-	-	-
S93F Total	37	-	-	-	-	-	37	-	-	-	-
s64 - Water	148	98	-	37	-	-	283	-	-	-	-
s64 - Sewer	1,274	65	-	23	-	-	1,362	-	-	-	-
S64 Total	1,422	163	-	60	-	-	1,645	-	-	-	-
Total	1,701	392	-	86	(8)	(184)	1,987	-	-	-	-

Wyong Shire Council

Financial Statements 2015

Notes to the financial statements
for the financial year ended 30 June 2015

Note 17. Statement of developer contributions (continued)

\$ '000

Developer contributions - under a plan

Contribution plan number 8 - San Remo

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
Drainage	64	243	-	1	-	1	309	116	-	425	-
F Roads	49	17	-	11	-	(26)	51	264	(510)	(195)	(98)
C Open space	188	33	-	18	-	(173)	66	723	(1,684)	(895)	657
C Community facilities	19	31	-	1	-	1	52	604	-	656	(597)
C Other	11	3	-	-	(3)	(11)	-	93	(50)	47	-
S94 Total	331	327	-	31	(3)	(208)	478	1,800	(2,244)	38	(38)
s s64 - Water	1,101	101	-	40	-	(1)	1,241	-	-	-	-
s s64 - Sewer	167	153	-	24	-	(99)	245	-	-	-	-
S64 Total	1,268	254	-	64	-	(100)	1,486	-	-	-	-
Total	1,599	581	-	95	(3)	(308)	1,964	-	-	-	-

Contribution plan number 9 - Budgewoi

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
F Roads	4	3	-	2	(190)	183	2	876	(2,146)	(1,270)	(102)
C Open space	24	27	-	3	-	-	54	941	(48)	947	116
C Community facilities	163	23	-	28	-	(190)	24	787	(2,060)	(1,249)	1,702
C Other	10	4	-	1	(4)	(10)	1	121	(265)	(143)	-
S94 Total	201	57	-	34	(194)	(17)	81	2,725	(4,521)	(1,715)	1,716
s s64 - Water	507	11	-	9	-	-	527	-	-	-	-
s s64 - Sewer	2	9	-	-	(106)	100	5	-	-	-	-
S64 Total	509	20	-	9	(106)	100	532	-	-	-	-
Total	710	77	-	43	(300)	83	613	-	-	-	-

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 17. Statement of developer contributions (continued)

\$ '000

Developer contributions - under a plan
Contribution plan number 13 - Shire Wide

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
Open space	69	102	8	3	(8)	(172)	2	9,178	(7,735)	1,444	(689)
Community facilities	5	118	6	1	(1,508)	1,379	1	6,962	(5,958)	1,004	(2,661)
Other	113	23	1	1	(24)	(100)	14	1,337	(436)	914	(12)
S94 Total	187	243	15	5	(1,540)	1,107	17	17,477	(14,129)	3,362	(3,362)
S93F - General	8	4	-	1	-	-	13	-	-	-	-
S93F Total	8	4	-	1	-	-	13	-	-	-	-
Total	195	247	15	6	(1,540)	1,107	30				

Contribution plan number 15 - Northern Districts

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
Roads	149	230	-	13	-	(248)	144	12,844	(18,333)	(5,345)	726
Open space	151	232	-	11	-	(205)	189	14,623	(13,056)	1,756	209
Community facilities	230	196	-	25	-	(300)	151	12,369	(13,001)	(480)	1,460
Other	-	32	-	-	(31)	-	1	1,723	(50)	1,674	-
S94 Total	530	690	-	49	(31)	(753)	485	41,559	(44,440)	(2,395)	2,395
S93F - General	412	-	-	7	(140)	-	279	-	-	-	-
S93F Total	412	-	-	7	(140)	-	279	-	-	-	-
S64 - Water	1,096	84	-	30	-	(2)	1,208	-	-	-	-
S64 - Sewer	1,371	218	-	33	-	1	1,623	-	-	-	-
S64 Total	2,467	302	-	63	-	(1)	2,831	-	-	-	-
Total	3,409	992	-	119	(171)	(754)	3,595				

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 17. Statement of developer contributions (continued)

\$ '000

Developer contributions - under a plan

Contribution plan number 17 Warnervale District

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
Drainage	5,151	369	107	245	514	4,742	11,128	35,769	(55,070)	(8,173)	-
Roads	224	341	322	7	(322)	(568)	4	127,110	(111,022)	16,091	(7,506)
Open space	-	573	161	18	(161)	(589)	2	42,716	(28,243)	14,475	(15,981)
Community facilities	1,367	557	50	139	(50)	(1,455)	608	29,702	(39,146)	(8,837)	7,460
Other	6	15	1	-	(14)	(1)	7	6,253	(3,802)	2,457	14
S94 Total	6,748	1,855	641	409	(33)	2,129	11,749	241,550	(237,283)	16,013	(16,013)
s93F - General	1,639	220	-	29	-	-	1,868				
s93F - Drainage	896	49	-	15	-	-	960				
s93F - Water	523	-	-	8	-	-	531				
s93F - Sewer	349	-	-	6	-	-	355				
S93F Total	3,407	269	-	58	-	-	3,734				
s64 - Water	1,805	546	41	63	(765)	-	1,690				
s64 - Sewer	3,054	484	-	69	(239)	-	3,368				
S64 Total	4,859	1,030	41	132	(1,004)	-	5,058				
Total	15,014	3,154	682	599	(1,037)	2,129	20,541				

Contribution plan number 18 Development Service Plans Water and Sewerage

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
s64 - Water	-	432	-	4	-	-	436				
s64 - Sewer	-	509	-	4	-	-	513				
S64 Total	-	941	-	8	-	-	949				
Total	-	941	-	8	-	-	949				

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

Developer contributions - under a plan												
Contribution plan								Projections				Cumulative
Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Future income	Exp still outstanding	Over or (under) funding	Internal borrowings due/(payable)	
		Cash	Non-cash									
Other	1,060	783	-	25	(1,840)	-	28					
Total	1,060	783	-	25	(1,840)	-	28					

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 18. Contingencies and other assets/liabilities not recognised

Liabilities not recognised

1. Defined benefit superannuation

Council participates in an employer sponsored defined benefit superannuation scheme, and makes contributions as determined by the superannuation scheme's trustees.

Member Councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Local Government Superannuation Scheme – Pool B (the Scheme) is a defined benefit plan that has been deemed to be a "multi-employer fund" for purposes of AASB 119 Employee Benefits. Sufficient information under AASB 119 is not available to account for the scheme as a defined benefit plan, because the assets to the scheme are pooled together for all employers.

The last valuation of the Scheme was performed by Mr Martin Stevenson of Mercer Consulting (Australia) Pty Ltd on 20 February 2013. This position is monitored annually and the Scheme's most recent actuarial review, performed by Richard Boyfield of Mercer Consulting (Australia) Pty Ltd, estimates that a deficiency still exists as at 30 June 2015.

an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its defined benefits scheme obligations. The annual amount of additional contributions attributed to Council is estimated to be \$1,054,547 and expected to remain in place until 30 June 2016.

Further contributions made to the Scheme to rectify the net deficit position will be recognised as an expense when it becomes payable however because the amount of the deficit cannot be accurately calculated, no liability has been recognised in Council's accounts.

The defined benefit element of the scheme is now closed to new members.

2. Developer contributions

Council has significant obligations to provide section 94 infrastructure across the local government area, and levies fees accordingly.

It is possible that funds contributed may be less than the cost of this infrastructure requiring Council to borrow or use general revenue to fund the difference.

These future expenses do not yet qualify as liabilities as at the reporting date, but represent Councils intention to spend funds in the manner and timing set out in those plans (refer note 17).

3. Contaminated lands

Council is required by law to remediate its contaminated sites. The projected costs associated with this remediation are provided for within the financial statements at Note 26 and are based on certain estimates and assumptions.

Also, once the remediation works have been carried out there is a period of validation to ensure that the remediation has been successful. This monitoring and maintenance will vary between each site and cannot be reliably estimated at this time however may approximate to \$1.9 million until 2030. This estimate is based on the former landfill budget of \$48k as at 30 June 2015 multiplied by the remaining 15 years.

Assets not recognised

1. Land under roads

As permitted under AASB 1051 Land Under Roads, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30 June 2008.

2. Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the infringement processing bureau.

Council's revenue recognition policy treats revenue on receipt and allows for recognition of a portion of the outstanding notices at year end. This is due to the limited information available to Council on the status and uncertainty of these notices.

Accordingly, at year end, there is a potential asset due to Council representing a portion of the unpaid infringement notices. At 30 June 2015 this value is estimated at \$351,367.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 19. Interests in other entities

\$ '000

Council's objectives can and in some cases are best met through the use of separate entities and operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other Councils, bodies and other outside organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of Councils (i) interest and (ii) control and the type (form) of entity/operation, as follows;

Controlled entities (subsidiaries)*Note 19(a)*

Operational arrangements where Council's control (but not necessarily interest) exceeds 50%.

Joint ventures and associates*Note 19(b)*

Joint ventures are operational arrangements where the parties that have joint control have rights to the net assets of the arrangement.

Associates are separate entities where Council has significant influence over the operations (but neither controls nor jointly controls them).

Joint operations*Note 19(c)*

Operational arrangements where the parties that have joint control have rights to specific assets and obligations for specific liabilities relating to the arrangement rather than a right to the net assets of the arrangement.

Unconsolidated structured entities*Note 19(d)*

Unconsolidated structured entities represent "special vehicles" that Council has an interest in but which are not controlled by Council and therefore not consolidated as a subsidiary, joint arrangement or associate. Attributes of structured entities include restricted activities, a narrow and well-defined objective and insufficient equity to finance its activities without financial support.

Accounting recognition:

(i) Subsidiaries disclosed under Note 19(a) and joint operations disclosed at Note 19(c) are accounted for on a "line by line" consolidation basis within the income statement and statement of financial position.

(ii) Joint ventures and associates as per Notes 19(b)(i) and (ii) are accounted for using the equity accounting method and are disclosed as a one line entry in both the income statement and statement of financial position.

	Council's share of net income		Council's share of net assets	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Joint ventures	(229)	-	21	250
Total	(229)	-	21	250

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 19. Interests in other entities (continued)

\$ '000

(a) Controlled entities (subsidiaries) - being entities and operations controlled by Council

Council has no interest in any controlled entities (subsidiaries).

(b) Joint ventures and associates

Council has incorporated the following joint ventures and associates into its consolidated financial statements.

(a) Net carrying amounts - Council's share

Name of entity	Nature of Relationship	Measurement Method	2015	2014
Central Coast Water Corporation	Joint venture	Equity	21	250
Total carrying amounts - material joint ventures and associates			21	250

(b) Details

Name of Entity	Principal Activity
Central Coast Water Corporation	Strategic decisions about Central Coast water supply

(c) Relevant interests and fair values

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting power	
	2015	2014	2015	2014	2015	2014
Central Coast Water Corporation	50%	50%	50%	50%	50%	50%

(d) Summarised financial information for joint ventures and associates

	Central Coast Water Corporation	
	2015	2014
Statement of financial position		
Current assets		
Other current assets	42	500
Total current assets	42	500
Non-current liabilities	-	-
Net assets	42	500
Reconciliation of the carrying amount		
Opening net assets (1 July)	500	500
Profit/(loss) for the period	(458)	-
Closing net assets	42	500
Council's share of net assets (%)	50.0%	50.0%
Council's share of net assets (\$)	21	250

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 19. Interests in other entities (continued)

\$ '000

(b) Joint ventures and associates (continued)

(d) Summarised financial information for joint ventures and associates (continued)

	Central Coast Water Corporation	
	2015	2014
Statement of comprehensive income		
Interest income	10	-
Other expenses	(468)	-
Profit/(loss) from continuing operations	(458)	-
Profit/(loss) for period	(458)	-
Total comprehensive income	(458)	-
Council's share of income (%)	50.0%	50.0%
Council's share of profit/(loss) (\$)	(229)	-
Council's share of comprehensive income (\$)	(229)	-

(e) Summarised financial information for individually immaterial joint ventures and associates

In addition to the joint ventures and associates disclosed individually above, Council has interests in a number of individually immaterial joint ventures and associates that have still been accounted for using the Equity Method.

(c) Joint operations

(a) Council is involved in the following joint operations

Name of joint operation	Principal activity
Joint water supply authority	Water supply headworks

(b) Council assets employed in the joint operations	2015	2014
Council's own assets employed in the operations		
Non-current assets		
Property, plant and equipment	326,821	315,412
Total assets - Council owned	326,821	315,412
Council's share of assets jointly owned with other partners		
Nil		
Total net assets employed - Council and jointly owned	326,821	315,412

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 19. Interests in other entities (continued)

(d) Unconsolidated structured entities

Council did not consolidate the certain structured entities as disclosed below.

Nature of interests

Council raises special rates and provides funding to the following entities:

The Entrance Town Centre Management Corporation Incorporated
Greater Toukley Vision Incorporated
Wyong Regional Chamber of Commerce Incorporated

This funding is provided so that these entities can market and promote economic development in the specific suburb area where the special rates have been levied. Specific details on each entity and Council's involvement are:

The Entrance Town Centre Management Corporation Incorporated

The Entrance Town Centre Management (TETCM) are reliant upon funding from Council. The Board are responsible for controlling and managing the affairs of the Corporation. Two Councillors and a General Manager's delegate sit on the eight member TETCM Board. The arrangement is defined in a funding agreement established in 2013 which will expire on 30 June 2017.

Greater Toukley Vision Incorporated

Greater Toukley Vision (GTV) are reliant upon funding from Council. The Board are responsible for controlling and managing the affairs of the Corporation. One Councillor sits on the six member GTV Board. The arrangement is defined in a funding agreement established in 2013 which will expire on 30 June 2017.

Wyong Regional Chamber of Commerce

Wyong Regional Chamber of Commerce (WRCC) is an entity in its own right, in alliance with the NSW Central Coast Business Chamber and does not rely upon funding from Council. The Board are responsible for controlling and managing the affairs of the Corporation. One Councillor sits on the eight member Board. Council's arrangement with WRCC is defined in a funding agreement established in 2013 which will expire on 30 June 2017.

Nature of risks relating to the unconsolidated structured entities

The carrying amount of assets and liabilities is Nil.

Maximum exposure to loss

Council is not exposed to loss as a result of the above arrangements. Council simply provides funding for specific functions and is not liable for any losses or liability incurred by these entities.

Financial support provided without a contractual obligation

Nil

Current intentions to provide financial support

Council will continue to provide financial support (in return for the delivery of specific functions) under the terms of the existing funding agreements with these entities

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 20. Equity - retained earnings and revaluation reserves

\$ '000	Notes	Actual 2015	Actual 2014
(a) Retained earnings			
Movements in retained earnings were as follows:			
Balance at beginning of year (from previous years audited accounts)		1,364,702	1,343,464
a. Net operating result for the year		36,418	21,238
b. Other changes (correction of error)		183,134	-
Balance at end of the reporting period		<u>1,584,254</u>	<u>1,364,702</u>
(b) Reserves			
(i) Reserves are represented by:			
- Infrastructure, property, plant and equipment revaluation reserve		1,345,154	1,085,197
Total		<u>1,345,154</u>	<u>1,085,197</u>
(ii) Reconciliation of movements in reserves:			
Infrastructure, property, plant and equipment revaluation reserve			
- Opening balance		1,085,197	1,052,162
- Revaluations for the year	9(a)	259,957	34,359
- (Impairment of revalued assets) / impairment reversals	9(a),(c)	-	(1,324)
- Balance at end of year		<u>1,345,154</u>	<u>1,085,197</u>
Total value of reserves		<u>1,345,154</u>	<u>1,085,197</u>
(iii) Nature and purpose of reserves			
Infrastructure, property, plant and equipment revaluation reserve			
- The infrastructure, property, plant and equipment revaluation reserve is used to record increments/decrements of non-current asset values due to their revaluation.			
(c) Correction of error/s relating to a previous reporting period			
Correction of errors disclosed in this year's financial statements:			
Recognition of newly discovered road and road inventory assets		21,187	-
Recognition of bulk earthworks for road assets		168,463	-
Adjustment for prior period depreciation on recognition of road and road inventory assets		(6,337)	-
Adjustment for assets at Warnervale Aerodrome		(229)	-
Adjustment for disposal of land		50	-
		<u>183,134</u>	<u>-</u>

(d) Voluntary changes in accounting policies

Council made no voluntary changes in any accounting policies during the year.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 21. Financial result and financial position by Fund

Income statement by Fund \$ '000	Actual 2015	Actual 2015	Actual 2015
	Water	Sewer	General ¹
<u>Continuing operations</u>			
Income from continuing operations			
Rates and annual charges	17,493	28,353	103,167
User charges and fees	27,869	2,136	35,645
Interest and investment revenue	1,044	1,851	3,707
Other revenues	697	238	5,654
Grants and contributions provided for operating purposes	898	717	20,301
Grants and contributions provided for capital purposes	5,507	3,947	16,715
Other income			
Net gains from disposal of assets	-	-	316
Total income from continuing operations	<u>53,508</u>	<u>37,242</u>	<u>185,505</u>
Expenses from continuing operations			
Employee benefits and on-costs	7,959	6,767	61,789
Borrowing costs	12,206	1,686	2,387
Materials and contracts	3,907	4,190	23,756
Depreciation and amortisation	17,471	13,175	30,105
Impairment	-	-	-
Other expenses	11,500	9,858	32,058
Net losses from the disposal of assets	488	306	-
Share of interests in joint ventures and associates using the equity method	-	-	229
Total expenses from continuing operations	<u>53,531</u>	<u>35,982</u>	<u>150,324</u>
Operating result from continuing operations	<u>(23)</u>	<u>1,260</u>	<u>35,181</u>
<u>Discontinued operations</u>			
Net profit/(loss) from discontinued operations	-	-	-
Net operating result for the year	<u>(23)</u>	<u>1,260</u>	<u>35,181</u>
Net operating result attributable to each Council Fund	(23)	1,260	35,181
Net operating result attributable to non-controlling interests	-	-	-
Net operating result for the year before grants and contr and contributions provided for capital purposes	(5,530)	(2,687)	18,466

¹ General Fund refers to all Council's activities other than Water and Sewer.

NB. All amounts disclosed above are gross - that is, they include internal charges and recoveries made between the Funds.

Wyong Shire Council

Notes to the financial statements
as at 30 June 2015

Note 21. Financial result and financial position by Fund (continued)

Statement of financial position by Fund \$ '000	Actual 2015	Actual 2015	Actual 2015
	Water	Sewer	General ¹
Assets			
Current assets			
Cash and cash equivalents	1,780	11,119	25,313
Investments	4,431	26,404	62,332
Receivables	15,839	3,486	16,048
Inventories	-	-	712
Other	-	57	915
Non-current assets classified as 'held for sale'	-	-	-
Total current assets	22,050	41,066	105,320
Non-current assets			
Investments	25,000	-	-
Receivables	407	9,692	28,061
Inventories	-	-	-
Infrastructure, property, plant and equipment	955,913	712,416	1,377,335
Investments accounted for using the equity method	-	-	21
Investment property	-	-	-
Intangible assets	34	20	152
Total non-current assets	981,354	722,128	1,405,569
Total Assets	1,003,404	763,194	1,510,889
Liabilities			
Current liabilities			
Payables	8,819	3,210	29,876
Borrowings	10,825	1,687	626
Provisions	1,950	1,411	19,240
Total current liabilities	21,594	6,308	49,742
Non-current liabilities			
Payables	585	1,063	9,973
Borrowings	171,119	27,070	5,546
Provisions	200	156	54,723
Total non-current liabilities	171,904	28,289	70,242
Total liabilities	193,498	34,597	119,984
Net assets	809,906	728,597	1,390,905
Equity			
Retained earnings	352,890	249,096	982,268
Revaluation reserves	457,016	479,501	408,637
Total equity	809,906	728,597	1,390,905

¹ General Fund refers to all Council's activities other than Water and Sewer.

NB. All amounts disclosed above are gross - that is, they include internal receivables and payables between the Funds.

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 22. "Held for sale" non-current assets and disposal groups

\$ '000

Council did not classify any non-current assets or disposal groups as "Held for sale".

Note 23. Events occurring after the reporting date

Events that occur between the end of the reporting period (ending 30 June 2015) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the applicable "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 28 October 2015.

Events that occur after the reporting period represent one of two types:

(i) Events that provide evidence of conditions that existed at the reporting period

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2015.

(ii) Events that provide evidence of conditions that arose after the reporting period

These financial statements (and figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2015 and which are only indicative of conditions that arose after 30 June 2015.

Council is aware of the following "non-adjusting events" that merit disclosure;

Fit for the Future

Following the release of the final recommendations of the Independent Local Government Review Panel (ILGRP), the NSW State Government introduced the "Fit for the Future" reform program and mandated that Councils submit a proposal to an independent expert panel by 30 June 2015 on how Councils would become "Fit for the Future". The ILGRP recommended that Wyong Shire Council investigate a merger with Gosford City Council (GCC).

Wyong Shire Council submitted a Fit for the Future proposal to the Independent Pricing and Regulatory Tribunal (IPART) - the nominated expert panel, prior to the 30 June 2015 deadline. Wyong's submission proposed that Council remain as a stand-alone entity whilst continuing to implement planned business improvement initiatives. The submission was based on an independent Cost Benefit Analysis of reform options, as well as extensive self-assessment. Council's proposal noted that Wyong Shire Council already met all Fit for the Future benchmarks, and that ongoing business improvement would further improve Council's performance against these benchmarks into the future.

IPART are scheduled to complete their assessment of the "fitness" of each Council by the end of October 2015, and the State Government is due to make decisions in relation to NSW Councils in December 2015.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 24. Discontinued operations

\$ '000

Council has not classified any of its operations as "discontinued".

Note 25. Intangible assets

	Actual	Actual
\$ '000	2015	2014

Intangible assets represent identifiable non-monetary asset without physical substance.

Intangible assets are as follows;

Opening values:

Gross book value (1/7)	9,026	9,011
Accumulated amortisation (1/7)	(8,686)	(8,300)
Accumulated impairment (1/7)	-	-
Net book value - opening balance	340	711

Movements for the year

- Purchases	-	15
- Amortisation charges	(134)	(386)

Closing values:

Gross book value (30/6)	9,026	9,026
Accumulated amortisation (30/6)	(8,820)	(8,686)
Accumulated impairment (30/6)	-	-

Total intangible assets - net book value ¹

	206	340
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¹- The net book value of intangible assets represent:

- Software	206	340
	206	340

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 26. Reinstatement, rehabilitation and restoration liabilities

\$ '000

Council has legal/public obligations to make restore, rehabilitate and reinstate the following assets/operations:

Council is required by law to restore the present tip sites at Bateau Bay, Mardi, Gwandalan, Tumby, Shelly Beach, Warnervale, Toukley, Halekulani, and Buttonderry Waste Management Facility at Jilliby at the end of their useful lives. Council also has an obligation to remediate its two bulk fuel delivery sites. The projected cost of all rehabilitation is \$52 million based on engineering estimates and has been discounted to its present value using the 10 year government bond rate.

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2015	2014
Contaminated lands	Various	51,998	52,522
Balance at end of the reporting period	10(a)	<u>51,998</u>	<u>52,522</u>

According to AASB 116 - Property, plant and equipment, where the use of an asset results in the obligation to dismantle or remove the asset and restore the site on which the asset stands, an estimate of such costs is required to be included in the cost of the asset.

An equivalent liability must be recognised under AASB 137- Provisions, contingent liabilities and contingent assets.

The provision has been calculated by determining the present value of the future expenditures expected to be incurred. The discount rate used is the 10 year Government bond rate.

Reconciliation of movement in provision for year:

Balance at beginning of year	52,522	52,900
Effect of a change in discount rates used in PV calculations	1,791	(1,253)
Effect of a change in other calculation estimates used	(3,134)	138
Amortisation of discount (expensed to borrowing costs)	1,943	1,576
Expenditure incurred attributable to provisions	(1,124)	(839)
Total - reinstatement, rehabilitation and restoration provision	<u>51,998</u>	<u>52,522</u>

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 27. Fair value measurement

\$ '000

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

2015	Date of latest Valuation	Fair Value Measurement Hierarchy			Total
		Level 1 Quoted prices in active mkt	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/13	-	-	19,784	19,784
Office equipment	30/06/13	-	-	2,462	2,462
Furniture and fittings	30/06/13	-	-	1,808	1,808
Operational land	30/06/13	-	-	310,240	310,240
Community land	30/06/11	-	-	123,494	123,494
Land under roads (post 30/06/2008)	30/06/14	-	-	511	511
Land improvements - non depreciable	30/06/11	-	-	-	-
Land improvements - depreciable	30/06/11	-	-	14,887	14,887
Buildings - non specialised	30/06/13	-	-	364	364
Buildings - specialised	30/06/13	-	-	152,559	152,559
Other structures	30/06/11	-	-	13,149	13,149
Roads	30/06/15	-	-	498,609	498,609
Bridges	30/06/15	-	-	11,925	11,925
Footpaths	30/06/15	-	-	30,616	30,616
Bulk earthworks (non depreciable)	30/06/15	-	-	170,064	170,064
Stormwater drainage	30/06/15	-	-	346,246	346,246
Water supply network	30/06/12	-	-	553,618	553,618
Sewerage network	30/06/12	-	-	671,823	671,823
Swimming pools	30/06/11	-	-	2,273	2,273
Other open space/recreational assets	30/06/11	-	-	39,149	39,149
Heritage collections	30/06/11	-	-	168	168
Library books	30/06/11	-	-	1,007	1,007
Other assets	30/06/11	-	-	36	36
Tip assets	30/06/11	-	-	7,447	7,447
Total infrastructure, property, plant and equipment		-	-	2,972,240	2,972,240

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values (continued):

Fair values (continued).		Fair Value Measurement Hierarchy			Total
2014		Level 1	Level 2	Level 3	
	Date of latest Valuation	Quoted prices in active mkt	Significant observable inputs	Significant unobservable inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/13	-	-	20,816	20,816
Office equipment	30/06/13	-	-	2,588	2,588
Furniture and fittings	30/06/13	-	-	1,291	1,291
Operational land	30/06/13	-	-	311,913	311,913
Community land	30/06/11	-	-	124,750	124,750
Land under roads (post 30/06/2008)	30/06/14	-	-	511	511
Land improvements - non depreciable	30/06/11	-	-	-	-
Land improvements - depreciable	30/06/11	-	-	19,564	19,564
Buildings - non specialised	30/06/13	-	-	475	475
Buildings - specialised	30/06/13	-	-	149,000	149,000
Other structures	30/06/11	-	-	13,547	13,547
Roads	30/06/10	-	-	327,262	327,262
Bridges	30/06/10	-	-	6,635	6,635
Footpaths	30/06/10	-	-	32,305	32,305
Bulk earthworks (non depreciable)	30/06/10	-	-	3,219	3,219
Stormwater drainage	30/06/10	-	-	237,154	237,154
Water supply network	30/06/12	-	-	558,139	558,139
Sewerage network	30/06/12	-	-	669,335	669,335
Swimming pools	30/06/11	-	-	2,290	2,290
Other open space/recreational assets	30/06/11	-	-	41,868	41,868
Heritage collections	30/06/11	-	-	169	169
Library books	30/06/11	-	-	1,122	1,122
Other assets	30/06/11	-	-	37	37
Tip assets	30/06/11	-	-	177	177
Total infrastructure, property, plant and equipment		-	-	2,524,167	2,524,167

(2) Transfers between Level 1 and Level 2 fair value hierarchies

During the year, there were no transfers between Level 1 and Level 2 Fair Value hierarchies for recurring fair value measurements.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

(3) Valuation techniques used to derive Level 2 and Level 3 fair values

Where Council is unable to derive Fair Valuations using quoted market prices of identical assets (ie. Level 1 inputs), Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

Infrastructure, property, plant and equipment**Plant and equipment, office equipment and furniture and fittings**

Plant and equipment, office equipment and furniture and fittings assets are recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items. Therefore these assets are disclosed at fair value in the notes.

These asset categories include:

- plant and equipment
 - Major plant items – tractors, excavators, street sweepers, tippers, rollers, forklifts, back hoes, beach cleaners
 - Minor plant items – generators, mowers, weed harvester, trailers, chainsaws, wood chippers, power hand tools
 - Fleet Vehicles – trucks, commercial vehicles and passenger vehicles
- office equipment – computer hardware, communications equipment, digital cameras, photocopiers
- furniture and fittings – work stations, storage cabinets, CCTV, air conditioning units.

The unobservable level 3 inputs used include:

- pattern of consumption
- useful life
- residual value.

Council reviews the value of these assets based on the gross replacement cost of similar assets.

There has been no change to the valuation process during the reporting period.

Operational land

This asset class is comprised of all Council's land classified as operational land under the Local Government Act 1993. The last valuation was undertaken at in 2013 by APV Valuers and Asset Management.

The valuation of the freehold land has been carried out on a market value basis. It has been assessed on the basis of the estimated amount, which the interest in each property being valued might reasonably be expected to realise on the date of valuation in an exchange between a willing vendor and a willing purchaser in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Where a depth in market was identified, the fair value was assessed as a best estimate of the price reasonably obtainable in the market at the date of valuation. This is based on available market evidence of sales of similar or reference assets.

The gross current value has been assessed on the basis of replacement cost with a new asset having similar service potential and includes allowances for preliminaries and professional fees.

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

This asset class is categorised as Level 3 as some of the inputs used in the valuation of these assets require significant professional judgement and are unobservable.

There has been no change to the valuation process during the reporting period.

Community land

Community Land assets are comprised of Council owned land classified as Community Land under the Local Government Act 1993 and land under the care and management of Council on behalf of the Crown.

Council values Community Land based on the unimproved land values provided by the Valuer General or an average unit rate based on the land values for similar properties (land use, land size, shape and location) where the Valuer General has not provided a land value based on the highest and best use for the land.

This asset class is valued using unimproved land values provided by the Valuer General which is not considered to be an observable input based on market evidence and therefore contains Level 3 unobservable inputs. As per Office of Local Government Circular 12-09, the asset class will be revalued in 2016 with the Valuer General rates as at 1 July 2014.

There has been no change to the valuation process during the reporting period.

Land under roads

Land under Roads consists of land under roadways and road reserves including land under footpaths, nature strips and median strips as per AASB 1051. Council has elected not to recognise as an asset land under roads acquired before 1 July 2008.

Land under Roads acquired since 1 July 2008 has been recognised in accordance with AASB 116 Property, Plant and Equipment. Where Council has acquired Land under Roads it is recognised at cost where the cost represents fair value. Where the land under roads is dedicated or acquired at nominal value the land is recognised at its fair value.

This asset class was valued by Council staff using the Englobo methodology as outlined in the Local Government Code of Accounting Practice and Financial Reporting Guidelines Update No 22 - June 2014. This asset class is classified as Level 3 as significant inputs used in the Englobo methodology are unobservable.

There has been no change to the valuation process during the reporting period.

Land improvements

This asset class is comprised of landscaping, estuary protection works and paved public areas. Land improvements are valued using the technical knowledge and experience of Council staff (engineers and asset management) and costs Council has incurred in constructing similar assets. Other significant inputs considered in the valuation of these assets are asset components, pattern of consumption, dimensions, condition ratings and remaining useful life. Asset conditions are based on field inspections using the ratings set out in Special Schedule 7.

Cycle ways (shared paths) assets were transferred to the Roads asset class and revalued during the reporting period. Furthermore, a tip cell asset valued at approximately \$4m was reclassified and transferred to the asset class Tip Assets.

This asset class is classified as Level 3 as significant inputs used in the valuation are unobservable.

There has been no change to the valuation process during the reporting period.

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

Buildings – non specialised and specialised

Council engaged APV Valuers and Asset Management to value Buildings in 2013. The valuation methodology applied is dependent on whether a market exists to substantiate the value of the asset.

Where a depth in market is identified, the fair value is assessed as a best estimate of the price reasonably obtainable in the market at the date of valuation. This is based on available market evidence of sales of similar assets. The net value of the building and site services is the difference between the market value of the asset (as a whole) less the market value of the land component.

Where there is no depth of market the fair value is determined on depreciated current replacement (DCRC) basis. This is calculated by determining the gross current replacement cost and determining the amount of accumulated depreciation to reflect the level of service potential remaining in the asset.

The valuation of buildings, structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and firefighting equipment, and general lighting). The buildings and site improvements were physically inspected and measured. The building valuations incorporate a gross current value, net current value and residual value for each asset.

This asset class is categorised as Level 3 as some of the inputs used in the valuation of these assets require significant professional judgement and are unobservable.

There has been no change to the valuation process during the reporting period.

Other structures

This asset class is comprised of shade shelters, retaining walls, playground equipment, fencing, fountains, sea walls and structures which did not meet the definition of a building.

The cost approach has been utilised to value other structures. Valuations are undertaken by Council staff based on the technical knowledge and experience of engineers and asset management staff. Unobservable Level 3 inputs used include useful life, asset condition and pattern of consumption.

The road and road related assets and stormwater drainage assets contained within Holiday parks and classified in this asset class have been reclassified to roads and drainage asset classes and revalued during the reporting period as part of the roads and drainage asset revaluation.

There has been no change to the valuation process during the reporting period.

Roads

This asset class is comprised of the Road carriageway, Car parks, and other road related assets. Council's roads are separated into segments for inspection and valuation and componentised into the surface, sub-base, base and associated earthworks. Other road related assets include bus shelters, footpaths, guard rails, speed humps, kerb and gutter, medians, pedestrian refuges and roundabouts.

The valuation of the asset class, which was undertaken in this financial year was performed by Council's experienced asset management staff. The gross replacement cost for each asset was calculated based on a Modern Engineering Equivalent Replacement Asset (MEERA) approach. The replacement cost, useful lives and asset conditions were determined by extracting technical information contained in Council's pavement management system.

Unit rates were determined based on internal data available including the cost to construct similar assets from recent Council projects. Unit rates for the last valuation were adopted from standard rates for NSW roads as

Wyong Shire Council

Notes to the financial statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

outlined in Rawlinson's Construction Handbook (2009) or an indexed rate calculated by Council based on actual costs. The 2009 Rawlinson rates were used for the majority of Council's road assets with the exception of road surfacing where Council's actual cost incurred throughout the Shire was found to be more varied than the standard sprayed seal and asphaltic concrete surfacing rates.

Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions and road classification. A pavement condition index (PCI) is calculated based on field inspections. This PCI is converted into road technical asset condition ratings 1 (Excellent) to 5 (Very Poor) in accordance with the International Public Works Engineers of Australia (IPWEA) Roads Fair Valuation Guide. The methodology applied by external valuers, GHD, in 2010 was based on asset condition ratings from 0 (New Asset) to 10 (Failed Asset or No Longer in Service).

The road and road related assets contained within Holiday parks and classified in Other structures have been reclassified to this asset class and revalued during the reporting period. Cycle ways (Shared Paths) assets classified in Land improvements were also transferred to the Roads asset class and revalued during the reporting period.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Bridges

This asset class is comprised of road and foot bridges. The bridges were inspected and valued using the cost approach. The valuation of this asset class undertaken in this financial year was performed by Council's experience asset management staff and engineers. The significant inputs used in valuing bridges included useful life, pattern of consumption and asset condition.

Bridges are assessed by physical inspection in accordance with Roads and Maritime Services guidelines. Condition information is updated as changes are observed through regular inspections. An asset condition rating of 1 (Excellent) to 5 (Very Poor) is applied in accordance with the Roads and Maritime Services Bridge Inspection Procedure Manual. The methodology applied by external valuers, GHD, in 2010 was based on asset condition ratings from 0 (New Asset) to 10 (Failed Asset or No Longer in Service).

Unit rates were determined based on internal data available for the current valuation. Unit rates for the last valuation were adopted from standard rates as outlined in Rawlinson's Construction Handbook or the external valuers cost records.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Footpaths

This asset class is comprised of pedestrian walkways and cycle ways (shared paths). The valuation of the asset class was undertaken in the current financial year and performed by Council's experienced asset management staff.

The assets in this class are valued using a cost approach and replacement costs (unit rates) and useful lives were determined using technical knowledge and experience of Council's staff. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption and asset condition.

The assets in this class are assessed by physical inspection. Condition information is updated as changes are observed through regular inspections. An asset condition rating of 1 (Excellent) to 5 (Very Poor) is applied in accordance with the International Public Works Engineers of Australia (IPWEA) Condition Assessment and

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

Asset Performance Guidelines. The methodology applied by external valuers, GHD, in 2010 was based on asset condition ratings from 0 (New Asset) to 10 (Failed Asset or No Longer in Service).

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Bulk earthworks (non-depreciable)

This asset class contains the formation costs for roads, buildings and sporting facilities. Buildings and sporting facilities are recognised and valued at cost and Council assumes that the carrying amount reflects the fair value of these assets.

The formation costs for roads were not previously recognised in the June 2010 asset revaluation. Council has calculated the volume of Bulk earthworks using standards within the Highway Design and Maintenance Standards Model. Unit rates have been determined by Council's experienced staff and based on Council's rates for materials and contracted services.

This asset class has been recognised as non-depreciable as it is not expected that bulk earthworks will need to be renewed during the normal operational use of the assets.

Stormwater drainage

The Stormwater drainage asset class consists of Council's pits, pipes, detention basins, open drains, culverts, floodgates, wetlands, headwalls and gross pollutant traps. The valuation of the asset class, which was undertaken in the current financial year, was performed by Council's experienced asset management staff using the cost assets approach. Replacement cost is assessed using the MEERA approach.

Stormwater drainage assets contained within Holiday parks and classified in Other structures have been reclassified to this asset class and revalued during the reporting period.

Replacement costs (unit rates) and useful lives for stormwater drainage assets were determined through a combination of historic data and technical knowledge during both the current and prior valuation, which incorporated standard unit rates applied to the dimensions of the asset and considered environmental factors based on asset location. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life and pattern of consumption.

The asset condition of 1 (Excellent) to 5 (Very Poor) was determined by CCTV investigation undertaken across a representative selection of the Wyong Water's drainage network and assumptions based on age. Due to the availability of historical information for assets with long lives there is some uncertainty on the specifications and dimensions of some assets however data validation processes have been undertaken to reduce this risk. The methodology applied by external valuers, GHD, in 2010 was based on asset condition ratings from 0 (New Asset) to 10 (Failed Asset or No Longer in Service) and applied to a random sample of the drainage network.

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Water supply network

This asset class is comprised of water treatment plants, water pump stations, reservoirs, water mains, tunnels, dams, weirs and water meters.

The gross replacement cost approach has been utilised to value the water supply network. This approach estimates the gross replacement cost based on MEERA techniques and equipment that would result in

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

recognising an asset to serve the same function as the existing asset, rather than replicate the existing asset. Assets have been componentised as per AASB 116 Property, Plant and Equipment.

Valuations are undertaken by Wyong Water's staff based on the technical knowledge and experience of engineers and asset management staff taking into consideration NSW Reference Rates issued by the Department of Primary Industries Office of Water and the valuations performed by Evans and Peck and NSW Public Works in 2011 for the Joint Water Assets.

Unobservable Level 3 inputs used include materials used in the construction of the asset, residual value, useful life, asset condition, unit rates and pattern of consumption. As some of the assets have very long lives there is some uncertainty on the specifications and dimensions of some assets however the Water and Sewer Planning section undertook data validation processes to reduce this risk.

There has been no change to the valuation process during the reporting period.

Sewerage network

This asset class is comprised of sewer treatment plants, sewer pump stations, sewer vacuum systems and sewer mains.

The gross replacement cost approach has been utilised to value the sewerage network. This approach estimates the gross replacement cost based on MEERA techniques and equipment that would yield an asset to serve the same function as the existing asset, rather than replicate the existing asset. Assets have been componentised as per AASB 116 Property, Plant and Equipment.

Valuations are undertaken by the Wyong Water's staff based on the technical knowledge and experience of engineers and asset management staff taking into consideration NSW Reference Rates issued by the Department of Primary Industries Office of Water.

Unobservable Level 3 inputs used include materials used in the construction of the asset, residual value, useful life, asset condition, unit rates and pattern of consumption. As some of the assets have very long lives there is some uncertainty on the specifications and dimensions of some assets however the Water and Sewer Planning section undertook data validation processes to reduce this risk.

There has been no change to the valuation process during the reporting period.

Swimming pools

Assets within this class are comprised of ocean baths, swimming pools and associated structures.

The gross replacement cost approach has been utilised to value this asset class. This approach estimates the gross replacement cost based on MEERA techniques. Valuations are undertaken by Council staff based on the technical knowledge and experience of engineers and asset management staff. Significant unobservable inputs considered in the valuation of these assets are remaining useful life, pattern of consumption and asset condition.

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

Other open space/recreational assets

This asset class is comprised of life guard towers, tennis courts, athletics tracks, picnic shelters, playground equipment, skate parks, fencing and sporting facilities.

This asset class has been valued using the gross replacement cost approach based on MEERA techniques. Valuations are undertaken by Council staff based on the technical knowledge and experience of asset management staff. Significant unobservable inputs considered in the valuation of these assets are remaining useful life, pattern of consumption and asset condition. Asset conditions are determined by field inspections using ratings of 1 (Excellent) to 5 (Very Poor).

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Heritage collections

This asset class is comprised of artwork and sculptures which are recognised and valued at cost.

Significant unobservable inputs considered in the valuation of these assets are useful life and pattern of consumption. This asset class is categorised a Level 3 as the inputs used in the valuation of these assets require significant professional judgement.

There has been no change in the valuation process during the reporting period.

Library books

Assets included in this asset class consist of library books, journals, magazines, CDs and DVDs which are recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items. There are no major variances between the fair value and carrying amount of these assets and these assets are disclosed at fair value in the notes.

Whilst these assets are recognised at cost with supporting supplier invoices (observable input) the remaining significant inputs (useful life, pattern of consumption and asset condition) are unobservable and therefore categorised as Level 3.

There has been no change to the valuation process during the reporting period.

Other assets

Other assets include miscellaneous assets which are recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the item.

The replacement cost approach has been utilised to value Other assets. Significant unobservable inputs considered in the valuation of these assets are useful life, pattern of consumption and asset condition and therefore categorised as Level 3.

There has been no change to the valuation process during the reporting period.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

Tip asset

This asset class includes the tip cells at the Buttonderry Waste Facility which is recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the item.

Significant unobservable inputs considered in the valuation of these assets are useful life and pattern of consumption and therefore categorised as Level 3.

A tip cell asset valued at approximately \$4 was reclassified from nd improvements to ip assets during the reporting period.

There has been no change to the valuation process during the reporting period.

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (Level 3)

a. The following tables present the changes in Level 3 fair value asset classes.

	Plant and equipment	Office equipment	Furniture and fittings	Operational land	Total
Adoption of AASB 13	23,400	1,360	1,176	310,172	336,108
Transfers from/(to) another asset class	(32)	-	32	729	729
Purchases (GBV)	4,254	1,950	303	1,061	7,568
Disposals (WDV)	(2,259)	(14)	(12)	(49)	(2,334)
Depreciation and impairment	(4,547)	(709)	(207)	-	(5,463)
Other movements	-	1	(1)	-	-
Closing balance - 30/6/14	20,816	2,588	1,291	311,913	336,608

Transfers from/(to) another asset class	(6)	-	-	870	864
Purchases (GBV)	3,777	979	771	-	5,527
Disposals (WDV)	(834)	-	-	(2,543)	(3,377)
Depreciation and impairment	(3,969)	(1,105)	(254)	-	(5,328)
Closing balance - 30/6/15	19,784	2,462	1,808	310,240	334,294

	Community land	Land under roads	Land improvement	Buildings non specialised	Total
Adoption of AASB 13	125,410	471	18,443	550	144,874
Transfers from/(to) another asset class	(747)	-	(404)	-	(1,151)
Purchases (GBV)	87	24	3,072	-	3,183
Depreciation and impairment	-	-	(1,544)	(73)	(1,617)
Revaluation increments/(decrements) to equity (ARR)	-	16	-	-	16
Other movements	-	-	(3)	(2)	(5)
Closing balance - 30/6/14	124,750	511	19,564	475	145,300
Transfers from/(to) another asset class	(820)	-	(6,549)	-	(7,369)
Purchases (GBV)	-	-	3,056	-	3,056
Disposals (WDV)	(436)	-	-	(42)	(478)
Depreciation and impairment	-	-	(1,184)	(69)	(1,253)
Closing balance - 30/6/15	123,494	511	14,887	364	139,256

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (Level 3) (continued)

a. The following tables present the changes in Level 3 fair value asset classes. (continued)

	Buildings specialised	Other structures	Roads	Bridges	Total
Adoption of AASB 13	149,670	13,709	312,225	6,514	482,118
Transfers from/(to) another asset class	-	(1,049)	(559)	282	(1,326)
Purchases (GBV)	3,935	1,793	27,998	26	33,752
Disposals (WDV)	-	(90)	-	-	(90)
Depreciation and impairment	(4,609)	(816)	(12,402)	(187)	(18,014)
Other movements	4	-	-	-	4
Closing balance - 30/6/14	149,000	13,547	327,262	6,635	496,444

Transfers from/(to) another asset class	(224)	(2,177)	8,867	706	7,172
Purchases (GBV)	7,936	2,630	19,489	1,516	31,572
Disposals (WDV)	(223)	(229)	-	-	(452)
Depreciation and impairment	(3,930)	(622)	(15,554)	(289)	(20,395)
Revaluation increments/(decrements) to equity (ARR)	-	-	148,786	(693)	148,093
Other movements (newly recognised assets)	-	-	9,759	4,050	13,808
Closing balance - 30/6/15	152,559	13,149	498,610	11,925	676,242

	Footpaths	Bulk earthworks	Stormwater drainage	Water supply network	Total
Adoption of AASB 13	31,390	2,815	231,531	551,764	817,500
Transfers from/(to) another asset class	269	-	-	-	269
Purchases (GBV)	1,053	404	7,779	4,632	13,868
Disposals (WDV)	-	-	-	(252)	(252)
Depreciation and impairment	(407)	-	(2,619)	(13,618)	(16,644)
Revaluation increments/(decrements) to equity (ARR)	-	-	459	15,624	16,083
Other movements	-	-	4	(11)	(6)

Closing balance - 30/6/14	32,305	3,219	237,154	558,139	830,817
Transfers from/(to) another asset class	(1,566)	-	4,004	-	2,438
Purchases (GBV)	1,180	163	10,902	1,415	13,660
Depreciation and impairment	(655)	-	(3,077)	(14,097)	(17,829)
Revaluation increments/(decrements) to equity (ARR)	(1,727)	(1,777)	97,263	8,161	101,920
Other movements (newly recognised assets)	1,079	168,459	-	-	169,538
Closing balance - 30/6/15	30,616	170,064	346,246	553,618	1,100,545

Wyong Shire Council

Notes to the financial statements
for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (Level 3) (continued)

a. The following tables present the changes in Level 3 fair value asset classes. (continued)

	Sewerage network	Swimming pools	Open space/ recreational assets	Heritage collections	Total
Adoption of AASB 13	656,265	2,327	41,498	170	700,260
Transfers from/(to) another asset class	-	(7)	1,486	-	1,479
Purchases (GBV)	7,317	-	-	-	7,317
Depreciation and impairment	(12,508)	(30)	(1,116)	(1)	(13,655)
Revaluation increments/(decrements) to equity (ARR)	18,262	-	-	-	18,262
Other movements (newly recognised assets)	(1)	-	-	-	(1)
Closing balance - 30/6/14	669,335	2,290	41,868	169	713,662
Transfers from/(to) another asset class	-	14	(3,162)	-	(3,148)
Purchases (GBV)	5,707	-	2,260	-	7,967
Disposals (WDV)	(307)	-	-	-	(307)
Depreciation and impairment	(12,857)	(31)	(1,817)	(1)	(14,706)
Revaluation increments/(decrements) to equity (ARR)	9,945	-	-	-	9,945
Closing balance - 30/6/15	671,823	2,273	39,149	168	713,413

	Library books	Other assets	Tip assets	Total
Adoption of AASB 13	1,115	38	742	1,895
Purchases (GBV)	497	-	-	497
Depreciation and impairment	(489)	(1)	(565)	(1,055)
Other movements (newly recognised assets)	(1)	-	-	(1)
Closing balance - 30/6/14	-	1,122	37	1,336
Purchases (GBV)	297	-	7,963	8,260
Depreciation and impairment	(412)	(1)	(693)	(1,106)
Closing balance - 30/6/15	-	1,007	7,447	8,490

Wyong Shire Council

Notes to the financial statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

(4). Fair value measurements using significant unobservable inputs (Level 3)

b. The Valuation Process for Level 3 Fair Value Measurements

The revaluation of assets is carried out based on the appropriate methodology for each asset class prepared by the Wyong Water's experienced asset management staff. The fair value of assets has been evaluated using a cost approach based on MEERA techniques that would result in recognising an asset to serve the same function as the existing asset, rather than replicate the existing asset. The asset classes Operational Land and Buildings Non-Specialised use a market value approach where applicable and Land under Roads also encapsulates the Englobo valuation basis.

The significant inputs considered in the valuation of assets to fair value are the asset components, materials used in the construction of the asset, residual values, pattern of consumption, dimensions, condition ratings and remaining useful life. Asset conditions are based on field inspections using ratings aligned with technical asset condition standards for each asset class which aligns to the condition ratings set out in Special Schedule 7. For assets with long lives there is some uncertainty on the specifications and dimensions of some assets however data validation processes have been undertaken to reduce this risk.

Revaluation of assets is undertaken by experienced Council staff or independent valuation consultants depending on the asset class and available information for valuation purposes. Council's asset managers will determine if external valuation consultants are required to be engaged.

Council's asset managers and finance team work together to analyse fair value movements post valuation. In the 2015 reporting period the asset classes Roads and Stormwater Drainage assets were revalued by Council staff. This is the second valuation of Road and Drainage assets, the first of which was undertaken by external consultants.

(5). Highest and best use

As part of Council's ongoing review of the highest and best use of its assets in terms of service to the Community, Council has a number of operational land parcels which Council has assessed as being surplus to requirements and having limited service to the Community. Papers have been presented to Council during the beginning of this financial year outlining the properties recommended for sale in the open market. Council has resolved to sell these surplus parcels which will assist Council in funding strategic projects as outlined in our strategic plan.

All of Council's other non-financial assets are considered to being utilised for their highest and best use to serve Community needs.



The Wyong Shire Council

Independent auditor's report to the Council – s417(2) Report on the general purpose financial statements

Report on the financial statements

We have audited the accompanying financial statements of the Wyong Shire Council, which comprise the statement of financial position as at 30 June 2015 and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, accompanying notes to the financial statements and the Statement by Councillors and Management in the approved form as required by Section 413(2) of the Local Government Act 1993.

Councillors' responsibility for the financial statements

The Councillors of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993 and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Councillors, as well as evaluating the overall presentation of the financial statements.

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial statements.

Our audit responsibility does not extend to the Original Budget Figures included in the Income Statement, Statement of Cash Flows and the Original Budget disclosures in notes 2(a) and 16 and the Projections disclosed in note 17 to the financial statements, nor the attached Special Schedules, and accordingly, we express no opinion on them.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Auditor's opinion:

In our opinion:

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2 (the Division); and
- (b) the financial statements:
 - (i) have been presented, in all material respects, in accordance with the requirements of this Division
 - (ii) are consistent with the Council's accounting records
 - (iii) present fairly, in all material respects, the Council's financial position as at 30 June 2015 and its Financial Performance and its Cash Flows for the year then ended in accordance with Australian Accounting Standards
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that have come to light during the course of the audit.

PricewaterhouseCoopers

Peter Buchholz
Partner

Sydney
16 October 2015



The Mayor
Councillor Doug Eaton
Wyong Shire Council
DX 7306
WYONG

Dear Councillor Eaton,

Report on the conduct of the audit for year ended 30 June 2015 – Section 417(3)

We have completed our audit of the financial reports of Wyong Shire Council for the year ended 30 June 2015, in accordance with Section 415 of the Local Government Act, 1993.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial reports are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial reports, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial reports are presented fairly in accordance with Australian Accounting Standards as well as statutory requirements so as to present a view which is consistent with our understanding of the Council's financial position, the results of its operations and its cash flows.

This report should be read in conjunction with our audit opinion on the general purpose financial statements provided under Section 417(2) of the Local Government Act 1993.

Flowing from our audit, there are a number of comments we wish to raise concerning the trends in Council's finances. These are set out below.

Operating Result

Council's operating result improved from a \$21 million surplus to \$36 million surplus during the period under review. The operating result before capital improved from a \$5m surplus to a \$10m surplus.

Cash Position

Council's overall cash position improved from \$147 million to \$156 million during the period under review.

The following table highlights the composition of cash.

	June 2015 \$m	June 2014 \$m
Externally restricted	122	116
Internally restricted	27	29
Unrestricted	7	2
Total	156	147

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Working Capital

Council's net current assets improved from \$87 million to \$91 million during the period under review.

The value of net current assets needs to be adjusted in order to establish Council's available working capital.

	June 2015 \$m	June 2014 \$m
Net current assets	91	87
Less:		
External restrictions	(118)	(111)
Internal restrictions	(27)	(29)
	<u>(54)</u>	<u>(53)</u>
Add:		
Current Liabilities to be funded from other sources	65	63
Available Working Capital	<u>11</u>	<u>10</u>

The effective unrestricted or available working capital upon which Council could build its 2016 budget was \$11 million.

Performance Indicators

The financial reports disclose a number of indicators in Note 13 and these are detailed below:

	June 2015 %	June 2014 %
Operating performance ratio	4.5	2.9
Own source operating revenue ratio	82	87
Unrestricted current ratio	156	156
Debt service cover ratio	351	317
Rates outstanding ratio	4.6	5.2
Cash expense cover ratio	9	9

The Operating Performance Ratio improved and remained above the industry benchmark of 0%.

The Own Source Operating Revenue Ratio declined to 82% but remained above the industry benchmark of 60%.

The Unrestricted Current Ratio was stable at 156% and remained above the industry benchmark of 150%.

The Debt Service Cover Ratio improved and remained above the industry benchmark of 200%.

The Rates Outstanding Ratio improved and is now better than the industry benchmark of 5%.

The Cash Expense Cover Ratio indicates that Council could continue to trade for 9 months should cash inflows cease.



Council's financial position is considered to be sound and stable.

General

The books of accounts and records inspected by us have been kept in an accurate and conscientious manner. We thank the Acting Chief Executive Officer and his staff for the co-operation and courtesy extended to us during the course of our audit.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'P L Buchholz'.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'P L Buchholz'.

P L Buchholz
Partner
16 October 2015

WYONG SHIRE COUNCIL



Special Purpose Financial Statements

Wyong Shire Council

Special purpose financial statements
for the financial year ended 30 June 2015

Contents	Page
1. Statement by Councillors and Management	
2. Special purpose financial statements:	
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Income statement - sewerage business activity	10
Income statement - other business activities	10
Statement of financial position - water supply business activity	109
Statement of financial position - sewerage business activity	1
Statement of financial position - other business activities	1
3. Notes to the special purpose financial statements	1
4. Auditor's report	1

Background

- (i) These special purpose financial statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
 - (ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.
 - (iii) For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and **(b)** those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).
 - (iv) In preparing these financial statements for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments and debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).
-

SPFS 2015

Wyong Shire Council

Special purpose financial statements
for the financial year ended 30 June 2015

Statement by Councillors and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached special purpose financial statements have been prepared in accordance with:

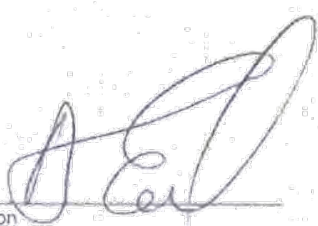

- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Division of Local Government Guidelines "Pricing and Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water Guidelines - "Best Practice Management of Water and Sewerage".

To the best of our knowledge and belief, these financial statements:

- Present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- Accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 14 October 2015.


Doug Eaton
MAYOR
Lynne Webster
COUNCILLOR
Rob Noble
ACTING CHIEF EXECUTIVE OFFICER
Stephen Naven
RESPONSIBLE ACCOUNTING OFFICER

page

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Wyong Shire Council

Income statement of Council's water supply business activity
for the financial year ended 30 June 2015

\$ '000	Actual 2015	Actual 2014
Income from continuing operations		
Access charges	17,493	16,470
User charges	27,722	27,525
Fees	147	57
Interest	1,044	1,380
Grants and contributions provided for non capital purposes	898	1,036
Profit from the sale of assets	-	-
Other income	697	338
Total income from continuing operations	48,001	46,806
Expenses from continuing operations		
Employee benefits and on-costs	7,959	6,697
Borrowing costs	12,206	13,184
Materials and contracts	3,907	3,908
Depreciation and impairment	17,471	16,593
Water purchase charges	120	95
Loss on sale of assets	488	291
Calculated taxation equivalents	374	367
Debt guarantee fee (if applicable)	-	-
Other expenses	11,380	11,884
Total expenses from continuing operations	53,905	53,019
Surplus (deficit) from continuing operations before capital amounts	(5,904)	(6,213)
Grants and contributions provided for capital purposes	5,507	3,935
Surplus (deficit) from continuing operations after capital amounts	(397)	(2,278)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from all operations before tax	(397)	(2,278)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
Surplus (Deficit) after tax	(397)	(2,278)
plus opening retained profits	352,913	354,824
plus/less: prior period adjustments	-	-
plus adjustments for amounts unpaid:		
- Taxation equivalent payments	374	367
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
less:		
- Tax equivalent dividend paid	-	-
- Surplus dividend paid	-	-
Closing retained profits	352,890	352,913
Return on Capital %	0.7%	0.8%
Subsidy from Council	22,184	24,582
Calculation of dividend payable:		
Surplus (deficit) after tax	(397)	(2,278)
less: Capital grants and contributions (excluding developer contributions)	(2,787)	(1,717)
Surplus for dividend calculation purposes	-	-
Potential dividend calculated from surplus	-	-

SPFS 2015

Wyong Shire Council

Income statement of Council's sewerage business activity
for the financial year ended 30 June 2015

\$ '000	Actual 2015	Actual 2014
Income from continuing operations		
Access charges	28,353	27,521
User charges	1,029	466
Liquid Trade Waste charges	959	841
Fees	148	140
Interest	1,851	1,812
Grants and contributions provided for non capital purposes	717	677
Profit from the sale of assets	-	-
Other income	238	299
Total income from continuing operations	33,295	31,756
Expenses from continuing operations		
Employee benefits and on-costs	6,767	7,240
Borrowing costs	1,686	1,679
Materials and contracts	4,190	3,744
Depreciation and impairment	13,175	12,848
Loss on sale of assets	306	-
Calculated taxation equivalents	253	252
Debt guarantee fee (if applicable)	-	-
Other expenses	9,858	10,398
Total expenses from continuing operations	36,235	36,161
Surplus (deficit) from continuing operations before capital amounts	(2,940)	(4,405)
Grants and contributions provided for capital purposes	3,947	1,795
Surplus (deficit) from continuing operations after capital amounts	1,007	(2,610)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from all operations before tax	1,007	(2,610)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
Surplus (Deficit) after tax	1,007	(2,610)
plus opening retained profits	247,836	250,194
plus/less: prior period adjustments	-	-
plus adjustments for amounts unpaid:		
- Taxation equivalent payments	253	252
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
less:		
- Tax equivalent dividend paid	-	-
- Surplus dividend paid	-	-
Closing retained profits	249,096	247,836
Return on capital %	-0.2%	-0.4%
Subsidy from Council	22,484	28,782
Calculation of dividend payable:		
Surplus (deficit) after tax	1,007	(2,610)
less: capital grants and contributions (excluding developer contributions)	(1,544)	(479)
Surplus for dividend calculation purposes	-	-
Potential dividend calculated from surplus	-	-

SPFS 2015

Wyong Shire Council

Income statement of Council's other business activities
for the financial year ended 30 June 2015

	Waste Management		Care and Education	
	Category 1		Category 1	
\$ '000	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Income from continuing operations				
Access charges	31,460	31,192	-	-
User charges	15,796	12,081	3,072	3,794
Fees	-	-	-	-
Interest	125	146	-	-
Grants and contributions provided for non capital purposes	1,039	1,342	436	431
Profit from the sale of assets	-	-	25	-
Other income	673	553	1	3
Total income from continuing operations	49,093	45,314	3,534	4,228
Expenses from continuing operations				
Employee benefits and on-costs	2,059	1,878	2,484	3,529
Borrowing costs	1,943	1,576	-	-
Materials and contracts	23,519	20,643	787	1,189
Depreciation and impairment	1,009	854	83	106
Loss on sale of assets	-	-	-	1
Calculated taxation equivalents	109	122	139	194
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	11,910	7,368	73	131
Total expenses from continuing operations	40,549	32,441	3,566	5,150
Surplus (deficit) from continuing operations before capital amounts	8,544	12,873	(32)	(922)
Grants and contributions provided for capital purposes	269	-	-	-
Surplus (deficit) from continuing operations after capital amounts	8,813	12,873	(32)	(922)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from all operations before tax	8,813	12,873	(32)	(922)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(2,563)	(3,862)	-	-
Surplus (Deficit) after tax	6,250	9,011	(32)	(922)
plus opening retained profits	54,897	41,902	(8,536)	(7,808)
plus/less: prior period adjustments	-	-	-	-
plus adjustments for amounts unpaid:				
- Taxation equivalent payments	109	122	139	194
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	2,563	3,862	-	-
add:				
- Subsidy paid/contribution to operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing retained profits	63,819	54,897	(8,429)	(8,536)
Return on Capital %	43.6%	68.0%	-0.6%	-17.4%
Subsidy from Council	-	-	193	1,118

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Wyong Shire Council

Income statement of Council's other business activities
for the financial year ended 30 June 2015

	Holiday Parks	
	Category 1	
\$ '000	Actual 2015	Actual 2014
Income from continuing operations		
Access charges	-	-
User charges	9,320	9,179
Fees	-	-
Interest	-	-
Grants and contributions provided for non capital purposes	-	-
Profit from the sale of assets	-	-
Other income	-	-
Total income from continuing operations	9,320	9,179
Expenses from continuing operations		
Employee benefits and on-costs	218	200
Borrowing costs	13	44
Materials and contracts	3,420	3,795
Depreciation and impairment	732	718
Loss on sale of assets	-	-
Calculated taxation equivalents	454	442
Debt guarantee fee (if applicable)	-	-
Other expenses	3,290	3,153
Total expenses from continuing operations	8,127	8,352
Surplus (deficit) from continuing operations before capital amounts	1,193	827
Grants and contributions provided for capital purposes	-	40
Surplus (deficit) from continuing operations after capital amounts	1,193	867
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from all operations before tax	1,193	867
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(358)	(248)
Surplus (Deficit) after tax	835	619
plus opening retained profits	13,453	12,144
plus/less: prior period adjustments	-	-
plus adjustments for amounts unpaid:		
- Taxation equivalent payments	454	442
- Debt guarantee fees	-	-
- Corporate taxation equivalent	358	248
add:		
- Subsidy paid/contribution to operations	-	-
less:		
- TER dividend paid	-	-
- Dividend paid	-	-
Closing retained profits	15,100	13,453
Return on Capital %	4.4%	3.1%
Subsidy from Council	-	182

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SPFS 2015

Wyong Shire Council

Statement of financial position - Council's water supply business activity
as at 30 June 2015

\$ '000	Actual 2015	Actual 2014
Assets		
Current assets		
Cash and cash equivalents	1,780	2,299
Investments	4,431	3,236
Receivables	15,839	15,262
Inventories	-	503
Other	-	-
Non-current assets classified as held for sale	-	-
Total current assets	22,050	21,300
Non-current assets		
Investments	25,000	17,000
Receivables	407	423
Inventories	-	-
Infrastructure, property, plant and equipment	955,913	852,774
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible assets	34	56
Other	-	-
Total non-current assets	981,354	870,253
Total assets	1,003,404	891,553
Liabilities		
Current liabilities		
Bank overdraft	-	-
Payables	8,819	11,018
Interest bearing liabilities	10,825	9,801
Provisions	1,950	1,791
Total current liabilities	21,594	22,610
Non-current liabilities		
Payables	585	1,941
Interest bearing liabilities	171,119	162,377
Provisions	200	118
Total non-current liabilities	171,904	164,436
Total liabilities	193,498	187,046
Net assets	809,906	704,507
Equity		
Retained earnings	352,890	352,913
Revaluation reserves	457,016	351,594
Council equity interest	809,906	704,507
Non-controlling equity interest	-	-
Total equity	809,906	704,507

SPFS 2015

Wyong Shire Council

Statement of financial position - Council's sewerage business activity
as at 30 June 2015

\$ '000	Actual 2015	Actual 2014
Assets		
Current assets		
Cash and cash equivalents	11,119	12,970
Investments	26,404	18,256
Receivables	3,486	3,276
Inventories	-	-
Other	57	-
Non-current assets classified as held for sale	-	-
Total current assets	41,066	34,502
Non-current assets		
Investments	-	8,000
Receivables	9,692	10
Inventories	-	-
Infrastructure, property, plant and equipment	712,416	704,215
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible assets	20	33
Other	-	-
Total non-current assets	722,128	712,258
Total assets	763,194	746,760
Liabilities		
Current liabilities		
Bank overdraft	-	-
Payables	3,210	2,477
Interest bearing liabilities	1,687	1,017
Provisions	1,411	1,930
Total current liabilities	6,308	5,424
Non-current liabilities		
Payables	1,063	882
Interest bearing liabilities	27,070	23,009
Provisions	156	55
Total non-current liabilities	28,289	23,946
Total liabilities	34,597	29,370
Net assets	728,597	717,390
Equity		
Retained earnings	249,096	247,834
Revaluation reserves	479,501	469,556
Council equity interest	728,597	717,390
Non-controlling equity interest	-	-
Total equity	728,597	717,390

SPFS 2015

Wyong Shire Council

Statement of financial position - Council's other business activities

as at 30 June 2015

	Waste Management		Care and Education	
	Category 1		Category 1	
\$ '000	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Assets				
Current assets				
Cash and cash equivalents	-	-	-	-
Investments	103,039	96,904	-	-
Receivables	2,776	2,302	162	68
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total current assets	105,815	99,206	162	68
Non-current assets				
Investments	-	-	-	-
Receivables	3	9	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	24,055	21,238	5,395	5,301
Investment property	-	-	-	-
Intangible assets	-	-	-	-
Other	-	-	-	-
Total non-current assets	24,058	21,247	5,395	5,301
Total assets	129,873	120,453	5,557	5,369
Liabilities				
Current liabilities				
Bank overdraft	-	-	-	-
Payables	5,278	5,086	206	280
Interest bearing liabilities	-	-	9,168	8,873
Provisions	1,534	3,407	804	938
Total current liabilities	6,812	8,493	10,178	10,091
Non-current liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	51,150	49,911	218	224
Other Liabilities	-	-	-	-
Total non-current liabilities	51,150	49,911	218	224
Total liabilities	57,962	58,404	10,396	10,315
Net assets	71,911	62,049	(4,839)	(4,946)
Equity				
Retained earnings	63,819	54,897	(8,429)	(8,536)
Revaluation reserves	8,092	7,152	3,590	3,590
Council equity interest	71,911	62,049	(4,839)	(4,946)
Non-controlling equity interest	-	-	-	-
Total equity	71,911	62,049	(4,839)	(4,946)

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SPFS 2015

Wyong Shire Council

Statement of financial position - Council's other business activities

as at 30 June 2015

	Holiday Parks	
	Category 1	
\$ '000	Actual 2015	Actual 2014
Assets		
Current assets		
Cash and cash equivalents	-	-
Investments	9,231	8,011
Receivables	277	221
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total current assets	9,508	8,232
Non-current assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	27,426	28,457
Investment property	-	-
Intangible assets	-	-
Other	-	-
Total non-current assets	27,426	28,457
Total assets	36,934	36,689
Liabilities		
Current liabilities		
Bank overdraft	-	-
Payables	860	900
Interest bearing liabilities	3,740	5,104
Provisions	48	48
Total current liabilities	4,648	6,052
Non-current liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	13	11
Other liabilities	-	-
Total non-current liabilities	13	11
Total liabilities	4,661	6,063
Net assets	32,273	30,626
Equity		
Retained earnings	15,100	13,453
Revaluation reserves	17,173	17,173
Council equity interest	32,273	30,626
Non-controlling equity interest	-	-
Total equity	32,273	30,626

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Wyong Shire Council

Special purpose financial statements

for the financial year ended 30 June 2015

Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	114
2	Water supply business best practice management disclosure requirements	117
3	Sewerage business best practice management disclosure requirements	119

Wyong Shire Council

Notes to the special purpose financial statements for the financial year ended 30 June 2015

Note 1. Significant accounting policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office of Local Government.

For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and
- Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with:

- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs appropriately described, have been imputed for the purposes of the National Competition Policy.

National competition policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

The "Pricing and Costing for Council Businesses A Guide to Competitive Neutrality" issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; Council subsidies; return on investments (rate of return); and dividends paid.

Declared business activities

In accordance with "Pricing and Costing for Council Businesses - A Guide to Competitive Neutrality", Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

a. Water supplies

Water catchment, treatment and supply; stormwater drainage

b. Sewerage services

Sewerage collection, treatment and disposal

c. Waste management

Collection and disposal of household and commercial waste

d. Care and education

Provision of child care centres

e. Holiday parks

Provision of holiday parks

Category 2

(where gross operating turnover is less than \$2 million)

None

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars, with the exception of some figures disclosed in Note 2 (Water Supply Best Practice Management Disclosures) and Note 3 (Sewerage Best Practice Management Disclosures).

Wyong Shire Council

Notes to the special purpose financial statements for the financial year ended 30 June 2015

Note 1. Significant accounting policies

As required by the NSW Office of Water (Department of Primary Industries) the amounts shown in Notes 2 and Note 3 are disclosed in whole dollars.

(i) Taxation equivalent charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses, such as income tax, equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council nominated business activities (this does not include Council's non-business activities):

Notional Rate Applied %

Corporate Income Tax Rate – 30%

Land Tax – The first **\$432,000** of combined land values attracts **0%**. From \$432,001 to \$2,641,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,641,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$750,000.

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from Water Supply and Sewerage Business activities.

The payment of taxation equivalent charges, referred in the Best Practice Management of Water Supply and Sewerage Guides to as a "Dividend for Taxation equivalent", may be applied for any purpose allowed under the Local Government Act, 1993.

Achievement of substantial compliance against the guidelines for Best Practice Management of Water Supply and Sewerage is not a prerequisite for the

payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of each reported business activity.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since this taxation equivalent is notional, that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in these special purpose financial statements.

The rate applied of 30% is the equivalent company tax rate prevalent as at reporting date. No adjustments have been made for variations that have occurred during the year.

Local Government rates and charges

A calculation of the equivalent rates and charges payable on all Category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face "true" commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and the Council's borrowing rate for its business activities.

Wyong Shire Council

Notes to the special purpose financial statements
for the financial year ended 30 June 2015

Note 1. Significant accounting policies

(ii) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed.

Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

The overall effect of subsidies is contained within the income statement of each reported business activity.

(iii) Return on investments (rate of return)

The Policy statement requires that Councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field".

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The rate of return on capital is calculated as follows:

Operating result before capital income + interest expense

Written down value of I, PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 2.98% at 30 June 2015.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective income statement.

(iv) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities.

Local Government Water Supply and Sewerage Businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed either:

(i) 50% of this surplus in any one year, or

(ii) the number of water supply or sewerage assessments at 30 June 2015 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.

SPFS 2015

Wyong Shire Council

Notes to the special purpose financial statements
for the financial year ended 30 June 2015Note 2. Water supply business
best practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2015

1. Calculation and payment of tax-equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i) Calculated tax equivalents	374,000
(ii) No of assessments multiplied by \$3/assessment	190,215
(iii) Amounts payable for tax equivalents [lesser of (i) and (ii)]	190,215
(iv) Amounts actually paid for tax equivalents	-

2. Dividend from surplus

(i) 50% of surplus before dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	-
(ii) No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	1,711,935
(iii) Cumulative surplus before dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 and 30 June 2013	(14,706,683)

2015 Surplus	(3,184,107)	2014 Surplus	(3,994,960)	2013 Surplus	(7,527,616)
		2014 Dividend	-	2013 Dividend	-

(iv) Maximum dividend from surplus [least of (i), (ii) and (iii) above]	n/a
(v) Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-

3. Required outcomes for 6 criteria

[To be eligible for the payment of a "dividend from surplus", all the criteria below need a "YES"]

(i) Completion of Strategic Business Plan (including Financial Plan)	YES
(ii) Full cost recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	YES
- Complying charges [Item 2(b) in Table 1]	YES
- DSP with commercial developer charges [Item 2(e) in Table 1]	YES
- If dual water supplies, complying charges [Item 2(g) in Table 1]	YES
(iii) Sound water conservation and demand management implemented	YES
(iv) Sound drought management implemented	YES
(v) Complete performance reporting form (by 15 September each year)	YES
(vi) a. Integrated water cycle management evaluation	YES
b. Complete and implement integrated water cycle management strategy	YES

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Wyong Shire Council

Notes to the special purpose financial statements
for the financial year ended 30 June 2015Note 2. Water supply business
best practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2015

National Water Initiative (NWI) financial performance indicators

NWI F1	Total revenue (water) Total Income (w13) - grants for the acquisition of assets (w11a) - Interest Income (w9) - Aboriginal communities water and sewerage program income (w10a)	\$'000	52,403
NWI F4	Revenue from residential usage charges (water) Income from residential usage charges (w6b) x 100 divided by the sum of [Income from residential usage charges (w6a) + income from residential access charges (w6b)]	%	61.31%
NWI F9	Written down replacement cost of fixed assets (water) Written down current cost of system assets (w47)	\$'000	955,677
NWI F11	Operating cost (OMA) (water) Management expenses (w1) + operational and maintenance expenses (w2)	\$'000	20,258
NWI F14	Capital expenditure (water) Acquisition of fixed assets (w16)	\$'000	15,846
NWI F17	Economic real rate of return (water) [Total income (w13) - interest income (w9) - grants for acquisition of assets (w11a) - operating costs (NWI F11) - current cost depreciation (w3)] x 100 divided by [written down current cost of system assets (w47) + plant and equipment (w33b)]	%	1.54%
NWI F26	Capital works grants (water) Grants for the acquisition of assets (w11a)	\$'000	61

- Notes:
- References to w (eg. w12) refer to item numbers within Special Schedules No. 3 and 4 of Council's annual financial statements.
 - The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.

SPFS 2015

Wyong Shire Council

Notes to the special purpose financial statements
for the financial year ended 30 June 2015Note 3. Sewerage business
best practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2015

1. Calculation and payment of tax-equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated tax equivalents	253,000
(ii)	No of assessments multiplied by \$3/assessment	184,407
(iii)	Amounts payable for tax equivalents [lesser of (i) and (ii)]	184,407
(iv)	Amounts actually paid for tax equivalents	-

2. Dividend from surplus

(i)	50% of surplus before dividends [Calculated in accordance with Best Practice Management for water supply and sewerage Guidelines]	-
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	1,659,663
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 and 30 June 2013	(6,602,475)

2015 Surplus	(537,049)	2014 Surplus	(3,089,421)	2013 Surplus	(2,976,005)
		2014 Dividend	-	2013 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	n/a
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-

3. Required outcomes for 4 criteria

[To be eligible for the payment of a "dividend from surplus", all the criteria below need a "YES"]

(i)	Completion of Strategic Business Plan (including Financial Plan)	YES
(ii)	Pricing with full cost-recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	YES
	Complying charges (a) Residential [Item 2(c) in Table 1]	YES
	(b) Non-residential [Item 2(c) in Table 1]	YES
	(c) Trade waste [Item 2(d) in Table 1]	YES
	DSP with commercial developer charges [Item 2(e) in Table 1]	YES
	Liquid trade waste approvals and policy [Item 2(f) in Table 1]	YES
(iii)	Complete performance reporting form (by 15 September each year)	YES
(iv)	a. Integrated water cycle management evaluation	YES
	b. Complete and implement integrated water cycle management strategy	YES

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SPFS 2015

Wyong Shire Council

Notes to the special purpose financial statements
for the financial year ended 30 June 2015Note 3. Sewerage business
best practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2015

National Water Initiative (NWI) financial performance indicators

NWI F2	Total revenue (sewerage) Total Income (s14) - grants for acquisition of assets (s12a) - interest income (s10) - Aboriginal communities Water and Sewerage program income (w10a)	\$'000	35,389
NWI F10	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	712,134
NWI F12	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	20,815
NWI F15	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	11,511
NWI F18	Economic real rate of return (sewerage) [Total income (s14) - interest income (s10) - grants for acquisition of assets (s12a) - operating cost (NWI F12) - current cost depreciation (s3)] x 100 divided by [written down current cost (ie. WDCC) of system assets (s48) + plant and equipment (s34b)]	%	0.20%
NWI F27	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	-

National Water Initiative (NWI) financial performance indicators
Water and Sewer (combined)

NWI F3	Total income (water and sewerage) Total income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) - interest income (w9 + s10)	\$'000	86,998
NWI F8	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	1.58%
NWI F16	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	27,357
NWI F19	Economic real rate of return (water and sewerage) [Total income (w13 + s14) - interest income (w9 + s10) - grants for acquisition of assets (w11a + s12a) - operating cost (NWI F11 + NWI F12) - current cost depreciation (w3 + s3)] x 100 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	%	0.96%
NWI F20	Dividend (water and sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
NWI F21	Dividend payout ratio (water and sewerage) Dividend (NWI F20) x 100 divided by net profit after tax (NWI F24)	%	0.00%

SPFS 2015

Wyong Shire Council

Notes to the special purpose financial statements
for the financial year ended 30 June 2015Note 3. Sewerage business
best practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2015

National Water Initiative (NWI) financial performance indicators
Water and Sewer (combined)

NWI F22	Net debt to equity (water and sewerage)	%	9.23%
	Overdraft (w36 + s37) + borrowings (w38 + s39) - cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) - total liabilities (w40 + s41)]		
NWI F23	Interest cover (water and sewerage)		1
	Earnings Before Interest and Tax (EBIT) divided by net interest		
	EBIT		16,073
	Operating result (w15a + s16a) + interest expense (w4a + s4a) - interest income (w9 + s10) - gain/loss on disposal of assets (w14 + s15) + miscellaneous expenses (w4b + w4c + s4b + s4c)		
	Net interest:		10,997
	Interest expense (w4a + s4a) - interest income (w9 + s10)		
NWI F24	Net Profit After Tax (water and sewerage)	\$'000	1,174
	Surplus before dividends (w15a + s16a) - tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))		
NWI F25	Community service obligations (water and sewerage)	\$'000	1,374
	Grants for pensioner rebates (w11b + s12b)		

- Notes:
- References to w (eg. s12) refer to item numbers within Special Schedules No. 5 and 6 of Council's annual financial statements.
 - The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.



The Wyong Shire Council

Independent auditor's report Report on the special purpose financial statements

Report on the financial statements

We have audited the accompanying financial statements, being the special purpose financial statements, of the Wyong Shire Council (the Council), which comprises the Statement of Financial Position by Business Activity for the year ended 30 June 2015, the Income Statements by Business Activity for the year then ended, Notes to the financial statements for the Business Activities identified by Council and the Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting for the year ended 30 June 2015.

Councillors' responsibility for the financial report

The Councillors of the Council are responsible for the preparation and fair presentation of the financial statements and have determined that the accounting policies described in note 1 to the financial statements which form part of the financial statements, are appropriate to meet the requirements of the Local Government Code of Accounting Practice and Financial Reporting. The Councillors responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Councillors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Auditor's opinion:

In our opinion, the financial statements presents fairly, in all material respects, the financial position by Business Activity of The Wyong Shire Council as of 30 June 2015 and its financial performance by Business Activity for the year then ended in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 to the financial statements, and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the Local Government Code of Accounting Practice and Financial Reporting. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Council.

A handwritten signature in blue ink, appearing to read 'Peter Buchholz'.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz'.

Peter Buchholz
Partner

Sydney
16 October 2015

WYONG SHIRE COUNCIL



Special Schedules

Wyong Shire Council

Special schedules

for the financial year ended 30 June 2015

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¹ Special schedules are not audited (with the exception of Special schedule 9).

Background

(i) These special schedules have been designed to meet the requirements of special purpose users such as;

- the NSW Grants Commission
- the Australian Bureau of Statistics (ABS),
- the NSW Office of Water (NOW), and
- the Office of Local Government (OLG).

(ii) The financial data is collected for various uses including;

- the allocation of Financial Assistance Grants,
- the incorporation of Local Government financial figures in national statistics,
- the monitoring of loan approvals,
- the allocation of borrowing rights, and
- the monitoring of the financial activities of specific services.

Wyong Shire Council

Special schedule No. 1 - Net cost of services
for the financial year ended 30 June 2015

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	1,360	-	-	(1,360)
Administration	1,912	4,652	7,155	9,895
Public order and safety				
Fire service levy, fire protection, emergency services	4,659	1,049	424	(3,186)
Beach control	1,204	-	3	(1,201)
Enforcement of Local Govt. regulations	2,316	839	-	(1,477)
Animal control	418	224	-	(194)
Other	-	-	-	-
Total public order and safety	8,597	2,112	427	(6,058)
Health	91	562	-	471
Environment				
Noxious plants and insect/vermin control	164	48	-	(116)
Other environmental protection	2,245	77	-	(2,168)
Solid waste management	35,075	43,412	270	8,607
Street cleaning	-	-	-	-
Drainage	6,903	7,661	2,620	3,378
Stormwater management	1,508	1,781	460	733
Total environment	45,895	52,979	3,350	10,434
Community services and education				
Administration and education	1,929	135	-	(1,794)
Social protection (welfare)	-	-	-	-
Aged persons and disabled	152	34	-	(118)
Children's services	3,474	3,561	-	87
Total community services and education	5,555	3,730	-	(1,825)
Housing and community amenities				
Public cemeteries	192	238	-	46
Public conveniences	1,360	-	-	(1,360)
Street lighting	3,354	404	-	(2,950)
Town planning	8,448	2,989	-	(5,459)
Other community amenities	-	-	-	-
Total housing and community amenities	13,354	3,631	-	(9,723)
Water supplies	46,563	39,714	2,887	(3,962)
Sewerage services	35,625	32,947	3,947	1,269

Wyong Shire Council

Special schedule No. 1 - Net cost of services (continued)
for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	5,139	474	30	(4,635)
Museums	-	-	-	-
Art galleries	14	-	-	(14)
Community centres and halls	4,200	816	118	(3,266)
Performing arts venues	79	-	199	120
Other performing arts	-	-	-	-
Other cultural services	1,052	43	-	(1,009)
Sporting grounds and venues	4,544	322	48	(4,174)
Swimming pools	1,086	(4)	-	(1,090)
Parks and gardens (lakes)	9,581	346	1,932	(7,303)
Other sport and recreation	1,571	-	275	(1,296)
Total recreation and culture	27,266	1,997	2,602	(22,667)
Mining, manufacturing and construction				
Building control	415	1,303	-	888
Other mining, manufacturing and construction	-	-	-	-
Total mining, manufacturing and const.	415	1,303	-	888
Transport and communication				
Urban Roads (UR) - local	23,028	1,644	4,397	(16,987)
Urban Roads - regional	814	490	1,230	906
Sealed Rural Roads (SRR) - local	-	-	-	-
Sealed Rural Roads (SRR) - regional	-	-	-	-
Unsealed Rural Roads (URR) - local	1,056	-	-	(1,056)
Unsealed Rural Roads (URR) - regional	-	-	-	-
Bridges on UR - local	376	-	-	(376)
Bridges on SRR - local	-	-	-	-
Bridges on URR - local	-	-	-	-
Bridges on regional roads	-	-	-	-
Parking areas	269	-	-	(269)
Footpaths	1,321	-	59	(1,262)
Aerodromes	483	218	-	(265)
Other transport and communication	8,017	963	115	(6,939)
Total transport and communication	35,364	3,315	5,801	(26,248)
Economic affairs				
Camping areas and caravan parks	7,680	9,320	-	1,640
Other economic affairs	5,387	2,513	-	(2,874)
Total economic affairs	13,067	11,833	-	(1,234)
Totals – functions	235,064	158,774	26,169	(50,121)
General purpose revenues ⁽²⁾		86,768		86,768
Share of interests - joint ventures and associates using the equity method	229	-		(229)
Net operating result ⁽¹⁾	235,293	245,542	26,169	36,418

(1) As reported in the income statement

(2) Includes: rates and annual charges (incl. ex gratia, excl. water and sewer), non-capital general purpose grants, interest on investments (excl. ext. restricted assets) and interest on overdue rates and annual charges

Wyong Shire Council

Special schedule No. 2(a) - Statement of long term debt (all purpose)
for the financial year ended 30 June 2015

\$'000											
Classification of debt	Principal outstanding at beginning of the year			New loans raised during the year	Debt redemption during the year		Transfers to sinking funds	Interest applicable for year	Principal outstanding at the end of the year		
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current	Total
Loans (by source)	Commonwealth Government	-	-	-	-	-	-	-	-	-	-
	Treasury Corporation	-	-	-	-	-	-	-	-	-	-
	Other State Government	370	339	709	709	-	-	13	-	-	-
	Public subscription	-	-	-	-	-	-	-	-	-	-
	Financial institutions	10,998	172,333	183,331	11,133	-	-	12,628	12,084	166,014	178,098
	Other	-	-	-	-	-	-	-	-	-	-
Total loans	11,368	172,672	184,040	5,900	11,842	-	-	12,641	12,084	166,014	178,098
Other long term debt	Ratepayers advances	-	-	-	-	-	-	-	-	-	-
	Government advances	-	-	-	-	-	-	-	-	-	-
	Finance leases	-	-	-	-	-	-	-	-	-	-
	Deferred payments	-	-	-	-	-	-	-	-	-	-
	Total long term debt	-	-	-	-	-	-	-	-	-	-
Total debt	11,368	172,672	184,040	5,900	11,842	-	-	12,641	12,084	166,014	178,098

Notes: excludes (i) internal loans and (ii) principal inflows/outflows relating to loan re-financing.
This schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPRS).

Wyong Shire Council

Special schedule No. 2(b) - Statement of internal loans [Section 410(3) LGA 1993]
for the financial year ended 30 June 2015

\$'000

Summary of internal loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (principal and interest)	Principal outstanding at end of year
Water	40,000	2,320	38,777
Totals	40,000	2,320	38,777

Note: The summary of internal loans (above) represents the total of Council's internal loans categorised according to the borrower.

Details of individual internal loans

Borrower (by purpose)	Lender (by purpose)	Date of Minister's approval	Date raised	Term (years)	Dates of maturity	Rate of interest	Amount originally raised	Total repaid during year Princ. and Int.)	Principal outstanding at end of year
Water	General	Not required	30/06/13	20	30/06/33	6.75%	20,000	2,091	18,837
Water	Sewer	26/02/15	26/02/15	20	21/02/35	6.75%	10,000	229	9,940
Water	General	Not required	31/05/15	20	26/05/35	6.75%	10,000	-	10,000
Totals							40,000	2,320	38,777

Wyong Shire Council

Special schedule No. 3 - Water supply income statement

Includes all internal transactions, ie. prepared on a gross basis.
for the financial year ended 30 June 2015

\$'000		Actuals 2015	Actuals 2014
A	Expenses and income		
	Expenses		
1.	Management expenses		
	a. Administration	4,189	3,524
	b. Engineering and supervision	2,381	2,310
2.	Operation and maintenance expenses		
	- Dams & Weirs		
	a. Operation expenses	509	422
	b. Maintenance expenses	60	78
	- Mains		
	c. Operation expenses	2,045	2,468
	d. Maintenance expenses	3,558	4,224
	- Reservoirs		
	e. Operation expenses	196	202
	f. Maintenance expenses	385	336
	- Pumping stations		
	g. Operation expenses (excluding energy costs)	473	578
	h. Energy costs	894	946
	i. Maintenance expenses	426	504
	- Treatment		
	j. Operation expenses (excluding chemical costs)	2,409	2,562
	k. Chemical costs	820	638
	l. Maintenance expenses	442	333
	- Other		
	m. Operation expenses	1,251	223
	n. Maintenance expenses	100	149
	o. Purchase of water	120	95
3.	Depreciation expenses		
	a. System assets	17,150	16,233
	b. Plant and equipment	321	360
4.	Miscellaneous expenses		
	a. Interest expenses	12,206	13,184
	b. Revaluation decrements	-	-
	c. Other expenses	3,108	2,992
	d. Impairment - system assets	-	-
	e. Impairment - plant and equipment	-	-
	f. Aboriginal communities water and sewerage program	-	-
	g. Tax equivalents dividends (actually paid)	-	-
5.	Total expenses	53,043	52,361

Wyong Shire Council

Special schedule No. 3 - Water supply income statement (continued)

Includes all internal transactions, ie. prepared on a gross basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
Income		
6. Residential charges		
a. Access (including rates)	17,493	16,470
b. Usage charges	27,722	27,525
7. Non-residential charges		
a. Access (including rates)	-	-
b. Usage charges	-	-
8. Extra charges	-	-
9. Interest income	1,044	1,380
10. Other income	844	395
10a. Aboriginal communities water and sewerage program	-	-
11. Grants		
a. Grants for acquisition of assets	61	950
b. Grants for pensioner rebates	702	703
c. Other grants	196	231
12. Contributions		
a. Developer charges	2,572	1,513
b. Developer provided assets	2,874	1,472
c. Other contributions	-	102
13. Total income	53,508	50,741
14. Gain (or loss) on disposal of assets	(488)	(291)
15. Operating result	(23)	(1,911)
15a. Operating result (less grants for acquisition of assets)	(84)	(2,861)

Special Schedules 2015

Wyong Shire Council

Special schedule No. 3 - Water supply income statement (continued)

Includes all internal transactions, ie. prepared on a gross basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
B Capital transactions		
Non-operating expenditures		
16. Acquisition of fixed assets		
a. New Assets for improved standards	-	-
b. New assets for growth	3,471	2,339
c. Renewals	12,368	17,211
d. Plant and equipment	7	277
17. Repayment of debt		
a. Loans	10,234	9,358
b. Advances	-	-
c. Finance leases	-	-
18. Transfer to sinking fund	-	-
19. Totals	26,080	29,185
Non-operating funds employed		
20. Proceeds from disposal of assets	-	-
21. Borrowing utilised		
a. Loans	20,000	-
b. Advances	-	-
c. Finance leases	-	-
22. Transfer from sinking fund	-	-
23. Totals	20,000	-
C Rates and charges		
24. Number of assessments		
a. Residential (occupied)	59,381	59,068
b. Residential (unoccupied, ie. vacant lot)	904	763
c. Non-residential (occupied)	2,381	2,483
d. Non-residential (unoccupied, ie. vacant lot)	739	189
25. Number of ETs for which developer charges were received	- ET	- ET
26. Total amount of pensioner rebates (actual dollars)	-\$ 11,138,226	\$ 1,250,754

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Wyong Shire Council

Special schedule No. 3 - Water supply cross subsidies
for the financial year ended 30 June 2015

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
27. Annual charges			
a. Does Council have best-practice water supply annual charges and usage charges*?	<input type="checkbox"/>	<input type="checkbox"/>	
If Yes, go to 28a.			
If No, please report if council has removed land value from access charges (ie rates)?			
NB. Such charges for both residential customers and non-residential customers comply with section 3.2 of Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy from residential customers using less than allowance (page 25 of Guidelines)			<input type="text"/>
c. Cross-subsidy to non-residential customers (page 24 of Guidelines)			<input type="text"/>
d. Cross-subsidy to large connections in unmetered supplies (page 26 of Guidelines)			<input type="text"/>
28. Developer charges			
a. Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/>	
b. Total cross-subsidy in water supply developer charges for 2012-13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
29. Disclosure of cross-subsidies			
Total of cross-subsidies (27b + 27c + 27d + 28b)			<input type="text" value="-"/>
<p>* Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above.</p> <p>However, disclosure of cross-subsidies is not required where a Council has implemented best practice pricing and is phasing in such pricing over a period of 3 years.</p>			

Wyong Shire Council

Special schedule No. 4 - Water supply statement of financial position

Includes internal transactions, ie. prepared on a gross basis.
as at 30 June 2015

\$'000	Actuals Current	Actuals Non-current	Actuals Total
Assets			
30. Cash and investments			
a. Developer charges	5,423	23,503	28,926
b. Special purpose grants	38	1,497	1,535
c. Accrued leave	339	-	339
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	411	-	411
31. Receivables			
a. Specific purpose grants	59	-	59
b. Rates and availability charges	882	-	882
c. User charges	14,044	1	14,045
d. Other	854	406	1,260
32. Inventories	-	-	-
33. Property, plant and equipment			
a. System assets	-	955,677	955,677
b. Plant and equipment	-	236	236
34. Other assets	-	34	34
35. Total assets	22,050	981,354	1,003,404
Liabilities			
36. Bank overdraft	-	-	-
37. Creditors	8,819	585	9,404
38. Borrowings			
a. Loans	10,825	171,119	181,944
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	1,950	200	2,150
40. Total liabilities	21,594	171,904	193,498
41. Net assets committed	456	809,450	809,906
Equity			
42. Accumulated surplus			352,890
43. Asset revaluation reserve			457,016
44. Total equity			809,906
Note to system assets:			
45. Current replacement cost of system assets			1,470,889
46. Accumulated current cost depreciation of system assets			(515,212)
47. Written down current cost of system assets			955,677

Wyong Shire Council

Special schedule No. 5 - Sewerage service income statement

Includes all internal transactions, ie. prepared on a gross basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	3,062	3,250
b. Engineering and supervision	-	-
2. Operation and maintenance expenses		
- Mains		
a. Operation expenses	1,669	1,703
b. Maintenance expenses	1,686	1,720
- Pumping Stations		
c. Operation expenses (excluding energy costs)	2,686	2,995
d. Energy costs	1,010	970
e. Maintenance expenses	2,234	2,511
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	5,286	4,552
g. Chemical costs	112	145
h. Energy costs	1,262	1,550
i. Effluent management	-	-
j. Biosolids management	-	-
k. Maintenance expenses	1,543	1,629
- Other		
l. Operation expenses	197	241
m. Maintenance expenses	68	116
3. Depreciation expenses		
a. System assets	12,857	12,510
b. Plant and equipment	318	338
4. Miscellaneous expenses		
a. Interest expenses	1,686	1,679
b. Revaluation decrements	-	-
c. Other expenses	-	-
d. Impairment - system assets	-	-
e. Impairment - plant and equipment	-	-
f. Aboriginal communities water and sewerage program	-	-
g. Tax equivalents dividends (actually paid)	-	-
5. Total expenses	35,676	35,909

Wyong Shire Council

Special schedule No. 5 - Sewerage service income statement (continued)

Includes all internal transactions, ie. prepared on a gross basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
Income		
6. Residential charges (including rates)	26,376	25,260
7. Non-residential charges		
a. Access (including rates)	1,977	2,261
b. Usage charges	1,029	466
8. Trade waste charges		
a. Annual fees	246	230
b. Usage charges	713	611
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	-	-
10. Interest income	1,851	1,812
11. Other income	384	439
11a. Aboriginal communities water and sewerage program	-	-
12. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	672	672
c. Other grants	45	5
13. Contributions		
a. Developer charges	2,403	1,239
b. Developer provided assets	1,544	556
c. Other contributions	-	-
14. Total income	37,240	33,551
15. Gain (or loss) on disposal of assets	(306)	-
16. Operating result	1,258	(2,358)
16a. Operating result (less grants for acquisition of assets)	1,258	(2,358)

Wyong Shire Council

Special schedule No. 5 - Sewerage service income statement (continued)

Includes all internal transactions, ie. prepared on a gross basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
B Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
a. New assets for improved standards	-	-
b. New assets for growth	1,794	776
c. Renewals	9,717	5,210
d. Plant and equipment	-	546
18. Repayment of debt		
a. Loans	1,169	955
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	12,680	7,487
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	5,900	-
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	5,900	-
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	58,045	57,633
b. Residential (unoccupied, ie. vacant lot)	914	826
c. Non-residential (occupied)	2,354	2,304
d. Non-residential (unoccupied, ie. vacant lot)	156	161
26. Number of ETs for which developer charges were received	- ET	- ET
27. Total amount of pensioner rebates (actual dollars)	\$ 1,220,980	\$ 1,221,615

Wyong Shire Council

Special schedule No. 5 - Sewerage service cross subsidies
for the financial year ended 30 June 2015

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
28. Annual charges			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees and charges**?	<input type="checkbox"/> yes	<input type="checkbox"/>	
If Yes, go to 29a.			
If No, please report if council has removed land value from access charges (ie rates)?			
<input type="checkbox"/>			
NB. Such charges for both residential customers and non-residential customers comply with section 4.2 and 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy to non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			<input type="text"/>
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/> yes	<input type="checkbox"/>	
b. Total cross-subsidy in sewerage developer charges for 2012-13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			<input type="text" value="-"/>
<p>* Councils which have not yet implemented best practice sewer pricing and liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.</p> <p>However, disclosure of cross-subsidies is not required where a Council has implemented best practice sewerage and liquid waste pricing and is phasing in such pricing over a period of 3 years.</p>			

Wyong Shire Council

Special schedule No. 6 - Sewerage service statement of financial position

Includes internal transactions, ie. prepared on a gross basis.
as at 30 June 2015

\$'000	Actuals Current	Actuals Non-current	Actuals Total
Assets			
31. Cash and investments			
a. Developer charges	14,437	-	14,437
b. Special purpose grants	-	-	-
c. Accrued leave	248	-	248
d. Unexpended loans	5,472	-	5,472
e. Sinking fund	-	-	-
f. Other	17,365	-	17,365
32. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and availability charges	1,037	2	1,039
c. User Charges	435	-	435
d. Other	2,014	9,690	11,704
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	712,134	712,134
b. Plant and equipment	-	282	282
35. Other assets	57	20	77
36. Total Assets	41,065	722,128	763,193
Liabilities			
37. Bank overdraft	-	-	-
38. Creditors	3,210	1,063	4,273
39. Borrowings			
a. Loans	1,687	27,070	28,757
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	1,411	156	1,567
41. Total Liabilities	6,308	28,289	34,597
42. Net assets committed	34,757	693,839	728,596
Equity			
42. Accumulated surplus			249,096
44. Asset revaluation reserve			479,501
45. Total equity			728,597
Note to system assets:			
46. Current replacement cost of system assets			1,058,097
47. Accumulated current cost depreciation of system assets			(345,963)
48. Written down current cost of system assets			712,134

Wyong Shire Council

Notes to special schedule No.'s 3 and 5
for the financial year ended 30 June 2015**Administration** ⁽¹⁾

(item 1a of special schedules 3 and 5) comprises the following:

- Administration staff:
- Meter reading.
- Bad and doubtful debts.
- Other administrative/corporate support services.

Engineering and supervision ⁽¹⁾

(item 1b of special schedules 3 and 5) comprises the following:

- Engineering staff:
- Other technical and supervision staff:

Operational expenses (item 2 of special schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of special schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

Other expenses (item 4c of special schedules 3 and 5) includes all expenses not recorded elsewhere.

Revaluation decrements (item 4b of special schedules 3 and 5) is to be used when I,PPE decreases in FV.

Impairment Losses (item 4d and 4e of special schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

Aboriginal Communities Water and Sewerage Program (item 4f of special schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal communities water and sewerage program. Similarly, income for item 11a of special schedule 3 and item 12a of special schedule 5 are for services provided to the Aboriginal communities water and sewerage program and is not part of Council's water supply and sewerage revenue.

Residential charges (2) (items 6a, 6b and item 6 of special schedules 3 and 5 respectively) include all income from residential charges. Item 6 of schedule 3 should be separated into 6a access charges (including rates if applicable) and 6b usage charges.

Non-residential charges (2) (items 7a, 7b of special schedules 3 and 5) include all income from non-residential charges separated into 7a access charges (including rates if applicable) and 7b usage charges.

Trade waste charges (item 8 of special schedule 5) include all income from trade waste charges separated into 8a annual fees, 8b usage charges and 8c excess mass charges and 8d re-inspection fees.

Other income (items 10 and 11 of special schedules 3 and 5 respectively) include all income not recorded elsewhere.

Other contributions (items 12c and 13c of special schedules 3 and 5 respectively) incl. capital contributions for water supply or sewerage services received by Council under Section 565 of the Local Government Act.

Notes:

⁽¹⁾ Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

⁽²⁾ To enable accurate reporting of **residential revenue from usage charges**, it is essential for Councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.

Wyong Shire Council

Special schedule No. 7 - Report on infrastructure assets
as at 30 June 2015

\$'000											
Asset class	Asset category	Estimated cost to bring up to a satisfactory standard refer (1)	Required annual maintenance refer (2)	Actual maintenance 2014-15 refer (3)	Written Down Value (WDV) refer (4)	Assets in condition as a % of WDV					
						1	2	3	4	5	
						refer (4) & (5)					
Buildings	Council offices / administration centres	-	574	633	23,532	54.1%	45.9%	0.0%	0.0%	0.0%	
	Council works depot	6	180	177	7,295	37.6%	52.5%	9.5%	0.4%	0.0%	
	Council public halls	-	212	613	8,580	56.9%	34.8%	8.3%	0.0%	0.0%	
	Libraries	-	111	52	4,511	86.4%	13.6%	0.0%	0.0%	0.0%	
	Cultural facilities	4	25	-	522	37.8%	48.2%	11.3%	2.7%	0.0%	
	Specialised buildings	105	2,310	1,353	95,601	67.2%	28.4%	4.2%	0.1%	0.1%	
	Non-specialised	305	111	153	1,098	20.2%	26.9%	50.6%	2.3%	0.0%	
	sub total	420	3,523	2,981	141,139	63.0%	32.5%	4.3%	0.1%	0.1%	
Other structures	Other structures	60	259	387	13,149	13.9%	39.5%	44.3%	2.3%	0.0%	
	sub total	60	259	387	13,149	13.9%	39.5%	44.3%	2.3%	0.0%	
Roads	Sealed roads surface	7,530	2,117	3,917	94,534	59.8%	29.2%	6.3%	4.5%	0.2%	
	Sealed roads structure	15,478	2,364	2,797	304,033	0.1%	46.4%	49.4%	4.1%	0.0%	
	Unsealed roads	-	165	904	4,850	0.0%	0.0%	100.0%	0.0%	0.0%	
	Bridges	574	335	148	11,925	63.6%	32.9%	2.8%	0.6%	0.1%	
	Footpaths	159	897	741	30,616	13.1%	80.7%	6.0%	0.2%	0.0%	
	Cycle ways	613	512	7	15,556	44.2%	41.0%	13.9%	0.9%	0.0%	
	Kerb and gutter	2,357	437	654	50,942	6.7%	31.7%	59.7%	1.8%	0.1%	
	Other	760	440	602	28,694	24.1%	58.3%	15.8%	1.6%	0.2%	
		sub total	27,471	7,267	9,770	541,150	15.8%	43.7%	37.0%	3.4%	0.1%

Wyong Shire Council

Special schedule No. 7 - Report on infrastructure assets (continued)
as at 30 June 2015

\$'000										
Asset class	Asset category	Estimated cost to bring up to a satisfactory standard refer (1)	Required annual maintenance refer (2)	Actual maintenance 2014-15 refer (3)	Written Down Value (WDV) refer (4)	Assets in condition as a % of WDV				
						1	2	3	4	5
Water supply network	Mains	-	4,065	3,490	203,044	5.2%	93.5%	1.3%	0.0%	0.0%
	Reservoirs	8	769	369	18,901	0.8%	97.7%	1.5%	0.0%	0.0%
	Pumping station/s	-	91	207	1,542	28.6%	61.5%	9.9%	0.0%	0.0%
	Treatment	-	6	-	145	100.0%	0.0%	0.0%	0.0%	0.0%
	Buildings	3	134	11	5,512	49.1%	43.2%	7.5%	0.2%	0.0%
	Water meters	1,818	177	85	3,165	51.5%	38.0%	0.0%	10.5%	0.0%
	Joint water supply assets	22	2,848	802	326,821	27.9%	71.6%	0.5%	0.0%	0.0%
	sub total	1,851	8,090	4,964	559,130	19.1%	79.9%	0.9%	0.1%	0.0%
Sewerage network	Mains	-	1,849	1,686	543,277	11.7%	75.5%	12.8%	0.0%	0.0%
	Pumping station/s	3,639	2,811	2,815	59,240	6.6%	69.2%	14.8%	9.4%	0.0%
	Treatment	3,934	1,363	1,528	69,306	2.5%	14.3%	64.4%	18.8%	0.0%
	Buildings	57	159	111	6,272	14.8%	39.3%	42.1%	3.8%	0.0%
	sub total	7,630	6,182	6,140	678,095	10.3%	68.4%	18.5%	2.8%	0.0%
Stormwater drainage	Retarding basins	-	351	728	70,178	0.0%	0.0%	100.0%	0.0%	0.0%
	Stormwater conduits	6,107	1,598	805	222,527	15.1%	41.7%	42.6%	0.1%	0.5%
	Inlet and junction pits	-	603	645	42,498	0.3%	59.0%	40.7%	0.0%	0.0%
	Head walls	-	47	-	6,422	0.1%	68.8%	31.1%	0.0%	0.0%
	Other (GPTs)	1,190	31	524	4,621	6.2%	63.8%	0.0%	30.0%	0.0%
	sub total	7,297	2,630	2,702	346,246	9.8%	36.2%	53.2%	0.5%	0.3%
Open space/recreational assets	Swimming pools	110	179	193	2,273	0.0%	91.8%	7.2%	1.0%	0.0%
	Other	242	841	3,938	39,149	26.9%	70.4%	1.4%	1.1%	0.2%
	sub total	352	1,020	4,131	41,422	25.4%	71.6%	1.7%	1.1%	0.2%

Wyong Shire Council

Special schedule No. 7 - Report on infrastructure assets (continued)
as at 30 June 2015

\$'000

Asset class	Asset category	Estimated cost to bring up to a satisfactory standard refer (1)	Required annual maintenance refer (2)	Actual maintenance 2014-15 refer (3)	Written Down Value (WDV) refer (4)	Assets in condition as a % of WDV 1 2 3 4 5 refer (4) & (5)				
Total - all assets		45,081	28,971	31,075	2,320,331	17.1%	58.3%	22.7%	1.7%	0.1%

By fund:

Total	General Fund	29,493	12,100	17,793	741,481	25.2%	43.2%	28.7%	2.8%	0.1%
Total	Wyong Water	15,588	16,871	13,282	1,578,850	13.3%	65.4%	19.9%	1.2%	0.1%

Notes:

- (1). Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate".
The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard.
This estimated cost should not include any planned enhancements (ie. to heighten, intensify or improve the facilities).
- (2). Required annual maintenance is "what should be spent to maintain assets in a satisfactory standard."
- (3). Actual maintenance is what has been spent in the current year to maintain the assets.
Actual maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.
- (4). Written Down Value is in accordance with Note 9 of Council's general purpose financial statements
- (5). **Infrastructure asset condition assessment "key"**

1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required
4	Poor	Renewal required
5	Very Poor	Urgent renewal/upgrading required

Wyong Shire Council

Special schedule No. 7 - Report on infrastructure assets (voluntary)
as at 30 June 2015

\$'000										
Asset class	Asset category	Estimated cost to bring up to a satisfactory standard refer (1)	Required annual maintenance refer (2)	Actual maintenance 2014/15 refer (3)	Gross Replacement Cost (GRC) refer (4)	Assets in Condition as a % of GRC				
						1	2	3	4	5
						refer (4) & (5)				
Buildings	Council offices / administration centres	-	574	633	27,330	52.3%	47.7%	0.0%	0.0%	0.0%
	Council works depot	6	180	177	8,556	35.1%	51.3%	13.2%	0.4%	0.0%
	Council public halls	-	212	613	10,087	55.3%	36.6%	8.1%	0.0%	0.0%
	Libraries	-	111	52	5,294	86.3%	13.7%	0.0%	0.0%	0.0%
	Cultural facilities	4	25	-	1,206	18.9%	72.1%	7.2%	1.8%	0.0%
	Specialised buildings	105	2,310	1,353	110,004	64.8%	29.8%	5.1%	0.2%	0.1%
	Non-specialised	305	111	153	5,273	9.7%	31.1%	38.8%	14.9%	5.5%
	sub total	420	3,523	2,981	167,750	59.3%	34.1%	5.8%	0.6%	0.2%
Other structures	Other structures	60	259	387	17,269	12.0%	39.6%	46.4%	2.0%	0.0%
	sub total	60	259	387	17,269	12.0%	39.6%	46.4%	2.0%	0.0%
Roads	Sealed roads surface	7,530	2,117	3,917	141,104	50.9%	32.4%	8.0%	8.1%	0.6%
	Sealed roads structure	15,478	2,364	2,797	472,803	0.0%	41.2%	53.3%	5.4%	0.1%
	Unsealed roads	-	165	904	16,534	0.0%	0.0%	100.0%	0.0%	0.0%
	Bridges	574	335	148	16,752	50.4%	39.1%	5.6%	2.7%	2.2%
	Footpaths	159	897	741	44,858	9.5%	82.2%	7.7%	0.6%	0.0%
	Cycle ways	613	512	7	25,644	30.1%	41.8%	24.2%	3.8%	0.1%
	Kerb and gutter	2,357	437	654	87,369	4.2%	25.5%	65.9%	3.9%	0.5%
	Other	760	440	602	43,964	18.4%	59.4%	19.4%	2.4%	0.4%
	sub total	27,471	7,267	9,770	849,028	12.2%	40.4%	42.0%	5.1%	0.3%

Wyong Shire Council

Special schedule No. 7 - Report on infrastructure assets (voluntary) (continued)
as at 30 June 2015

\$'000										
Asset class	Asset category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Replacement Cost (GRC) refer (4)	Assets in Condition as a % of GRC				
						1	2	3	4	5
Water supply network	Mains	-	4,065	3,490	406,465	2.8%	95.5%	1.7%	0.0%	0.0%
	Reservoirs	8	769	369	38,444	0.6%	89.5%	9.8%	0.1%	0.0%
	Pumping station/s	-	91	207	4,553	10.0%	58.4%	31.6%	0.0%	0.0%
	Treatment	-	6	-	145	100.0%	0.0%	0.0%	0.0%	0.0%
	Buildings	3	134	11	6,397	45.9%	45.7%	8.1%	0.3%	0.0%
	Water meters	1,818	177	85	8,860	21.6%	57.9%	0.0%	20.5%	0.0%
	Joint water supply assets	22	2,848	802	491,488	19.9%	77.5%	2.5%	0.1%	0.0%
	sub total	1,851	8,090	4,964	956,352	12.0%	85.1%	2.6%	0.2%	0.0%
Sewerage network	Mains	-	1,849	1,686	739,553	9.4%	75.6%	15.0%	0.0%	0.0%
	Pumping station/s	3,639	2,811	2,815	140,565	3.7%	70.2%	11.3%	14.8%	0.0%
	Treatment	3,934	1,363	1,528	136,324	1.3%	10.1%	72.1%	16.5%	0.0%
	Buildings	57	159	111	7,546	13.6%	38.1%	44.0%	4.3%	0.0%
	sub total	7,630	6,182	6,140	1,023,988	7.6%	65.9%	22.3%	4.3%	0.0%
Stormwater drainage	Retarding basins	-	351	728	70,178	0.0%	0.0%	100.0%	0.0%	0.0%
	Stormwater conduits	6,107	1,598	805	319,533	13.4%	39.6%	44.5%	0.3%	2.2%
	Inlet and junction pits	-	603	645	60,249	0.2%	57.1%	42.7%	0.0%	0.0%
	Head walls	-	47	-	9,502	0.1%	67.4%	32.5%	0.0%	0.0%
	Other (GPTs)	1,190	31	524	6,222	4.7%	63.4%	0.0%	31.9%	0.0%
	sub total	7,297	2,630	2,702	465,684	9.3%	36.8%	51.8%	0.6%	1.5%
Open space/ recreational assets	Swimming pools	110	179	193	5,960	0.0%	85.5%	4.0%	10.5%	0.0%
	Other	242	841	3,938	56,047	27.5%	67.6%	2.9%	1.8%	0.2%
	sub total	352	1,020	4,131	62,007	24.9%	69.3%	3.0%	2.6%	0.2%

Wyong Shire Council

Special schedule No. 7 - Report on infrastructure assets voluntary (continued) as at 30 June 2015

\$'000										
Asset class	Asset category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Replacement Cost (GRC) refer (4)	Assets in Condition as a % of GRC				
						1	2	3	4	5
						refer (4) & (5)				
Total - all assets		45,081	28,971	31,075	3,542,078	12.9%	59.6%	24.6%	2.7%	0.3%
By fund:										
Total	General Fund	29,493	12,100	17,793	1,102,276	20.1%	41.2%	34.1%	4.4%	0.3%
Total	Wyong Water	15,588	16,871	13,282	2,439,802	9.6%	67.9%	20.3%	1.9%	0.3%

Notes:

- (1). Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate".
The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard.
- (2). This estimated cost should not include any planned enhancements (ie. to heighten, intensify or improve the facilities).
Required annual maintenance is "what should be spent to maintain assets in a satisfactory standard."
- (3). Actual maintenance is what has been spent in the current year to maintain the assets.
Actual maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.
- (4). Gross Replacement Cost is in accordance with Note 9 of Council's general purpose financial statements
- (5). Infrastructure Asset Condition Assessment "Key"

1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required
4	Poor	Renewal required
5	Very Poor	Urgent renewal/upgrading required

Wyong Shire Council

Special schedule No. 7 - Report on infrastructure assets (continued)
for the financial year ended 30 June 2015

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 2014 2013	
Infrastructure asset performance indicators consolidated				
1. Building, infrastructure and other structures renewals ratio				
Asset renewals				
(building, infrastructure and other structures) ⁽¹⁾	<u>53,180</u>	100.34%	112.74%	72.81%
Depreciation, amortisation and impairment	<u>52,998</u>			
<i>Note: 2014 comparatives have been updated to include other structures</i>				
2. Infrastructure backlog ratio				
(a) Based on Written Down Value of infrastructure assets				
Estimated cost to bring assets to a satisfactory condition	<u>45,081</u>	1.94%	3.09%	8.22%
Total written down value of infrastructure, building, other structures and depreciable land improvement assets	<u>2,320,331</u>			
(b) Based on Gross Replacement Cost of infrastructure assets				
Estimated cost to bring assets to a satisfactory condition	<u>45,081</u>	1.27%	2.00%	5.38%
Total gross replacement cost of infrastructure, building, other structures and depreciable land improvement assets	<u>3,542,078</u>			
3. Asset maintenance ratio				
Actual asset maintenance	<u>31,075</u>	1.07	1.00	0.91
Required asset maintenance	<u>28,971</u>			
4. Capital expenditure ratio				
Annual capital expenditure	<u>92,083</u>	1.52	1.43	1.36
Annual depreciation	<u>60,751</u>			

Notes

- ⁽¹⁾ Asset renewals represent the replacement and/or refurbishment of existing assets. Asset renewals include building, infrastructure and other structure assets only.

Special Schedules 2015

Wyong Shire Council

Special schedule No. 7 - Report on infrastructure assets (continued)
for the financial year ended 30 June 2015

<p>1. Building, infrastructure and other structures renewals ratio</p> <p>Benchmark: Minimum $\geq 100.00\%$ Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of asset renewals ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p>Commentary on 2014-15 Result</p> <p>2014-15 Ratio 100.34%</p> <p>A ratio of 1:1 indicates that the amount spent on asset renewals equals the amount of depreciation. Council's performance has improved in recent years due to the allocation of revenue from Council's Special Rate Variation to infrastructure renewal works. Council remains committed to maintaining financial sustainability and decreasing the infrastructure backlog.</p> <p>Ratio is within Benchmark Ratio is outside Benchmark</p>
<p>2a. Infrastructure backlog ratio (written down value)</p> <p>Benchmark: Maximum < 0.02 Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of infrastructure backlog ratio</p> <p>This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.</p>	<p>Commentary on 2014-15 Result</p> <p>2014-15 Ratio 1.94%</p> <p>In June 2013, Council was successful in gaining approval for a Special Rate Variation for a period of 4 years. In accordance with the IPART approval, the additional rate income must be used to reduce the funding shortfall required to return Council's General Fund assets to a satisfactory condition. Council has allocated this funding to addressing the backlog, beginning to reverse a long-term decline in asset conditions and has led to an improvement to this ratio.</p> <p>Ratio is within Benchmark Ratio is outside Benchmark</p>
<p>3. Asset maintenance ratio</p> <p>Benchmark: Minimum > 1.00 Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of asset maintenance ratio</p> <p>Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the Infrastructure Backlog growing.</p>	<p>Commentary on 2014-15 Result</p> <p>2014-15 Ratio 1.07 x</p> <p>Council's asset maintenance ratio has exceeded the benchmark of 1. Council will continue to work to maintain and improve this benchmark.</p> <p>Ratio is within Benchmark Ratio is outside Benchmark</p>
<p>4. Capital expenditure ratio</p> <p>Benchmark: Minimum > 1.10 Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of capital expenditure ratio</p> <p>To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.</p>	<p>Commentary on 2014-15 Result</p> <p>2014-15 Ratio 1.52 x</p> <p>Council's capital expenditure ratio continues to be above benchmark reflecting its significant capital expenditure program, and ongoing commitment to addressing the infrastructure backlog.</p> <p>Ratio is within Benchmark Ratio is outside Benchmark</p>

Wyong Shire Council

Special schedule No. 7 - Report on infrastructure assets (continued)
for the financial year ended 30 June 2015

\$ '000	Water 2015	Sewer 2015	General ⁽¹⁾ 2015
Infrastructure asset performance indicators By Fund			
1. Building, infrastructure and other structures renewals ratio			
Asset renewals			
(Building, infrastructure and other structures) ⁽²⁾	67.59%	74.72%	143.36%
Depreciation, amortisation and impairment	prior period: 106.37%	45.48%	165.94%
2. Infrastructure backlog ratio			
(a) Based on Written Down Value of Infrastructure Assets			
Estimated cost to bring assets to a satisfactory condition	0.88%	1.12%	3.91%
Total written down value of infrastructure, building, other structures and depreciable land improvement assets	prior period: 1.36%	0.84%	6.23%
(b) Based on Gross Replacement Cost of Infrastructure Assets			
Estimated cost to bring assets to a satisfactory condition	0.56%	0.75%	2.68%
Total gross replacement cost of infrastructure, building, other structures and depreciable land improvement assets	prior period: 1.18%	0.57%	4.64%
3. Asset maintenance ratio			
Actual asset maintenance	0.67	0.99	1.47
Required asset maintenance	prior period: 0.92	1.23	0.95
4. Capital expenditure ratio			
Annual capital expenditure	0.91	0.87	2.15
Annual depreciation	prior period: 1.19	0.51	2.04

Notes

⁽¹⁾ General Fund refers to all of Council's activities except for its Water and Sewer activities which are listed separately.

⁽²⁾ Asset renewals represent the replacement and/or refurbishment of existing assets.
Asset renewals include building, infrastructure and other structure assets only.

Wyong Shire Council

Special schedule No. 9 - Permissible income calculation
for the financial year ended 30 June 2016

\$'000		Calculation 2014-15	Calculation 2015-16
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	67,907	72,629
Plus or minus adjustments ⁽²⁾	b	29	184
Notional general income	$c = (a + b)$	67,936	72,813
Permissible income calculation			
Special variation percentage ⁽³⁾	d	6.90%	6.90%
or Rate peg percentage	e		
or Crown land adjustment (incl. rate peg percentage)	f		
less expiring special variation amount	g	-	-
plus special variation amount	$h = d \times (c - g)$	4,688	5,024
or plus rate peg amount	$i = e \times c$	-	-
or plus Crown land adjustment and rate peg amount	$j = c \times f$	-	-
sub-total	$k = (g + h + i + j)$	72,624	77,838
plus (or minus) last year's carry forward total	l	15	1
less valuation objections claimed in the previous year	m	(20)	(11)
sub-total	$n = (j + m)$	(5)	(10)
Total permissible income	$o = k + n$	72,619	77,828
less notional general income yield	p	72,629	77,834
Catch-up or (excess) result	$q = o - p$	(10)	(6)
plus Income lost due to valuation objections claimed ⁽⁴⁾	r	11	9
less Unused catch-up ⁽⁵⁾	s	-	-
Carry forward to next year	$t = q + r - s$	1	3

Notes

- The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called "supplementary valuations" as defined in the Valuation of Land Act 1916.
- The special variation percentage is inclusive of the rate peg percentage and where applicable crown land adjustment.
- Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from councils' special schedule 9 in the Financial Data Return (FDR) to administer this process.



The Wyong Shire Council

Independent auditor's report Report on the Special Schedule No. 9

Report on the Special Schedule No. 9

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 9) of the Wyong Shire Council ("the Council") for the year ending 30 June 2016.

Councillors' responsibility for Special Schedule No. 9

The Councillors of the Council are responsible for the preparation and fair presentation of Special Schedule No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 23. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 9 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on Special Schedule No. 9 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 9 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 9, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 9.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

PricewaterhouseCoopers, ABN 52 780 433 757

Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171

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**Audit Opinion**

In our opinion, Special Schedule No. 9 of the Wyong Shire Council for the year ending 30 June 2016 is properly drawn up in all material respects in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Restriction on distribution

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of the total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose. Our report is intended solely for the council and the Office of Local Government.

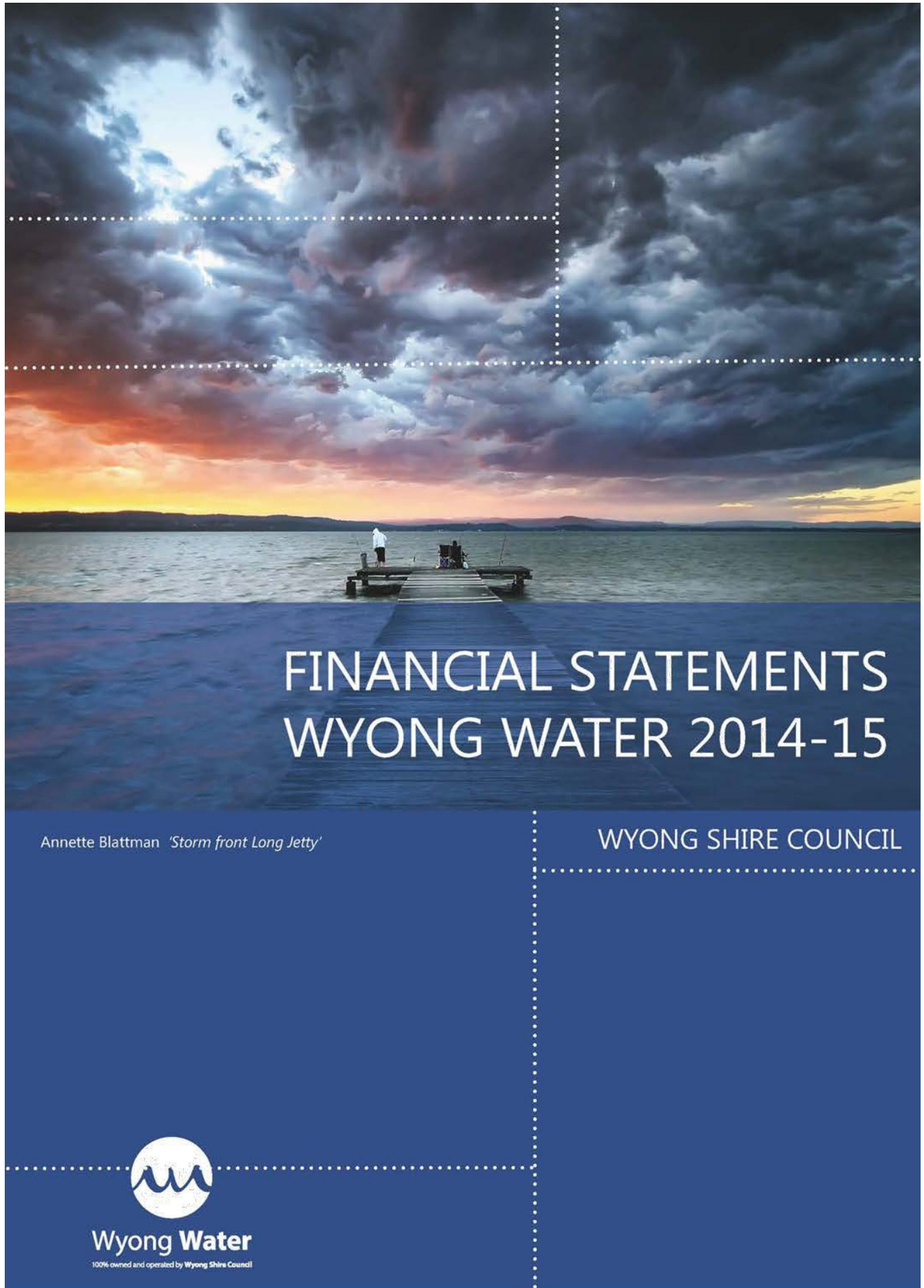
A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz'.

Peter Buchholz
Partner

Sydney
16 October 2015



Wyong Water

Financial statements

for the financial year ended 30 June 2015

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Overview

- (i) These financial statements cover the consolidated operations for Wyong Water.
- (ii) Wyong Water is a water supply authority by proclamation of the Water Management Act 2000 and carries out the following functions:
- maintain and operate water management works and other associated works including sewerage and drainage services, and
 - to conduct research, collect information and develop technology in relation to water management.
- (iii) All figures presented in these financial statements are presented in Australian currency.
- (iv) These financial statements were authorised for issue by Wyong Water on 28 October 2015. Wyong Water has the power to amend and reissue these financial statements.
-

Financial Statements 2015

Wyong Water

Financial statements

for the financial year ended 30 June 2015

Statement by Councillors

made pursuant to Section 41c(1b) and (1c) of the Public Finance and Audit Act 1983


The attached financial statements have been prepared in accordance with:

- The Public Finance and Audit Act 1983 and The Public Finance and Audit Regulation 2015.
- The Australian Accounting Standards (which include Australian Accounting Interpretations).
- The Local Government Code of Accounting Practice and Financial Reporting.


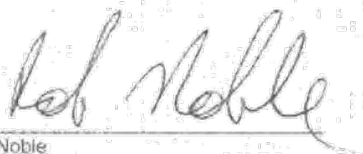
To the best of our knowledge and belief, these financial statements exhibit the true and fair financial position and financial performance of Wyong Water.

We are not aware of any matter that would render any particulars included in the financial statements to be misleading or inaccurate.


Signed in accordance with a resolution of Council made on 14 October 2015.



Doug Eaton
MAYOR


Lynne Webster
COUNCILLOR

Rob Noble
ACTING CHIEF EXECUTIVE OFFICER


Stephen Naven
RESPONSIBLE ACCOUNTING OFFICER

Financial Statements 2015

Wyong Water

Income statement

for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
Income from continuing operations				
Revenue:				
45,670	Rates and annual charges	3a	46,092	44,220
32,455	User charges and fees	3b	30,390	29,260
3,263	Interest and investment revenue	3c	2,671	3,192
43	Other revenues	3d	304	177
1,833	Grants and contributions provided for operating purposes	3e,f	1,615	1,713
3,939	Grants and contributions provided for capital purposes	3e,f	9,454	5,730
<u>87,203</u>	Total income from continuing operations		<u>90,526</u>	<u>84,292</u>
Expenses from continuing operations				
13,007	Employee benefits and on-costs	4a	14,726	13,937
14,200	Borrowing costs	4b	13,668	14,863
7,765	Materials and contracts	4c	8,217	7,747
30,375	Depreciation and amortisation	4d	30,646	29,441
-	Impairment	4d	-	-
24,218	Other expenses	4e	21,238	22,282
-	Net losses from the disposal of assets	5	794	291
<u>89,565</u>	Total expenses from continuing operations		<u>89,289</u>	<u>88,561</u>
<u>(2,362)</u>	Operating result from continuing operations		<u>1,237</u>	<u>(4,269)</u>
Discontinued operations				
-	Operating result from discontinued operations	24	-	-
<u>(2,362)</u>	Net operating result for the year		<u>1,237</u>	<u>(4,269)</u>
(2,362)	Net operating result attributable to Wyong Water		1,237	(4,269)
-	Net operating result attributable to non-controlling interests		-	-
<u>(6,301)</u>	Net operating result for the year before grants and contributions provided for capital purposes		<u>(8,217)</u>	<u>(9,999)</u>

¹ Original budget as approved by Council - refer Note 16

Financial Statements 2015

Wyong Water

Statement of comprehensive income
for the financial year ended 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
Net operating result for the year (as per Income Statement)		1,237	(4,269)
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	20b (ii)	115,367	34,344
Total items which will not be reclassified subsequently to the operating result		115,367	34,344
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
Total other comprehensive income for the year		115,367	34,344
Total comprehensive income for the year		116,604	30,075
Total comprehensive income attributable to Wyong Water		116,604	30,075
Total comprehensive income attributable to non-controlling interests		-	-

This Statement should be read in conjunction with the accompanying Notes.

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Financial Statements 2015

Wyong Water

Statement of financial position
as at 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
Assets			
Current assets			
Cash and cash equivalents	6a	12,899	15,269
Investments	6b	30,834	21,492
Receivables	7	19,075	18,538
Inventories	8	-	503
Other	8	57	-
Non-current assets classified as "held for sale"	22	-	-
Total current assets		62,865	55,802
Non-current assets			
Investments	6b	25,000	25,000
Receivables	7	409	433
Inventories	8	-	-
Infrastructure, property, plant and equipment	9	1,668,329	1,556,989
Investments accounted for using the equity method	19	-	-
Investment property	14	-	-
Intangible assets	25	54	89
Total non-current assets		1,693,792	1,582,511
Total assets		1,756,657	1,638,313
Liabilities			
Current liabilities			
Payables	10	12,031	13,497
Borrowings	10	12,261	10,819
Provisions	10	3,361	3,720
Total current liabilities		27,653	28,036
Non-current liabilities			
Payables	10	1,648	2,821
Borrowings	10	188,499	185,386
Provisions	10	356	173
Total non-current liabilities		190,503	188,380
Total liabilities		218,156	216,416
Net assets		1,538,501	1,421,897
Equity			
Retained earnings	20	601,984	600,747
Revaluation reserves	20	936,516	821,150
Council equity interest		1,538,501	1,421,897
Non-controlling equity interests		-	-
Total equity		1,538,501	1,421,897

This Statement should be read in conjunction with the accompanying Notes.

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Wyong Water

Statement of changes in equity
for the financial year ended 30 June 2015

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	WSA controlling Interest	Non-Interest	Total Equity
2015						
Opening balance (as per last year's audited accounts)		600,747	821,150	1,421,897	-	1,421,897
a. Correction of prior period errors	20 (c)	-	-	-	-	-
b. Changes in accounting policies (prior year effects)	20 (d)	-	-	-	-	-
Revised opening balance (as at 1/7/14)		600,747	821,150	1,421,897	-	1,421,897
c. Net operating result for the year		1,237	-	1,237	-	1,237
d. Other comprehensive income						
- Revaluations : IPP&E asset revaluation reserve	20b (ii)	-	115,367	115,367	-	115,367
- Revaluations: other reserves	20b (ii)	-	-	-	-	-
- Transfers to income statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
Other comprehensive income		-	115,367	115,367	-	115,367
Total comprehensive income (c&d)		1,237	115,367	116,604	-	116,604
e. Distributions to/(contributions from) non-controlling interests		-	-	-	-	-
f. Transfers between equity		-	-	-	-	-
Equity - balance at end of the reporting period		601,984	936,516	1,538,501	-	1,538,501

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	WSA controlling Interest	Non-Interest	Total Equity
2014						
Opening balance (as per last year's audited accounts)		605,016	786,806	1,391,822	-	1,391,822
a. Correction of prior period errors	20 (c)	-	-	-	-	-
b. Changes in accounting policies (prior year effects)	20 (d)	-	-	-	-	-
Revised opening balance (as at 1/7/13)		605,016	786,806	1,391,822	-	1,391,822
c. Net operating result for the year		(4,269)	-	(4,269)	-	(4,269)
d. Other comprehensive income						
- Revaluations : IPP&E asset revaluation reserve	20b (ii)	-	34,344	34,344	-	34,344
- Revaluations: other reserves	20b (ii)	-	-	-	-	-
- Transfers to income statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
Other comprehensive income		-	34,344	34,344	-	34,344
Total comprehensive income (c and d)		(4,269)	34,344	30,075	-	30,075
e. Distributions to/(contributions from) non-controlling interests		-	-	-	-	-
f. Transfers between equity		-	-	-	-	-
Equity - balance at end of the reporting period		600,747	821,150	1,421,897	-	1,421,897

This Statement should be read in conjunction with the accompanying Notes.

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Financial Statements 2015

Wyong Water

Statement of cash flows

for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
Cash flows from operating activities				
Receipts:				
45,558	Rates and annual charges		46,092	44,220
31,977	User charges and fees		27,580	27,905
3,248	Investment and interest revenue received		2,688	3,207
4,189	Grants and contributions		7,574	4,388
-	Bonds, deposits and retention amounts received		5	19
125	Other		559	1,720
Payments:				
(13,017)	Employee benefits and on-costs		(15,232)	(14,555)
(7,203)	Materials and contracts		(6,434)	(9,173)
(14,214)	Borrowing costs		(13,668)	(14,863)
(24,218)	Other		(23,788)	(16,653)
<u>26,445</u>	Net cash provided (or used in) operating activities	11b	<u>25,376</u>	<u>26,215</u>
Cash flows from investing activities				
Receipts:				
-	Sale of investment securities		24,917	49,422
-	Sale of infrastructure, property, plant and equipment		59	10
Payments:				
(33,151)	Purchase of investment securities		(34,259)	(54,539)
-	Purchase of infrastructure, property, plant and equipment		(23,018)	(21,931)
<u>(33,151)</u>	Net cash provided (or used in) investing activities		<u>(32,301)</u>	<u>(27,038)</u>
Cash flows from financing activities				
Receipts:				
9,000	Proceeds from borrowings and advances		15,900	-
Payments:				
(10,819)	Repayment of borrowings and advances		(11,345)	(10,313)
<u>(1,819)</u>	Net cash flow provided (used in) financing activities		<u>4,555</u>	<u>(10,313)</u>
(8,525)	Net increase/(decrease) in cash and cash equivalents		(2,370)	(11,136)
15,269	plus: Cash and cash equivalents - beginning of year	11a	15,269	26,405
<u>6,744</u>	Cash and cash equivalents - end of the year	11a	<u>12,899</u>	<u>15,269</u>
Additional Information:				
	plus: Investments on hand - end of year	6b	55,834	46,492
	Total cash, cash equivalents and investments		<u>68,733</u>	<u>61,761</u>

Please refer to Note 11 for information on the following:

- Non-cash financing and investing activities.
- Financing arrangements.
- Net cash flow disclosures relating to any discontinued operations.

This Statement should be read in conjunction with the accompanying Notes.

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Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

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Wyang Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Wyang Shire Council, within its overall statutory responsibilities, is a statutory authority for water supply and related purposes, under the Water Management Act 2000. The principal business office of the Wyong Shire Council Water Supply Authority (now known as Wyong Water) is at 2 Hely St, Wyong NSW 2259. Wyong Water controls resources to carry out water supply, sewerage, stormwater drainage and ancillary activities within the Wyong local government area and these functions have been consolidated in these financial statements.

The financial statements have been authorised for use in accordance with the resolution of Council on 14 October 2015.

(a) Basis of preparation

These financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the Local Government Act (1993) and Regulation, and the Local Government Code of Accounting Practice and Financial Reporting. Wyong Water is a not-for-profit entity for the purpose of preparing the financial statements.

New and amended standards adopted by Wyong Water

During the current year, the following relevant standards became mandatory for Wyong Water and have been adopted:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosures of Interests in Other Entities

AASB 10 introduced a new definition of control based on the substance of the relationship and required Wyong Water to consider its involvement with other entities regardless of whether there was a financial interest.

AASB 11 classified joint arrangements into either joint ventures (equity accounting) or joint operations (accounting for share of assets and liabilities).

AASB 12 has increased the level of disclosures required where Wyong Water has any interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities.

Early adoption of standards

Wyang Water has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2014.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of property, plant and equipment and investment property.

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Wyang Water makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

- (i) Estimated fair values of infrastructure, property, plant and equipment.

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

Significant judgements in applying the entity's accounting policies

- (i) Impairment of receivables – Wyong Water has made a significant judgement about the impairment of a number of its receivables in Note 7.
- (ii) Projected Section 94 commitments – Wyong Water has used significant judgement in determining future Section 94 income and expenditure in Note 17.

(b) Revenue recognition

Wyong Water recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Wyong Water's activities as described below. Wyong Water bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

Annual charges, grants and contributions

Annual charges, grants and contributions (including developer contributions) are recognised as revenues when Wyong Water obtains control over the assets comprising these receipts. Developer contributions may only be expended for the purposes for which the contributions were required but Wyong Water may apply contributions according to the priorities established in work schedules.

Control over assets acquired from annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the charges.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Revenue is recognised when Wyong Water obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to Wyong Water

and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at reporting date, the unused grant or contribution is disclosed in Note 3(g). The note also discloses the amount of unused grant or contribution from prior years that was expended on Wyong Water operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

User charges and fees

User charges and fees are recognised as revenue when the service has been provided, or the payment is received, whichever first occurs.

Sale of plant, property, infrastructure and equipment

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Interest

Interest income is recognised using the effective interest rate at the date that interest is earned.

Rent

Rental income is accounted for in accordance with the terms of the lease.

Other income

Other income is recorded when the payment is due, the value of the payment is notified or the payment is received, whichever occurs first.

Dedications

Dedicated assets contributed to Wyong Water are recognised at the fair value of the consideration received for each asset.

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

(c) Principles of consolidation

These financial statements represent the consolidation of the Water and Sewer Funds.

The notional cash and investment assets of Wyong Water are represented in practice by an equity interest in the general cash and investment assets of Wyong Shire Council as a whole, and all investment assets and bank accounts are held in the name of Wyong Shire Council.

Interests in other entities

Joint Arrangements

AASB 11 Joint Arrangements defines a joint arrangement as an arrangement of which two or more parties have joint control and classifies these arrangements as either joint ventures or joint operations. Wyong Water has determined that it has joint operations.

Joint operations

In relation to its joint operations, where the venturer has the rights to the individual assets and obligations arising from the arrangement, Wyong Water has recognised:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its revenue from the sale of its share of the output arising from the joint operation
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

These figures are incorporated into the relevant line item in the primary statements as well as Note 19.

(d) Leases

Leases of property, plant and equipment where Wyong Water, as lessee, has substantially all the risks and rewards of ownership, are classified as finance leases. Wyong Water currently has no finance lease obligations.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Wyong Water as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases where Wyong Water is a lessor is recognised in the income statement in accordance with the terms of the lease.

(e) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where an asset is not held principally for cash generating purposes and would be replaced if Wyong Water was deprived of it then depreciated replacement cost is used as value in use, otherwise value in use is estimated by using a discounted cash flow model.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Cash and cash equivalents

For Statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

(g) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Wyong Water will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(h) Inventories

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw material. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased

inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Investments and other financial assets

Classification

Wyong Water classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Wyong Water's management has the positive intention and ability to hold to maturity. If Wyong Water were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which Wyong Water commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council, on behalf of Wyong Water, has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the

income statement as part of revenue from continuing operations when Wyong Water's right to receive payments is established.

Impairment

Wyong Water assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(i) Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the entity may measure impairment on the basis of an instrument's fair value using an observable market price.

Investment policy

Council, on behalf of Wyong Water, has an approved investment policy complying with Section 625 of the Local Government Act and Section 212 of the Local Government (General) Regulation 2005. Investments are placed and managed in accordance with that policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order. Council also maintains an investment policy that complies with the Act and ensures that it or its representatives exercise

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

care, diligence and skill that a prudent person would exercise in investing Wyong Water's funds.

Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations. As at the reporting date, Council does not hold any investments that are not prescribed.

(j) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council, on behalf of Wyong Water, uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to Wyong Water for similar financial instruments.

(k) Infrastructure, property, plant and equipment (IPPE)

Wyong Water's IPPE assets have been progressively revalued to fair value in accordance with a staged implementation advised by the Office of Local Government. At reporting date the following classes of IPPE were stated at their fair value:

- Operational land (external valuation)
- Buildings – specialised/non-specialised (external valuation)

- Water/Sewerage networks (internal valuation)
- Plant and equipment (as approximated by depreciated historical cost)
- Road assets – roads including other road related assets, bridges and footpaths (internal valuation)
- Drainage assets – (internal valuation)
- Bulk earthworks – (internal valuation)
- Land Improvements (as approximated by depreciated historical cost)
- Other structures (as approximated by depreciated historical cost)
- Other assets (as approximated by depreciated historical cost)

Water and sewerage network assets are indexed annually between full revaluations in accordance with the latest indices provided in the NSW Office of Water – Rates Reference Manual. For all other assets, Wyong Water assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date. If any such indication exists, Wyong Water determines the asset's fair value and revalues the asset to that amount. Full revaluations are undertaken for all assets on a 5 year cycle.

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised in profit or loss.

Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income statement.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

economic benefits associated with the item will flow to Wyong Water and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land, bulk earthworks, detention basins and wetlands (part of the Stormwater Drainage asset class) are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and equipment	2 to 35 years
Office equipment	2 to 10 years
Furniture and fittings	5 to 20 years
Buildings - specialised	8 to 150 years
Other structures	5 to 100 years
Roads - car parks	15 to 63 years
Stormwater drainage	25 to 182 years
Water supply network	15 to 150 years
Sewerage network	15 to 100 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Land, other than land under roads, is classified as either operational or community in accordance with Part 2 of Chapter 6 of the Local Government Act (1993). This classification is made in Note 9(a).

(l) Payables

These amounts represent liabilities for goods and services provided to Wyong Water prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

Borrowings are classified as current liabilities unless Wyong Water has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(n) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(o) Provisions

Provisions are recognised when Wyong Water has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(p) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement

for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Retirement benefit obligations

All employees of Wyong Water are entitled to benefits on retirement, disability or death. Wyong Water contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Defined benefit plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the statement of financial position, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service.

However, when this information is not reliably available, Wyong Water accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans ie. as an expense when it becomes payable.

Also refer to Note 18 for further information.

(q) Rounding of amounts

Unless otherwise indicated, amounts in the financial statements have been rounded off to the nearest thousand dollars.

(r) Self insurance

Council, on behalf of Wyong Water, has decided to self-insure for workers compensation risks. A provision for self-insurance has been made to recognise outstanding claims the amount of which is detailed in Note 10. Wyong Water also maintains

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

cash and investments to meet expected future claims and these are detailed in Note 6(c).

(s) Intangible assets

IT development and software

Council, on behalf of Wyong Water, has acquired, under a managed service arrangement, a licence to access information technology services. In conjunction with this contract, Wyong Water has incurred a number of costs including system build costs, software and hardware licences, as well as direct costs of materials and labour. Wyong Water's contribution to these costs have been capitalised as an intangible asset and amortised on a straight line basis over the period of the contract.

(t) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(u) New accounting standards and interpretations issued not yet effective

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2015.

Wyong Water has not adopted any of these standards early.

Apart from the AASB disclosures below, there are no other standards that are "not yet effective" which are expected to have a material impact on Wyong Water

Authority in the current or future reporting periods and on foreseeable future transactions

Wyong Water's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 - Financial Instruments and associated amending standards

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- Fair value, and
- Amortised cost (where financial assets will only be able to be measured at amortised cost where very specific conditions are met).

AASB 15 - Revenue from contracts with customers and associated amending standards

AASB 15 will introduce a five step process for revenue recognition with the core principle of the new Standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The full impact of AASB 15 has not yet been ascertained or quantified.

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 1. Summary of significant accounting policies

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2017.

AASB 124 - Related Party Disclosures

From 1 July 2016, AASB 124 Related Party Disclosures will apply to Wyong Water.

This means that Wyong Water will be required to disclose information about related parties and Wyong Water's transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Wyong Water staff. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

AASB 2014 - 3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]

This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.

The amendments require:

- (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and
- (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

This Standard also makes an editorial correction to AASB 11.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

If a joint operation is acquired during the reporting period, then this standard clarifies the accounting for the acquisition to be in accordance with AASB 3, i.e. assets and liabilities acquired to be measured at fair value.

(v) Rounding of amounts

Unless otherwise indicated, amounts in the financial statements have been rounded off to the nearest thousand dollars.

(w) Comparative Figures

To ensure comparability with the current reporting period figures, some comparative period line items and amounts may have been reclassified or individually reported within these financial statements and/or the notes.

(x) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 2(a). Functions / activities - financial information

\$ '000	Income, expenses and assets have been directly attributed to the following functions / activities. Details of these functions/activities are provided in Note 2(b).												
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations		Total assets held (current and non-current)	
	Original budget 2015	Actual 2015	Actual 2014	Original budget 2015	Actual 2015	Actual 2014	Original budget 2015	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Functions/activities													
Water supply	53,379	53,508	50,741	52,890	53,307	52,652	489	201	(1,911)	958	1,884	1,003,404	891,553
Sewerage services	33,824	37,018	33,551	36,675	35,982	35,909	(2,851)	1,036	(2,358)	718	677	763,193	746,760
Total functions and activities	87,203	90,526	84,292	89,565	89,289	88,561	(2,362)	1,237	(4,269)	1,676	2,561	1,756,657	1,638,313
Share of gains/(losses) in associates and joint ventures (using the equity method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General purpose income ¹	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating result from continuing operations	87,203	90,526	84,292	89,565	89,289	88,561	(2,362)	1,237	(4,269)	1,676	2,561	1,756,657	1,638,313

1. Includes: rates and annual charges (incl. ex-gratia), untied general purpose grants and unrestricted interest and investment income.

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 2(b). Council functions / activities - component descriptions

Details relating to the Council's functions / activities as reported in Note 2(a) are as follows:

Sewerage services

Sewerage services provides safe and reliable storage collection, treatment and disposal facilities for sewage in a cost-effective and sustainable manner.

Water supply

Water supply provides safe and reliable water services including the collection, storage, transportation, treatment, and distribution of water to standards appropriate to its use in a cost-effective and sustainable manner.

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 3. Income from continuing operations

\$ '000	Notes	Actual 2015	Actual 2014
(a) Rates and annual charges			
Ordinary rates			
Nil			
Special rates			
Nil			
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Water supply services		10,334	10,044
Sewerage services		28,366	27,521
Drainage		7,146	6,426
Liquid trade waste		246	229
Total annual charges		46,092	44,220
Total rates and annual charges		46,092	44,220
(b) User charges and fees			
Specific user charges (per s.502 - specific "actual use" charges)			
Water supply services		27,722	27,525
Sewerage services		1,029	466
Liquid trade waste		713	611
Total user charges		29,464	28,602
Other user charges and fees			
(i) Fees and charges - statutory and regulatory functions (per s.608)			
Inspection services		12	13
Regulatory/statutory certificates		96	22
Regulatory/statutory fees		2	4
Total fees and charges - statutory and regulatory		110	39
(ii) Fees and charges - other (incl. general user charges) (per s.608)			
Sewer application fees		182	198
Sewer diagrams		114	103
Special water meter reading fees		17	17
Water carters licence fees		34	18
Water connection fees		448	263
Other		21	20
Total fees and charges - other		816	619
Total user charges and fees		30,390	29,260

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Interest and investment revenue (incl. losses)			
Interest and dividends			
- Interest on overdue rates and annual charges (incl. special purpose rates)		408	411
- Interest earned on investments (interest and coupon payment income)		2,245	2,839
- Interest and dividend income (other)		18	22
Fair value adjustments			
- Fair valuation movements in investments (at fair value or held for trading)		-	(80)
Total interest and investment revenue		2,671	3,192
Interest revenue is attributable to:			
Restricted investments/funds - external:			
Development contributions			
- Section 94 - Drainage		297	301
- Section 93F - Drainage		15	16
- Section 93F - Water		16	18
- Section 93F - Sewer		6	6
- Section 64 - Water		402	415
- Section 64 - Sewer		299	292
Water Fund operations		314	630
Sewer Fund operations		1,322	1,514
Total interest and investment revenue recognised		2,671	3,192
(d) Other revenues			
External works		240	150
Property rents		47	22
Other		17	5
Total other revenue		304	177

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 3. Income from continuing operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
(e) Grants				
General purpose (untied)				
Nil				
Specific purpose				
Pensioners' rates subsidies:				
- Water	702	703	-	-
- Sewerage	672	672	-	-
Water supplies	-	-	-	950
Employment and training programs	-	5	-	-
Environmental protection	87	110	-	-
Fire Protection	-	-	61	-
LIRS subsidy	154	121	-	-
Total specific purpose	1,615	1,611	61	950
Total grants	1,615	1,611	61	950
Grant revenue is attributable to:				
- State funding	1,615	1,611	61	950
	1,615	1,611	61	950
(f) Contributions				
Developer contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 93F - Contributions using planning agreements	-	-	49	193
S 64 - Water supply contributions	-	-	1,918	1,330
S 64 - Sewerage service contributions	-	-	2,403	1,247
S 94 - Stormwater contributions	-	-	752	763
Total developer contributions	17	-	5,122	3,533
Other contributions:				
Dedications (other than by S94)	-	-	4,271	1,247
Drainage	-	92	-	-
Other	-	10	-	-
Total other contributions	-	102	4,271	1,247
Total contributions	-	102	9,393	4,780
Total grants and contributions	1,615	1,713	9,454	5,730

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 3. Income from continuing operations (continued)

	Actual 2015	Actual 2014
\$ '000		
(g) Restrictions relating to grants and contributions		
Certain grants and contributions are obtained by Wyong Water on condition that they be spent in a specified manner:		
Unexpended at the close of the previous reporting period	34,162	34,985
add: grants and contributions recognised in the current period but not yet spent:	11,751	5,531
less: grants and contributions recognised in a previous reporting period now spent:	(1,893)	(6,354)
Net increase (decrease) in restricted assets during the period	9,858	(823)
Unexpended and held as restricted assets	44,020	34,162
Comprising:		
- Specific purpose unexpended grants	1,535	1,535
- Developer contributions	42,356	32,498
- Other contributions	129	129
	44,020	34,162

Note 4. Expenses from continuing operations

(a) Employee benefits and on-costs

Salaries and wages	11,573	11,822
Employee Leave Entitlements (ELE)	2,734	3,002
Superannuation	1,605	1,711
Workers' compensation insurance	466	89
Payroll tax	998	1,010
Training costs (other than salaries and wages)	7	1
Other	1,013	49
Total employee costs	18,396	17,684
less: capitalised costs	(3,670)	(3,747)
Total employee costs expensed	14,726	13,937
Number of "Equivalent Full Time" Employees at year end	119	144

(b) Borrowing costs

(i) Interest bearing liability costs

Interest on loans	13,607	14,710
Other debts	61	153
Total interest bearing liability costs expensed	13,668	14,863

(ii) Other borrowing costs

Nil

Total borrowing costs expensed	13,668	14,863
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Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Materials and contracts			
Raw materials and consumables		4,671	4,836
Contractor and consultancy costs		3,426	2,776
Auditors remuneration ⁽¹⁾		88	83
Operating leases:			
- Operating lease rentals: minimum lease payments ⁽²⁾		32	52
Total materials and contracts		8,217	7,747

1. Auditor remuneration

During the year, the following fees were incurred for services provided by the Wyong Water's Auditor (Audit Office of NSW):

Audit and other assurance services

Audit and review of financial statements: Wyong Water's Auditor

Remuneration for audit and other assurance services

Total auditor remuneration

88	83
88	83
88	83

2. Operating Lease Payments are attributable to:

Computers

Other

19	52
13	-
32	52

\$ '000	Notes	Impairment costs		Depreciation/amortisation	
		Actual 2015	Actual 2014	Actual 2015	Actual 2014

(d) Depreciation, amortisation and impairment

Plant and equipment	-	-	169	168
Office equipment	-	-	72	58
Furniture and fittings	-	-	11	12
Buildings - specialised	-	-	303	307
Other structures	-	-	48	47
Infrastructure:				
- Roads	-	-	1	-
- Stormwater drainage	-	-	3,053	2,616
- Water supply network	-	-	14,096	13,617
- Sewerage network	-	-	12,858	12,510
Intangible assets	25	-	35	106
Total depreciation and impairment costs	-	-	30,646	29,441

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(e) Other expenses			
Administration support		11,260	11,717
Advertising		26	29
Bad and doubtful debts		(2)	84
Computer software charges		14	132
Donations, contributions and assistance to other organisations (Section 356)			
- Other contributions and donations		3	-
Electricity and heating		4,194	4,778
Gas charges		66	43
Insurance		2	-
Licences		182	263
Plant hire		3,279	3,414
Printing and stationery		42	53
Road opening permits		174	193
Subscriptions and publications		2	1
Telephone and communications		97	77
Tipping fees		1,841	1,477
Other		58	21
Total other expenses		21,238	22,282

Note 5. Gains or losses from the disposal of assets

Property (excl. investment property)			
Proceeds from disposal - property		59	10
less: carrying amount of property assets sold / written off		(43)	(49)
Net gain/(loss) on disposal		16	(39)
Infrastructure			
less: carrying amount of infrastructure assets sold / written off		(307)	(252)
Net gain/(loss) on disposal		(307)	(252)
Financial assets			
Proceeds from disposal / redemptions / maturities - financial assets		24,917	49,422
less: carrying amount of financial assets sold / redeemed / matured		(24,917)	(49,422)
Net gain/(loss) on disposal		-	-
Water stock			
less: Carrying amount of Water stock assets sold / written off		(503)	-
Net gain/(loss) on disposal		(503)	-
Net gain/(loss) from disposal of assets		(794)	(291)

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 6a. - Cash assets and Note 6b. - Investments

\$ '000	Notes	2015	2015	2014	2014
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash and cash equivalents (Note 6a)					
Cash on hand and at bank		1,069	-	339	-
Cash equivalent assets ¹					
- Deposits at call		11,830	-	14,930	-
Total cash and cash equivalents		12,899	-	15,269	-
Investments (Note 6b)					
- Long term deposits		30,834	15,000	21,492	15,000
- Bank bonds		-	10,000	-	10,000
Total investments		30,834	25,000	21,492	25,000
Total cash assets, cash equivalents and investments		43,733	25,000	36,761	25,000

¹ Those investments where time to maturity (from date of purchase) is < 3 mths.

Cash, cash equivalents and investments were classified at year end in accordance with AASB 139 as follows:

Cash and cash equivalents					
a. "At fair value through profit or loss"		12,899	-	15,269	-
Investments					
a. "At fair value through profit or loss"		-	-	-	-
b. "Held to maturity"	6(b-ii)	30,834	25,000	21,492	25,000
Total investments		30,834	25,000	21,492	25,000

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 6b. Investments (continued)

	2015 Actual Current	2015 Actual Non-current	2014 Actual Current	2014 Actual Non-current
\$ '000				
Note 6(b-i)				
Reconciliation of investments classified as "At fair value through profit or loss"				
Balance at the beginning of the year	-	-	-	1,998
Revaluations (through the income statement)	-	-	(80)	-
Additions	-	-	130	-
Disposals (sales and redemptions)	-	-	(2,048)	-
Transfers between current/non-current	-	-	1,998	(1,998)
Balance at end of year	-	-	-	-
Note 6(b-ii)				
Reconciliation of investments classified as "Held to maturity"				
Balance at the beginning of the year	21,492	25,000	34,414	5,043
Additions	24,259	10,000	39,409	15,000
Disposals (sales and redemptions)	(24,917)	-	(47,374)	-
Transfers between current/non-current	10,000	(10,000)	(4,957)	4,957
Balance at end of year	30,834	25,000	21,492	25,000
Comprising:				
- Long term deposits	30,834	15,000	21,492	15,000
- Bank bonds		10,000	-	10,000
Total	30,834	25,000	21,492	25,000

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 6c. Restricted cash, cash equivalents and investments - details

		2015 Actual Current	2015 Actual Non-current	2014 Actual Current	2014 Actual Non-current
\$ '000					
Total cash, cash equivalents and investments		43,733	25,000	36,761	25,000
attributable to:					
External restrictions (refer below)		24,826	25,000	9,162	25,000
Internal restrictions (refer below)		1,605	-	1,740	-
Unrestricted		17,303	-	25,860	-
		<u>43,733</u>	<u>25,000</u>	<u>36,761</u>	<u>25,000</u>
2015					
\$ '000					
		Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
Details of restrictions					
External restrictions - included in liabilities					
Specific purpose unexpended loans-Sewer (A)		-	5,472	-	5,472
External restrictions - included in liabilities		-	5,472	-	5,472
External restrictions - other					
Developer contributions - Water Fund (D)		9,984	2,320	(768)	11,536
Developer contributions - Sewer Fund (D)		13,000	2,706	(1,639)	14,067
Developer contributions - Drainage (D)		7,308	7,152	-	14,460
Developer contributions - VPA - Water (D)		1,842	81	-	1,923
Developer contributions - VPA - Sewer (D)		364	6	-	370
Specific purpose unexpended grants-Water Fund (F)		1,535	0	-	1,535
Contributions to works - Water (H)		129	-	(0)	129
Self insurance - Water		-	181	-	181
Self insurance - Sewer		-	153	-	153
External restrictions - other		<u>34,162</u>	<u>12,599</u>	<u>(2,407)</u>	<u>44,354</u>
Total external restrictions		<u>34,162</u>	<u>18,071</u>	<u>(2,407)</u>	<u>49,826</u>
Internal restrictions					
Employees leave entitlement- Water		342	-	(3)	339
Employees leave entitlement- Sewer		375	-	(126)	248
Prepaid contributions - Water		1,008	-	-	1,008
Public liability insurance - Water		15	-	(6)	9
Total internal restrictions		<u>1,740</u>	<u>-</u>	<u>(135)</u>	<u>1,605</u>
Total restrictions		<u>35,901</u>	<u>18,071</u>	<u>(2,542)</u>	<u>51,430</u>

A Loan moneys which must be applied for the purposes for which the loans were raised.

D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).

F Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)

H External contributions not yet expended for the provision of specific services and amenities

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 7. Receivables

\$ '000	Notes	2015		2014	
		Current	Non-current	Current	Non-current
Purpose					
Drainage annual charges		428	-	302	
Water annual charges		454	1	522	3
Sewerage annual charges		1,036	2	1,615	10
Interest and extra charges		259	-	297	-
User charges and fees		14,727	-	13,018	-
Accrued revenues					
- Interest on investments		1,092	-	1,071	-
Government grants and subsidies		103	-	1,027	-
Net GST receivable		381	-	310	-
Liquid trade waste		419	-	260	-
Toukley Golf Club Limited		36	406	56	420
Other Debtors		222	-	144	-
Total		19,157	409	18,622	433
less: Provision for impairment					
Other debtors		(82)	-	(84)	-
Total provision for impairment - receivables		(82)	-	(84)	-
Total net receivables		19,075	409	18,538	433
Externally restricted receivables					
		-	-	-	-
Internally restricted receivables					
		-	-	-	-
Unrestricted receivables		19,075	409	18,538	433
Total net receivables		19,075	409	18,538	433

Notes on debtors above:

- (i) Annual charges outstanding are secured against the property.
- (ii) Doubtful rates debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates and charges at 8.50% (2014 9.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning credit risk and fair value disclosures.

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 8. Inventories and other assets

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Inventories					
Water treatment supplies		-	-	503	-
Total inventories		-	-	503	-
Other assets					
Prepayments		57	-	-	-
Total other assets		57	-	-	-
Total inventories and other assets		57	-	503	-
Externally restricted assets					
Water					
Water treatment supplies		-	-	-	-
Total water		-	-	-	-
Sewerage					
Prepayments		-	-	-	-
Total sewerage		-	-	-	-
Total externally restricted assets		-	-	-	-
Total internally restricted assets		-	-	-	-
Total unrestricted assets		57	-	503	-
Total inventories and other assets		57	-	503	-

Other disclosures

(a) Inventory Write Downs

There were no amounts recognised as an expense relating to the write down of Inventory balances held during the year.

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 9a. Infrastructure, property, plant and equipment

	as at 30/6/2014					Asset movements during the reporting period						as at 30/6/2015				
	At cost	At fair value	Accumulated dep'n	Impairment	Carrying value	Asset additions	WDV of asset disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARIP)	At cost	At fair value	Accumulated dep'n	Impairment	Carrying value
\$ '000																
Capital work in progress	19,440	-	-	-	19,440	22,912	-	-	(13,221)	(489)	-	28,642	-	-	-	28,642
Plant and equipment	-	1,230	752	-	478	-	-	(159)	5	-	-	-	1,236	922	-	314
Office equipment	-	511	353	-	158	-	-	(72)	92	-	-	-	603	425	-	178
Furniture and fittings	-	149	131	-	18	-	-	(11)	20	-	-	-	170	143	-	27
Land:																
- Operational land	-	57,652	-	-	57,652	-	(35)	-	-	-	-	-	57,617	-	-	57,617
- Community land	-	1,113	-	-	1,113	-	(8)	-	-	-	-	-	1,105	-	-	1,105
Buildings - specialised	-	13,961	1,873	-	12,088	-	-	(303)	-	-	-	-	13,961	2,176	-	11,785
Other structures	-	1,526	113	-	1,413	-	-	(48)	56	-	-	-	1,582	161	-	1,421
Infrastructure:																
- Roads	-	-	-	-	-	-	-	(1)	-	26	-	-	41	16	-	25
- Bulk earthworks (non-depreciable)	-	-	-	-	-	-	-	-	-	16	-	-	16	-	-	16
- Stormwater drainage	-	310,951	73,797	-	237,154	2,098	-	(3,053)	7,648	650	97,262	-	459,624	117,865	-	341,759
- Water supply network	-	934,712	376,572	-	558,140	669	-	(14,096)	1,236	(493)	8,160	-	949,955	396,338	-	553,617
- Sewerage network	-	996,537	327,202	-	669,335	1,544	(307)	(12,858)	4,164	-	9,945	-	1,016,443	344,620	-	671,823
Total infrastructure, property, plant and equipment	19,440	2,318,342	780,793	-	1,556,989	27,224	(350)	(30,611)	-	(290)	115,367	28,642	2,502,353	662,666	-	1,568,329

Additions to buildings and infrastructure assets are made up of asset renewals (\$22,093) and new assets (\$481).
Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Refer to Note 27 - Fair value measurement for information regarding the fair value of other infrastructure, property, plant and equipment.

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 9b. Externally restricted infrastructure, property, plant and equipment

\$ '000 Class of asset	Actual 2015				Actual 2014			
	At cost	At fair value	A/Dep & impairm't	Carrying value	At cost	At fair value	A/Dep & impairm't	Carrying value
Water supply								
Work in progress	17,948	-	-	17,948	14,721	-	-	14,721
Plant and equipment	-	411	312	99	-	411	270	141
Office equipment	-	360	246	114	-	290	204	86
Furniture and fittings	-	137	115	22	-	117	104	13
Land								
- Operational land	-	34,631	-	34,631	-	34,631	-	34,631
- Community land	-	1,105	-	1,105	-	1,113	-	1,113
Buildings	-	6,405	892	5,513	-	6,405	724	5,681
Other structures	-	1,222	117	1,105	-	1,176	81	1,095
Infrastructure - Water supply	-	949,955	396,338	553,617	-	934,711	376,572	558,139
Infrastructure - stormwater	-	459,624	117,865	341,759	-	310,951	73,797	237,154
Total water supply	17,948	1,453,850	515,885	955,913	14,721	1,289,805	451,752	852,774
Sewerage services								
Work in progress	10,695	-	-	10,695	4,719	-	-	4,719
Plant and equipment	-	824	610	214	-	819	482	337
Office equipment	-	244	179	65	-	222	150	72
Furniture and fittings	-	32	28	4	-	32	27	5
Land								
- Operational land	-	22,986	-	22,986	-	23,021	-	23,021
Buildings	-	7,556	1,284	6,272	-	7,556	1,149	6,407
Other structures	-	360	44	316	-	350	32	318
Infrastructure	-	1,016,442	344,620	671,822	-	996,537	327,201	669,336
Other assets	-	58	16	42	-	-	-	-
Total sewerage services	10,695	1,048,502	346,781	712,416	4,719	1,028,537	329,041	704,215
property, plant and equipment	28,643	2,502,352	862,666	1,668,329	19,440	2,318,342	780,793	1,556,989

Note 9c. Infrastructure, property, plant and equipment - current year impairments

Wyong Water has recognised no impairment losses during the reporting period nor reversed any prior period losses.

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 10a. Payables, borrowings and provisions

\$ '000	Notes	2015		2014	
		Current	Non-current	Current	Non-current
Payables					
Goods and services - operating expenditure		2,419	-	1,139	
Payments received in advance		1,008	1,648	936	2,821
Accrued expenses:					
- Interest on bonds and deposits		1,238	-	1,282	-
- Salaries and wages		275	-	350	-
- Other expenditure accruals		6,849	-	9,553	-
Security bonds, deposits and retentions		242	-	237	-
Total payables		12,031	1,648	13,497	2,821
Borrowings					
Loans - secured ¹		11,457	160,467	10,406	166,176
Loans - unsecured		804	28,032	413	19,210
Total borrowings		12,261	188,499	10,819	185,386
Provisions					
Employee benefits:					
Annual leave		897	-	969	-
Sick leave		568	-	747	-
Long service leave		1,344	91	1,726	95
Gratuities		201	-	-	-
Other leave		48	-	43	-
Sub total - aggregate employee benefits		3,058	91	3,485	95
Self insurance - workers compensation		138	260	30	73
Self insurance - public liability		3	-	2	-
Self insurance - other		7	-	13	-
Payroll tax		155	5	190	5
Total provisions		3,361	356	3,720	173
Total payables, borrowings and provisions		27,653	190,503	28,036	188,380

(i) Liabilities relating to restricted assets

	2015		2014	
	Current	Non-current	Current	Non-current
Externally restricted assets				
Other insurance	7	-	15	-
Developer contributions in advance	1,008	1,648	642	2,821
Sewer charges in advance	-	-	294	-
Unexpended Loans Sewer	5,472	-	-	-
Liabilities relating to externally restricted assets	6,487	1,648	951	2,821
Internally restricted assets				
Self insurance	138	260	30	73
Liabilities relating to internally restricted assets	138	260	30	73
Total liabilities relating to restricted assets	6,625	1,908	981	2,894
Total liabilities relating to unrestricted assets	21,028	188,595	27,055	185,486
Total payables, borrowings and provisions	27,653	190,503	28,036	188,380

¹ Loans are secured over the general income of Wyong Water

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 15.

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 10a. Payables, borrowings and provisions (continued)

	Actual 2015	Actual 2014
\$ '000		
(ii) Current liabilities not anticipated to be settled within the next 12 months		
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - employees benefits	1,663	1,948
Payables - security bonds, deposits and retentions ¹	216	-
Total	1,880	1,948

Note 10b. Description of and movements in provisions

Class of provision	2014	2015				
	Opening balance as at 1/7/14	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	Closing balance as at 30/6/15
Annual leave	969	1,017	(1,089)	-	-	897
Sick leave	747	508	(687)	-	-	568
Long service leave	1,821	155	(541)	-	-	1,435
Other leave	43	109	(104)	-	-	48
Gratuities	-	201	-	-	-	201
Self insurance	118	538	(248)	-	-	408
Other	195	998	(1,033)	-	-	160
Total	3,893	3,526	(3,702)	-	-	3,717

- Employees leave entitlements and on-costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- Self insurance provisions represent both (i) claims incurred but not reported and (ii) claims reported and estimated as per the actuarial assessment.
- Other Provisions represent payroll tax

¹ Payables not expected to be settled represent average balances held in security bonds, deposits, and overpayments

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Notes to the financial statements
for the financial year ended 30 June 2015

Note 11. Statement of cash flows - additional information

\$ '000	Notes	Actual 2015	Actual 2014
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	12,899	15,269
Less bank overdraft	10	-	-
Balance as per the statement of cash flows		12,899	15,269
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from income statement		1,237	(4,269)
Adjust for non cash items:			
Depreciation and amortisation		30,646	29,441
Net losses/(gains) on disposal of assets		794	291
Non-cash capital grants and contributions		(4,419)	(2,028)
Losses/(gains) recognised on fair value re-measurements through the income statement			
- Investments classified as "At fair value" or "Held for trading"		-	80
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(511)	436
Increase/(decrease) in provision for doubtful debts		(2)	79
Decrease/(increase) in inventories		503	(13)
Decrease/(increase) in other assets		(57)	-
Increase/(decrease) in payables		1,280	(1,413)
Increase/(decrease) in other accrued expenses payable		(2,779)	6,212
Increase/(decrease) in other liabilities		(1,140)	(1,470)
Increase/(decrease) in employee leave entitlements		(431)	(739)
Increase/(decrease) in other provisions		255	(392)
Net cash provided from/(used in) operating activities from the statement of cash flows		25,376	26,215
(c) Non-cash investing and financing activities			
S94 contributions "in kind"		148	781
Other dedications		4,271	1,247
Total non-cash investing and financing activities		4,419	2,028
(d) Financing arrangements			
Nil			

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 12. Commitments for expenditure

\$ '000	Notes	Actual 2015	Actual 2014
(a) Capital commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, plant and equipment			
Infrastructure		16,060	8,259
Total commitments		16,060	8,259
These expenditures are payable as follows:			
Within the next year		16,060	8,259
Total payable		16,060	8,259
Sources for funding of capital commitments:			
Unrestricted general funds		9,135	6,519
Section 64 and 94 Funds/Reserves		6,925	1,740
Total sources of funding		16,060	8,259

Details of capital commitments

Commitments relate to an upgrade of the south Wyong sewage treatment plant for \$9m, upgrades to certain sewer pump stations for \$4.7m and works being undertaken on sewer mains for \$1.7m. The remaining commitments are for various works across Wyong Water's infrastructure

(b) Finance lease commitments

Nil

(c) Operating lease commitments (non-cancellable)

a. Commitments under non-cancellable operating leases at the Reporting date, but not recognised as liabilities are payable:

Within the next year	33	34
Later than one year and not later than 5 years	40	36
Total non-cancellable operating lease commitments	73	70

b. Non-cancellable operating leases include the following assets:

Computer equipment - PC's, monitors and laptops: lease terms were all originally for 60 months. The most recent leases have 45 months remaining.

Printers: Lease terms were originally for 60 months. The most recent lease has 57 months remaining.

Conditions relating to operating leases:

- All operating lease agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Wyong Water regarding future debt etc.

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 13a(i). Statement of performance measurement - indicators (consolidated)

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 2014 2013	
Local Government industry indicators - consolidated				
1. Operating performance ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. Capital Grants and Contributions) - operating expenses	<u>(7,423)</u>	-9.16%	-12.24%	-13.23%
Total continuing operating revenue ⁽¹⁾	81,072			
(excl. capital grants and contributions)				
2. Own source operating revenue ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. all grants and contributions)	<u>79,457</u>	87.77%	91.18%	92.19%
Total continuing operating revenue ⁽¹⁾	90,526			
3. Unrestricted current ratio				
Current assets less all external restrictions ⁽²⁾	<u>38,039</u>	1.97x	1.86	2.42
Current liabilities less specific purpose liabilities ^(3, 4)	19,286			
4. Debt service cover ratio				
Operating result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation	<u>36,891</u>	1.47x	1.38	1.28
Principal repayments (from the statement of cash flows) + borrowing costs (from the income statement)	25,013			
5. Rates, annual charges, interest and extra charges outstanding percentage				
Rates, annual and extra charges outstanding	<u>2,180</u>	4.43%	5.75%	6.54%
Rates, annual and extra charges collectible	49,249			
6. Cash expense cover ratio				
Current year's cash and cash equivalents + all term deposits	<u>58,733</u>	10.00	9.47	11.07
Payments from cash flow of operating and financing activities	5,872	mths		

Notes

⁽¹⁾ Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and the net share of interests in joint ventures and associates.

⁽²⁾ Refer Notes 6-8 inclusive.

Also excludes any real estate and land for resale not expected to be sold in the next 12 months

⁽³⁾ Refer to Note 10(a).

⁽⁴⁾ Refer to Note 10(a)(ii) - excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

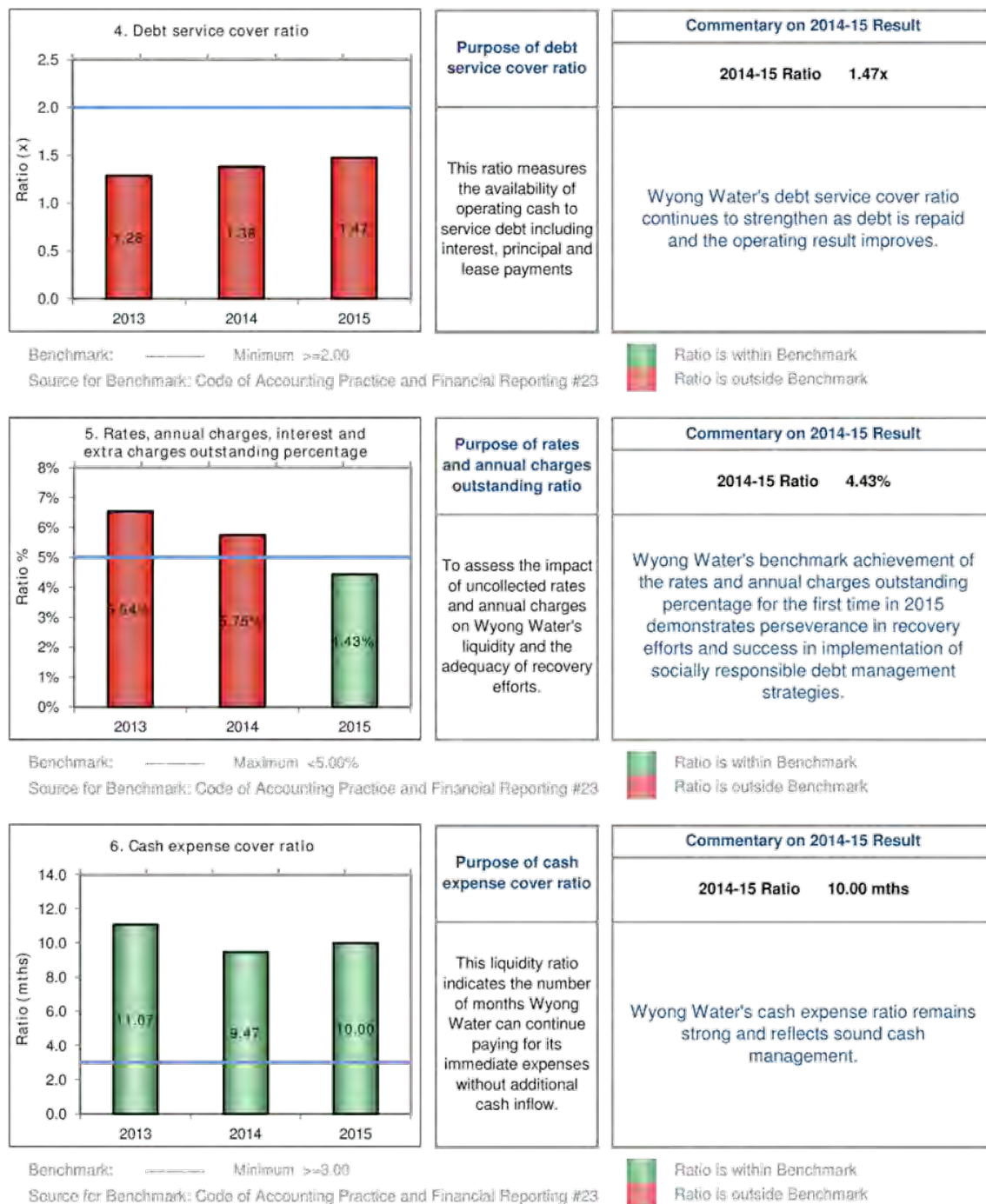
Note 13a(ii). Local Government industry indicators - graphs (consolidated)



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Notes to the financial statements
for the financial year ended 30 June 2015

Note 13a(ii). Local Government industry indicators - graphs (consolidated)



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Notes to the financial statements for the financial year ended 30 June 2015

Note 14. Investment properties

\$ '000

Wyong Water has not classified any land or buildings as "investment properties".

Note 15. Financial risk management

Risk management

Wyong Water's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

Wyong Water's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

Wyong Water does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out on behalf of Wyong Water by Council's Finance Section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Wyong Water's financial assets and liabilities recognised in the financial statements is presented below.

	Carrying value		Fair value	
	2015	2014	2015	2014
Financial assets				
Cash and cash equivalents	12,899	15,269	12,899	15,269
Investments				
- "Held to maturity"	55,834	46,492	55,834	46,492
Receivables	19,484	18,971	19,484	18,971
Total financial assets	88,217	80,732	88,217	80,732
Financial liabilities				
Payables	11,023	12,561	11,023	12,561
Loans / advances	200,760	196,205	239,786	232,637
Total financial liabilities	211,783	208,766	250,809	245,198

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** - estimated to be the carrying value which approximates market value.
- **Borrowings and held to maturity investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) "**at fair value through profit or loss**" or (ii) **available for sale** - are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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Notes to the financial statements for the financial year ended 30 June 2015

Note 15. Financial risk management (continued)

\$ '000

(a) Cash and cash equivalents, financial assets 'at fair value through the profit or loss' "available for sale" financial assets and "held to maturity" investments

Wyong Water's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's Finance area manages the cash and investments portfolio with the assistance of independent advisors.

Council has an Investment Policy which complies with the Local Government Act and Minister's Investment Order. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

- **Price risk** - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** - the risk that movements in interest rates could affect returns and income.
- **Credit risk** - the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

The following represents a summary of the sensitivity of Wyong Water's income statement and accumulated surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2015				
Possible impact of a 1% movement in interest rates	687	687	(687)	(687)
2014				
Possible impact of a 1% movement in interest rates	618	618	(618)	(618)

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 15. Financial risk management (continued)

\$ '000

(b) Receivables

Wyong Water's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable may not be repaid in full.

Council manages this risk on behalf of Wyong Water by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts - that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages the payment of debt.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Wyong Water makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Wyong Water's receivables credit risk at balance date follows:

	2015 Rates and annual charges	2015 Other receivables	2014 Rates and annual charges	2014 Other receivables
(i) Ageing of receivables - %				
Current (not yet overdue)	0%	81%	0%	82%
Overdue	100%	19%	100%	18%
	100%	100%	100%	100%

		2015 Rates and annual charges	2015 Other receivables	2014 Rates and annual charges	2014 Other receivables
(ii) Ageing of receivables - value					
Rates and annual charges	Other receivables				
Current	Current	-	14,336	-	13,614
< 1 year overdue	0 - 30 days overdue	1,536	898	1,100	1,077
1 - 2 years overdue	30 - 60 days overdue	314	211	506	495
2 - 5 years overdue	60 - 90 days overdue	243	1,467	339	333
> 5 years overdue	> 90 days overdue	87	474	804	787
		2,180	17,386	2,749	16,306

	2015	2014
(iii) Movement in provision for impairment of receivables		
Balance at the beginning of the year	84	5
+ new provisions recognised during the year	(2)	79
Balance at the end of the year	82	84

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 15. Financial risk management (continued)

\$ '000

(c) Payables and borrowings

Payables and borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk on behalf of Wyong Water by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

The contractual undiscounted cash outflows (ie. principal and interest) of Wyong Water's payables and borrowings are set out in the maturity table below:

\$ '000	Subject to no maturity	payable in:						Total cash outflows	Actual carrying values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2015									
Trade/other payables	242	10,781	-	-	-	-	-	11,023	11,023
Loans and advances	-	25,959	25,688	25,417	24,885	46,127	142,594	290,670	200,760
Total financial liabilities	242	36,740	25,688	25,417	24,885	46,127	142,594	301,693	211,783
2014									
Trade/other payables	237	13,260	-	-	-	-	-	13,497	13,497
Loans and advances	-	21,634	22,418	22,170	21,922	21,674	145,745	255,563	196,205
Total financial liabilities	237	34,894	22,418	22,170	21,922	21,674	145,745	269,060	209,702

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Wyong Water manages this risk through the diversification of borrowing types, maturities and interest rate structures.

The following interest rates were applicable to Wyong Water's borrowings at balance date:

	2015		2014	
	Carrying value	Average interest rate	Carrying value	Average interest rate
Commercial banks	171,924	7.0%	176,583	7.0%
Wyong Shire Council	28,836	6.8%	19,622	9.0%
	<u>200,760</u>		<u>196,205</u>	

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 16. Material budget variations

\$ '000

Wyong Water's original financial budget for 2014-15 was adopted by the Council on 28 May 2014.

While the income statement included in this financial report must disclose the original budget adopted by Council, the Local Government Act requires Council to review its financial budget on a quarterly basis including Wyong Water so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of material variations between Wyong Water's original budget and its actual results for the year as per the income statement - even though such variations may have been adjusted for during each quarterly budget review.

Note that for variations* of budget to actual :

Material variations represent those variances that amount to **10%** or more of the original budgeted figure.

F = Favourable budget variation, U = Unfavourable budget variation

\$ '000	2015 Budget	2015 Actual	2015 ----- Variance* -----		
Revenues					
Rates and annual charges	45,670	46,092	422	1%	F
User charges and fees	32,455	30,390	(2,065)	(6%)	U
Interest and investment revenue	3,263	2,671	(592)	(18%)	U
This variance is due to lower than anticipated interest rates. Investment returns have reduced from 4.20% in 2013-14 to 3.78% in 2014-15.					
Other revenues	43	304	261	609%	F
This variance is due to higher than expected recovery of repairs/damage to Infrastructure.					
Operating grants and contributions	1,833	1,615	(218)	(12%)	U
This variance is due to reduced grants relating to catchment flood studies.					
Capital grants and contributions	3,939	9,454	5,515	140%	F
This variance is a result of increased developer contributions in line with increased development within the Shire.					

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 16. Material budget variations (continued)

\$ '000	2015 Budget	2015 Actual	2015 ----- Variance* -----	
Expenses				
Employee benefits and on-costs	13,007	14,726	(1,719)	(13%) U
This variance is due to business realignment/restructure costs.				
Borrowing costs	14,200	13,668	532	4% F
Materials and contracts	7,765	8,217	(452)	(6%) U
Depreciation and amortisation	30,375	30,646	(271)	(1%) U
Other expenses	24,218	21,238	2,980	12% F
This variance is a result of lower than expected electricity, tipping and administration costs.				
Net losses from disposal of assets	-	794	(794)	0% U
The net gains and losses on disposal of assets have been combined as a net loss in operating expenses. This includes the write off of water stock and replaced infrastructure.				

Budget variations relating to Wyong Water's cash flow statement include:

Cash flows from operating activities	26,445	25,376	(1,069)	(4.0%) U
Cash flows from investing activities	(33,151)	(32,301)	850	(2.6%) F
Cash flows from financing activities	(1,819)	4,555	6,374	(350.4%) F
Additional low interest loan drawn through the Local Infrastructure Renewal Scheme for \$5.9 million				

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 17. Statement of developer contributions

\$ '000

Wyong Water recovers contributions, raises levies and enters into planning agreements on development works that are subject to a development consent. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions and levies and the value of all remaining funds which are "restricted" in their future use.

Summary of contributions and levies

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowings repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due (payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
Drainage	7,308	646	107	297	514	5,588	14,459	38,451	(60,344)	(7,433)	-
S94 Contributions - under a Plan	7,308	646	107	297	514	5,588	14,459	38,451	(60,344)	(7,433)	-
Total S94 Revenue Under Plans	7,308	646	107	297	514	5,588	14,459				
S93F Planning Agreements	2,206	49	-	37	-	-	2,292				
S64 Contributions	22,984	4,280	41	701	(2,404)	1	25,604				
Total contributions	32,498	4,975	148	1,035	(1,890)	5,589	42,356				

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 17. Statement of developer contributions (continued)

\$ '000

Developer contributions - under a plan

Contribution plan number 1 - Wyong

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
Drainage	1,001	-	-	32	-	840	1,872	704	(4,258)	(1,681)	-
S94 Total	1,001	-	-	32	-	840	1,872	704	(4,258)	(1,681)	-
s64 - Water	2,138	281	-	72	-	-	2,491				
s64 - Sewer	3,482	579	-	65	(16)	(1,150)	2,960				
S64 Total	5,620	860	-	137	(16)	(1,150)	5,451				
Total	6,621	860	-	169	(16)	(310)	7,323				

Contribution plan number 2 - Southern Lakes

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
Drainage	1,090	34	-	19	-	-	1,143	240	(906)	477	-
S94 Total	1,090	34	-	19	-	-	1,143	240	(906)	477	-
s64 - Water	1,501	227	-	61	-	-	1,789				
s64 - Sewer	2,424	349	-	46	(3)	-	2,816				
S64 Total	3,925	576	-	107	(3)	-	4,605				
Total	5,015	610	-	126	(3)	-	5,748				

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 17. Statement of developer contributions (continued)

\$ '000

Developer contributions - under a plan

Contribution plan number 3 - The Entrance

Purpose	Opening balance	Contributions received during the year	Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Future income	Exp still outstanding	Over or (under) funding	Cumulative Internal borrowings due/(payable)
Drainage	2	-	0	-	2	4	-	(110)	(106)	-
S94 Total	2	-	0	-	2	4	-	(110)	(106)	-
S93F - Water	401	-	7	-	-	408		(110)		
S93F Total	401	-	7	-	-	408		(110)		
S64 - Water	554	39	51	-	-	644				
S64 - Sewer	898	10	15	(119)	2	806				
S64 Total	1,452	49	66	(119)	2	1,450				
Total	1,855	49	73	(119)	4	1,862				

Contribution plan number 5 - Ourimbah

Purpose	Opening balance	Contributions received during the year	Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Future income	Exp still outstanding	Over or (under) funding	Cumulative Internal borrowings due/(payable)
S64 - Water	666	18	16	-	-	700				
S64 - Sewer	327	14	13	-	-	354				
S64 Total	993	32	29	-	-	1,054				
Total	993	32	29	-	-	1,054				

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 17. Statement of developer contributions (continued)

\$ '000

Developer contributions - under a plan

Contribution plan number 6 - Toukley

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
Drainage	-	-	-	-	-	4	4	1,622	-	1,626	-
S94 Total	-	-	-	-	-	4	4	1,622	-	1,626	-
S64 - Water	468	41	-	18	-	-	527				
S64 - Sewer	2	13	-	8	(1,156)	1,150	17				
S64 Total	470	54	-	26	(1,156)	1,150	544				
Total	470	54	-	26	(1,156)	1,154	548				

Contribution plan number 7 - Gorkan

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
S93F - Water	22	-	-	-	-	-	22				
S93F - Sewer	15	-	-	-	-	-	15				
S93F Total	37	-	-	-	-	-	37				
S64 - Water	148	98	-	37	-	-	284				
S64 - Sewer	1,274	65	-	23	-	-	1,362				
S64 Total	1,422	163	-	60	-	-	1,646				
Total	1,459	163	-	60	-	-	1,683				

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 17. Statement of developer contributions (continued)

\$ '000

Developer contributions - under a plan

Contribution plan number 8 - San Remo

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
Drainage	64	243	-	1	-	1	309	116	-	426	-
S94 Total	64	243	-	1	-	1	309	116	-	426	-
S s64 - Water	1,101	101	-	40	-	(1)	1,241				
S s64 - Sewer	167	153	-	24	-	(99)	245				
S64 Total	1,268	254	-	64	-	(100)	1,486				
Total	1,332	497	-	65	-	(99)	1,796				

Contribution plan number 9 - Budgewoi

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
S s64 - Water	507	11	-	9	-	-	527				
S s64 - Sewer	2	9	-	-	(106)	100	5				
S64 Total	509	20	-	9	(106)	100	532				
Total	509	20	-	9	(106)	100	532				

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 17. Statement of developer contributions (continued)

\$ '000

Developer contributions - under a plan

Contribution plan number 15 - Northern Districts

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
s64 - Water	1,096	84	-	30	-	(2)	1,208				
s64 - Sewer	1,371	218	-	32	-	1	1,622				
S64 Total	2,467	302	-	62	-	(1)	2,830				
Total	2,467	302	-	62	-	(1)	2,830				

CONTRIBUTION PLAN NUMBER 17 Warnervale District

Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Projections			Cumulative Internal borrowings due/(payable)
		Cash	Non-cash					Future income	Exp still outstanding	Over or (under) funding	
Drainage	5,151	369	107	245	514	4,742	11,126	35,769	(55,070)	(8,174)	-
S94 Total	5,151	369	107	245	514	4,742	11,126	35,769	(55,070)	(8,174)	-
s s93F - Drainage	896	49	-	15	-	-	960				
s s93F - Water	523	-	-	9	-	-	532				
s s93F - Sewer	349	-	-	6	-	-	355				
S93F Total	1,768	49	-	30	-	-	1,847				
s s64 - Water	1,805	546	41	63	(765)	-	1,690				
s s64 - Sewer	3,053	484	-	68	(239)	-	3,366				
S64 Total	4,858	1,030	41	131	(1,004)	-	5,056				
Total	11,777	1,448	148	406	(490)	4,742	18,029				

Wyong Water

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 17. Statement of developer contributions (continued)

\$ '000

Developer contributions - under a plan

CONTRIBUTION PLAN NUMBER 18 Development Service Plans Water & Sewerage								Projections			Cumulative
Purpose	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing repaid/(lent)	Held as restricted asset	Future income	Exp still outstanding	Over or (under) funding	Internal borrowings due/(payable)
		Cash	Non-cash								
S s64 - Water	-	432	-	4	-	-	436				
S s64 - Sewer	-	509	-	4	-	-	513				
S64 Total	-	941	-	8	-	-	949				
Total	-	941	-	8	-	-	949				

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 18. Contingencies and other assets/liabilities not recognised

The following assets and liabilities do not qualify for recognition on the statement of financial position, but their knowledge and disclosure is considered relevant to the users of Wyong Water's financial report.

Liabilities not recognised

1. Defined benefit superannuation

Council, on behalf of Wyong Water, is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a "multi-employer fund" for purposes of AASB 119 Employee Benefits. Sufficient information is not available to account for the Scheme as a defined benefit plan in accordance with AASB 119, because the assets to the Scheme are pooled together for all Councils.

Employer contributions paid to the defined benefit section of the Local Government Superannuation Scheme during 2014-15 were recognised as an expense.

The last valuation of the Scheme was performed by Mr Martin Stevenson of Mercer Consulting (Australia) Pty Ltd on 20 February 2013.

However the position is monitored annually and the Scheme's most recent actuarial review, performed by Richard Boyfield of Mercer Consulting (Australia) Pty Ltd, estimates that a deficiency still exists as at 30 June 2015. Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit.

Council, and subsequently Wyong Water's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all members. For this reason, no liability for the deficiency has been recognised in the accounts.

Further contributions made to the scheme to rectify the net deficit position will be recognised as an expense when they become payable.

The defined benefit element of the scheme is now closed to new members.

2. Developer contributions

Wyong Water levies Section 64 contributions upon various developments across the local government area through the required contributions plans.

As part of these plans, Wyong Water has received funds for which it will be required to expend the monies in accordance with those plans.

As well, these plans indicate proposed future expenditure to be undertaken by Wyong Water, which will be funded by making levies and receipting funds in future years.

These future expenses do not yet qualify as liabilities as of the reporting date, but represent the intention to spend funds in the manner and timing set out in those plans.

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 19. Interests in other entities

\$ '000

Wyong Water's objectives can and in some cases are best met through the use of separate entities and operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other Councils, bodies and other outside organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level Wyong Water's (i) interest and (ii) control and the type (form) of entity/operation, as follows;

Joint operations

Note 19(a)

Operational arrangements where the parties that have joint control have rights to specific assets and obligations for specific liabilities relating to the arrangement rather than a right to the net assets of the arrangement.

(a) Joint operations

(a) Wyong Water is involved in the following joint operations

Name of joint operation	Principal activity	Interest in ownership	
		2015	2014
Joint water supply authority	Water supply headworks	47%	47%

(b) Wyong Water assets employed in the joint operations

Wyong Water's own assets employed in the operations

Non-current assets

Property, plant and equipment	326,821	315,412
Total assets - Wyong Water owned	326,821	315,412

Wyong Water's share of assets jointly owned with other partners

Nil

Total net assets employed - Wyong Water and jointly owned	326,821	315,412
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Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 20. Equity - retained earnings and revaluation reserves

\$ '000	Notes	Actual 2015	Actual 2014
(a) Retained earnings			
Movements in retained earnings were as follows:			
Balance at beginning of year (from previous years audited accounts)		600,747	605,016
a. Net operating result for the year		1,237	(4,269)
Balance at end of the reporting period		<u>601,984</u>	<u>600,747</u>

(b) Reserves

(i) Reserves are represented by:

- Infrastructure, property, plant and equipment revaluation reserve	936,516	821,149
Total	<u>936,516</u>	<u>821,149</u>

(ii) Reconciliation of movements in reserves:

Infrastructure, property, plant and equipment revaluation reserve			
- Opening balance		821,149	786,806
- Revaluations for the year	3(a)	115,367	34,344
- Balance at end of year		<u>936,516</u>	<u>821,149</u>
Total value of reserves		<u>936,516</u>	<u>821,149</u>

(iii) Nature and purpose of reserves

Infrastructure, Property, Plant & Equipment Revaluation Reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments/decrements of non-current asset values due to their revaluation.

(c) Correction of error/s relating to a previous reporting period

Wyong Water made no correction of errors during the current reporting period.

(d) Voluntary changes in accounting policies

Wyong Water made no voluntary changes in any accounting policies during the year.

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 21. Financial result and financial position by Fund

Income statement by Fund \$ '000	Actual 2015	Actual 2015
Continuing operations	Water	Sewer
Income from continuing operations		
Rates and annual charges	17,493	28,353
User charges and fees	27,869	2,136
Interest and investment revenue	1,044	1,851
Other revenues	697	238
Grants and contributions provided for operating purposes	898	717
Grants and contributions provided for capital purposes	5,507	3,947
Total income from continuing operations	53,508	37,242
Expenses from continuing operations		
Employee benefits and on-costs	7,959	6,767
Borrowing costs	12,206	1,686
Materials and contracts	3,907	4,190
Depreciation and amortisation	17,471	13,175
Impairment	-	-
Other expenses	11,500	9,858
Net losses from the disposal of assets	488	306
Total expenses from continuing operations	53,531	35,982
Operating result from continuing operations	(23)	1,260
Discontinued operations		
Net profit/(loss) from discontinued operations	-	-
Net operating result for the year	(23)	1,260
Net operating result attributable to each Fund	(23)	1,260
Net operating result attributable to non-controlling interests	-	-
Net operating result for the year before grants and contributions provided for capital purposes	(5,530)	(2,687)

NB. All amounts disclosed above are gross - that is, they include internal charges and recoveries made between the Funds.

Wyong Water

Notes to the financial statements
as at 30 June 2015

Note 21. Financial result and financial position by Fund (continued)

Statement of financial position by Fund \$ '000	Actual 2015	Actual 2015
Assets	Water	Sewer
Current assets		
Cash and cash equivalents	1,780	11,119
Investments	4,431	26,404
Receivables	15,839	3,486
Inventories	-	-
Other	-	57
Non-current assets classified as 'held for sale'	-	-
Total current assets	22,050	41,066
Non-current assets		
Investments	25,000	-
Receivables	407	9,692
Inventories	-	-
Infrastructure, property, plant and equipment	955,913	712,416
Investments accounted for using the equity method	-	-
Investment property	-	-
Intangible assets	34	20
Total non-current assets	981,354	722,128
Total Assets	1,003,404	763,194
Liabilities		
Current liabilities		
Payables	8,819	3,210
Borrowings	10,825	1,687
Provisions	1,950	1,411
Total current liabilities	21,594	6,308
Non-current liabilities		
Payables	585	1,063
Borrowings	171,119	27,070
Provisions	200	156
Total non-current liabilities	171,904	28,289
Total liabilities	193,498	34,597
Net assets	809,906	728,597
Equity		
Retained earnings	352,890	249,096
Revaluation reserves	457,016	479,501
Total equity	809,906	728,597

NB. All amounts disclosed above are gross - that is, they include internal receivables and payables between the Funds.

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 22. "Held for sale" non-current assets and disposal groups

\$ '000

Wyong Water did not classify any non-current assets or disposal groups as "held for sale".

Note 23. Events occurring after the reporting date

Events that occur between the end of the reporting period (ending 30 June 2015) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Wyong Water has adopted the date of receipt of the Auditors' Report as the applicable "authorised for issue" date relating to these financial statements.

Accordingly, the "authorised for issue" date is 28 October 2015.

Events that occur after the reporting period represent one of two types:

(i) Events that provide evidence of conditions that existed at the reporting period

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2015.

(ii) Events that provide evidence of conditions that arose after the reporting period

These financial statements (and figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2015 and which are only indicative of conditions that arose after 30 June 2015.

Wyong Water is aware of the following "non-adjusting events" that merit disclosure;

Fit for the Future

Following the release of the final recommendations of the Independent Local Government Review Panel (ILGRP), the NSW State Government introduced the "Fit for the Future" reform program and mandated that Councils submit a proposal to an independent expert panel by 30 June 2015 on how Councils would become "Fit for the Future". The ILGRP recommended that Wyong Shire Council investigate a merger with Gosford City Council (GCC).

Wyong Shire Council submitted a Fit for the Future proposal to the Independent Pricing and Regulatory Tribunal (IPART) - the nominated expert panel, prior to the 30 June 2015 deadline. Wyong's submission proposed that Council remain as a stand-alone entity whilst continuing to implement planned business improvement initiatives. The submission was based on an independent Cost Benefit Analysis of reform options, as well as extensive self-assessment. Council's proposal noted that Wyong Shire Council already met all Fit for the Future benchmarks, and that ongoing business improvement would further improve Council's performance against these benchmarks into the future.

IPART are scheduled to complete their assessment of the "fitness" of each Council by the end of October 2015, and the State Government is due to make decisions in relation to NSW Councils in December 2015.

As Wyong Water forms part of the consolidated entity of Wyong Shire Council, at this stage it is unknown whether there will be any impact to Wyong Water.

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 24. Discontinued operations

\$ '000

Wyong Water has not classified any of its operations as "discontinued".

Note 25. Intangible assets

	Actual 2015	Actual 2014
\$ '000		
Intangible Assets represent identifiable non-monetary asset without physical substance.		
Intangible assets are as follows;		
Opening values:		
Gross book value (1/7)	2,469	2,469
Accumulated amortisation (1/7)	(2,380)	(2,274)
Accumulated impairment (1/7)	-	-
Net book value - opening balance	89	195
Movements for the year		
- Amortisation charges	(35)	(106)
Closing values:		
Gross book value (30/6)	2,469	2,469
Accumulated amortisation (30/6)	(2,415)	(2,380)
Accumulated impairment (30/6)	-	-
Total intangible assets - net book value ¹	54	89

¹. The net book value of intangible assets represent:

- Software	54	89
	54	89

Note 26. Reinstatement, rehabilitation and restoration liabilities

Wyong Water has no outstanding obligations to make, restore, rehabilitate or reinstate any of its assets or operations.

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 27. Fair value measurement

\$ '000

Wyong Water the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

Fair values:		Fair Value Measurement Hierarchy			Total
2015	Date of latest Valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring Fair Value Measurements					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/13	-	-	314	314
Office equipment	30/06/13	-	-	178	178
Furniture and fittings	30/06/13	-	-	27	27
Operational land	30/06/13	-	-	57,617	57,617
Community land	30/06/11	-	-	1,105	1,105
Buildings - specialised	30/06/13	-	-	11,785	11,785
Other structures	30/06/11	-	-	1,421	1,421
Roads	30/06/15	-	-	25	25
Bulk earthworks (non depreciable)	30/06/15	-	-	16	16
Stormwater drainage	30/06/15	-	-	341,759	341,759
Water supply network	30/06/12	-	-	553,617	553,617
Sewerage network	30/06/12	-	-	671,823	671,823
Total infrastructure, property, plant and equipment		-	-	1,639,687	1,639,687
2014					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/13	-	-	478	478
Office equipment	30/06/13	-	-	158	158
Furniture and fittings	30/06/13	-	-	18	18
Operational land	30/06/13	-	-	57,652	57,652
Community land	30/06/11	-	-	1,113	1,113
Buildings - specialised	30/06/13	-	-	12,088	12,088
Other structures	30/06/11	-	-	1,413	1,413
Stormwater drainage	30/06/10	-	-	237,154	237,154
Water supply network	30/06/12	-	-	558,140	558,140
Sewerage network	30/06/12	-	-	669,335	669,335
Total infrastructure, property, plant and equipment		-	-	1,537,549	1,537,549

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

(2) Transfers between Level 1 and Level 2 fair value hierarchies

During the year, there were no transfers between Level 1 and Level 2 Fair Value hierarchies for recurring fair value measurements.

(3) Valuation techniques used to derive Level 2 and Level 3 fair values

Where Wyong Water is unable to derive Fair Valuations using quoted market prices of identical assets (i.e. Level 1 inputs), Wyong Water instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The Fair Valuation techniques Wyong Water has employed while utilising Level 2 and Level 3 inputs are as follows:

Infrastructure, property, plant and equipment

Plant and equipment, office equipment and furniture and fittings

Plant and Equipment, Office Equipment and Furniture and Fittings assets are recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items. Therefore these assets are disclosed at fair value in the notes.

These asset categories include:

- Plant and Equipment – pumps, compressors and power hand tools
- Office Equipment – computer hardware, digital cameras and photocopiers
- Furniture and Fittings – work stations, storage cabinets and air conditioning units

The unobservable level 3 inputs used include:

- Pattern of consumption
- Useful life

Wyong Water reviews the value of these assets based on the gross replacement cost of similar assets.

There has been no change to the valuation process during the reporting period.

Operational land

This asset class is comprised of all of Wyong Water's land classified as Operational Land under the Local Government Act 1993. The last valuation was undertaken at in 2013 by APV Valuers and Asset Management.

The valuation of the freehold land has been carried out on a market value basis. It has been assessed on the basis of the estimated amount, which the interest in each property being valued might reasonably be expected to realise on the date of valuation in an exchange between a willing vendor and a willing purchaser in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Where a depth in market was identified, the fair value was assessed as a best estimate of the price reasonably obtainable in the market at the date of valuation. This is based on available market evidence of sales of similar or reference assets.

The gross current value has been assessed on the basis of replacement cost with a new asset having similar service potential and includes allowances for preliminaries and professional fees.

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

This asset class is categorised as Level 3 as some of the inputs used in the valuation of these assets require significant professional judgement and are unobservable.

There has been no change to the valuation process during the reporting period.

Community land

Community Land assets are comprised of Wyong Water's owned land classified as Community Land under the Local Government Act 1993 and land under the care and management of Wyong Water on behalf of the Crown.

Wyong Water values Community Land based on the unimproved land values provided by the Valuer General or an average unit rate based on the land values for similar properties (land use, land size, shape and location) where the Valuer General has not provided a land value based on the highest and best use for the land.

This asset class is valued using unimproved land values provided by the Valuer General which is not considered to be an observable input based on market evidence and therefore contains Level 3 unobservable inputs. As per Office of Local Government Circular 12-09, the asset class will be revalued in 2016 with the latest Valuer General values as at 1 July 2014.

There has been no change to the valuation process during the reporting period.

Buildings – specialised

Council on behalf of Wyong Water engaged APV Valuers and Asset Management to value Buildings in 2013. The valuation methodology applied is dependent on whether a market exists to substantiate the value of the asset.

Where a depth in market is identified, the fair value is assessed as a best estimate of the price reasonably obtainable in the market at the date of valuation. This is based on available market evidence of sales of similar assets. The net value of the building and site services is the difference between the market value of the asset (as a whole) less the market value of the land component.

Where there is no depth of market the fair value is determined on depreciated current replacement (DCRC) basis. This is calculated by determining the gross current replacement cost and determining the amount of accumulated depreciation to reflect the level of service potential remaining in the asset.

The valuation of buildings, structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and firefighting equipment, and general lighting). The buildings and site improvements were physically inspected and measured. The building valuations incorporate a gross current value, net current value and residual value for each asset.

This asset class is categorised as Level 3 as some of the inputs used in the valuation of these assets require significant professional judgement and are unobservable.

There has been no change to the valuation process during the reporting period.

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

Other structures

This asset class is comprised of fencing and structures which did not meet the definition of a building.

The cost approach has been utilised to value other structures. Valuations are undertaken by the Wyong Water's staff based on the technical knowledge and experience of engineers and asset management staff. Unobservable Level 3 inputs used include useful life, asset condition and pattern of consumption.

Stormwater drainage assets contained within Holiday Parks previously classified in this asset class have been reclassified to stormwater drainage assets and revalued during the reporting period as part of the roads and drainage asset revaluation.

There has been no change to the valuation process during the reporting period.

Stormwater drainage

The Stormwater Drainage asset class consists of Wyong Water's pits, pipes, detention basins, open drains, culverts, floodgates, wetlands, headwalls and gross pollutant traps. The valuation of the asset class undertaken in this financial year was performed by the Wyong Water's experienced asset management staff using the cost assets approach. Replacement cost is assessed using the MEERA approach.

Stormwater drainage assets contained within Holiday Parks previously classified in Other Structures have been reclassified to this asset class and revalued during the reporting period.

Replacement costs (unit rates) and useful lives for stormwater drainage assets were determined through a combination of historic data and technical knowledge during both the current and prior valuation, which incorporated standard unit rates applied to the dimensions of the asset and considered environmental factors based on asset location. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life and pattern of consumption.

Asset conditions between 1 (Excellent) to 5 (Very Poor) was determined by CCTV investigation undertaken across a representative selection of the Wyong Water's drainage network and assumptions based on age. Due to the availability of historical information for assets with long lives there is some uncertainty on the specifications and dimensions of some assets however data validation processes have been undertaken to reduce this risk. The methodology applied by external valuers, GHD, in 2010 was based on asset condition ratings from 0 (New Asset) to 10 (Failed Asset or No Longer in Service) and was based assessed asset conditions from a random sample of the drainage network.

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Water supply network

This asset class is comprised of water treatment plants, water pump stations, reservoirs, water mains, tunnels, dams, weirs and water meters.

The gross replacement cost approach has been utilised to value the water supply network. This approach estimates the gross replacement cost based on MEERA techniques and equipment that would result in recognising an asset to serve the same function as the existing asset, rather than replicate the existing asset. Assets have been componentised as per AASB 116 Property, Plant and Equipment.

Valuations are undertaken by Wyong Water's staff based on the technical knowledge and experience of engineers and asset management staff taking into consideration NSW Reference Rates issued by the Department of Primary Industries Office of Water and the valuations performed by Evans and Peck and NSW Public Works in 2011 for the Joint Water Assets.

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

Unobservable Level 3 inputs used include materials used in the construction of the asset, residual value, useful life, asset condition, unit rates and pattern of consumption. As some of the assets have very long lives there is some uncertainty on the specifications and dimensions of some assets however the Water and Sewer Planning section undertook data validation processes to reduce this risk.

There has been no change to the valuation process during the reporting period.

Sewerage network

This asset class is comprised of sewer treatment plants, sewer pump stations, sewer vacuum systems and sewer mains.

The gross replacement cost approach has been utilised to value the sewerage network. This approach estimates the gross replacement cost based on MEERA techniques and equipment that would yield an asset to serve the same function as the existing asset, rather than replicate the existing asset. Assets have been componentised as per AASB 116 Property, Plant and Equipment.

Valuations are undertaken by the Wyong Water's staff based on the technical knowledge and experience of engineers and asset management staff taking into consideration NSW Reference Rates issued by the Department of Primary Industries Office of Water.

Unobservable Level 3 inputs used include materials used in the construction of the asset, residual value, useful life, asset condition, unit rates and pattern of consumption. As some of the assets have very long lives there is some uncertainty on the specifications and dimensions of some assets however the Water and Sewer Planning section undertook data validation processes to reduce this risk.

There has been no change to the valuation process during the reporting period.

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (Level 3)

a. The following tables present the changes in Level 3 fair value asset classes.

	Plant and equipment	Office equipment	Furniture and fittings	Operational land	Total
Adoption of AASB 13	616	214	30	57,599	58,459
Transfers from/(to) another asset class	5	-	-	55	60
Purchases (GBV)	23	-	-	47	70
Disposals (WDV)	-	-	-	(49)	(49)
Depreciation and impairment	(168)	(58)	(12)	-	(238)
Other movements	2	2	-	-	4
Closing Balance - 30/6/14	478	158	18	57,652	58,306

Purchases (GBV)	5	92	20	-	117
Disposals (WDV)	-	-	-	(35)	(35)
Depreciation and impairment	(169)	(72)	(11)	-	(252)
Closing Balance - 30/6/15	314	178	27	57,617	58,136

	Community land	Buildings specialised	Other structures	Stormwater drainage	Total
Adoption of AASB 13	1,168	12,393	1,431	231,531	246,523
Transfers from/(to) another asset class	(55)	-	-	-	(55)
Purchases (GBV)	-	-	28	7,779	7,807
Depreciation and impairment	-	(307)	(47)	(2,616)	(2,970)
Revaluation increments to equity (ARR)	-	-	-	459	459
Other movements	-	2	1	1	4
Closing Balance - 30/6/14	1,113	12,088	1,413	237,154	251,768

Transfers from/(to) another asset class	-	-	-	650	650
Purchases (GBV)	-	-	56	9,746	9,803
Disposals (WDV)	(8)	-	-	-	(8)
Depreciation and impairment	-	(303)	(48)	(3,053)	(3,404)
Revaluation increments to equity (ARR)	-	-	-	97,262	97,262
Closing Balance - 30/6/15	1,105	11,785	1,421	341,759	356,070

Wyong Water

Notes to the financial statements
for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (Level 3) (continued)

a. The following tables present the changes in Level 3 fair value asset classes. (continued)

	Roads	Bulk earthworks	Water supply network	Sewerage network	Total
Adoption of AASB 13	-	-	551,764	656,265	1,208,029
Purchases (GBV)	-	-	4,632	7,317	11,949
Disposals (WDV)	-	-	(252)	-	(252)
Depreciation and impairment	-	-	(13,618)	(12,509)	(26,127)
Revaluation increments to equity (ARR)	-	-	15,625	18,260	33,885
Other movements	-	-	(11)	2	(9)
Closing Balance - 30/6/14	-	-	558,140	669,335	1,227,475
Transfers from/(to) another asset class	26	16	(493)	-	(451)
Purchases (GBV)	-	-	1,906	5,708	7,614
Disposals (WDV)	-	-	-	(307)	(307)
Depreciation and impairment	(1)	-	(14,096)	(12,858)	(26,955)
Revaluation increments to equity (ARR)	-	-	8,160	9,945	18,105
Closing Balance - 30/6/15	25	16	553,617	671,823	1,225,481

Wyong Water

Notes to the financial statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

(4). Fair value measurements using significant unobservable inputs (Level 3) (continued)

b. The valuation process for Level 3 fair value measurements

The revaluation of assets is carried out based on the appropriate methodology for each asset class prepared by the Wyong Water's experienced asset management staff. The fair value of assets has been evaluated using a cost approach based on MEERA techniques that would result in recognising an asset to serve the same function as the existing asset, rather than replicate the existing asset. The asset classes Operational Land and Buildings Non-Specialised use a market value approach where applicable and Land under Roads also encapsulates the Englobo valuation basis.

The significant inputs considered in the valuation of assets to fair value are the asset components, materials used in the construction of the asset, residual values, pattern of consumption, dimensions, condition ratings and remaining useful life. Asset conditions are based on field inspections using ratings aligned with technical asset condition standards for each asset class which aligns to the condition ratings set out in Special Schedule 7. For assets with long lives there is some uncertainty on the specifications and dimensions of some assets however data validation processes have been undertaken to reduce this risk.

Revaluation of assets is undertaken by experienced Wyong Water staff or independent valuation consultants depending on the asset class and available information for valuation purposes. Wyong Water's asset managers will determine if external valuation consultants are required to be engaged.

Wyong Water's asset managers and finance team work together to analyse fair value movements post valuation. In the 2015 reporting period the asset classes Roads and Stormwater Drainage assets were revalued by the Wyong Water's staff. This is the second valuation of Road and Drainage assets, the first of which was undertaken by external consultants in 2010.

(5). Highest and best use

As part of Wyong Water's ongoing review of the highest and best use of its assets in terms of service to the Community. Any operational land parcels which Wyong Water has assessed as being surplus to requirements and having limited service to the Community have been recommended for sale in the open market. Council on behalf of Wyong Water has resolved to sell surplus parcels which will assist Wyong Water in funding strategic projects as outlined in our strategic plan.

All of the Wyong Water's other non-financial assets are considered to being utilised for their highest and best use to serve Community needs.



INDEPENDENT AUDITOR'S REPORT

Wyong Shire Council Water Supply Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Wyong Shire Council Water Supply Authority (the Authority), which comprise the statement of financial position as at 30 June 2015, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

The Councillors' Responsibility for the Financial Statements

The Councillors are responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Councillors determine is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

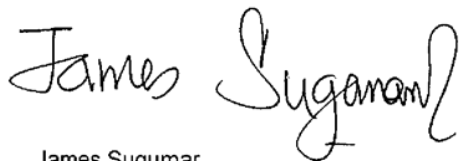
My opinion does *not* provide assurance:

- about the future viability of the Authority
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



James Sugumar
Director, Financial Audit Services

16 October 2015
SYDNEY

4.2 Contract Variations and Finalisation for the period covering May to August 2015

TRIM REFERENCE: F2007/01410 - D12094171

MANAGER: Greg McDonald, Director

AUTHOR: John McCarthy; Team Leader Procurement and Stores

SUMMARY

This paper reports on variations, proposed variations, contract budget adjustments and finalisations to contracts which have exceeded their contract value and are over \$150,000 in value.

The report covers contract variations processed from May to August 2015.

RECOMMENDATION

- 1 That Council receive the Contract Variations report for the period covering May to August 2015.**
- 2 That Council note the additional expenditure above resolved estimates for the following contracts that have been approved under relevant delegated authorities of staff:**

Contract Title	Contract No	Adjusted Contract Value (Excl GST)	Additional Budget Approval (Excl GST)
<i>Alison Homestead Rebuild</i>	<i>CPA/247310</i>	<i>\$1,212,893.74</i>	<i>\$118,250.54</i>
<i>Central Coast Pipes and Pumps Panel Work Package W05</i>	<i>CPA/242261</i>	<i>\$242,220.00</i>	<i>\$12,850.00</i>
<i>Design Upgrade of existing sludge process with Geotubes and decommissioning of existing sludge lagoons Toukley Treatment Plant</i>	<i>CPA/263783</i>	<i>\$174,654.00</i>	<i>\$25,372.00</i>
<i>Design Upgrade Retrofit South Tacoma Sewerage system to low pressure sewerage system</i>	<i>CPA/240716</i>	<i>\$310,363.80</i>	<i>\$32,831.80</i>
<i>Mardi Dam Fire Trails</i>	<i>CPA/250563</i>	<i>\$164,090.50</i>	<i>\$19,510.50</i>

4.2 Contract Variations and Finalisation for the period covering May to August 2015 (contd)

<i>Upgrade of Sewage Pump Stations BB05 & BB06</i>	<i>CPA/249913</i>	<i>2,195,825.00</i>	<i>\$0 (Will be separately reported)</i>
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- 3 That Council approve the additional expenditures requested and increase the resolved contract values accordingly.**

BACKGROUND

Contracts entered into by Council are awarded either by Council resolution or under delegated authority. Section 55 of the Local Government Act 1993 requires that Council must invite tenders before entering into a contract with an estimated value greater than \$150,000.00 (excl GST) and section 377 of the Act requires the acceptance of tenders which are required to be invited by Council under the Act to be by Council resolution.

Contracts of an estimated value less than \$150,000.00 (excl GST) are awarded under delegations made by Council to the General Manager or his/her delegate.

Contracts routinely require variations during the course of the contract due to unforeseeable circumstances, changes in design or changes in service demand on the finished product.

All contracts commonly include a contingency sum to cover unforeseen changes. It is generally expressed as a percentage of the contract value, being typically 10% of the contract value, but may vary between 5% and 30% or more depending upon the nature of the contract and the risks, or may be expressed as a specific dollar value.

Council develops contract estimates and risk based contingency sums as accurately as possible to allow the number of works undertaken in an annual program budget to be maximised, but some risk remains that programs may have to be materially curtailed if unforeseen costs exceed these estimates.

In accordance with contract reporting changes approved by Council at the meeting of 14 February 2012, only contract variations that exceed an approved contract value require Council disclosure. The purpose of this report is to make Council aware and to explain the reasons for the variations, where an increase in the approved contract value has been impacted.

THE PROPOSAL

The report for the period covering May to August 2015 advises on the following contracts that have exceeded their contract ceilings.

- CPA/247310 – Alison Homestead Rebuild
- CPA/242261 – Central Coast Pipes and Pumps Work Package W05
- CPA/236783 – Design Upgrade of existing sludge process with Geotubes and decommissioning of existing sludge lagoons Toukley Treatment Plant
- CPA/240716 – Design Upgrade Retrofit South Tacoma Sewerage system to low pressure sewerage system

4.2 Contract Variations and Finalisation for the period covering May to August 2015 (contd)

- CPA/250563 – Mardi Dam Fire Trails

Variations associated with contract CPA/249913 – Upgrade of Sewage Pump Stations BB05 & BB06 are not included in this report. The variations for this contract have not exceeded their contract contingency at this point in time however it is projected that it will. Variations associated with this contract will be reported to Council at a future meeting.

Summary of variations processed between May and August 2015

Total number of variations processed for the reporting period	57
Total number of Contracts impacted	33
Contracts requiring increase to the contract estimate	5
Contracts where current funds are sufficient to complete	28
Significant contracts finalised in the reporting period	3

Attachment 1 provides detailed information on the reasons for the variations.

OPTIONS

The variations reported in Attachment 1 were required to ensure the reported contract could be progressed in a timely and effective manner to deliver best value for Council and ensure compliance with the contract conditions. In each case, the expenditure involved was authorised by staff with relevant delegated authority.

STRATEGIC LINKS

Strategic links for the various contracts were identified in the initial assessment and approval reports for each contract.

FINANCIAL IMPLICATIONS

Increased expenditure is identified in the recommendation with the source of funds detailed in Attachment 1.

PRINCIPLES OF SUSTAINABILITY

This proposal applies good governance improving Council processes by being consistent and demonstrating a sound basis for the variation of contract estimates to ensure better outcomes for the community via appropriate allocation of resources.

CONSULTATION

Consultation has occurred with all Contract Officers responsible for the management of contracts reported in Attachment 1.

GOVERNANCE

These contract variations are reported to Council to ensure compliance with Section 55 of the Local Government Act and Part 7 - Tendering of the Local Government (General) Regulation 2005.

CORPORATE RISKS

This report contributes to the mitigation of the following risks identified in Council's Risk Register:

Identified Risk	Rating	Actions to Mitigate
Budget Control Inadequate budget control that creates significant funding shortfalls leading to an inability to provide priority services. (shorter-term consequence)	Moderate	Reporting of variations that exceed their approved contract estimates.
Legislative Requirements Council non-compliance with legislative requirements leading to penalties, civil claims and/or contractual disputes.	Low	- Reporting of variations that exceed their approved contract estimates. - Local Government Act requirements in relation to Tenders.

CONCLUSION

In accordance with contract reporting changes approved by Council at the meeting of 14 February 2012, only contract variations that exceed an approved contract value require Council disclosure.

The variations reported in Attachment 1 were required to ensure the reported contracts could be progressed in a timely and effective manner to deliver best value for Council.

ATTACHMENTS

- 1 Contract Variations for the period covering May to August 2015 - D12094505
- 2 Contracts Finalised for the period covering May to August 2015 - D12094507

4.3 Volunteers

TRIM REFERENCE: F2009/00198 - D12084178
MANAGER: Rob Noble, Chief Executive Officer
AUTHOR: Maxine Kenyon; Director

SUMMARY

This report provides an overview of the current commitment Council makes to volunteering and recommends adoption of the Volunteer Recognition Strategy moving forward.

RECOMMENDATION

- 1 ***That Council adopt the Volunteer Recognition Strategy 2015.***
- 2 ***That Council recognise 2016 as the year of the Volunteer for Wyong Shire Council.***

BACKGROUND

At the previous Councillor Workshop, Councillors were keen to invest further in volunteers and recognise the contribution that they make to our community.

In the case of Wyong Shire Council, volunteering can be defined as people performing a designated task or activities for Wyong Shire Council under the expressed direction of Management or a designated representative: of their own free will; without payment; which provide benefit to the community; and which complements activities of paid staff.

Wyong Shire Council recognises the significant contribution of volunteers within our community. We value volunteers who in their various roles initiate, deliver and enhance a broad range of services and programmes. Volunteers provide a unique bond between Council and the community we serve by:

1. Encouraging community participation and development.
2. Providing enhanced access to resources and information.
3. Assisting with services responsive to community needs.
4. Increasing social connections and interaction.

In 2012 according to our Quality of Life survey, 29.8 per cent of Wyong Shire residents volunteered, a rate of volunteering on par with that reported in 2007 (30.7%). Central Coast residents who are female or over the age of 40 years were significantly more likely to volunteer than males and younger age groups in 2012. For older age groups it is likely that volunteering represents an important means to engage in and contribute to society.

In 2012, as in 2007 there was a significant and positive association between volunteering and wellbeing. Persons who volunteered had a significantly higher mean wellbeing score than those who did not.

Rates of volunteering as reported in the Census are lower than those reported in the Quality of Life survey. This can partly be explained by the differences in the question asked. The 2011 Census asks respondents whether they spent 'any time doing voluntary work through an organisation or group in the last 12 months' while the QOL survey simply asked 'do you do any voluntary work?', which is a broader definition, accounting for the higher rates reported.

CURRENT STATUS

For many years individuals and groups have voluntarily undertaken works in a range of activities for Wyong Shire Council. Council has allocated approximately \$2million worth of resources, through funding or staff time to develop and support volunteers across the organisation. This level of commitment is reflected across a range of areas, including the following and does not account for the level of subsidisation provided to community / volunteer groups:

- Tidy Towns (100 volunteers)
- Landcare (525 volunteers)
- Committees of Council (Status of Women, Sports, Multicultural, S355)
- Library Services
- Graffiti Removal
- Visitor Information Centres
- The Entrance Gallery
- Volunteer Development
- Community Service Orders
- Work For The Dole

With more than 650 volunteers participating in our initiatives, Council recognises the vital role volunteers play in providing enhanced service delivery and increasing our scope in various programs and activities. Volunteering also plays an integral part in building our communities capacity, increasing community connections and enhancing the individuals skills and knowledge while providing meaningful opportunities for contribution to their local community.

Council has developed the following key documents to assist in understanding our role and supporting volunteers in our organisation, including:

- Volunteer management guidelines
- Toolkit for volunteer managers
- Information for volunteers

There are currently many opportunities for formal volunteer recognition; from local or national volunteer specific awards, through to Councils own Australia Day Awards; and individual volunteer supervisors should be notified of these opportunities and utilising them better. Council could also give consideration to an annual "contribution certificate" for Council volunteers to coincide with a recognised "Volunteer Day". Special milestone volunteering achievements should also be acknowledged to help build a positive volunteer culture and assist with general volunteer retention.

In addition to the volunteers Council works with there are many not for profit groups in the Wyong Shire community which are heavily supported by volunteers.

Council calculates the value of volunteer hours at \$25 per hour, in many cases the contribution is worth a great deal more.

THE PROPOSAL

The development of a Volunteer Recognition Strategy (ATTACHED) aims to highlight Council's contribution to recognising the volunteers working with us and within our community.

In the year of the Community Agenda, 2015/16, a number of opportunities have been identified to support volunteers and to implement a positive Volunteer Program within Council. This strategy is predominantly focused on Council volunteers, as Central Coast Volunteering is the peak body for volunteering on the Coast.

The key objective of this strategy and the initiatives being planned and delivered is to:

- Create opportunities for active volunteering in the community to increase skills and participation in community life through:
- Promote opportunities to volunteers with Council and support services provided to the community
- Promote connections to volunteer associations to connect volunteers to other agencies and networks
- Acknowledge the support and contribution volunteers make to our community.

The outcomes of this strategy, the end benefit and the reason why we have developed this strategy are key, Council supports volunteering in our community to assist in creating and supporting our residents to have an improved way of life.

Volunteers are a crucial component of our social fabric, be that to:

- support community based organisations who have limited resources
- to assist those in need in our community
- to transfer or gain skills
- create connections
- be of positive value to an individual's wellbeing.

These deliverables, or the actions we will do, will assist in achieving the objectives and outcomes of this strategy. There are three pillars that will drive the Volunteer Strategy:

1. Volunteer Development

To provide initiatives that support the development and recruitment of volunteers in Council and the community.

2. Volunteer Support

To provide initiatives that support volunteers in Council and the community.

3. Volunteer Appreciation

To provide initiatives that demonstrate Council's recognition and value of volunteers in Council and the community.

Actions for each pillar are outlined in the attached strategy.

OPTIONS

Council could consider alternate options for the volunteer expenditure. This is not recommended as it is based on integrating current and future activities to provide the most effective use of resources.

STRATEGIC LINKS**Wyong Shire Council Strategic/ Annual Plan**

Council's volunteer approach assists in various Council activities.

Long Term Financial Strategy

Budget for volunteering activities is included in the business as usual budgets and Long Term Financial Strategy.

Asset Management Strategy

Not applicable.

Workforce Management Strategy

Volunteers are used in addition to staff and therefore have no impact on the Workforce Management Strategy.

Link to Community Strategic Plan (2030)

Volunteerism is incorporated into every objectives of the Community Strategic Plan be that through Council activities or the services and contributions from volunteers in other organisations across the Shire.

Budget Impact

Current budgets include resourcing to support existing Council volunteer programs and in 2015/16 a further \$300,000 was provided to support the implementation of a Volunteer Recognition Strategy.

CONSULTATION

The Volunteer Recognition Strategy is an in principle document which identifies existing work already undertaken and builds on what our current volunteers have told us they would like from Council. Teams which are currently using or have the potential to use volunteers have also been consulted.

GOVERNANCE AND POLICY IMPLICATIONS

Council volunteers are covered under the Work Health and Safety Obligations. Volunteer Policy is currently being reviewed.

MATERIAL RISKS AND ISSUES

Limited as this is business as usual.

CONCLUSION

Volunteerism is an important component of Council and the broader community as it provides an opportunity for skill development and social participation and connection. The Volunteer Recognition Strategy identifies how Council will support volunteerism in the organisation and across the Shire to deliver improved outcomes to the broader community.

ATTACHMENTS

- 1 Volunteer Strategy October 2015 D12118389

WYONG SHIRE COUNCIL
**VOLUNTEER
STRATEGY**
OCTOBER 2015

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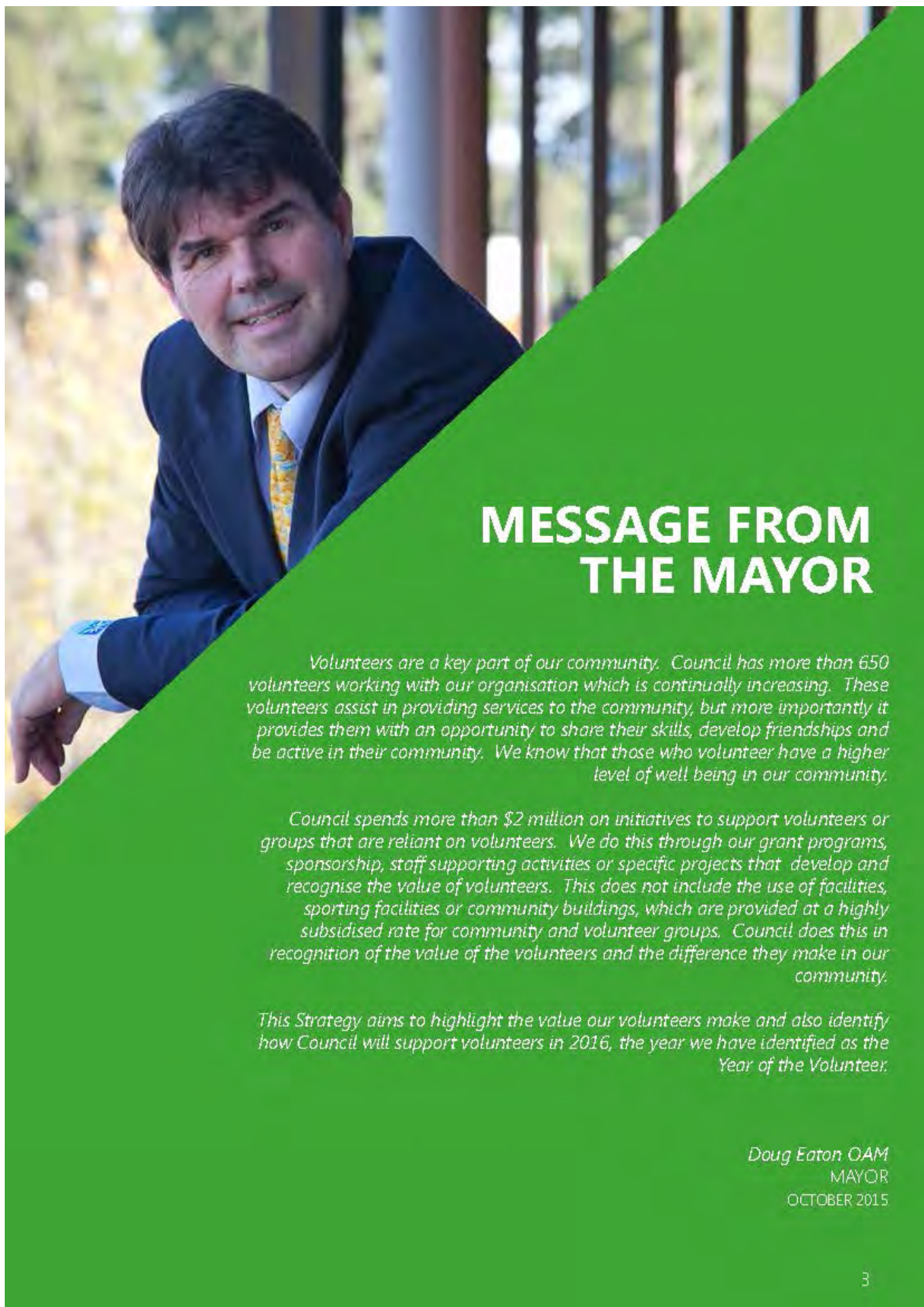
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INTRODUCTION TO VOLUNTEERING

Wyong Shire Council recognises the significant contribution of volunteers within our community. We value volunteers who in their various roles initiate, deliver and enhance a broad range of services and programmes. Volunteers provide a unique bond between Council and the community we serve by:

- Encouraging community participation and development.
- Providing enhanced access to resources and information.
- Assisting with services responsive to community needs.
- Increasing social connections and interaction.

In the case of Wyong Shire Council, volunteering can be defined as people performing a designated task or activities for Wyong Shire Council under the expressed direction of Management or a designated representative; of their own free will; without payment; which provide benefit to the community; and which complement activities of paid staff.



MESSAGE FROM THE MAYOR

Volunteers are a key part of our community. Council has more than 650 volunteers working with our organisation which is continually increasing. These volunteers assist in providing services to the community, but more importantly it provides them with an opportunity to share their skills, develop friendships and be active in their community. We know that those who volunteer have a higher level of well being in our community.

Council spends more than \$2 million on initiatives to support volunteers or groups that are reliant on volunteers. We do this through our grant programs, sponsorship, staff supporting activities or specific projects that develop and recognise the value of volunteers. This does not include the use of facilities, sporting facilities or community buildings, which are provided at a highly subsidised rate for community and volunteer groups. Council does this in recognition of the value of the volunteers and the difference they make in our community.

This Strategy aims to highlight the value our volunteers make and also identify how Council will support volunteers in 2016, the year we have identified as the Year of the Volunteer.

Doug Eaton OAM
MAYOR
OCTOBER 2015

VALUE OF VOLUNTEERING



Council calculates the value of volunteer hours at \$25 per hour, in many cases the contribution is worth a great deal more. With more than 650 volunteers this is a valuable contribution to our community.

In 2012 according to our Quality of Life survey, 29.8 per cent of Wyong Shire residents volunteered, a rate of volunteering on par with that reported in 2007 (30.7%). Central Coast residents who are female or over the age of 40 years were significantly more likely to volunteer than males and younger age groups in 2012. For older age groups it is likely that volunteering represents an important means to engage in and contribute to society.

In 2012, as in 2007 there was a significant and positive association between volunteering and wellbeing. Persons who volunteered had a significantly higher mean wellbeing score than those who did not.

STRATEGIC LINK TO SERVICE DELIVERY

Council recognises the vital role volunteers play in providing enhanced service delivery and increasing our scope in various programs and activities.

Volunteering also plays an integral part in building our communities capacity, increasing community connections and enhancing the individuals skills and knowledge while providing meaningful opportunities for contribution to their local community.

Council has developed the following key documents to assist in understanding our role and supporting volunteers in our organisation, including:

- Volunteer management guidelines
- Toolkit for volunteer managers
- Information for volunteers.
-
-

For many years individuals and groups have voluntarily undertaken works in a range of activities for Wyong Shire Council. Volunteer activities within Council currently include:

- Tidy Towns
- Landcare
- Committees of Council
- Library Services
- Graffiti Removal
- Visitor Information Centres
- The Entrance Gallery
- Volunteer Development
- Community Service Orders
- Work For The Dole





VOLUNTEER STRATEGY

OBJECTIVES

This strategy is predominantly focused on Council volunteers, as Central Coast Volunteering is the peak body for volunteering on the Coast.

The key objective of this strategy and the initiatives being planned and delivered is to:

Create opportunities for active volunteering in the community to increase skills and participation in community life through:

- Promote opportunities to volunteers with Council and support services provided to the community
- Promote connections to volunteer associations to connect volunteers to other agencies and networks
- Acknowledge the support and contribution volunteers make to our community.

OUTCOMES

Council supports volunteering in our community to assist in creating and supporting our residents to have an improved way of life.

Volunteers are a crucial component of our social fabric, be that to:

- Support community based organisations who have limited resources
- Assist those in need in our community
- Transfer or gain skills
- Create connections
- Be of positive value to an individual's well being.

DELIVERABLES

There are three pillars that will drive the Volunteer Strategy:

1. Volunteer Development
2. Volunteer Support
3. Volunteer Appreciation

VOLUNTEER DEVELOPMENT

To provide initiatives that support the development and recruitment of volunteers in Council and the community



Initiative	Description
Volunteer Information Session	Hold information sessions for those wishing to volunteer in Council providing an overview of roles and responsibilities
Grant Writing Workshops	Provide assistance to community groups and volunteers to understand how to write successful grant applications through workshops
Governance Essentials Workshop	Provide an introductory governance training program to assist volunteers on committees understanding their roles, responsibilities and how to legally and effectively govern their organisation / group
Advanced Governance Training	Provide or support attendance for volunteers working on Council Boards / Committees to receive advanced governance training
Volunteer Conference Attendance	Support volunteer representatives to attend the National Volunteering Conference and provide a feedback session for other Council volunteers
Peak Body Partnerships	Develop partnerships and support through networks the work of Central Coast Volunteers
Engagement Volunteers	Developing a network of interested community members who want to work with Council to deliver consultation strategies out in the community
Graffiti Removal	Provide one training course in safe chemical use and effective removal for graffiti removal volunteer groups
Neighbourhood Volunteer Initiatives	Develop a mini matching fund to support volunteer based projects in local communities that are driven by volunteers in that particular community
Library Volunteers	Enhance volunteering in our libraries, as identified in the Library Strategic Plan
Art House Volunteers	Development of volunteer program to support the operations of the Art House

VOLUNTEER SUPPORT

To provide initiatives that support volunteers in Council and the community.

Initiative	Description
Groups Support	Staff provide direct support to volunteers and volunteer groups, particularly through sports development, events, community facilities, sponsorship and grants
Library Support Services	Further develop the library volunteer program
Community Facilities Support	Supporting 355 committees and volunteers supporting our facilities
Landcare Support	Support 525 Landcare volunteers through training, support with funding applications, equipment and project management
Tidy Towns and Community Gardens Support	Support 100+ volunteers delivering Tidy Towns and Community Gardens in the community through training, support with funding applications, equipment and project management
Corporate Volunteering Program	Development of a Corporate Volunteering program for Council staff to be allocated time to support volunteering in the community
Subsidisation	Subsidise fees and charges to not for profit and volunteer groups for use of Council's community facilities and open space
Sponsorship	Provide formal sponsorship to groups who support or work with volunteers
Funding for Volunteers	Provide grant funding to groups who support or work with volunteers through: Community Matching Fund; Councillor Community Improvement Grants; Community Subsidy Program; Community Benefit Grants; Tidy Towns and Community Gardens equipment; Landcare equipment
Neighbour Day	Support a neighbour day event
Committees	Provide support and funding to work with volunteers on Council committees
Immunisation	Provide support to one clinic volunteer to support Council's immunisation program

VOLUNTEER APPRECIATION

To provide initiatives that demonstrate Council's recognition and value of volunteers in Council and the community.

Initiative	Description
International Volunteers Day (December)	Awards and function
National Volunteering Week (May)	Deliver a large event for all volunteers
Volunteer Achievement	Develop volunteer achievement awards program that regularly recognise and celebrate our volunteers
Volunteer Marketing Campaign	Deliver campaign to promote volunteering and recognise the contribution our volunteers make in our community
Volunteer Branding	Develop branding for all Council volunteers and their work sites
Volunteer Survey	Survey existing volunteers to improve how Council recognises their contribution

This Strategy will assist in driving the recognition of volunteers in 2016 across Council and the community.

Council recognises 2016 as the Year of the Volunteer.

This strategy will be reviewed in 2017









Contact us

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October 2015



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4.4 Community Initiative to Activate a Competition BMX Track at San Remo

TRIM REFERENCE: F2004/05383 - D12098993

MANAGER: Maxine Kenyon, Director

AUTHOR: Brett Sherar, Manager

SUMMARY

This report is in response to a Notice of Motion and provides information on the current development of a competition bicycle motocross (BMX) track and ancillary related sporting activities at the facility known as the Extreme Sports Park. A recommendation will be provided that will fund the development of the facility based on usage and related to the growth of the usage of the facility.

RECOMMENDATION

- 1 That Council encourage the community initiative to re-invent the San Remo Extreme Sports Park to become an active recreation facility.**
- 2 That Council support the current, planned redevelopment works within the current operational and capital budgets.**
- 3 That Council consider capital budget bids for future years to augment the facility based on increasing participation and needs of the facility through the normal budgetary cycle.**

BACKGROUND

At the Ordinary Meeting of Council on 22 July 2015, Council:

"RESOLVED unanimously on the motion of Councillor BEST and seconded by Councillor TROY:

- 753/15 That Council welcome the community's recent drive to establishment a steering committee to activate a Northern area competition BMX Track based at San Remo.*
- 754/15 That Council request the General Manager to provide a report on the Committee's initiative to activate a new competition standard version of the Extreme Bike and Skate Facility at San Remo and that committee representatives be invited to brief Council on their vision.*
- 755/15 That further to Council's recent announcement to construct a major regional Skate Facility in the Shires South, Council recognise the need to equitably distribute resources across the Shire, to this end Council welcomes this community driven initiative."*

HISTORY

At the Ordinary Meeting of Council held on 26 July 2000, Council endorsed the construction of an Extreme Sports Facility in San Remo after consideration of a report dealing with the need for alternative recreational facilities in this area of the Shire.

Due to the rapid population growth within the Shire, the increase in youth population and rise in popularity of activities such as bicycle motocross (BMX), mountain bike riding and mountain boarding, it was considered appropriate that Council provide a facility that would meet the needs of the Central Coast. This regional-level facility was intended to meet social objectives by providing a challenging venue where young people could meet and enjoy social interaction while participating in a sport that satisfies their needs. It would also meet sporting objectives through providing a venue for unstructured sport for local use and as a venue for holding State and National events.

Subsequently, construction commenced in an old water storage dam owned by Delta Electricity on the corner of Highview Avenue and Scenic Drive, San Remo. The site had not been used for its original purpose for many years. Council negotiated a 20-year lease agreement with Delta Electricity for use of the site which also included the land located between the reservoir and Camp Breakaway. The lease has been extended and is valid until September 2032.

Stage 1 of the facility was officially opened by Council in December 2002 and involved the construction of the dirt jumps, trails, sediment pond, car parking spaces and access road. Stage 2 of the facility involved the construction of an amenities building, park signage, shelters and a skate park, which was officially opened by Council during December 2005.

The Extreme Sports Park had demonstrated that it satisfied a demand from both younger and older people who wish to pursue more challenging recreational activities. Throughout the NSW School holidays when the Park was first opened for extended hours, over 3100 people actively used the facility. Daily records indicated that attendance at the Park during the school holidays averaged between 39 and 77 users at various times over each day. This usage was considered better than expected for a new development with limited ancillary infrastructure.

A few incidents of anti-social behaviour occurred during the first two weeks of operation. To quickly deal with these problems a Council Ranger was rostered at the Park during opening hours. The Rangers provided a valuable supervisory role, ensuring users had protective equipment, addressing any anti-social problems and providing assistance to persons injured after falling from their bikes/boards. The presence of a Ranger was widely praised by users and the local community.

Due to the significant costs associated with providing the Rangers, after approximately eight months. This service was gradually scaled back to weekend supervision and then stopped completely.

4.4 Community Initiative to Activate a Competition BMX Track at San Remo (contd)

Although the park was popular when first opened, no sporting club or association was ever activated, leaving the park with only passive use. No group took ownership, leaving Council to fund all maintenance.

Attendance at the park declined due to vandalism, antisocial activity and lack of maintenance of the facility that was intense and cost prohibitive.

CURRENT STATUS

A group of residents, mostly parents of children who are either currently racing BMX outside Wyong Shire or would like to start racing, made contact with Council staff in May 2015 to gain support to facilitate the redevelopment of the Extreme Sports Park site. The group are seeking to accommodate a competition BMX track along with ancillary related activities such as jump run for freestyle riders and junior pump track, similar to Saltwater Creek. Jump runs are similar to the informal BMX tracks that are found in bush areas where riders construct their own jumps with dirt provided.

The group, which is being supported by the San Remo Neighbourhood Centre, have met on a number of occasions to further this project. After the initial meeting that provided confidence to staff that there were enough people with the drive to make this project successful, further meetings were scheduled to form a steering committee, have the committee incorporated and debate ideas to form the masterplan of the site. Currently, the group is not incorporated as they are in the early stages of forming but it is a very strong steering committee. They are working towards incorporation but don't expect this to happen for another six to twelve months. At the second meeting of the committee a representative of NSW BMX attended to provide information on the scale of development required for varying levels of competition. The committee debated the information provided by the NSW BMX representative and the outcome from the meeting was to start with a local level completion facility that would have the capacity to extend if demand required.

Once the competition BMX track is operational, the committee intends to operate the facility in the same way other sports such as Soccer and Rugby League do. It has not yet been determined which operational management model will be used but it would be in line with other sporting facilities in Wyong Shire.

A masterplan for the site has been prepared by staff based with the committee's guidance, after discussions with NSW BMX, to allow the staged development to commence. (See attachment 1).

Staff have commenced work on the planned upgrade of the onsite skate facility as identified in the current CAPEX program. Current funded budgets for this site will allow for maintenance including the clearing and the undertaking of earth works on the site, the set out of the key areas and initial development of a local level BMX track as provided for in 2015/16 operational budget.

Committee members have offered in-kind support to undertake some of the works including a construction company that will shape the jumps and turns for no cost. Staff are working to ensure the company meets all the Council requirements to undertake work on the site including issues around procurement, WHS and a formal agreement.

THE PROPOSAL

To facilitate the redevelopment of the old Extreme Sports Park to a competition BMX track with an active BMX club run on the site, the development would be staged and funding of the works would coincide with the level of usage and increased participation.

The initial stage to be funded within current budgets would include the construction of a local level competition BMX track with the capacity to hold local events, along with the completion of the onsite skate park. Earthworks would set out sites for the jump run and junior pump tracks.

Future development, dependant on levels of participation, would include but not be limited to the embellishment of the track to a State level competition standard, competition standard lighting, amenities, playground and car parking.

No management structure has been discussed with the committee but any structure would need to ensure that passive use is available to the community when competitions are not running in the same way as other sporting facilities.

The difference in the current proposal to the previous iteration of the Extreme Sports Park is that an active committee has already been established with the goal of running a club from the site. The BMX track is to be designed for competition which will also have training times and operate in a similar fashion to a football club. The previous design was based on passive use and no club was ever formed.

Once the project has received Council support, the committee will seek grant funding opportunities for the embellishment of the site through the numerous channels available.

Estimate costs of future development

When the committee met with the NSW BMX representative, they set out what would be required to make a higher level competition track. This has become the long term vision of the steering committee. These elements are costed below (estimates only).

Starting hill and gates	\$45,000
Sealed turns and finish area	\$38,000
Competition standard lighting	\$180,000
Stage 1 Carpark	\$190,000
Junior Pump Track	\$35,000
Playground	\$90,000
Amenities Building	\$400,000
Stage 2 Carpark	\$220,000

OPTIONS

Option 1 – Maintain the site in its current condition with minimal maintenance. – **Not recommended** as the site has potential to become a highly valued community asset.

4.4 Community Initiative to Activate a Competition BMX Track at San Remo (contd)

Option 2 – Work with the community group and redevelop the site into a competition standard BMX track using approved 2015/16 operational and capital budgets. Make budget bids for future year CAPEX programs to further develop the site based on increased participation. **Recommended**

STRATEGIC LINKS

Wyong Shire Council Strategic/ Annual Plan

<i>Principal Activity</i>	<i>Service</i>	<i>Key Action and Objectives</i>	<i>Funding Source and Description</i>	<i>Impact on Key Performance Indicators/ Service Performance Indicators</i>
Social	Open Space and Recreation	Communities will have access to a diverse range of affordable and coordinated facilities, programs and services	Revenue	Design, approvals and construction of a competition standard BMX track

Contribution of Proposal to the Principal Activity

It would provide a quality, affordable facility for the community to use for recreation.

Long Term Financial Strategy

There is an annual maintenance budget for this site that would be ample to maintain the site. When a club is established onsite they will require a higher level of maintenance for a competition standard facility which will be their responsibility.

Asset Management Strategy

This proposal will not significantly change the type of asset on site but will require an updating of the asset management plan and will still require it to be managed in line with Council's Asset Management Strategy.

Workforce Management Strategy

The construction and maintenance of this asset will not require an increase to the workforce.

Link to Community Strategic Plan (2030)

This report addresses Objective 3 of the Community Strategic Plan: Communities will have access to a diverse range of affordable and coordinated facilities, programs and services. Providing and maintaining local and regional community facilities for recreation, culture, health and education.

Budget Impact

If the site is to be developed beyond the scope of the current operational and/or capital budgets identified in the annual or long term financial plan, appropriate budget bids will need to be considered through the normal process.

CONSULTATION

This project was requested from community members in the San Remo area. There has been further consultation with members of the public who wish to be involved in this project and have been connected through social channels.

A door knock of residents on the street where the park is situated has been carried out by the San Remo Neighbourhood Centre with no houses against the redevelopment and the majority very supportive. Three of these residents have requested to be part of the committee.

GOVERNANCE AND POLICY IMPLICATIONS

No impact

MATERIAL RISKS AND ISSUES

The only material risk is that if Council undertake this work without consultation and input from the community, it may not be constructed appropriately and may not be activated, rendering the project ineffective.

CONCLUSION

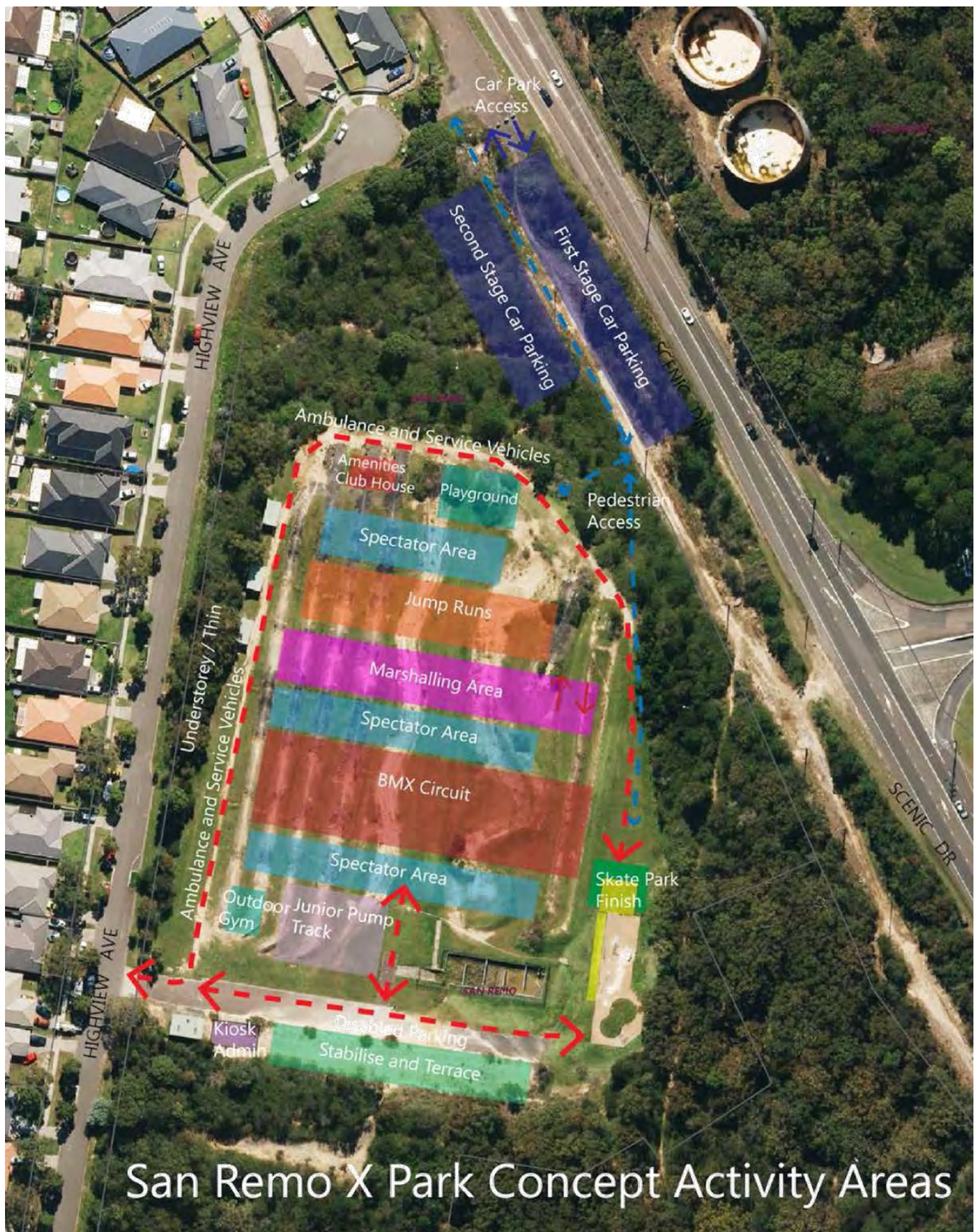
With the growing need for recreational facilities in Wyong Shire, the community drive to establish an active BMX track and the current underutilisation of the Extreme Sports Park has the potential to be a high value community recreational facility if it is activated as a competition BMX track.

Council should support this community initiative and the further development of the site based on the increased participation of the site.

The committee needs to seek funding opportunities for the embellishment of the site through the numerous channels available.

ATTACHMENTS

- 1 San Remo Aerial Draft BMX Masterplan D12104056



5.1 Activities of the Development and Rezoning and Building Certification Compliance and Health Units

TRIM REFERENCE: F2004/07830 - D12091058

MANAGER: Tanya O'Brien, Manager

AUTHOR: Jane Doyle; Development Assistant

SUMMARY

The report includes information and statistics regarding the operations of the Development and Rezoning Unit and the Building Certification Compliance and Health Unit which covers the submission and determination of development, construction and subdivision applications for the month of **September** 2015.

Further the report includes information related to job creation based on Council's adopted employment indice of 10 jobs per \$1 million invested.

RECOMMENDATION

That Council receive the report on Activities of the Development and Rezoning and Building Certification Compliance and Health Units for the month of September 2015 and related job creation.

Development Applications Received and Determined – Development and Rezoning Unit- September 2015.

Type:	Number Received:	Estimated Value \$:	Number Determined:	Estimated Value \$:
Commercial	8	2,270,200	12	32,682,200
Industrial	-	-	-	-
Residential (Multiple Dwellings/Dual Occupancy)	10	3,511,587	18	11,416,101
Other Applications	3	20,000	-	-
Subdivisions	9	3,932,162	3	2,610,587
Section 96 Applications	5	-	5	
Total	35	9,733,949	38	46,708,888

Note: Included in the lodged "Subdivision" category was a 59 Lot Subdivision located at Hamlyn Terrace valued at \$2.9M. Included in the determined "Commercial" was Bunnings at Charmhaven determined by the JRPP valued at \$24M, Mariners Centre for Excellence at Tuggerah valued at \$4M and a Residential Flat Building at The Entrance valued at \$4M.

5.1 Activities of the Development and Rezoning and Building Certification Compliance and Health Units (contd)

Development Applications Received and Determined – Building Certification Compliance and Health Unit – September 2015.

Type:	Number Received:	Estimated Value: \$	Number Determined:	Estimated Value: \$
Commercial	1	150,000	2	115,000
Industrial	-	-	-	-
-Residential-Multiple Dwellings (Dwellings)	42	12,198,366	32	9,206,450
Residential (Alterations and Additions)	66	3,900,825	60	3,457,995
Other Applications	4	59,000	2	29,000
Section 96 Applications	12	-	11	-
Total	125	16,308,191	107	12,808,445

Jobs created during reporting period

During **September 2015**, 145 DA's were approved representing approximately \$59M worth of investment.

The following table outlines the number of jobs which could be created, should the DA's which have been approved be fully taken up:

Month 2015	Value of Development Applications Determined \$	Equivalent Jobs Created through DAs determined (based on 10 jobs per \$1M)	Equivalents jobs created through Council's capital and materials operating expenditure (based on 10 jobs per \$1M)	Central Growth monthly target (based on 947 jobs per year)	Coast Plan jobs
February	35,839,564	350	unknown		79
March	13,555,491	130	58		79
April	15,479,929	150	65		79
May	23,414,861	230	43		79
June	29,081,083	290	71		79
July	27,840,069	270	13		79
August	64,694,141	640	49		79
September	59,517,333	590	63		79

Subdivision Applications Received and Determined September 2015

Type:	Number Received:	Number of Lots:	Number Determined:	Number of Lots:
Commercial	-	-	1	-
Industrial	2	4	-	-
Residential	7	96	2	40
Rural	-	-	-	-
Total	9	100	3	40

Financial Year	Residential & Strata Lots Created (Actual)	Residential & Strata Lots Created (DA Approved)	Secondary Dwellings Approved	Required Homes per CC Growth Plan
2012/2013	145	282	59	1288
2013/2014	95	943	96	1288
2014/2015	204	413	131	1288
2015/2016	176	218	55	1288

Net Median Turn-around Time – September 2015

The net median turn-around time in working days for development applications determined within the Development Assessment Unit during **September 2015** was **34** days. The net median turnaround time in working days for Section 96 applications was **9** days.

The net median turn-around time in working days for development applications determined in the Building Certification Compliance and Health for **September 2015** was **15** days. The net median turn-around time in working days for Section 96 applications was **11** days.

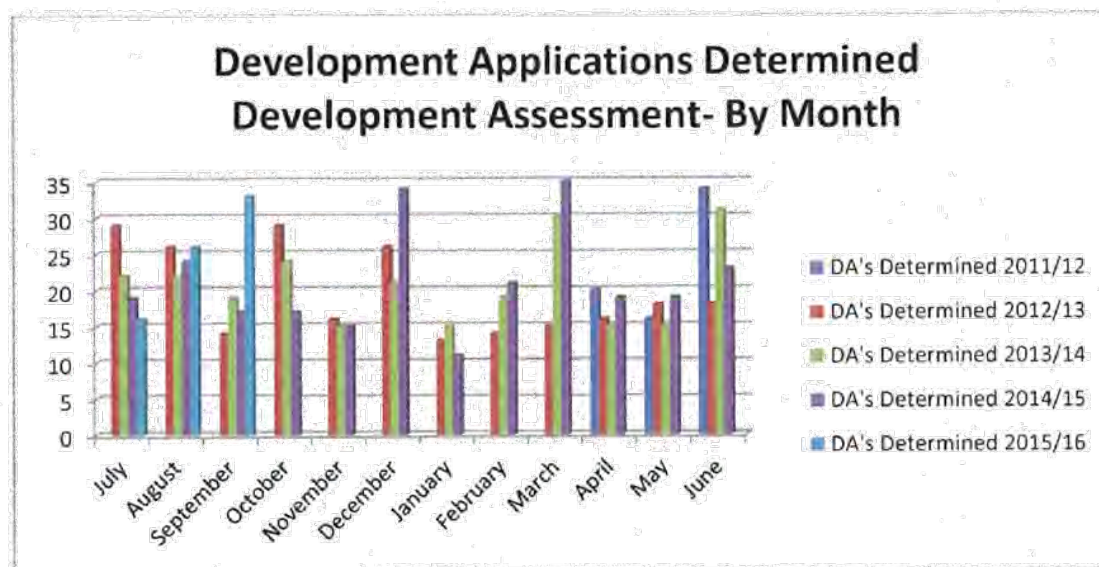
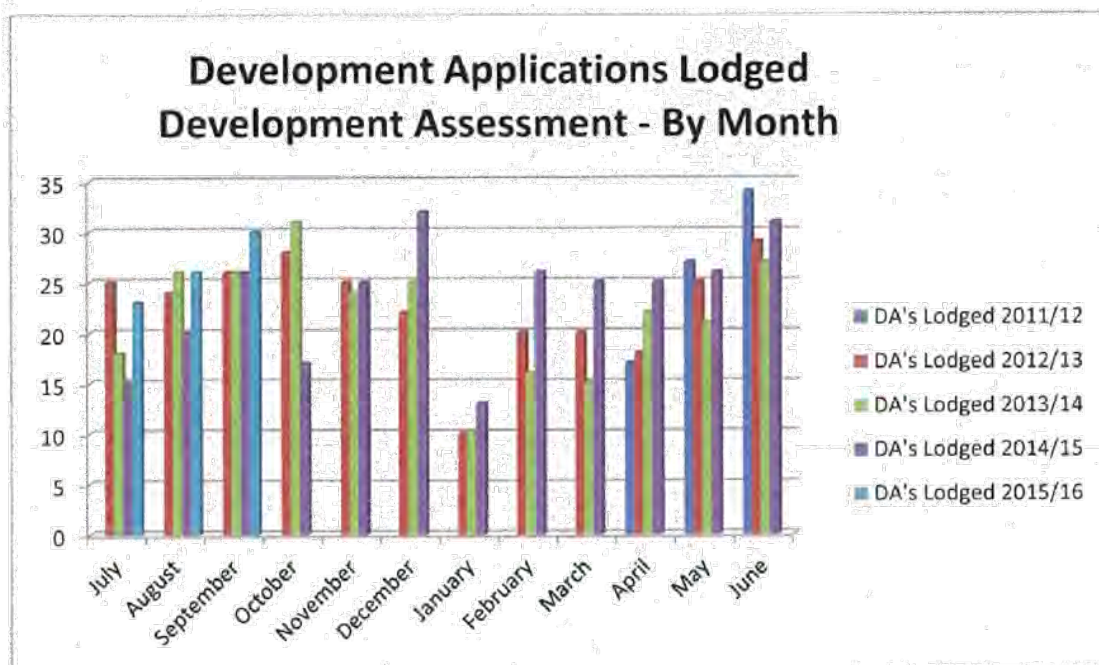
The net median turn-around time in working days for all development applications determined in the Building Certification Compliance and Development Assessment units for **September 2015** was **18** days.

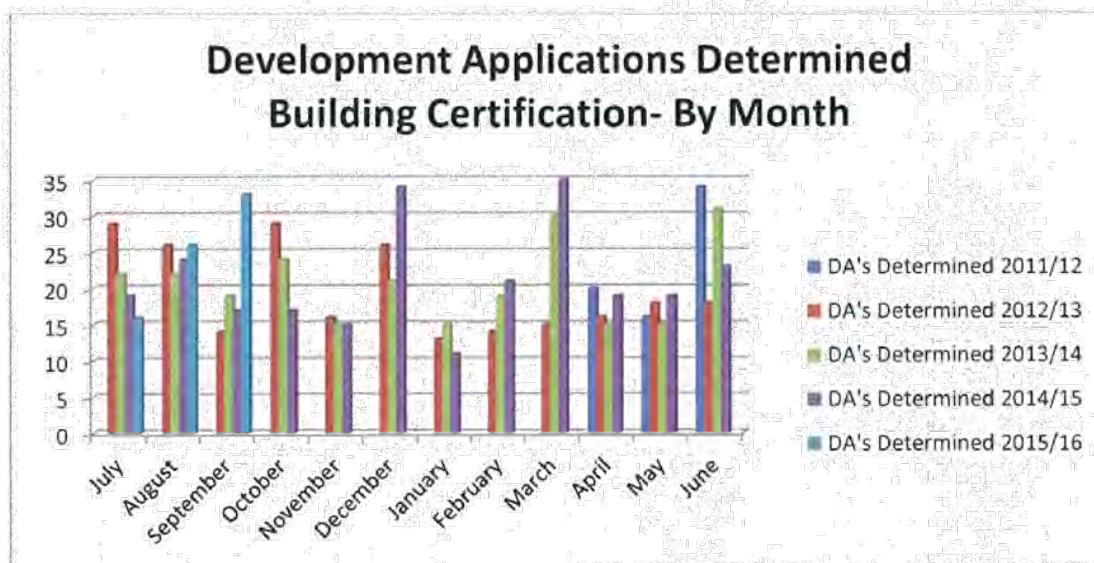
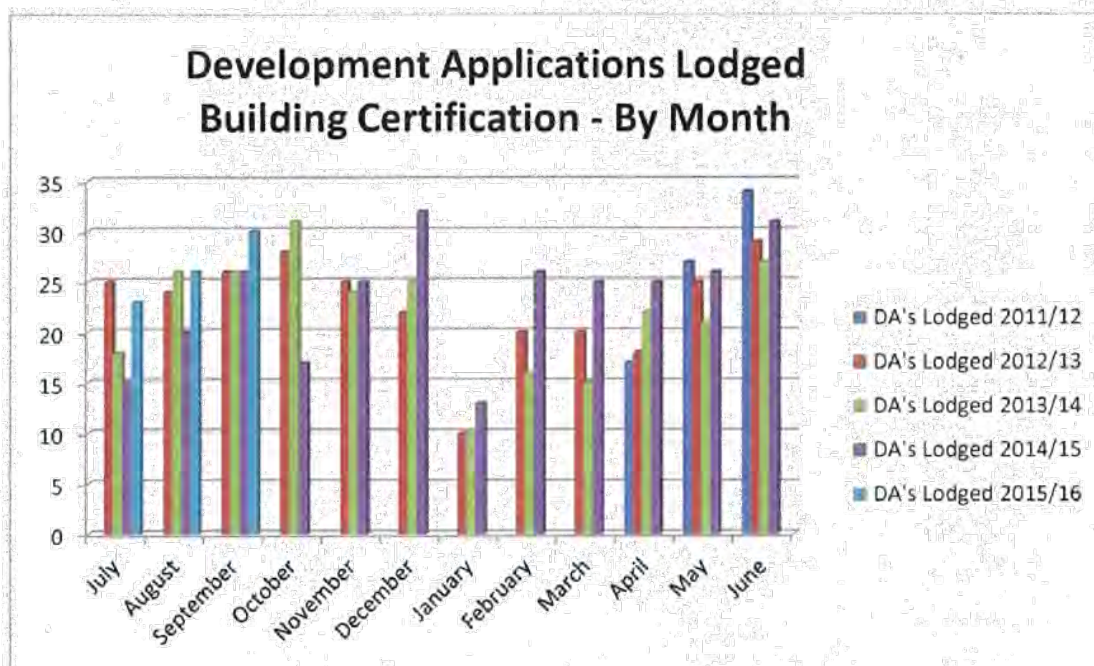
Other Approvals and Certificates

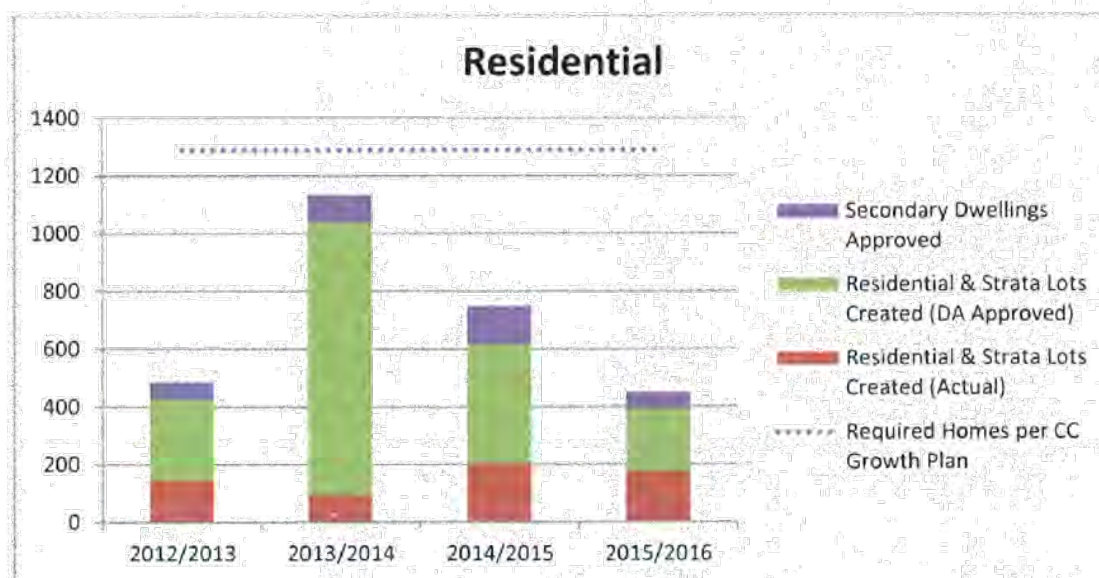
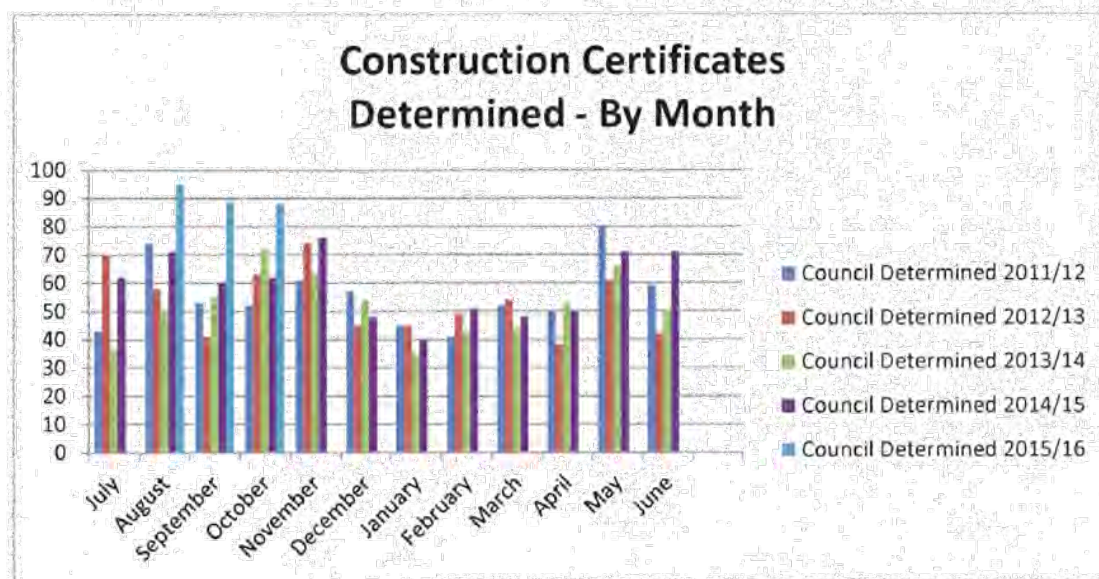
Type	Determined September 2015
Section 149 D Certificates (<i>Building Certificates</i>)	6
Construction Certificates	88
Complying Development Certificates	25

ATTACHMENTS

- 1 Graphs: Development Applications Lodged, Determined, Construction Certificates Determined and Lots Created Against Regional Growth Expectations D12109059







5.2 Results of Water Quality Testing for Beaches and Lake Swimming Locations

TRIM REFERENCE: F2004/06822 - D12091064

MANAGER: Jamie Loader, Manager Building Certification and Health

AUTHOR: Tabitha Kuypers; Environmental Assurance Protection Officer

SUMMARY

Reporting on the results of bacteriological tests for primary recreation water quality for the beaches in Wyong Shire and lake swimming sites in the Tuggerah Lakes catchment for September 2015..

RECOMMENDATION

That Council receive the report on Results of Water Quality Testing for Beaches and Lake Swimming Locations.

Primary Recreation Water Quality Monitoring Program

Water quality monitoring is undertaken at 22 popular swimming sites in Wyong Shire to enable the community to make informed decisions about where and when to swim.

Through the warmer months (September to March), water samples are collected weekly. The results are provided to the Office of Environment and Heritage as part of the state-wide Beachwatch Partnership Program. Daily pollution forecasts and long term trend analysis can be viewed on their website www.environment.nsw.gov.au/beach/index/htm.

Water quality monitoring is undertaken to provide Council with an insight into short term water quality trends. The indicator organism used to determine microbial water quality is Enterococci - a subgroup of Fecal Streptococci that has been used as an indicator of fecal pollution for many years. Enterococci are especially useful in the marine environment and recreational waters as an indicator of potential health risks and swimming-related gastroenteritis.

Each month the average Enterococci count for each swimming site is compared against the National Health and Medical Research Council's (NHMRC) *Guidelines for Managing Risks in Recreational Water (2008)*. Table 2 displays the guidelines rating system used to determine if water is suitable for primary recreation (i.e. swimming).

Whilst water quality results generally indicate that the monitored swimming sites are acceptable for swimming, advisory signs have been erected at the lake sites to advise that *"this area can be affected by stormwater pollution for up to three days after heavy rain. Swimming during this period is NOT recommended"*. Greater connectivity to urban areas and lower dilution rates make the lakes more vulnerable to sources of faecal contamination including stormwater discharges, sewage infrastructure breaks and animal inputs. This is a precautionary measure only and does not mean water quality is poor at all times. In the event sampling revealed Enterococci concentrations greater than 200cfu/100mL, the site would be closed until water quality improved.

Summary of results September 2015

Samples were collected weekly from each sample location in a variety of conditions. There was no rainfall in September until Friday 18th (7.4mm). It rained for the following 10 days (from 0.2mm to 23mm), totaling 92.8mm for the month. Water quality at the beginning of the month was on average good, which is to be expected in dry conditions. The final two samples were collected during wet weather on the 18th and 22nd of September.

Water quality, particularly at the lake sites can be reactive to wet weather inputs from the urban catchment. While twenty of the sampled sites achieved the top star rating, Lake Munmorah and Canton Beach were awarded fair ratings due to elevated counts during the wet weather which extended through the last two weeks of the month. While Tuggerah Lakes sites consistently show slightly elevated readings as a result of lower dilution rates and stormwater discharges, water quality was still considered suitable for swimming under the NHMRC star rating system (see Table 2).

Table 1: Beachwatch average star rating

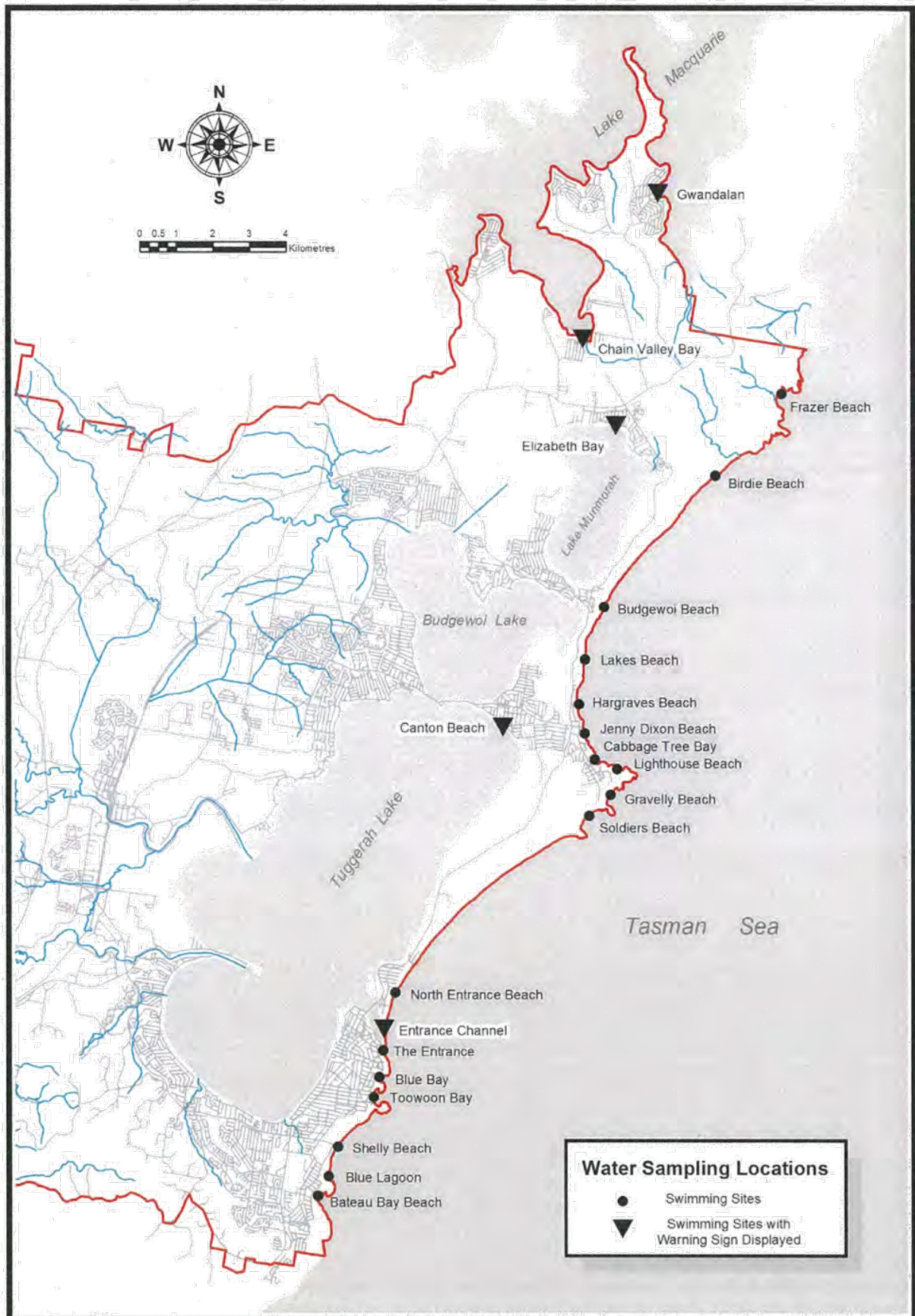
Swimming Site	Site Type	Rating	Stars
North Entrance Beach	Ocean Beach	Good	****
The Entrance Channel	Estuarine	Good	****
The Entrance Beach	Ocean Beach	Good	****
Blue Bay	Ocean Beach	Good	****
Toowoona Bay	Ocean Beach	Good	****
Shelly Beach	Ocean Beach	Good	****
Blue Lagoon	Ocean Beach	Good	****
Bateau Bay	Ocean Beach	Good	****
Chain Valley Bay	Lagoon/Lake	Good	****
Gwandalan	Lagoon/Lake	Good	****
Frazer Beach	Ocean Beach	Good	****
Birdie Beach	Ocean Beach	Good	****
Lake Munmorah – Tom Burke Reserve	Lagoon/Lake	Fair	***
Budgewoi Beach	Ocean Beach	Good	****
Lakes Beach	Ocean Beach	Good	****
Hargraves Beach	Ocean Beach	Good	****
Jenny Dixon Beach	Ocean Beach	Good	****
Canton Beach	Lagoon/Lake	Fair	***
Cabbage Tree Bay	Ocean Beach	Good	****
Lighthouse Beach	Ocean Beach	Good	****
Gravelly Beach	Ocean Beach	Good	****
Soldiers Beach	Ocean Beach	Good	****

Table 2: NHMRC Star Rating Interpretation

Star Rating		Enterococci (cfu/100mL)	Interpretation
****	Good	≤ 40	NHMRC indicates site suitable for swimming
***	Fair	41 – 200	NHMRC indicates site is suitable for swimming
**	Poor	201- 500	NHMRC indicates swimming at site is not recommended.
*	Bad	>500	NHMRC indicates swimming at site is not recommended.

ATTACHMENTS

- 1 Water Sampling Sites D03238043



5.3 Wyong Water - Works in Progress

TRIM REFERENCE: F2004/07830 - D12099123

MANAGER: Greg Cashin, Manager

AUTHORS: Vanessa Trzcinka; Network Operations Engineer

Luke Drury; Section Manager

Melissa Greer; Management Support Officer

SUMMARY

Water supply and wastewater works in progress and completed for September 2015.

RECOMMENDATION

That Council receive the report on Wyong Water - Works in Progress.

WATER SUPPLY

The table below is a status report of current major new and upgrade water projects.

Item Description	Est. Cost \$	Start Date	% Spent	% Comp	Est. Comp Date	Comments
Distribution Network - Water Quality Modelling	\$140,000	July 2015	10%	10%	May 2016	A professional services contract has been awarded to MWH for water age and chlorine residual and disinfection by-product modelling, within the Wyong Water Distribution Network. Contract works will commence in October with an expected date of April 2016.
Treelands Reservoir Roof Upgrade	\$55,000	May 2015	90%	95%	October 2015	Treelands reservoir is currently offline for the replacement of the existing roof which will improve the long term water quality performance of the reservoir. The work is scheduled for completion early October including the finalisation of contractor payment claims.

WASTEWATER SYSTEM

The table below is a status report of current major new and upgrade wastewater projects.

Item Description	Est Cost \$	Start Date	% Spent	% Comp	Est Comp Date	Comments
Wastewater Pumping Station BB05 and BB06 (Blue Bay / Toowoona Bay) construction	\$3.3M	April 2015	40%	50%	April 2016	Construction activities at BB06 are nearing completion; with commissioning due end of October. However site works at BB05 continue to be on hold and are due to recommence in October following the resolution of site layout issues.
Charmhaven and Toukley Chemical Closet and Septic Receptacles Stations	\$490,000	May 2015	8%	10%	June 2016	Tender evaluation has been completed for the design and construction of upgrades of existing chemical closet and septic receptacle stations at Charmhaven and Toukley Wastewater Treatment Plants. The evaluation report will be prepared for the 14 October Council Meeting.
Wyong South Wastewater Treatment Plant Augmentation	\$15.8M	Dec 2014	34%	34%	June 2016	Upgrade of the first of four aeration tanks is now complete and the tank has been brought back into operation. The second tank is now offline for upgrade and the concrete works associated with the construction of the new inlet works are ongoing.
Sewer rehabilitation: Bateau Bay Berkeley Vale Blue Bay Budgewoi Buff Point Chain Valley Bay Charmhaven Chittaway Bay Doyalson North Entrance Ourimbah Summerland Point Tuggerah Warnervale	\$688,000	July 2015	25%	25%	Jun 2016	Contract sewer main / manhole inspection & maintenance program to improve system reliability and to reduce blockages and potential overflows. Work is being delivered as part of a 4 year contract and is ongoing in 2015/16.

PROCESS**Water Treatment**

All treated water produced by Mardi Water Treatment Plant met the health requirements of the Australian Drinking Water Guidelines (ADWG) produced by the National Health and Medical Research Council.

Wastewater Treatment

The effluent discharged from Toukley Sewage Treatment Plant and Bateau Bay Sewage Treatment Plant met the Environmental Protection Authority (EPA) Licence requirements for effluent volume and pollutant concentration.

Sewage Overflows

There were 9 sewer overflow incidents reported to the Council's Environmental Hotline for the period 1 to 30 September 2015, most were related to minor tree root blockages where the normal clean up and reporting were completed. Of these 9 incidents 3 were reported to the Environmental Protection Authority, NSW Health, Work Cover and Fire and Rescue.

Follow up reporting has been submitted for each incident through Council's internal environmental reporting procedures.

ATTACHMENTS

Nil

5.4 Response to Motion of Urgency - RMS's Speedbump Band-Aid, Toukley

TRIM REFERENCE: F2004/06580 - D12100534

MANAGER: Peter Murray, Manager

AUTHOR: Karina Curtis; Personal Assistant to Director

SUMMARY

At the Ordinary Meeting of 8 July 2015, a motion of urgency was proposed by Councillor Best and Troy regarding RMS's Speedbump Band-Aid, Toukley.

RECOMMENDATION

That Council receive the report on Response to Motion of Urgency – RMS's Speedbump Band-Aid, Toukley.

BACKGROUND

At the Ordinary Meeting of 8 July 2015, a Motion of Urgency was considered in relation to the RMS Speed hump band aid solution at Toukley.

It was resolved that:

- "716/15 That, with some 56 accidents over the past 5 years resulting in 34 injuries to motorists and pedestrians, Council clearly recognises the need for improved traffic management on main road Toukley, particularly through the commercial village precinct.*
- 717/15 That Council notes that main road Toukley is managed by the RMS (Roads and Maritime Services) and that all activities, alterations and repairs can only be carried out with the express approval of the State Government's RMS.*
- 718/15 That Council note that no other main arterial corridor on the central coast such as main road Toukley, with some 20,000 cars a day, has had installed speed bumps.*
- 719/15 That Council recognises the significant community concern around the installation of these traffic calming devices.*
- 720/15 That, due to the community outrage, the lack of thorough consultation and the resultant increased vehicle noise, Council call on the RMS to immediately remove these speed bumps.*
- 721/15 That Council supports the RMS's proposed 40km zone through Toukley town centre and appropriate chicane and pedestrian refuge traffic calming devices as utilised in 40km/h school zones.*

722/15 *That staff liaise with the contractor and RMS to negotiate a contractually valid solution that addresses the design, location, method of construction and alternative methods of achieving the desired speed outcomes."*

CURRENT STATUS

The Regional Manager of Roads and Maritime Services (RMS) at Council / RMS meeting held on 22 July 2015 was advised of the Council resolution.

The Regional Manager acknowledged the concerns raised and stated that RMS would continue to monitor the performance of the traffic calming devices in Main Street Toukley.

The Regional Manager further advised that due to the incident history at this location, the option to remove the traffic calming would not be considered lightly and suggested that the road users are first afforded an opportunity to become familiar with the changed traffic conditions.

Council will continue to monitor the performance of the traffic calming devices and the impact of the installation of these devices on traffic in surrounding streets.

ATTACHMENTS

Nil.

5.5 Response to Notice of Motion - End Gridlock Pacific Highway Wyong

TRIM REFERENCE: F2004/06580 - D12100603
MANAGER: Peter Murray, Manager
AUTHOR: Karina Curtis; Personal Assistant to Director

SUMMARY

At the Ordinary Meeting of 10 June 2015, A Notice of Motion was proposed regarding the gridlock conditions of Pacific Highway Wyong.

RECOMMENDATION

That Council receive the report on Response to Notice of Motion - End Gridlock Pacific Highway Wyong.

BACKGROUND

Council, at its meeting held 10 June 2015;

"RESOLVED unanimously on the motion of Councillor BEST and Seconded by Councillor TROY:

- 627/15 That Council recognises the urgent need to work with the RMS to deliver the Wyong Town leg of the Pacific Hwy, an economically vital transport corridor, relied upon by thousands of local residents as they daily commute.*
- 628/15 That further Council recognises, the inordinate delays plaguing this multimillion dollar Highway project as it seeks to accommodate the demand of a small number of property owners must now end.*
- 629/15 That Council applauds the timely turnaround of the RMS's final and progressive draft plans currently on exhibition.*
- 630/15 That Council encourages all interested parties to make responsible submissions and Council recognises through community representations and submissions there may very well be some adjustments and amendments to the draft plan.*
- 631/15 That Council again reiterates that irrespective of any further representation to call for this highway project to bypass through residential back streets will not be entertained by Council.*
- 632/15 That, due to the urgent need to construct this important transport corridor, Council, on behalf of our local residents, make funding representations to the State Government seeking to tap into the 6 billion dollar state government regional funding pool.*

633/15 *That the General Manager liaise with the Minister for Roads and RMS in regards to designing a more direct and easier disabled access to Wyong Railway Station, other than that proposed off Howarth Street”.*

STATUS UPDATE

These resolutions were presented to the Regional Manager of Roads and Maritime Services (RMS) at Council / RMS Meeting held on 22 July 2015.

The Regional Manager advised that \$3M has been allocated in 2015/16 to continue with preconstruction activities including environmental approval for this important project.

The heavily revised concept appears to have addressed concerns regarding disability access with direct access to the station from Wyong CBD via a level overhead walkway and lifts.

The environmental approval process requires further community consultation with stakeholders afforded a further opportunity to comment later in 2015.

Once the environmental approval process is completed, detailed design and further land acquisition still needs to be completed prior to construction being able to commence.

At this stage no funding has been allocated for construction to proceed.

ATTACHMENTS

Nil.

5.6 Draft Minutes of the Tuggerah Lakes Estuary, Coastal and Floodplain Management Committee - 1 October 2015

TRIM REFERENCE: F2004/07986 - D12101819

MANAGER: Greg McDonald, Director

AUTHOR: Jade Maskiewicz; Councillor Services Officer

SUMMARY

Confirmation of minutes of the previous Tuggerah Lakes Estuary Management, Coastal and Floodplain Management Committee held on Thursday 1 October 2015.

RECOMMENDATION

That Council receive the Minutes of the Tuggerah Lakes Estuary, Coastal and Floodplain Management Committee meeting held on 1 October 2015.

BACKGROUND

A meeting of the Tuggerah Lakes Estuary Management, Coastal and Floodplain Management Committee was held on Thursday 1 October 2015. The agenda for the meeting is available at the following link: [Tuggerah Lakes Estuary, Coastal and Floodplain Management Committee Agenda - 1 October 2015.](#)

Council has not delegated its authority to the Committee to make decisions on its behalf nor does the Committee have the authority to direct staff. Accordingly any recommendations of the Committee requiring the authorisation of Council will be reported to Council separately.

ATTACHMENTS

- | | | |
|----------|---|------------------|
| 1 | MINUTES - Tuggerah Lakes Estuary, Coastal & Floodplain Management Committee Meeting - 1 October 2015 | D12095400 |
|----------|---|------------------|

WYONG SHIRE COUNCIL

**MINUTES OF THE
TUGGERAH LAKES ESTUARY, COASTAL AND FLOODPLAIN
MANAGEMENT COMMITTEE OF COUNCIL**

**HELD IN THE COMMITTEE ROOMS
WYONG CIVIC CENTRE, HELY STREET, WYONG
ON 01 OCTOBER 2015
COMMENCING AT 5.01PM**

PRESENT

Mayor D Eaton (Wyang Shire Council)
Councillor L Taylor (Wyang Shire Council) – Co-Chairperson
Mr Bob Davies (Community Member)
Ms Marlene Pennings (Community Member)

IN ATTENDANCE

Mr Rob Noble (Wyang Shire Council) – Arrived 5.04pm and left 5.21pm
Mr Peter Murray (Wyang Shire Council)
Mr Peter Ham (Wyang Shire Council)
Mr Peter Sheath (Wyang Shire Council)
Mr Neil Kelleher (Office of Environment and Heritage)
Ms Jade Maskiewicz (Wyang Shire Council)

APOLOGIES

Councillor A Troy (Wyang Shire Council) – Co-Chairperson
Councillor L Webster (Wyang Shire Council)
Mr Ken Derry (Community Member)
Ms Lara Davis (Office of Environment and Heritage)

The meeting was declared open by Councillor Taylor at 5.01pm.

1.1 Disclosure of Interest

RESOLVED unanimously on the motion of Ms M PENNINGS and seconded by Mr B DAVIES:

That the Committee receive the report on Disclosures of Interest and note that there were no disclosures.

1.2 Confirmation of Minutes of Previous Meeting

RESOLVED unanimously on the motion of Mr B DAVIES and seconded by Councillor TAYLOR:

That the Committee confirm the minutes of the previous Tuggerah Lakes Estuary, Coastal and Floodplain Management Committee meeting held on 3 September 2015.

BUSINESS ARISING FROM THE MINUTES

There was no business arising from the minutes.

1.3 Address by invited Speakers

RESOLVED unanimously on the motion of Councillor TAYLOR and seconded by Ms M PENNINGS:

That the Committee receive the report on Invited Speakers.

2.1 Options for Installing Lighting at The Entrance

RESOLVED unanimously on the motion of Councillor TAYLOR and seconded by Ms M PENNINGS:

- 1 *That the Committee receive the report on lighting options at The Entrance.*
- 2 *That the committee note that staff will further investigate lighting options at The Entrance.*

3.1 Hawkesbury Shelf Marine Bio-Region Assessment

RESOLVED unanimously on the motion of Councillor TAYLOR and seconded by Mr B DAVIES:

That the Committee receive the report on Hawkesbury Shelf Marine Bio-Region Assessment.

3.2 Report on Lake Management Operations

RESOLVED unanimously on the motion of Mr B DAVIES and seconded by Ms M PENNINGS:

- 1 That the Committee receive the Report on Lake Management Operations.
- 2 That the Committee note that staff will report on the Lake Beach wrack removal arrangements to the November Committee meeting.
- 3 That the Committee request Council to urgently arrange removal of the algae mass at Gorokan and Colongra Bay.

3.3 Coastal Zone Management

RESOLVED unanimously on the motion of Councillor EATON and seconded by Councillor TAYLOR:

That the Committee receive the report on Coastal Zone Management.

3.4 Tuggerah Lakes Estuary Health and Water Quality Reporting

RESOLVED unanimously on the motion of Councillor TAYLOR and seconded by Mr B DAVIES:

- 1 That the Committee receive the report on Tuggerah Lakes Estuary Health and Water Quality Reporting.
- 2 That the Committee note a draft report will be presented to the Tuggerah Lakes Estuary Coastal and Floodplain Management Committee in February 2016 including the suggestions in this report.

3.5 Alternative Options to Proposed Mechanical Removal of Black Ooze

RESOLVED unanimously on the motion of Councillor TAYLOR and seconded by Councillor EATON:

That the Committee receive the report on Alternative Options to Proposed Mechanical Removal of Black Ooze.

3.6 Floodplain Risk Management

RESOLVED unanimously on the motion of Ms M PENNINGS and seconded by Mr B DAVIES:

That the Committee receive and note the Floodplain Risk Management Report.

3.7 Gross Pollutant Trap Capital Works

RESOLVED unanimously on the motion of Mr B DAVIES and seconded by Ms M PENNINGS:

That the Committee receive the report on Gross Pollutant Trap Capital Works.

3.8 Status Report on Outstanding Actions

RESOLVED unanimously on the motion of Councillor TAYLOR and seconded by Ms M PENNINGS:

That the Committee confirm the Status Report on Outstanding Actions for the Tuggerah Lakes Estuary Coastal & Floodplain Management Committee Meeting.

**WYONG SHIRE COUNCIL
TUGGERAH LAKES ESTUARY, COASTAL AND FLOODPLAIN MANAGEMENT COMMITTEE
ACTION LOG**

Item #	Meeting Date	Report Title	Action	Responsibility	Status/ Notes
2.2	3 September 2015	Gross Pollutant Trap Capital Works	<p>1 That the Committee <u>receive</u> the report on Gross Pollutant Trap Capital Works.</p> <p>2 That the Committee <u>request</u> Council to provide a methodology for demonstrating the performance of GPT devices by measuring improvements in water quality, including physical chemical and biological composition.</p>	Peter Ham Manager Waterways and Asset Management	Report was tabled on the agenda at 1 October 2015 Committee meeting with an update provided by Peter Ham.
2.5	3 September 2015	Commercial Fishing on Tuggerah Lakes - Response from NSW Department of Primary Industries (Fisheries)	<p>1 That the Committee <u>receive</u> the report on Commercial Fishing on Tuggerah Lakes - Response from NSW Department of Primary Industries (Fisheries).</p> <p>2 That the Committee <u>note</u> that staff will review the NSW Marine Estate Reform Process and prepare a suitable draft submission to express Council's opposition to over fishing in Tuggerah Lake.</p>	Peter Ham Manager Waterways and Asset Management	Report was tabled on the agenda at 1 October 2015 Committee meeting with an update provided by Peter Ham.
2.6	3 September 2015	Black Ooze Removal Feasibility Study	<p>1 That the Committee <u>receive</u> the report on Black Ooze Removal Feasibility Study.</p> <p>2 That the Committee <u>request</u> Council investigate treatment options for the removal of black ooze as well as improving access to the lakes with the possible building of physical structures.</p>	Peter Ham Manager Waterways and Asset Management	Report was tabled on the agenda at 1 October 2015 Committee meeting with an update provided by Peter Ham.

**WYONG SHIRE COUNCIL
TUGGERAH LAKES ESTUARY, COASTAL AND FLOODPLAIN MANAGEMENT COMMITTEE
COMPLETED SINCE 3 SEPTEMBER 2015**

Item #	Meeting Date	Report Title	Status/ Notes
GB14/15	6 August 2015	GPT Maintenance at Killarney Vale	<p>Mr Greg McDonald provided an update and advised that staff arranged for cleaning of the GPT and a general tidy up of the immediate surrounds on 19 August 2015.</p> <p>He also confirmed that the large parcel of land between Tasman Ave and Bateau Bay Village is Crown Land, not under the control of Council and as such, staff have not undertaken any maintenance activities on the Crown Land parcel.</p>

3.0 GENERAL BUSINESS

There were no general business items.

THE MEETING terminated at 6.45pm.

5.7 Investment Report for September 2015

TRIM REFERENCE: F2004/06604 - D12103695

MANAGER: Stephen Naven, Chief Financial Officer

AUTHOR: Devini Susindran; Financial Accountant

SUMMARY

This report details Council's investments as at 30 September 2015.

RECOMMENDATION

That Council receive the Investment Report for September 2015.

BACKGROUND

WSC's investments are made in accordance with the Local Government Act (1993), the Local Government (General) Regulation (2005), Council's Investment Policy, Ministerial Investment Order issued February 2011 and Division of Local Government Investment Policy Guidelines published in May 2010.

CURRENT STATUS

Cash and Term Deposit Funds

Cash flows were managed through term deposit maturities, with a net inflow of \$3,024k for the month of September. During the first quarter an inflow of \$13,536k has resulted predominantly from first Quarter rates instalments in August 2015.

Table 1 - Movement in Cash and Term deposits

Institution	Term (Approx. Months)	Interest Rate %	Maturity	Investment / (Redemption) \$'000
Movement in Term Deposits				
NAB	9.0	3.54%	Sep 2015	(\$5,000)
NAB	9.5	3.55%	Sep 2015	(\$5,000)
ANZ	11.5	2.86%	Aug 2016	4,000
ANZ	12.5	2.85%	Sep 2016	4,000
Rabo Bank	60.5	3.50%	Sep 2020	5,000
Total Term Deposit Movement				\$3,000
Interest earned on all call accounts				24
Total Cash at Call Movement				\$24
Total Cash & Term Deposit Movement				\$3,024

Total Portfolio

Total net return in interest earnings for September 2015 was \$482k.

Table 2 - Net Return

	Full Year 2013-14 \$'000	Full Year 2014-15 \$'000	July 2015 \$'000	August 2015 \$'000	September 2015 \$'000	Year To Date 2015-16
Net Capital Gain/(Loss) Realised	(197)	-	-	-	-	-
Income Distribution on Managed Funds	321	25	-	-	-	-
Net Earnings From Managed Funds *	124	25	-	-	-	-
Interest Earnings on Call Deposits Received	402	431	68	24	24	116
Interest Earnings on Term Deposits received at Maturity**	5,999	5,189	351	411	458	1220
Total Interest Earnings	6,401	5,620	419	435	482	1,336
Total return for the period	6,525	5,645	419	435	482	1,336

* Until October 2013, Council's portfolio included investments in managed funds (Blackrock Care and Maintenance Fund). A further distribution, deposited with ASIC and received in April 2015

** Interest earnings for September 2015 includes accrued interest on the WorkCover deposit now classified as investment

Financial Year to Date (YTD) returns to September of 3.42% is favourable compared to benchmark bank bill swap (BBSW) *financial year to date* Bank Bill Index of 2.33% and Council guidelines of BBSW + 10 basis points.

Table 3 - Investment Returns

Investment Class	Closing August 2015 Portfolio \$ '000	Financial YTD Return \$ '000	Financial YTD Return %
Cash at Call	12,910	116	2.62
Term Deposits	153,167	1,220	3.53
Total Investments	166,077	1,336	3.42

Council investments are evaluated and monitored against a benchmark appropriate to the risk (Standard and Poor's BBB long term or above) and time horizon of the investment concerned. The investment strategy includes rolling maturity dates to ensure that Council has sufficient funds at all times to meet its obligations. A summary of the Term Deposit maturities are listed in Table 4 below.

Table 4 - Term Deposits Maturities

Time Horizon	Maturity on or before	Value \$ '000
At Call	Immediate	12,910
Term Deposits		
0 - 3 months	Dec 2015	34,167
4 - 6 months	Mar 2015	36,000
7 - 12 months	Sep 2016	64,000
1 - 2 years	Sep 2017	9,000
2 - 3 years	Sep 2018	-
3 - 4 years	Sep 2019	5,000
4 - 5 years	Sep 2020	5,000
Total Term Deposits		153,167
Total Portfolio		166,077

The target maximum allocation limit in each investment risk category and the current spread of investments is listed in Table 5.

The portfolio is still overweight in A1 reflecting where the best returns are (and simultaneously representing the lowest risk). Aside from A1, weightings for all categories remain within policy guidelines.

Table 5 - Portfolio Credit Framework

Investment Category Short Term	Target Maximum Allocation	Portfolio Allocation
A1	10.0%	60.26%
A2	75.0%	36.73%
A3	10.0%	2.41%
Unrated	15.0%	0.60%
TOTAL		100.00%

* Council has provided security for Self-Insurance by way of a Term Deposit invested in an ADI (with a Short term S & P rating of A1) through Workcover. This security has been included as part of Council's investment portfolio. Council regularly conducts a review to identify the optimal Workcover security providing Council with the best return possible.

Portfolio Movements

The increase in the value of the portfolio for September 2015 was \$3,024k. Movements are shown in Table 6.

Table 6 – Portfolio Movements for the year

	Full Year 2013-14 \$'000	Full Year 2014-15 \$'000	July 2015 \$'000	August 2015 \$'000	September 2015 \$'000	Year to Date 2015-16 \$'000
Movement in Assets						
Opening Balance	154,992	145,394	152,541	151,309	163,053	152,541
Net movement in Managed fund to Liquidation in Oct'13	(4,688)	-	-	-	-	-
Net Cash/Investments (Withdrawals)	(4,910)	7,147	(1,232)	11,744	\$3,024	13,536
Closing Balance	145,394	152,541	151,309	163,053	\$166,077	166,077

Portfolio Interest and Investment Returns compared to budget

Year to date returns as at 30 September 2015 on Council's investment portfolio of deposit accounts and term deposits, show a \$192k or 16.78% favourable variance when compared to the year to date budget.

Table 7 - Annual Investment Portfolio Performance as at 30 September 2015

Investment Source	Financial YTD Actual Interest Income \$ '000	Financial YTD Budget \$ '000	Financial YTD Variance to Budget \$ '000
	A	B	C=A-B
General	801	671	130
Water	261	186	75
Sewerage	274	287	-13
Total	1,336	1,144	192

Interest rates in the month, ranged from 2.82% to 5.20% (with the exception of deposit with Heritage Bank at 7.25%), all of which exceeded the annualised *monthly* Bank Bill Swap Rate (BBSW) benchmark of 2.06%.

Comparison to Neighbouring Councils

Portfolio Valuation

WSC's investment portfolio reflects our strong cash position, which is comparable with neighbouring Councils. Balances are summarised in table 8 below.

There is a lag in the information available for neighbouring Councils and reports for September were not available at the time of writing this report.

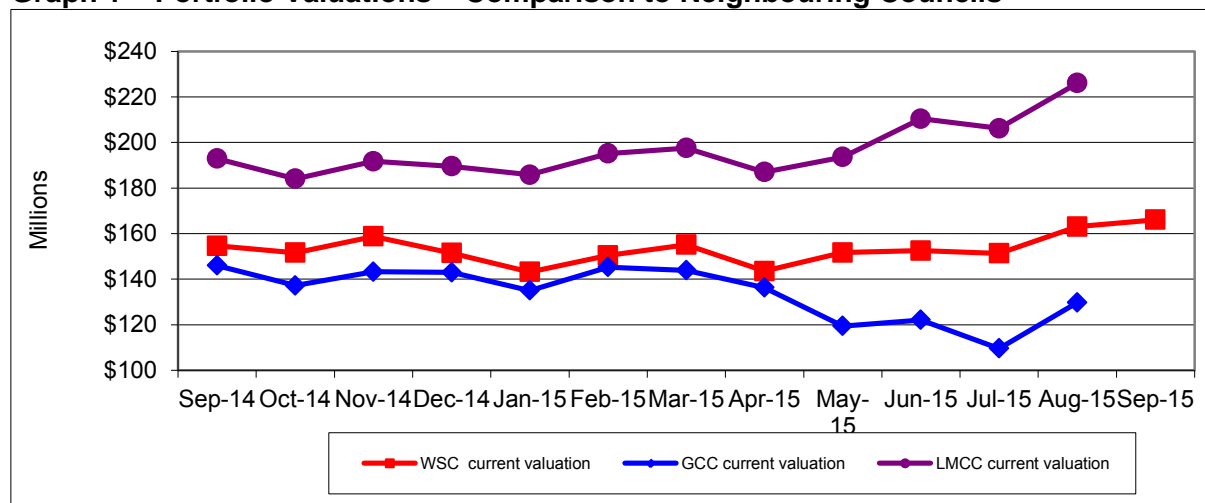
Table 8 – Summary of Investment Portfolio Balances

Month / Council	Wyong Shire Council \$'000	Gosford City Council \$'000	Lake Macquarie Council \$'000
Mar 2015	\$155,147	\$143,904	\$197,531
Apr 2015	\$143,519	\$136,326	\$186,993
May 2015	\$151,698	\$119,426	\$193,612
Jun 2015	*\$152,540	\$122,104	\$210,429
Jul 2015	\$151,309	\$109,590	\$206,208
Aug 2015	\$163,053	\$129,781	\$226,077
Sep 2015	\$166,077	Not available	Not available

* Workcover security reclassified from deposit to investment

Graph 1 shows the monthly portfolio balances over a twelve month period for all three Councils.

Graph 1 – Portfolio Valuations – Comparison to Neighbouring Councils



Portfolio Returns (Annualised)

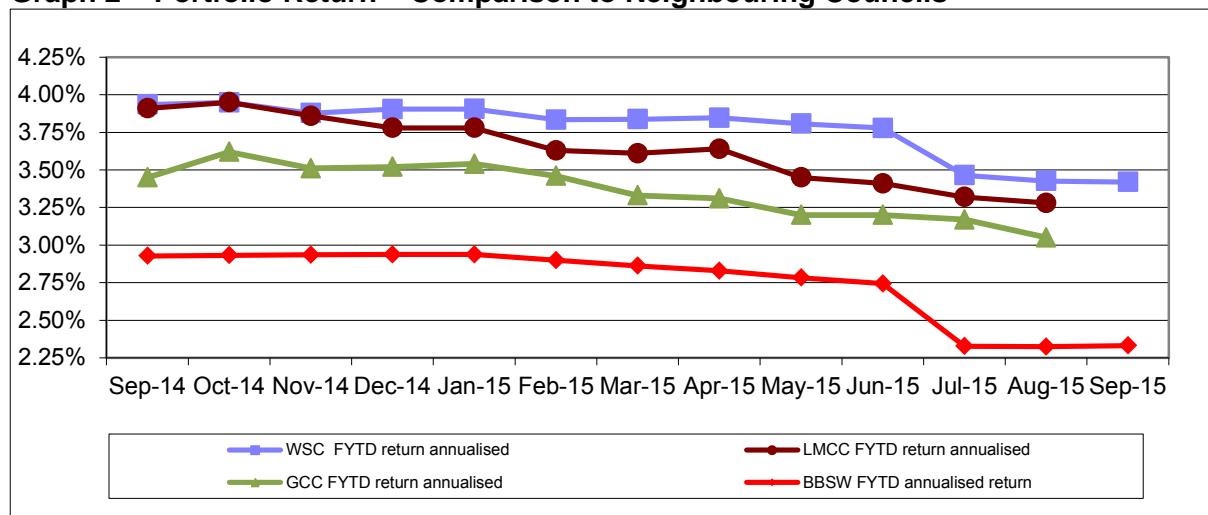
WSC's investment yield compares favourably to neighbouring Councils as outlined in table 9 below.

Table 9 – Summary of Investment Portfolio Returns

Month	BBSW	Wyong Shire Council	Gosford City Council	Lake Macquarie Council
Feb 2015	2.90%	3.83%	3.46%	3.63%
Mar 2015	2.86%	3.84%	3.33%	3.61%
Apr 2015	2.83%	3.85%	3.31%	3.64%
May 2015	2.78%	3.81%	3.20%	3.45%
Jun 2015	2.74%	3.78%	3.20%	3.41%
Jul 2015	2.33%	3.46%	3.17%	3.32%
Aug 2015	2.32%	3.43%	3.05%	3.28%
Sep 2015	2.33%	3.42%	Not available	Not available

Graph 2 shows the Financial Year to date, annualised portfolio returns over a 12 month period for all three Councils compared to the BBSW.

Graph 2 – Portfolio Return – Comparison to Neighbouring Councils



INVESTMENT STATEMENT

In accordance with the Local Government (General) Regulation 2005, Part 9, Division 5, Clause 212, it is certified that the investments held as at 30 September 2015 have been made in accordance with the Act, the Regulations and Council's Investment Policies.

ATTACHMENTS

- 1 Summary of Investment by Type - September 2015 D12103865

Summary of Investments - By Type
As at 30 September 2015

FUND MANAGER	TYPE OF INVESTMENT	RATINGS		MATURITY	PORTFOLIO BALANCE 31.8.15 \$	PORTFOLIO BALANCE 30.9.15 \$	AS A % OF TOTAL PORTFOLIO	INCOME FOR MONTH OF SEPTEMBER \$	INTEREST RATES %
		Short Term	Long Term						
CASH AT CALL:									
Westpac	Corporate Investment Account	A1	AA	Daily	8,340,462	8,354,858		14,396	2.10
CBA	At Call Deposit	A1	AA	Daily	-	-		308	
ANZ	11am Call Account	A1	AA	Daily	-	-		-	2.00
AMP	Business Saver Account	A1	A	Daily	4,545,459	4,554,986		9,527	2.55
Total Cash At Call					12,885,921	12,909,844	7.77%	24,231	
TERM DEPOSITS & BONDS									
<u>Short term deposits & bills (less than 90 days)</u>									
NAB	Term Deposit	A1	AA	8/09/2015	5,000,000			3,394	3.54
NAB	Term Deposit	A1	AA	22/09/2015	5,000,000			10,212	3.55
CBA	Term Deposit	A1	AA	4/10/2015	5,000,000	5,000,000		13,356	3.25
CBA	Term Deposit	A1	AA	22/10/2015	5,000,000	5,000,000		13,274	3.23
CUA	Term Deposit	A2	BBB	17/11/2015	5,000,000	5,000,000		14,794	3.60
Bank of Queensland	Term Deposit	A2	BBB	25/11/2015	5,000,000	5,000,000		16,644	4.05
ING	Term Deposit	A1	A	26/11/2015		5,000,000			4.00
CUA	Term Deposit	A2	BBB	16/12/2015		5,000,000			3.60
Workcover	Term Deposit	A1	AA	22/12/2015	4,167,000	4,167,000	with banks rating A1/AA	31,966	2.80
					34,167,000	34,167,000	20.57%	103,640	
<u>Medium Term Deposits (up to 365 days)</u>									
ING	Term Deposit	A1	A	26/11/2015	5,000,000			16,438	4.00
CUA	Term Deposit	A2	BBB	16/12/2015	5,000,000			14,795	3.60
CBA	Term Deposit	A1	AA	23/12/2015	5,000,000	5,000,000		12,781	3.11
NAB	Term Deposit	A1	AA	10/01/2016	5,000,000	5,000,000		12,904	3.14
CBA	Term Deposit	A1	AA	18/01/2016	5,000,000	5,000,000		12,658	3.08
WSCU	Term Deposit	UNRATED	UNRATED	31/01/2016	1,000,000	1,000,000		2,712	3.30
CBA	Term Deposit	A1	AA	10/02/2016	5,000,000	5,000,000		12,658	3.08
CBA	Term Deposit	A1	AA	22/02/2016	5,000,000	5,000,000		12,658	3.08
NAB	Term Deposit	A1	AA	7/03/2016	5,000,000	5,000,000		12,863	3.13
Rural Bank	Term Deposit	A2	A	24/03/2016	5,000,000	5,000,000		11,918	2.90
Rural Bank	Term Deposit	A2	A	13/04/2016	5,000,000	5,000,000		11,918	2.90
Bankwest	Term Deposit	A1	AA	20/04/2016	5,000,000	5,000,000		11,918	2.90
Bankwest	Term Deposit	A1	AA	11/05/2016	5,000,000	5,000,000		11,918	2.90
Bendigo Adelaide Bank	Term Deposit	A2	BBB	27/05/2016	5,000,000	5,000,000		12,123	2.95
Bendigo Adelaide Bank	Term Deposit	A2	BBB	15/06/2016	5,000,000	5,000,000		12,123	2.95
NAB	Term Deposit	A1	AA	24/06/2016	10,000,000	10,000,000		23,178	2.82
Bendigo Adelaide Bank	Term Deposit	A2	BBB	26/07/2016	5,000,000	5,000,000		11,712	2.85
Bank of Queensland	Term Deposit	A2	BBB	2/08/2016	6,000,000	6,000,000		25,644	5.20
Bendigo Adelaide Bank	Term Deposit	A2	BBB	25/08/2016	5,000,000	5,000,000		11,712	2.85
ANZ	Term Deposit	A1	AA	23/08/2016		4,000,000		6,895	2.86
Bank of Queensland	Term Deposit	A2	BBB	8/09/2016	5,000,000	5,000,000		15,205	3.70
ANZ	Term Deposit	A1	AA	22/09/2016		4,000,000		6,871	2.85
					102,000,000	100,000,000	60.21%	283,602	
<u>Non - Current</u>									
Heritage	Senior Bond	A3	BBB	20/06/2017	4,000,000	4,000,000		23,836	7.25
ME Bank	Term Deposit	A2	BBB	25/08/2017	5,000,000	5,000,000		16,027	3.90
ANZ	Term Deposit	A1	AA	30/10/2018	5,000,000	5,000,000		20,014	4.87
Rabo Bank	Term Deposit	A1	A	7/09/2020		5,000,000		10,548	3.50
					14,000,000	19,000,000	11.44%	70,425	
Total Term Deposit & Bonds:					150,167,000	153,167,000	92.23%	457,667	
TOTAL PORTFOLIO					163,052,921	166,076,844	100.00%	481,898	
Current					149,052,921	147,076,844	88.56%		
Non-Current					14,000,000	19,000,000	11.44%		
TOTAL PORTFOLIO					163,052,921	166,076,844	100.00%		

5.8 Draft Minutes of the Audit and Risk Committee Meeting - 30 September 2015

TRIM REFERENCE: F2004/07245 - D12109247

MANAGER: Lesley Crawley, Manager Corporate Governance

AUTHOR: Jacquie Elvidge; Councillor Services Officer

SUMMARY

The draft minutes of the Audit and Risk Committee meeting of 30 September 2015 are submitted to Council for consideration.

RECOMMENDATION

That Council receive the report on Draft Minutes of the Audit and Risk Committee Meeting - 30 September 2015.

BACKGROUND

A meeting of the Audit and Risk Committee was held on 30 September 2015. The minutes of this meeting are attached to this report.

Council has not delegated its authority to the Committee to make decisions on its behalf nor does the Committee have the authority to direct staff. Accordingly any recommendations of the Committee requiring the authorisation of Council will be reported to Council separately.

ATTACHMENTS

- 1 MINUTES - Audit and Risk Meeting - 30 September 2015 D12096213

WYONG SHIRE COUNCIL

**MINUTES OF THE
AUDIT AND RISK COMMITTEE MEETING OF COUNCIL
HELD IN THE COMMITTEE ROOMS
WYONG CIVIC CENTRE, HELY STREET, WYONG
ON 30 SEPTEMBER 2015
COMMENCING AT 8:30 AM**

PRESENT

Cr Doug Eaton, Mayor
Cr Lynne Webster, Deputy Mayor
Mr Jason Masters, Independent Member – Chairperson
Mr Glen Harris, Independent Member

IN ATTENDANCE

Ms Cathy Wu, Audit Office of NSW - *left at 9.54 am*
Mr Peter Buchholz, External Auditor - *left at 9.54 am*
Mr Dennis Banicevic, External Auditor
Mr Rob Noble, Acting Chief Executive Officer
Ms Vivienne Louie, Acting Chief Financial Officer - *left at 9.54 am*
Ms Kim Fatcher, Financial Controller - *left at 9.54 am*
Ms Taneille Clarke, Internal Auditor
Ms Jacquie Elvidge, Councillor Services Officer

The Chairperson, Mr Jason Masters, declared the meeting open at 8:35 am and advised in accordance with the Code of Meeting Practice that the meeting is being recorded.

APOLOGIES

Mr James Sugumar, Audit Office of NSW
Ms Tina Baker, Chief Internal Auditor
Mr Stephen Naven, Chief Financial Officer

At the commencement of the meeting report numbers 1.1, 2.1, 3.7 and 4.1 were dealt with first, then the remaining reports in order. However, for the sake of clarity, the reports are recorded in their correct agenda sequence.

1.1 Disclosure of Interest

Disclosure regarding all Agenda items

Mr Jason Masters, Independent Member, disclosed a non-pecuniary interest with insignificant conflict for the reason that he is the Chair for Audit and Risk at Cessnock City Council, an independent member for Woollahra Municipal Council and developed a course for LG (Local Government) for AICD (Australian Institute of Company Directors) funded by state-wide.

COMMITTEE RECOMMENDATION

That the Audit and Risk Committee receive the report on Disclosure of Interest and note advice of disclosures.

2.1 Confirmation of the adopted Minutes of the Wyong Shire Audit and Risk Committee Meeting - 17 June 2015

COMMITTEE RECOMMENDATION

That the Audit and Risk Committee note the minutes of the meeting of the Wyong Shire Audit and Risk Committee held on the 17 June 2015 were adopted by Council at the 22 July 2015 Ordinary Meeting.

3.1 Status Report on Outstanding Actions

COMMITTEE RECOMMENDATION

That the Audit and Risk Committee confirm the Status Report on Outstanding Actions for the previous Wyong Shire Audit and Risk Committee meeting.

3.2 Progress With Implementation of Management Agreed Actions Arising From IA Reviews

COMMITTEE RECOMMENDATION

- 1 That the Audit and Risk Committee receive the report on Progress With Implementation of Management Agreed Actions Arising From IA Reviews.*
- 2 That the Audit and Risk Committee request the Acting Chief Executive Officer to seriously consider the matters raised in this item and report to the next meeting regarding these issues.*

3.3 Chief Internal Auditor's Report

COMMITTEE RECOMMENDATION

That the Audit and Risk Committee receive the Internal Audit report

3.4 Balanced Scorecard Report

COMMITTEE RECOMMENDATION

- 1 That the Audit and Risk Committee note the Chief Internal Auditor's Balanced Scorecard Report.*
- 2 That the Audit and Risk Committee acknowledge the hard work of Wyong Shire*

Council Internal Audit team and achieving a valuable contribution to the governance of the Council.

3.5 IA Annual Assurance Statement

COMMITTEE RECOMMENDATION

That the Audit and Risk Committee receive the annual assurance statement by IA.

3.6 Internal Audit 2014/15: Emerging Themes

COMMITTEE RECOMMENDATION

That the Audit and Risk Committee receive the Emerging Themes report presented by Internal Audit.

3.7 Draft Financial Statements for the 2014-15 Financial Year

COMMITTEE RECOMMENDATION

- 1** *That the Audit and Risk Committee recommend that Council make the following resolutions in respect of the draft Financial Statements that include the General Purpose Financial Statements, Special Purpose Financial Statements, Special Schedules and Wyong Water Financial Statements:*

 - 1.1** *That Council adopt the draft 2014-15 Wyong Shire Council Financial Statements.*
 - 1.2** *That Council refer the draft 2014-15 Wyong Shire Council Financial Statements for external audit.*
 - 1.3** *That Council authorise the Mayor, Deputy Mayor, Acting Chief Executive Officer and Responsible Accounting Officer to execute all documents related to the draft 2014-15 Financial Statements as required by legislation.*
 - 1.4** *That Council fix 28 October 2015 as the date for the presentation of the audited 2014-15 Financial Statements and external audit report in accordance with section 419(1) of the Local Government Act 1993.*
- 2** *That the Audit and Risk Committee thank the Wyong Shire Council financial staff for their commitment and hard work this year on the Financial Statements.*
- 3** *That the Audit and Risk Committee thank the External Auditors for their assistance and hard work this year on the Financial Statements.*
- 4** *That the Audit and Risk Committee note that Council has maintained its financial sustainability as evidenced by its achieving all the financial benchmarks in note 13 and Special Schedule 7.*

4.1 2014-15 External Audit - Documentation provided by External Auditors

Ms Cathy Wu - Audit Office of NSW, Mr Peter Buchholz - External Auditor, Ms Vivienne Louie - Acting Chief Financial Officer and Ms Kim Fitcher - Financial Controller, left the meeting at 9.54 am and did not return.

COMMITTEE RECOMMENDATION

That the Audit and Risk Committee note the 2014-15 External Audit - Documentation provided by External Auditors report.

4.2 Quarterly Risk Management Report

COMMITTEE RECOMMENDATION

- 1 *That the Audit and Risk Committee receive the Wyong Shire Council Risk Management Report as at 28th August 2015.*
- 2 *The Committee noted that they had some concerns in relation to the usefulness of the reports and ask the Acting Chief Executive Officer to review the Risk Management activities.*

4.3 Report from Internal Ombudsman

COMMITTEE RECOMMENDATION

That the Audit and Risk Committee note the report of the Senior Internal Ombudsman.

4.4 Update on Wyong Shire Council's Information Management Strategy and Systems

COMMITTEE RECOMMENDATION

That the Audit and Risk Committee receive the report Update on Wyong Shire Council's Information Management Strategy and Systems.

4.5 Legal Matters

COMMITTEE RECOMMENDATION

That the Audit and Risk Committee receive the report on Legal Matters.

GENERAL BUSINESS

GB4/15 Procurement Activities
F2004/07245

The Chairman noted that there had been some extensive procurement activities in the preceding quarter and sought information on the approach to probity of the more significant transactions.

THE MEETING terminated at 10.53 am.

5.9 Response to Notice of Motion - Tuggerah Station Parking and Safety Shambles

TRIM REFERENCE: F2004/06722 - D12051060
AUTHOR/ MANAGER: John Willey; Manager Business Development

SUMMARY

A Notice of Motion was put forward by Councillors Best, Taylor and Matthews at the Ordinary Council Meeting on 11 March 2015 relating to the inadequate parking at and around the Tuggerah Rail Station. The motion recommended that Council explore all land options in partnership with RailCorp, to address this issue and consider any prospect of interim/temporary parking.

RECOMMENDATION

That Council receive the report on Response to Notice of Motion – Tuggerah Station and Safety Shambles.

BACKGROUND

At the Ordinary Meeting on 11 March 2015, Council resolved the following:

“RESOLVED unanimously on the motion of Councillor BEST and seconded by Councillor MATTHEWS:

- 236/15 That Council reiterate the total inadequacy of parking at and around the Tuggerah Rail Station, and that the provision of such parking is the sole responsibility of Transport NSW and State Government.*
- 237/15 That Council explore all land options in the Tuggerah Rail Station precinct, in partnership with Transport NSW and State Government, to address this issue.*
- 238/15 That Council note the urgent need to immediately deal with this matter and therefore the prospect of interim/ temporary parking should also be considered.”.*

As a step toward addressing commuter carparking issues in the area, Council staff have met with the Centre Manager at Tuggerah Homemaker Centre, to identify the issues and concerns of this Centre in relation to commuter parking.

At the meeting the Centre Manager expressed concern with the Homemaker Centre being utilised by commuters for commuter carparking, and issues of safety as a result of commuters parking close to the Homemaker site entry on Bryant Drive and inhibiting sight lines.

5.9 Response to Notice of Motion - Tuggerah Station Parking and Safety Shambles (contd)

The Centre Manager advised Council staff of the following:

- Up to 70 cars per day are parking all day in the Homemaker Centre carpark, and this number is increasing.
- Parking spaces taken up by commuters are generally those closer to the station and the entry to the retail centre. The Bulky Goods nature of the centre is reliant on having nearby convenient access to the Centre's main entry, and the commuter issue is threatening trade as a result.
- The Homemaker Centre has been flexible in the past by allowing commuters to park in the Homemaker Centre carpark across the road from the Centre; particularly during the recent Tuggerah Station upgrade.
- The Centre intends to contract a parking company in January 2016 to manage parking across the Homemaker site and likely to introduce a 3 hour parking limit to combat the commuter carparking issue.

There is an estimated 'overspill' of 150-200 cars that cannot be accommodated within the commuter parking area near Tuggerah Station. The overspill extends along Bryant Drive, east to Lake Road, and in the parking areas owned by the Homemaker Centre (extending south from the centre and east across Bryant Drive).

Council staff indicated to the Centre Manager that enquiries would be made regarding the following:

- The option of establishing signage and road markings that would prohibit parking near the site entry in order to address safety concerns.

PED has initiated discussions with Transport for NSW and its initial advice was that the commuter carpark at Tuggerah was extended by 150 spaces in 2010 and that Tuggerah is considered as a low patronage station with 700 peak movements serviced by 500 car spaces when compared to other stations. WSC intends to provide Rail Corp with data from the street parking review and the records (when obtained) from Tuggerah Homemakers Centres parking review and site observations and to continue discussions with TFNSW about future solutions.

Update 10 August 2015

RailCorp

As noted above the Manager Property Development advises that Rail Corp have assessed the commuter demand at Tuggerah and determined that there is no case for additional funding to support further infrastructure to accommodate commuter parking. (The data noted below may assist RailCorp to better understand the pressures on commuter parking.)

Tuggerah Station – Strategic Planning- Extra Parking and/or Transport Orientated Development

- Potential short term additional spaces:
 - Option 1: Additional 15 spaces at an estimated cost of \$200,000; and



- Option 2: 50 spaces at an estimated cost of \$500,000.

5.9 Response to Notice of Motion - Tuggerah Station Parking and Safety Shambles (contd)



- Additional structured commuter parking and/or
- A transport orientated development on the WSC owned land and the Railcorp land abutting Tuggerah rail station.

This project evaluation is in its early stages and needs to consider the cost/benefit of all potential solutions.

Tuggerah Supa Centre (Commuters Parking in Centre near the Retail Area)

Following the earlier notice of motion a meeting was arranged on 29 April 2015 with Colliers (Managing agents for Tuggerah Supa Centre and Council staff). There had been many instances of commuters parking in the TSC and frustrating the retail tenants. TSC had engaged guards early in the mornings to guide traffic across the road to a large vacant carpark also owned by the TSC. Although this worked for a short period the commuters reverted to 'offender' parking within the TSC. As part of this process the TSC management kept a record of the offenders and this raw data has now been provided to WSC.

At the meeting with TSC management and WSC it was considered that the best way to resolve this problem for TSC was to engage a parking management company to enforce limited parking for say '3 Hour limit' on the TSC. Subsequent to this, we understand that the TSC has now been sold and the new ownership (Brett Blundy) would possibly seek a fresh appraisal of the issue. In the context of a change of ownership the parking issue is understood to be 'on hold' at this time.

ATTACHMENTS

Nil.

5.10 Outstanding Questions on Notice and Notices of Motion

TRIM REFERENCE: F2015/00040-02 - D12107873

MANAGER: Lesley Crawley, Manager Corporate Governance

AUTHOR: Sonia Witt; TL Governance and Councillor Services

SUMMARY

Report on Outstanding Questions on Notice and Notices of Motion.

RECOMMENDATION

That Council receive the report on Outstanding Questions on Notice and Notices of Motion.

ATTACHMENTS

- 1 Table of Outstanding Questions and Notice of Motions - 28 October 2015 D12109296

No	Department	Responsible Officer	Question Asked / Resolution	Meeting Asked/ Councillor	Status
115	Chief Executive Officer's Unit	Stephen Naven	<p>7.2 Notice of Motion - Government Rating Outrage</p> <p>50/15 That Council <u>note</u> with great concern the likely significant escalation of the 2015 rate burden on the local lower to mid-market property sector.</p> <p>51/15 That Council <u>note</u> the significant escalation is as a consequence of the recent property market increases and unfair rerating formulas dictated to Council by the State Government Valuer General and Office of Local Government.</p> <p>52/15 That Council <u>call</u> on the State Government to conduct a thorough review into the Valuer General's and Office of Local Government's outdated and discriminatory rating methods that will place undue hardship on many in our community.</p> <p>53/15 That Council <u>investigate</u> a shire wide, online petition in partnership with the community, to give ratepayers a voice to call upon the State Government to reject this outrageous and out of touch taxing.</p> <p>54/15 That Council <u>include</u> in its 2015 Strategic Planning Process a review of all options to assist in reducing the impact of the Government's looming rerating charges.</p>	<p>28 January 2015</p> <p>Cr Best</p>	Response to be provided at Ordinary Meeting 25 November 2015.
150	Development and Building	Jamie Loader	<p>6.1 Notice of Motion - Council's Animal Care Facility</p> <p>539/15 That Council recognise the outstanding work over the past few years by staff and more recently by the current animal care contractor and that this management team has delivered an outcome of near zero euthanising of stray and abandoned pets.</p> <p>540/15 That Council recognise that the current Charmhaven Animal Care Facility is approaching end of its asset life.</p> <p>541/15 That Council take a more strategic and regional approach through opening dialogue with Gosford City Council and the current animal care contractors both at Charmhaven and Erina, with the view to establishing a regional, Central Coast animal care facility that will service the future needs of the Coast as a whole.</p> <p>542/15 That Council consider any such centrally located regional facility in tandem with innovative satellite offices in the region's north and far south to assist residents in outer areas to access these important services.</p>	<p>Cr Best</p> <p>27 May 2015</p>	Investigations are underway, with a response to be provided 25 November 2015.

No	Department	Responsible Officer	Question Asked / Resolution	Meeting Asked/ Councillor	Status
			543/15 <i>That Council request the General Manager to provide a report back to Council.</i>		
162	Property and Economic Development	Mike Dowling	<p>7.2 Notice of Motion - Shire Wide Events and Promotions Board</p> <p>758/15 <i>That Council reaffirm its' principal direction from the February workshop to investigate options for management and promotion of tourism, employment and investment within the shire including forming a shire wide events and promotions body.</i></p> <p>759/15 <i>That Council negotiate changes to the existing agreements to give effect to Council's new direction with:</i></p> <ul style="list-style-type: none"> a) <i>The Entrance Centre Management</i> b) <i>Greater Toukley Vision</i> c) <i>Central Coast Tourism</i> d) <i>Wyong Regional Chamber of Commerce</i> <p>760/15 <i>That Council request the General Manager to provide a report back to Council.</i></p>	Cr Taylor 22 July 2015	Response to be provided at a future meeting.
165	Community and Recreations Services	Julie Vaughan	<p>7.2 Notice of Motion - Formation of Council's Disability Supports Committee (DSC)</p> <p>812/15 <i>That Council <u>request</u> the General Manager provide a report, in partnership with key stakeholder groups, around the formation of a broad based disability needs support committee that would seek to assist, guide and provide our ageing population, the temporally injured and the profoundly disabled with the necessary levels of community care.</i></p> <p>813/15 <i>That Council <u>recognise</u> the importance of such a committee in assisting Council in crafting it's Disability Inclusion Plan (DIP) & to assist in ushering in the National Disability Insurance Scheme (NDIS), however the committee's role should be seen more holistically & beyond the DIP & the NDIS.</i></p> <p>814/15 <i>That, while Council notes the important of providing suitable traditional disability access, Council also <u>recognise</u> the complexity and far reaching nature of modern disabilities beyond physical access issues.</i></p>	Cr Best 12 August 2015	Meeting to be held with stakeholders during September 2015 and a report to be tabled at an Ordinary Meeting in November 2015.

No	Department	Responsible Officer	Question Asked / Resolution	Meeting Asked/ Councillor	Status
166	Community and Recreations Services	Sue Ledingham	<p>7.3 Notice of Motion - Nude Tourism Trend</p> <p>815/15 That Council <u>note</u> Wyong Shire's Beautiful Birdie Beach is reportedly one of only three 'official' Nude Beaches on the north coast of NSW and the only one on the Central Coast. Despite this facility being in easy day access to a population catchment in the millions, Birdie Beach free bathing is not mentioned in any Central Coast Tourism promotions / Web material.</p> <p>816/15 That Council <u>recognise</u> Tourism is one of our major employers & the increasing popularity of Nude Bathing / Nude Tourism such as the recent phenomena of P&O's, Pacific and Orient's, Nude Cruises. It is with this understanding that Council in partnership with Central Coast Tourism and National Parks explore opportunities to better promote our region to this most lucrative tourism market.</p> <p>817/15 That further Council <u>request</u> an options report to the Employment and Economic Development Committee (EEDC) from Central Coast Tourism (CCT) including the prospect of holding a unique community event to showcase and market our beautiful beaches including free bathing at Birdie Beach.</p>	Cr Best 12 August 2015	Report will be tabled at the Employment and Economic Development Committee meeting 4 November 2015.
170	Community and Recreations Services	Maxine Kenyon	<p>1.6 Mayoral Minute - Vandalism Reward Doubling</p> <p>837/15 That Council <u>double</u> its current reward under its Policy for Reporting Vandalism in respect of the EDSAAC Bateau Bay amenities/clubhouse building destroyed by fire last weekend.</p> <p>838/15 That Council <u>publicise</u> this increased reward extensively through Council's media and communication channels.</p> <p>839/15 That Council <u>publicise</u> the names of those convicted, subject to any prosecution.</p>	Cr Eaton 26 August 2015	Response to be provided at a future meeting.
171	Property and Economic Development	Mike Dowling	<p>6.1 Notice of Motion - Free Wi-Fi The Entrance Memorial Park Precinct</p> <p>869/15 That Council, in principle, seek to install free Wi-Fi in the Entrance Memorial Park Precinct as part of the multimillion dollar refurbishment starting next month.</p>	Cr Webster 26 August 2015	Response to be provided at a future meeting.

No	Department	Responsible Officer	Question Asked / Resolution	Meeting Asked/ Councillor	Status
			870/15 <i>That Council request the General Manager to report on the cost of such an installation, ongoing operating costs, benefits to the local retailers and the wider community and any other relevant issues.</i>		
172	Property and Economic Development	Andrew Pearce	<p>6.2 Notice of Motion - \$3.4million Litter Land</p> <p>871/15 <i>That Council note with concern, despite the excellent efforts of Staff, the escalation of roadside litter on our main corridors and particularly on our beach road accesses.</i></p> <p>872/15 <i>That Council recognise the unacceptable cost to our ratepayers of this deliberate litter that is now exceeds more than \$3,400,000 in this term of Council alone.</i></p> <p>873/15 <i>That Council consider far more strident enforcement options including publishing those offenders prosecuted to combat the emerging tag of 'Litter Land'.</i></p> <p>874/15 <i>That Council request the General Manager, in the lead up to the summer litter season, to provide a litter reduction report exploring education and enforcement options, with a view to limiting the outrageous cost of deliberate litter to our ratepayers.</i></p> <p>875/15 <i>That Council request the General Manager to make representations to Mr Harris, Ms Catley, Mr Mehan the Local State Members and call on them to gain support for this initiative.</i></p>	Cr Best 26 August 2015	Response to be provided at Ordinary Meeting to be held 25 November 2015.
178	Property and Economic Development	Mike Dowling	<p>Q37/15 Threatened, Vulnerable and Endangered Trees</p> <p><i>"Could Staff please advise if there is a list of threatened species relevant to Wyong Shire which can be easily accessed by the Community?"</i></p> <p><i>If not, could staff please make a list available on the Council web site as removal of some of these trees with knowing their listing could expose residents to a substantial fine."</i></p>	Cr Vincent 9 September 2015	Response to be provided at a future meeting.
180	Property and Economic Development	Mike Dowling	<p>1.6 Mayoral Minute - The Entrance Surf Club Lease</p> <p>984/15 <i>That Council <u>request</u> The Entrance Surf club enter into suitable arrangements with Council for the clearance of the outstanding rates and charges.</i></p>	Cr Eaton 23 September 2015	Response to be provided at a future meeting.

No	Department	Responsible Officer	Question Asked / Resolution	Meeting Asked/ Councillor	Status
			<p>985/15 That Council <u>request</u> for additional purpose to be added to the Reserve under Section 121A of the Crown Lands Act 1989.</p> <p>986/15 That Council <u>amend</u> the lease to include a sub-lease permitting a café/restaurant to be included in the footprint of The Entrance Surf Club.</p> <p>987/15 That Council <u>share</u> the rental derived from the commercial operation with The Entrance Surf Club.</p> <p>988/15 That Council <u>require</u> The Entrance Surf Club to spend their share of the rental on Surf Life Saving activities and/or equipment, and provide annual financial statements to show how these funds have been distributed.</p>		
181	Infrastructure and Operations	Peter Ham	<p>8.1 Notice of Motion - Shark Summit</p> <p>1037/15 That Council <u>note</u> the increased number of shark attacks in and around our coastal waters due to the rise in shark numbers.</p> <p>1038/15 That Council <u>take</u> proactive and pre-emptive steps to mitigate further local attacks.</p> <p>1039/15 That Council <u>recognise</u> that not only do the current shark attacks highlight the need for better public safety they have the potential to affect summer time tourism and its associated employment.</p> <p>1040/15 That, having regard to the far reaching potential of these events, Council <u>convene</u> in partnership with Surf Life Saving and Professional Life Guards a Shark Summit that includes all key stakeholder groups, rescue organisations, applicable agencies, tourism representatives and specialist marine experts.</p> <p>1041/15 That Council <u>request</u> the Acting Chief Executive Officer to report on the feasibility of auditing our ocean coast line with a view to identifying suitable sites to create shark proof ocean bathing areas/enclosures, however this does not include traditional netting.</p>	Cr Best 23 September 2015	Response to be provided at a future meeting.

No	Department	Responsible Officer	Question Asked / Resolution	Meeting Asked/ Councillor	Status
			1042/15 That staff <u>investigate</u> the effectiveness and practicality of making available to bathers, technology such as the shark shield devices on a short term hire basis.		
182	Chief Executive Officer's Unit	Steve Naven	<p>8.2 Notice of Motion - \$10million Rate Relief</p> <p>1043/15 That Council <u>congratulate</u> all staff for their excellent team efforts in addressing the \$30million deficit.</p> <p>1044/15 That Council <u>recognise</u> that these efforts have now resulted in a \$10.6million surplus, this reflects a \$41million total turn around in just 5 years.</p> <p>1045/15 That Council <u>note</u> the key initiatives deployed to achieve this extraordinary turn around are:</p> <ul style="list-style-type: none"> • "Right-sizing" the organisation – aligning inputs to priority outputs • Service Delivery Review removing \$8m from the cost base • Using our own resource, not consultants • Benchmarking and testing alternate service delivery models • Better budgeting – focusing on community priorities • Better discipline in meeting budgets • More effective measurement. Closer monitoring of spend • Better procurement practices and outcomes. <p>1046/15 That, as a consequence of this excellent financial management, Council <u>note</u> that it does not intend to apply a special rate variation when it makes rates for the 2016/17 rating year and revert to a maximum increase of 3% (the assumed standard rate pegging), thereby saving our rate payers \$10.7 million dollars.</p> <p>1047/15 That Council now continues to <u>work</u> through the identified infrastructure backlog using the current unallocated surplus of \$10.6million and future year surpluses.</p> <p>1048/15 That the Mayor, through the Council column, publically <u>thank</u> our community for their support, patience and understanding throughout this difficult period of restructure.</p>	Cr Best 23 September 2015	Response to be provided at a future meeting.

No	Department	Responsible Officer	Question Asked / Resolution	Meeting Asked/ Councillor	Status
186	Infrastructure and Operations	Peter Murray	Q42/15 Kanwal Traffic Calming Devices <i>"Mr Mayor, As the local area Councillor, my question is on behalf of the good folk of Walker Avenue/ Braithwaite, Kanwal. I am hearing of outrageous driving behaviour that is endangering public safety, I appreciate it's a policing matter, however could you have staff look into the possibility of installing some traffic calming devices in this area, particularly leading from the high pedestrian area, Kanwal shops?"</i>	Cr Best 23 September 2015	Response to be provided at a future meeting.
189	Community and Recreations Services	Notice of Motion - Wyongah to Tuggerawong Pathway	8.1 Notice of Motion - Wyongah to Tuggerawong Pathway 1100/15 <i>That Council <u>note</u> its cycleway program for the next 2 years is fully committed to the Magenta pathway that will deliver 33 km of road cycleway around our lakes.</i> 1101/15 <i>That Council <u>include</u> this project in the Pathway Strategy.</i> 1102/15 <i>That Council <u>consult</u> with the community before any decision on the pathway.</i> 1103/15 <i>That Council <u>advise</u> the proponents that due to existing Council commitments the proponents need to find external funding in order to prioritise this matter.</i>	Cr Troy 14 October 2015	Response to be provided at a future meeting.
190	Chief Executive Officer's Unit	Steve Naven	8.2 Notice of Motion - Amalgamation / Questionable Financial Stability? 1104/15 <i>That Council <u>note</u> that further to Chief Financial Officer's Councillor Briefing presented on the 9 September 2015 around Wyong's year-end financial results that outline Council's excellent economic turnaround over the past 5 years. The key drivers to this achievement were:</i> <ul style="list-style-type: none"> • <i>"Right-sizing" the organisation – aligning inputs to priority outputs</i> • <i>Service Delivery Review removing \$8m from the cost base</i> 	Cr Best 14 October 2015	Response to be provided at a future meeting.

No	Department	Responsible Officer	Question Asked / Resolution	Meeting Asked/ Councillor	Status
			<ul style="list-style-type: none"> • Using our own resource, not consultants • Benchmarking and testing alternate service delivery models • Better budgeting – focusing on community priorities • Better discipline in meeting budgets • More effective measurement. Closer monitoring of spend • Better procurement practices and outcomes. 		
			<p>1105/15 This has now resulted in a \$10.6million surplus and thereby providing Council the opportunity to not levy the scheduled 2016/17 approved extra ordinary rate rise.</p>		
			<p>1106/15 That further Council note with concern investment report item 6.1 from 23 September 2015 that provides some commentary/financial comparisons between Gosford and Wyong Councils. Of significant note is Gosford's decline in cash Table 9, Graph 1 declining investment portfolio returns, Table 10 and Graph 2 declining portfolio returns. (Tables and Graphs attached below).</p>		
			<p>1107/15 That as Wyong and Gosford Councils are partners in the billion dollar water supply and that there is a real prospect of amalgamation, it is responsible and incumbent upon Council to establish a thorough and accurate economic analysis heading into any further partnerships. Consequently Council respectfully <u>request</u> Gosford City Council provide full and unfettered access to its 2014/15 accounts, Including all supporting documentation for a proper analysis.</p>		
			<p>1108/15 That Council <u>recognise</u> the importance of working cooperatively and transparently with our sister Central Coast Council. It is with this understanding, that Wyong reciprocates access to all necessary statements that will assist Gosford in any similar financial analysis.</p>		

No	Department	Responsible Officer	Question Asked / Resolution	Meeting Asked/ Councillor	Status
191	Property and Economic Development	Mike Dowling	Q44/15 Fenced off Beach Access <i>"It has been brought to my attention by a ratepayer that some residents of Gomul Street, Noraville have fenced off the beach access in their street and have locked a gate that only they have the keys to. Could staff please advise how this is possible?"</i>	Cr Troy 14 October 2015	Response to be provided at a future meeting.
192	Property and Economic Development	Mike Dowling	Q45/15 Transport for NSW's Depot Proposal <i>"Mr Mayor I understand you are meeting with a group of ratepayers from Kangy Angy around the TFNSW's (Transport for NSW) rail depot proposal; this is an important issue and I for one request that you formally report the initiatives and outcomes of your meeting? Thank you"</i>	Cr Best 14 October 2015	Response to be provided at a future meeting.
193	Development and Building	Scott Cox	Q46/15 Follow up on Proliferation of Illegal Camping <i>"Mr Mayor I recall some months ago Deputy Mayor Webster made representation on behalf of the good folk of North Entrance and Jenny Dixon / Norah Head with regard to the proliferation of illegal camping. Staff indicated they would look into the matter with a view to addressing the issue prior to the summer 2015 season, to date I have not seen nor heard of any action around this important issue, Could you urgently advise where this matter is up to?"</i>	Cr Troy 14 October 2015	Response to be provided at a future meeting.
194	Property and Economic Development	Mike Dowling	Q47/15 Renewable Energy Projects <i>"Could staff please advise what renewable energy projects Council may have planned for the future. i.e. The methane extraction plant at Buttonderry Waste Managed Facility and Solar Cell installations?"</i>	Cr Troy 14 October 2015	Response to be provided at a future meeting.

**QUESTIONS ON NOTICE AND NOTICES OF MOTION REMOVED SINCE
14 OCTOBER 2015**

No#	Department	Question on Notice / Notice of Motion	Date Asked/ Councillor	Status
133	Property and Economic Development	7.2 Notice of Motion - Tuggerah Station Parking and Safety Shambles	11 March 2015 Cr Best Cr Matthews	Response provided in current, 28 October 2015, Business Paper.
152	Infrastructure and Operations	6.1 Notice of Motion – End Gridlock Pacific Highway, Wyong	Cr Best & Troy 10 June 2015	Response provided in current, 28 October 2015, Business Paper.
161	Community and Recreations Services	7.1 Notice of Motion - Establishment of New Extreme Bike and Skate Facility in our Shire's North	Cr Best 22 July 2015	Response provided in current, 28 October 2015, Business Paper.
168	Infrastructure and Operations	Q30/15 Flooding Tuggerah Business District	Cr Best 12 August 2015	Response provided in current, 28 October 2015, Business Paper.
175	Property and Economic Development	Q34/15 Community Litter Statistics and Education	Cr Greenwald 26 August 2015	Response provided in current, 28 October 2015, Business Paper.
187	Infrastructure and Operations	Q43/15 Gosford City Council Road Condition Measurements	Cr Taylor 23 September 2015	Response provided in current, 28 October 2015, Business Paper.

6.1 Answers to Question on Notice

TRIM REFERENCE: F2004/00159 - D12068983 AUTHOR: JM

6.1 Q30/15 - Flooding Tuggerah Business District

The following question was asked by Councillor Greg Best at the Ordinary Meeting on 12 August 2015:

"Mr Mayor,

I have repeatedly raised the issue of the Tuggerah creek/storm water drain as almost each time a major rain event occurs, the business district floods. I have been advised by local business owners that again substantial debris is blocking the drain. Could you please have staff look into this as a matter of urgency, thank you?"

The entire Tuggerah Business Park was built to a lower flood standard of 1:50 years height instead of 1:100 years as it was envisioned that any development would non habitable and occasional inundation could be tolerated. As such this area will always experience more frequent flooding.

The open drain that is located between Ace Crescent and Anzac Avenue, Tuggerah that discharges through a culvert under the Pacific Highway has been recently cleared of trees and other accumulated vegetative debris. However the drain contains silt up to 1.2 meters deep that will require the construction of coffer dams, one at Gavenlock Road end and the other between the rail line and the eastern side of the Pacific Highway in land owned by State Rail to allow the drain to be dewatered and the silt excavated. It estimated that the cost of this work will be in the vicinity of \$80,000 to complete and work is scheduled to commence in October 2015.

However the effectiveness of the drainage downstream of the rail line is problematic. There is approximately 600m of watercourse from the culvert exit at the rail line to the first billabong which is silted and overgrown with vegetation that obstructs flows to the billabong. Clearing this water course is not achievable because trees have been planted for some distance around the full length of the watercourse which deny access to plant and equipment and do not afford any location to dispose of excavated materials. Further, the entire area of the drainage path east of the railway contains Ecological Endangered Species which renders the site effectively inaccessible to machinery.

Consequently any significant improvement to the drainage of this catchment of Tuggerah will be dependent of implementing a number of smaller achievable improvements such as the cleaning work detailed above and by attenuating the flow of storm water from the upper reaches of the catchment that passes through culverts under the M1 Pacific Motorway. Further improvement opportunities will be identified in the Wyong River Floodplain Risk Management Plan which is expected to be completed by June 2017. It is anticipated that the solutions identified in the Plan will reduce the severity and extent of flooding at the Tuggerah Business District and the works will be funded in future budgets.

ATTACHMENTS

Nil.

6.2 Answers to Question on Notice

TRIM REFERENCE: F2004/07718 - D12100480 AUTHOR: KC

6.2 Q43/15 - Gosford City Council Road Condition Measurements

The following question was asked by Councillor Lloyd Taylor at the Ordinary Meeting on 23 September 2015:

“Can the Acting Chief Executive Officer please advise whether Gosford City Council measures the condition of their roads via a PCI or similar index and if so please provide the results of the index for the last three years?”.

Unlike Wyong Shire Council, Gosford City Council has little information available on the public record that specifically details the condition of its road network in addition to that it is required to publish by legislation in its Annual Reports.

Special Schedule 7 from the Annual Reports, 2011/12 to 2013/14 provides the following road network condition and estimated cost to bring to satisfactory condition:

Annual Report	Road Condition (where 1 is Excellent and 5 is Very Poor)	Cost to Bring to Satisfactory Condition	Written Down Replacement Value (WDV)
2011/12	3	\$36M	\$533B
2012/13	3	\$50.5M	\$533B
2013/14	1.7 *	\$59.4M	\$530.6B
2014/15	Report yet to be published		

*(calculated and published condition data and weighed by WDV by asset class)

Whilst the Road Condition column appears to indicate an improving road condition, it appears Gosford have adopted a different Road Condition Assessment methodology in 2013/14 that is consistent with previous assessments as the deterioration of the Written Down Replacement Value along with increasing “Cost to Bring to Satisfactory Condition” indicates that the road network condition is actually diminishing and Gosford City Council appears to be failing to fund adequate asset renewal strategies.

This assessment is further supported by Gosford City Council's intention to address its increasing infrastructure backlog by charging its ratepayers a special rate variation of 9.5% from 2017/18 (Ref: Page E4 “Fit For The Future” Matter adopted at the Gosford City Council Extraordinary Meeting of 29 June 2015).

ATTACHMENTS

Nil.

6.3 Answers to Question on Notice

TRIM REFERENCE: F2013/02047 - D12113260 AUTHOR: AP

6.3 Q34/15 Community Litter Statistics and Education

The following question was asked by Councillor Ken Greenwald at the Ordinary Meeting on 26 August 2015:

“Does Council have any demographic statistics on what age groups maybe causing litter in Wyong Shire and what options may be used to target and educate the community on littering. Can the General Manager please advise how such statistics can be used?”

There is no data on what age groups may be causing litter in the Wyong Shire and limited national data. Research conducted has however identified the following generalisations:

- People of all ages and social backgrounds litter although there are some variations
- Men and women are equally likely to litter
- People under age 15 are least likely to litter
- People under the age of 25 are most likely to litter when in a group, people over the age of 25 are most likely to litter when alone
- People aged 15-24 have a slightly higher than average rate of littering than other adults
- Litter hotspots include roadsides, parks and beaches and the extent is seasonal, with tourists being a primary source
- A lack of bins is not a major factor in littering
- the more litter already present at a site, the more people are inclined to litter

Littering is a complex issue that requires an integrated management approach across many stakeholders. Council already plays a key role in the management of litter through such means as enforcement of state legislation which makes littering illegal, anti-littering signs, convenient placement of public litter bins, provision of a domestic waste service, and community education and marketing. The greater community must also play a key role through such means as social responsibility and parenting skills. Staff are currently in the process of developing a comprehensive Litter Management Plan to centrally coordinate both the various actions already underway across the organisation in addition to various new actions proposed. This Litter Management Plan will be submitted to Council at a future Council meeting prior to the commencement of the summer peak littering season.

ATTACHMENTS

Nil.

7.1 Notice of Motion - Norah Head / Cabbage Tree Bay "Missing Link"

TRIM REFERENCE: F2005/02300 - D12072296

AUTHOR: Greg Best; Councillor

Councillor Best has given notice that at the Ordinary Council Meeting to be held on Wednesday 28 October 2015 he will move the following Motion:

- "1 *That Council notes the excellent work carried out by staff in delivering the complex engineering of the Cabbage Tree Bay (CTB) seawall and more recently the CTB ocean ramps, further it is noted both these facilities were severely tested in the April 2015 storms with no reported damage.*
- 2 *That Council notes these much needed multimillion dollar Bay works have now highlighted the extremely poor condition of Mazlin Reserve Cliff Face and in particularly the Norah Head Search and Rescue site, this has now become known as the "Missing Link".*
- 3 *That Council recognises that both these sites are the ownership of the State Government and are their full responsibility.*
- 4 *That Council seeks to work with the State Government through convening an initial meeting of all key stakeholder groups with a view to making a whole of community representation seeking upgrade funding in the 2016/17 State Budget.*
- 5 *That Council notes the outstanding support Karen McNamara our Federal Member for Dobell and State Agencies provided in assisting Council and the community in delivering the much needed Cabbage Tree Bay Ocean Ramp and the bay retaining wall."*

RESOURCES

This matter will be referred to the Tuggerah Lakes Estuary Coastal and Floodplain Management Committee meeting scheduled for Thursday 5 November 2015. The required resources and extent of key stakeholder involvement will be agreed and recommended at that meeting.

COUNCILLORS NOTE

Councillors I am sure you would agree that over the past five years Cabbage Tree Bay has been transformed into a functioning and structurally sound coastal beach/facility. As outlined above the ramp and toe wall underwent extreme weather conditions in the April storm events and came through with flying colors, this is testimony to the professionalism of our staff and contractors. However when one surveys the spectacular scenery from the beach or in the water it is obvious there is a missing link, Mazlin Reserve is constantly undergoing landslips and similarly the Norah Head Search and Rescue site is at risk. The beach was significantly damaged in the April storms and the Club ramp appears to have passed its useful asset life. I believe it is incumbent upon Council to respectfully lobby the State Government on behalf of the community and the Rescue Club to secure funding for the final stage works in Cabbage Tree Bay.



Photo 1



Photo 2



Photo 3



Photo 4



Photo 5

ATTACHMENTS

Nil.

7.2 Notice of Motion - Toukley Speed Bump Shambles

TRIM REFERENCE: F2004/07706 - D12119288

AUTHOR: Greg Best; Councillor

Councillors Greg Best and Adam Troy has given notice that at the Ordinary Council Meeting to be held on 28 October 2015, he will move the following Motion:

- "1 That Council, on behalf of the community, again call on the RMS to rip up the failed and controversial Toukley speed bumps.*
- 2 That Council notes the reports that these 'safety devices' have actually caused accidents involving both pedestrians and motorists, further there is emerging anecdotal evidence that shop trade is also beginning to be affected.*
- 3 That Council call on the RMS to release its 'Black Spot' funding submission, including the statistics it relied upon to convince the Federal Government to fund these controversial speed bumps."*
- 4 That Council further notes that some 50 accidents have been reported in the last 6 years on this road, with only 4 actually occurring in the Toukley CBD. Further, Council notes that there are two other 40km/h speed zones in Main Road Toukley that do not rely on speed bumps for their effective management.*

RESOURCES

Council will conduct this using existing resources.

COUNCILLORS NOTE

Councillor's as a local resident myself living in Main Road Toukley for almost 30 years, I like many, appreciate the importance of improved traffic management in this extremely busy and economically vital road corridor. With 50 accidents, many injuries and a number of deaths over the last 10 years, we welcome improved safety and traffic management. However this cheap, short sighted band aid, by the RMS, has infuriated and outraged the community. It is an embarrassment to the RMS as professionals. It has actually caused accidents with a number of pedestrians crossing on the speed bumps, thinking they are crossing surfaces, only to trip and fall on the busy road, many elderly residents have been injured. Fortunately no one yet has been run over. In my view, and the vast majority of residents, the RMS has simply "got this one wrong".

There are two 40km/h school zones nearby, highly effective and well respected by motorists, yet the RMS does not see fit to install speed bumps in these 40km/h zones. Beyond safety the RMS has single handedly been able to cause massive disruption the town centre, its trade, not to mention the noise that now echoes down the pedestrian corridors. Motorists are taking it upon themselves to drive around the speed bumps like chicanes in frustration; they are accelerating between bumps, causing further noise and pollution. The effect in the side streets is simply catastrophic for those living there.

The RMS has achieved pushing thousands of extra vehicles a week onto a number of back roads such as Moss Avenue, Crossingham Street and Evans Road that require the upkeep and maintenance to be met by the rate payers. In my view if the RMS persists in this ridiculous 'solution' to traffic management. Council should consider handing over control of these new Main Roads.

Simply put Councillors, the community is outraged at the utter contempt and lack of common sense by the RMS. Further, the community is asking, did the RMS make a mistake through its 'interpretation' of statistics tabled in their submission to the Federal Government to securing black spot funding. Whilst these bumps represent a traffic management nightmare, there may well be more significant issues to be addressed around how this funding was allocated.

ATTACHMENTS

Nil.