

WYONG SHIRE COUNCIL
Special Purpose Financial Reports
for the year ended 30th June 2007

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WYONG SHIRE COUNCIL

SPECIAL PURPOSE FINANCIAL REPORTS

For The Year Ended 30 June 2007

STATEMENT BY COUNCILLORS AND MANAGEMENT MADE PURSUANT TO THE LOCAL GOVERNMENT CODE OF ACCOUNTING PRACTICE AND FINANCIAL REPORTING

The attached Special Purpose Financial Reports have been drawn up in accordance with:

- NSW Government Policy Statement *"Application of National Competition Policy to Local Government"*.
- Department of Local Government guidelines *"Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality"*.
- the Local Government Code of Accounting Practice and Financial Reporting.
- The Department of Energy, Utilities and Sustainability *"Best Practice Management of Water Supply and Sewerage"* guidelines.

To the best of our knowledge and belief, these Reports

- Present fairly the operating result and financial position for each of Council's declared Business Activities 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 10 October 2007.

.....
Warren Welham

MAYOR

.....
Ron Stevens

DEPUTY MAYOR

.....
Kerry Yates

GENERAL MANAGER

.....
James Brown

RESPONSIBLE ACCOUNTING OFFICER

WYONG SHIRE COUNCIL

**INCOME STATEMENT
WATER SUPPLY BUSINESS ACTIVITY ***
for the year ended 30th June 2007

	Notes	2007 '000	2006 '000	2005 '000
INCOME FROM CONTINUING OPERATIONS				
Access Charges		6,262	5,424	4,927
User Charges		11,970	11,432	9,503
Fees		103	121	166
Interest Received		1,977	1,734	1,621
Grants & Contributions - Operating		664	708	645
Gain on Disposal of Assets		-	-	-
Other Operating Revenues		3,648	3,553	3,855
TOTAL		<u>24,624</u>	<u>22,972</u>	<u>20,717</u>
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs		5,934	5,113	4,956
Materials & Contracts	1	9,785	3,221	2,885
Borrowing Costs		3,405	1,797	1,518
Depreciation & Amortisation		7,396	7,252	7,040
Water Purchase Charges		1,570	978	866
Loss on Disposal of Assets		-	-	20
NCP Tax Equivalents		181	121	99
Debt Guarantee Fee		-	-	-
Other Operating Expenses	1	15,863	8,005	6,964
TOTAL		<u>44,134</u>	<u>26,487</u>	<u>24,348</u>
CONTINUING OPERATIONS RESULT BEFORE CAPITAL AMOUNTS				
		(19,510)	(3,515)	(3,631)
Grants & Contributions - Capital	1	16,067	5,850	8,265
RESULT FROM CONTINUING OPERATIONS		<u>(3,443)</u>	<u>2,335</u>	<u>4,634</u>
Discontinued Operations				
SURPLUS (DEFICIT) BEFORE TAX		<u>(3,443)</u>	<u>2,335</u>	<u>4,634</u>
Corporate Taxation Equivalent		-	-	-
SURPLUS (DEFICIT) FOR YEAR		<u>(3,443)</u>	<u>2,335</u>	<u>4,634</u>
Add: Accumulated Surplus brought forward		316,557	314,222	309,667
Depreciation adjustment 30 June 07		58,668		
JWS Asset adjustment 30 June 07		(2,114)		
<i>Adjustments for amounts unpaid</i>				
NCP Tax Equivalents retained				
Debt Guarantee Fee retained				
Corporate Tax Equivalent retained		-		
Less: Dividends Paid				(79)
ACCUMULATED SURPLUS		<u>369,668</u>	<u>316,557</u>	<u>314,222</u>
RATE OF RETURN ON CAPITAL		-2.80%	-0.67%	0.00%
NOTIONAL SUBSIDY FROM COUNCIL		27,600	3,063	3,398
<i>Calculation of Dividend Payable during next financial year</i>				
Surplus after tax		-3,443	2,335	4,634
Less: Capital grants & contribs from LWUs		16,067	5,850	8,265
Surplus for dividend calculation purposes		<u>0</u>	<u>0</u>	<u>0</u>
Dividend calculated from surplus		0	0	0

This Statement is to be read in conjunction with the attached Notes.

* Water supply business activity includes stormwater drainage assets and maintenance - refer note 1

WYONG SHIRE COUNCIL

**INCOME STATEMENT
SEWERAGE BUSINESS ACTIVITY
for the year ended 30th June 2007**

	Notes	2007 '000	2006 '000	2005 '000
INCOME FROM CONTINUING OPERATIONS				
Access Charges		21,579	20,213	19,570
User Charges		710	800	735
Liquid Trade Waste Charges		423	335	363
Fees		80	120	78
Interest Received		1,308	902	886
Grants & Contributions - Operating		699	658	1,030
Gain on Disposal of Assets		-	-	-
Other Operating Revenues		(2,508)	(2,702)	(2,716)
TOTAL		<u>22,291</u>	<u>20,326</u>	<u>19,946</u>
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs		6,258	5,618	5,247
Materials & Contracts		3,067	2,531	2,422
Borrowing Costs		1,094	915	1,081
Depreciation & Amortisation		7,007	7,455	7,335
Loss on Disposal of Assets		231	34	4
NCP Tax Equivalents		169	84	69
Debt Guarantee Fee		-	-	-
Other Operating Expenses	1	8,398	6,215	5,376
TOTAL		<u>26,224</u>	<u>22,852</u>	<u>21,534</u>
CONTINUING OPERATIONS RESULT BEFORE CAPITAL AMOUNTS				
		(3,933)	(2,526)	(1,588)
Grants & Contributions - Capital		4,479	3,120	1,850
RESULT FROM CONTINUING OPERATIONS		<u>546</u>	<u>594</u>	<u>262</u>
Discontinued Operations		-	-	-
SURPLUS (DEFICIT) BEFORE TAX		<u>546</u>	<u>594</u>	<u>262</u>
Corporate Taxation Equivalent		-	-	-
SURPLUS (DEFICIT) FOR YEAR		<u>546</u>	<u>594</u>	<u>262</u>
Add: Accumulated Profits brought forward		225,997	225,403	225,219
Depreciation adjustment 30 June 07		54,716		
<i>Adjustments for amounts unpaid</i>				
NCP Tax Equivalents retained				
Debt Guarantee Fee retained		-		
Corporate Tax Equivalent retained		-		
Less: Dividends Paid				(78)
ACCUMULATED SURPLUS		<u>281,259</u>	<u>225,997</u>	<u>225,403</u>
RATE OF RETURN ON CAPITAL		-0.74%	-0.71%	-0.05%
NOTIONAL SUBSIDY FROM COUNCIL		10,540	7,065	4,654
<i>Calculation of Dividend Payable during next financial year</i>				
Surplus after tax		546	594	262
Less: Capital grants & contribs from LWUs		4,479	3,120	1,850
Surplus for dividend calculation purposes		<u>0</u>	<u>0</u>	<u>0</u>
Dividend calculated from surplus		0	0	0

This Statement is to be read in conjunction with the attached Notes.

WYONG SHIRE COUNCIL

**INCOME STATEMENT BY BUSINESS ACTIVITIES
for the year ended 30th June 2007**

		OTHER BUSINESS ACTIVITIES					
		Waste Management (Cat1) '000		Child Care Services (Cat1) '000		Holiday Parks (Cat1) '000	
Notes		2007	2006	2007	2006	2007	2006
REVENUE FROM CONTINUING OPERATIONS							
		15,441	14,244		-		-
		7,858	7,498	3,096	1,518	6,324	5,918
		76	72		-		-
		754	622	585	2,076		-
			-		-	31	1
		2,049	1,128	1	7		-
	TOTAL	26,178	23,564	3,682	3,601	6,355	5,919
EXPENSES FROM CONTINUING OPERATIONS							
		1,589	1,334	3,500	3,609	353	203
		14,249	13,395	436	501	2,194	2,011
		1,095	1,033		-	39	44
		2,222	2,082	41	240	701	731
		5,892	5,307	652	576	2,505	2,002
			-		-	16	5
		77	46	208	171	328	173
	TOTAL	25,124	23,197	4,837	5,097	6,136	5,169
CONTINUING OPERATIONS RESULT BEFORE CAPITAL AMOUNTS		1,054	367	(1,155)	(1,496)	219	750
	Grants & Contributions - Capital				6	80	
RESULT FROM ORDINARY ACTIVITIES		1,054	367	(1,155)	(1,490)	299	750
Discontinued Operations							
SURPLUS (DEFICIT) BEFORE TAX		1,054	367	(1,155)	(1,490)	299	750
	Corporate Taxation Equivalent	316	110	-	-	66	225
SURPLUS (DEFICIT) FOR YEAR		738	257	(1,155)	(1,490)	233	525
	Add: Accumulated Profits brought forward	8,989	8,576	(2,591)	(1,272)	12,456	11,533
	NCP Imputation Payments retained	77	46	208	171	328	173
	Corporate Taxation Equivalent retained	316	110		-	66	225
	Less: Dividends Paid						
	- Surplus Dividend						
ACCUMULATED SURPLUS		10,120	8,989	(3,538)	(2,591)	13,083	12,456
	RATE OF RETURN ON CAPITAL	16.31%	10.53%	-31.93%	-40.73%	2.01%	5.87%
	NOTIONAL SUBSIDY FROM COUNCIL	N/a	N/a	1,408	1,753	771	288

This Statement is to be read in conjunction with the attached Notes.

WYONG SHIRE COUNCIL
BALANCE SHEET
WATER SUPPLY BUSINESS ACTIVITY
for the year ended 30th June 2007

	2007 '000	2006 '000
CURRENT ASSETS		
Cash & cash equivalents	18	21
Investments	15,797	34,457
Receivables	12,394	7,565
Inventories	374	191
Other		
Non-current assets held for sale		
TOTAL CURRENT ASSETS	<u>28,583</u>	<u>42,234</u>
NON-CURRENT ASSETS		
Investments		
Receivables	696	676
Inventories		
Infrastructure, Property, Plant & Equipment	574,765	330,290
Investment Property		
Other	1,053	1,208
TOTAL NON-CURRENT ASSETS	<u>576,514</u>	<u>332,174</u>
TOTAL ASSETS	<u>605,097</u>	<u>374,408</u>
CURRENT LIABILITIES		
Payables	8,366	7,771
Interest bearing liabilities	4,408	3,761
Provisions	2,134	2,011
TOTAL CURRENT LIABILITIES	<u>14,908</u>	<u>13,543</u>
NON-CURRENT LIABILITIES		
Payables		
Interest bearing liabilities	65,795	43,503
Provisions	846	805
TOTAL NON CURRENT LIABILITIES	<u>66,641</u>	<u>44,308</u>
TOTAL LIABILITIES	<u>81,549</u>	<u>57,851</u>
NET ASSETS	<u>\$ 523,548</u>	<u>316,557</u>
EQUITY		
Accumulated Surplus	369,668	316,557
Asset Revaluation Reserve	153,880	
TOTAL EQUITY	<u>\$ 523,548</u>	<u>316,557</u>

This Statement is to be read in conjunction with the attached Notes

WYONG SHIRE COUNCIL

BALANCE SHEET SEWERAGE BUSINESS ACTIVITY for the year ended 30th June 2007

	2007 '000	2006 '000
CURRENT ASSETS		
Cash & cash equivalents	11	9
Investments	21,088	15,572
Receivables	2,488	2,170
Inventories		
Other	22	23
Non-current assets held for sale		
TOTAL CURRENT ASSETS	<u>23,609</u>	<u>17,774</u>
NON-CURRENT ASSETS		
Investments		
Receivables	70	72
Inventories		
Infrastructure, Property, Plant & Equipment	385,063	226,959
Investment Property		
Other	624	716
TOTAL NON-CURRENT ASSETS	<u>385,757</u>	<u>227,747</u>
TOTAL ASSETS	<u>409,366</u>	<u>245,521</u>
CURRENT LIABILITIES		
Payables	1,617	907
Interest bearing liabilities	2,334	2,358
Provisions	2,527	2,397
TOTAL CURRENT LIABILITIES	<u>6,478</u>	<u>5,662</u>
NON-CURRENT LIABILITIES		
Payables		
Interest bearing liabilities	16,978	13,512
Provisions	300	350
TOTAL NON CURRENT LIABILITIES	<u>17,278</u>	<u>13,862</u>
TOTAL LIABILITIES	<u>23,756</u>	<u>19,524</u>
NET ASSETS	<u>\$ 385,610</u>	<u>225,997</u>
EQUITY		
Accumulated Surplus	281,259	225,997
Asset Revaluation Reserve	104,351	
TOTAL EQUITY	<u>\$ 385,610</u>	<u>225,997</u>

This Statement is to be read in conjunction with the attached Notes

WYONG SHIRE COUNCIL

**BALANCE SHEETS by BUSINESS ACTIVITIES
for the year ended 30th June 2007**

	BUSINESS ACTIVITIES					
	Waste Management (Cat1)		Child Care Services (Cat1)		Holiday Parks (Cat1)	
	'000		'000		'000	
	2007	2006	2007	2006	2007	2006
CURRENT ASSETS						
Cash & cash equivalents	838		19	22	619	
Investments	14,791	15,228			1,613	1,202
Receivables	932	871			72	35
Inventories						
Other						
TOTAL CURRENT ASSETS	16,561	16,099	19	22	2,304	1,237
NON-CURRENT ASSETS						
Investments						
Receivables	19	18				
Inventories						
Property, Plant & Equipment	13,180	13,299	3,617	3,673	12,865	13,529
Equity accounted investments						
Investment Property						
Other						
TOTAL NON-CURRENT ASSETS	13,199	13,317	3,617	3,673	12,865	13,529
TOTAL ASSETS	29,760	29,416	3,636	3,695	15,169	14,766
CURRENT LIABILITIES						
Payables	1,490	1,304	52	191	996	283
Interest bearing liabilities	340	540	6,699	5,585	295	1,409
Provisions	10,400	7,843	423	510	16	118
TOTAL CURRENT LIABILITIES	12,230	9,687	7,174	6,286	1,307	1,810
NON-CURRENT LIABILITIES						
Payables						
Interest bearing liabilities		340			779	500
Provisions	7,410	10,400				
TOTAL NON CURRENT LIABILITIES	7,410	10,740			779	500
TOTAL LIABILITIES	19,640	20,427	7,174	6,286	2,086	2,310
NET ASSETS	\$ 10,120	8,989	(3,538)	(2,591)	13,083	12,456
EQUITY						
Accumulated Surplus	10,120	8,989	(3,538)	(2,591)	13,083	12,456
Asset Revaluation Reserve						
TOTAL EQUITY	\$ 10,120	8,989	(3,538)	(2,591)	13,083	12,456

This Statement is to be read in conjunction with the attached Notes

WYONG SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORTS for the year ended 30 June 2007

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

1. The Special Purpose Financial Reports

These financial statements are a Special Purpose Financial Report prepared for use by the Council, the Department of Local Government, and the Department of Energy, Utilities and Sustainability. They have been prepared to report the results of business units determined by Council in accordance with the requirements of National Competition Policy guidelines, and the specific requirements relating to Best Practice Management of water and sewer business units.

In preparing these reports, each business unit has been viewed as a separate unit, and accordingly transactions between different business units, and between business units and other Council operations, have not been eliminated.

2. Basis of Accounting

2.1 Compliance

The financial reports comply with the Local Government Code of Accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual, and with the principles of the June 1996 NSW Government Policy Statement "*Application of National Competition Policy to Local Government*", the Department of Local Government's July 1997 guidelines "*Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality*" and the Department of Energy, Utilities and Sustainability's May 2004 guidelines "*Best-Practice Management of Water Supply and Sewerage*".

Except where directed to the contrary by the above documents, the financial report also complies with all applicable Australian Accounting Standards and professional pronouncements, and is based on information consistent with that forming the basis of Council's general purpose Annual Financial Statements for the year.

2.2 Basis

The financial report has been prepared on the accrual basis of accounting and, except where specifically indicated in these Notes or in the Notes to the general purpose Annual Financial Statements, in accordance with the historical cost convention.

3. National Competition Policy

In accordance with the framework set out in the June 1996 NSW Government Policy Statement "*Application of National Competition Policy to Local Government*" and other guidelines and documentation in relation to this matter, Council has declared that the following are to be considered as Business Units:

Category 1

Name	Brief description of activity
Water Supplies	Water catchment, treatment and supply
Sewerage Supplies	Sewerage collection, treatment and disposal
Waste Management	Collection and disposal of household and commercial waste
Child Care Services	Provision of six Child Care Centres
Holiday Parks	Provision of four Holiday Parks

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 1 - Significant Accounting Policies (cont)

3.1 Taxation Equivalent Payments

Council does not pay certain taxes and duties that are paid by equivalent private sector operations, but is liable for others. The Special Purpose Financial Reports disclose the effect of imputing these taxes to the declared business units at the several rates that would have applied to equivalent private sector operations. From 30 June 2004 the Department of Energy, Utilities and Sustainability's May 2004 guidelines "*Best-Practice Management of Water Supply and Sewerage*" require that imputed amounts be paid into the general funds of the Council where it may be applied for any permitted purpose of the Local Government Act 1993 (as amended).

Details of the rates of each tax or duty applicable to each different business unit are set out in the table forming item 7 of this Note. The narration "applies" indicates that the tax or duty has in fact been paid to the taxing authority by the Business Unit, and that these costs have been included in actual Operating Expenses, and the narration "various" indicates that Council has based the calculation of imputed tax on the differing rates of tax or duty applicable to different purchases.

3.2 Council Rates, Charges & Fees

Council rates have been *imputed* in relation to all non-rateable land, and *applied* in relation to all rateable land, owned or exclusively used by all business units. Annual and User Charges, and Regulatory and Other Fees, have been *applied* in relation to all services supplied to business units by Council or other business units.

3.3 Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that Council's business units face equivalent commercial borrowing costs to private sector competitors. In order to calculate the debt guarantee fees, Council has determined the average differential between actual and commercial borrowing rates for each business unit.

3.4 Corporate Taxation Equivalent

In accordance with the Code of Local Government Accounting Practice and Financial Reporting, income taxation has been calculated on the Operating Result before Capital Amounts disclosed in the Statements of Financial Performance of the Special Purpose Financial Reports. No allowance has been made for non-deductible items, timing differences or carried forward losses. Australian Accounting Standard AASB 112 "Income Taxes" has not been applied.

3.5 Dividends Paid

In accordance with National Competition Policy guidelines, it is expected that business units will pay dividends to its owner, Council, equivalent to those paid by private sector competitors. In accordance with the Code of Local Government Accounting Practice and Financial Reporting, the rate of dividend paid has been expressed as a percentage of the Change in Net Assets Resulting from Operations after Taxation.

Council is permitted, but not required, to pay a dividend to the general funds of the Council from surpluses generated by water supply and sewerage operations. The maximum amount of such dividend permitted under the "*Best-Practice Management of Water Supply and Sewerage*" guidelines is set out at the foot of the relevant Statements of Financial Performance. Actual payment of the dividend is subject to compliance with the procedures set out in the guidelines.

3.6 Return on Investment (Rate of Return)

The Policy statement states that Category 1 businesses "would be expected to generate a rate of return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field." In accordance with the Code of Accounting Practice, the rate of return on monopoly businesses such as water and sewerage services has been set at an amount sufficient to cover costs and replace assets needed to maintain services. For competitive markets, the rate of return has been set equal to or better than the return on Commonwealth 10 year bonds.

In accordance with the Code of Accounting Practice, the rate of return has been calculated as the Operating Result before Capital Amounts plus Interest Expense expressed as a percentage of the carrying value of Property, Plant & Equipment at the reporting date.

3.7 Notional Subsidy from Council

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 1 - Significant Accounting Policies (cont)

than cost recovery basis, or accepts a lower rate of return on its investment in the business unit than would be acceptable to a private sector competitor.

In accordance with the Code of Accounting Practice, this amount has been calculated as the dollar difference between the required and actual rates of return.

4. Special Rate Funds

The Local Government Act 1993 (as amended) requires that moneys raised by way of Special Rates (or for Domestic Waste Management) be used only for those purposes, except for "dividends" payable in accordance with the "*Best-Practice Management of Water Supply and Sewerage*" guidelines, which also impose limits on the amounts payable. Accordingly, *imputed* amounts in excess of the permitted limits have been retained in those funds, and added back to Accumulated Surplus.

For Business Units not involving Special Rate Funds, *imputed* amounts have been transferred to Council's General Fund and are available to Council for utilisation for other purposes.

All such amounts have been eliminated in the course of preparation of the Council's general purpose Annual Financial Statements.

5. Other Accounting Policies and Notes

Other accounting policies relating to the determination of revenues and expenses, and assets and liabilities, not specifically referred to above are reported in Note 1 to the Council's Annual Financial Statements, and should be read in conjunction with this Note. Note references in the Statements of Financial Performance of Business Activities and the Statement of Financial Position of Business Activities that are prefixed "A" refer to the Notes to the Annual Financial Statements. It should be noted that Council was required to revalue all Water and Sewerage network assets at 'fair value' as a result of the adoption of AASB 116 Property, Plant & Equipment.

6. Stormwater Drainage

The water supply business activity includes stormwater drainage operations. Included in water supply expenses are employee costs, depreciation and materials for drainage.

The carrying value of Drainage Infrastructure, Property, Plant and Equipment included in the Water Supply Balance Sheet is \$130 million.

7. Significant Income and Expense Items

Water expenses for 2006/2007 included contributions to Hunter Water, \$2.8 million in relation to an expanded agreement for the Hunter Connection and \$3.1 m for pipeline agreements. The total of \$5.9 m was the main factor in the overall increase of \$6.7m in Materials and Contracts expense compared to the previous year. Other expenses in Water increased by \$7.9 million (from \$8.0 million) and significant factors were an accounting change of policy not to charge general overheads to capital \$2.4 million, \$1.2 million in water tank rebates and \$1. million in a water saving scheme. Other expenses in Sewerage increased by \$1.9 million of which \$1.6 million resulted from the change of policy on charging overheads to capital

Included in grants and contributions for water in 2006-2007 is an amount of \$2.5m which was a Federal Grant for Hunter Connection and a contribution from Hunter Water of \$1.5m, also for this project. Another significant revenue increase over the previous year is an extra \$9.2 million in non cash contributions from developers.

8. Rounding

In accordance with the Code of Accounting Practice all amounts shown in these statements are in Australian currency and, other than Notes 2 & 3, have been rounded to the nearest thousand dollars; amounts in Notes 2 & 3 are shown in whole dollars to meet the requirements of the Department of Energy, Utilities and Sustainability.

9. National Competition Policy Notional Payments

The table forming part of this Note immediately follows.

WYONG SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORTS

**NOTE 1 Table - NATIONAL COMPETITION POLICY NOTIONAL PAYMENTS
for the year ended 30th June 2007**

WATER		SEWER		Waste Management (Cat1)		Child Care Services (Cat1)		Holiday Parks (Cat1)	
2007	2006	2007	2006	2007	2006	2007	2006	2007	2006

Category 1 1 1 1 1 1 1 1 1 1

TAXATION EQUIVALENT PAYMENTS

- Sales Tax
- Land Tax
- Stamp Duty
- Payroll Tax
- Fringe Benefits Tax

Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies
Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies

COUNCIL RATES, CHARGES & FEES

See Note 1, Item 3.2

LOAN & DEBT GUARANTEE FEES

0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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CORPORATE TAXATION EQUIVALENT

30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

DIVIDENDS PAID

0.00%	0.00%	N/A	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A
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RATE OF RETURN ON CAPITAL

- Required Rate of Return
- Actual Rate of Return

2.00%	2.00%	2.00%	2.00%	8.00%	8.00%	7.00%	7.00%	8.00%	8.00%
-3.27%	-0.67%	-0.74%	-0.05%	2.01%	5.87%	NIL	NIL	8.00%	NIL

WYONG SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE STATEMENTS for the year ended 30th June 2007

Note 2 - BEST PRACTICE MANAGEMENT DISCLOSURES - WATER SUPPLY

	2007 \$
<i>Values shown in this Note are expressed in WHOLE DOLLARS</i>	
Calculation and Payment of Tax-Equivalents	
(i) Calculated Tax Equivalents	210,263
(ii) No of assessments multiplied by \$3/assessment	180,579
(iii) Amounts payable for Tax Equivalents (lesser of (i) and (ii))	180,579
Dividend from Surplus	
(i) 50% of Surplus before Dividends <i>(Calculated in accordance with Best Practice Management for Water Supply and Sewerage guidelines.)</i>	0
(ii) No of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	1,625,211
(iii) Cumulative Surplus before Dividends for 3 years to 30 June 2007, less cumulative dividends paid for 2 years to 30 June 2006	0
(iv) Maximum Dividend from Surplus (least of (i), (ii) and (iii))	0
(v) Dividend paid from Surplus	0
Required Outcomes for 6 Criteria	
(i) Completion of Strategic Business Plan (including Financial Plan)	Yes
(ii) Pricing with full cost-recovery, without significant cross subsidies (Item 2(a) in Table 1 on page 18 of Best practice guidelines)	Yes
Complying charges (Item 2(b) in Table 1)	
DSP with Commercial Developer Charges (Item 2(e) in Table 1)	
If Dual Water Supplies, Complying Charges (Item 2(g) in Table 1)	
(iii) Sound Water Conservation & Demand Management Implemented	Yes
(iv) Sound Drought Management implemented	Yes
(v) Complete Performance Reporting Form (by 15 September each year)	Yes
(vi) Integrated Water Cycle Management Strategy (by June 2006)	Yes
National Water Initiative (NWI) Financial Performance Indicators	
NWI F4 Residential Revenue from Usage Charges (Water)	34.26%
NWI F1 Total Revenue (Water) (\$ 000)	50,717
NWI F20 Capital Works Grants (Water) (\$ 000)	5,074
NWI F13 Economic Real Rate of Return (Water)	1.69%
NWI F6 Operating Cost (OMA) (Water) (\$ 000)	40,989
NWI F9 Total Operating Cost (Water) (\$ 000)	48,385

WYONG SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE STATEMENTS for the year ended 30th June 2007

Note 3 - BEST PRACTICE MANAGEMENT DISCLOSURES - SEWERAGE

	2007
	\$
<i>Values shown in this Note are expressed in WHOLE DOLLARS</i>	
Calculation and Payment of Tax-Equivalents	
(i) Calculated Tax Equivalents	169,000
(ii) No of assessments multiplied by \$3/assessment	176,682
(iii) Amounts payable for Tax Equivalents (lesser of (i) and (ii))	169,000
Dividend from Surplus	
(i) 50% of Surplus before Dividends <i>(Calculated in accordance with Best Practice Management for Water Supply and Sewerage guidelines.)</i>	0
(ii) No of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	1,597,820
(iii) Cumulative Surplus before Dividends for 3 years to 30 June 2007, less cumulative dividends paid for 2 years to 30 June 2006	0
(iv) Maximum Dividend from Surplus (least of (i), (ii) and (iii))	0
(v) Dividend paid from Surplus	0
Required Outcomes for 4 Criteria	
(i) Completion of Strategic Business Plan (including Financial Plan)	Yes
(ii) Pricing with full cost-recovery, without significant cross subsidies (Item 2(a) in Table 1 on page 18 of Best practice guidelines)	Yes
Complying charges (a) Residential (Item 2(c) in Table 1)	
(b) Non-Residential (Item 2(c) in Table 1)	
(c) Trade Waste (Item 2(d) in Table 1)	
DSP with Commercial Developer Charges (Item 2(e) in Table 1)	
Liquid Trade Waste Approvals & Policy (Item 2(f) in Table 1)	
(iii) Complete Performance Reporting Form (by 15 September each year)	Yes
(iv) Integrated Water Cycle Management Evaluation (by June 2007)	Yes
National Water Initiative (NWI) Financial Performance Indicators	
NWI F2 Total Revenue (Sewerage) (\$ 000)	28,537
NWI F21 Capital Works Grants (Sewer) (\$ 000)	-
NWI F11 Capital Expenditure (Water & Sewerage) (\$000)	39,277
NWI F14 Economic Real Rate of Return (Sewerage)	1.96%
NWI F12 Economic Real Rate of Return (Water & Sewerage)	1.80%
NWI F16 Net Debt to Equity (Water & Sewerage)	170.76%
NWI F17 Interest Cover (Water & Sewerage)	242.42%
NWI F18 Net Profit after Tax (Water & Sewerage) \$000	2,593
NWI F19 Community Service Obligations (Water & Sewerage) \$ 000	1,294
NWI F5 Revenue from Community Service Obligations (Water & Sewerage)	1.63%
NWI F7 Operating Cost (OMA) (Sewerage) \$ 000	20,987
NWI F10 Total Cost (Sewerage)	27,994

WYONG SHIRE COUNCIL

Special Schedules

for the year ended 30th June 2007

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WYONG SHIRE COUNCIL

SPECIAL SCHEDULE NO 1 NET COST OF SERVICES for the year ended 30th June 2007

\$'000

Function or Activity	Expenses from continuing operations		Income from continuing operations			NET COST OF SERVICES	
	Expenses	Group Totals	Non-capital revenues	Capital revenues	Group Totals	Net Cost	Group Totals
GOVERNANCE	7,260					7,260	
		7,260			-		7,260
ADMINISTRATION							
Corporate Support	(15,225)		12,902	693		(28,820)	
Engineering & Works	23,025		16,491	137		6,397	
Other Support Services						-	
		7,800			30,223		(22,423)
PUBLIC ORDER & SAFETY							
Statutory Contribution - Fire Service Levy						-	
Fire Protection - Other	1,947		729	337		881	
Animal Control	379		109			270	
Beach Control	1,174		51			1,123	
Enforcement of Local Govt Regulations	1,286		784			502	
Emergency Services	91		1			90	
Other						-	
		4,877			2,011		2,866
HEALTH							
Administration & Inspection	1,328		146			1,182	
Immunisations	427		48			379	
Food Control	7					7	
Insect/Vermin Control						-	
Noxious Plants	188		28			160	
Health Centres						-	
Other	7		114			(107)	
		1,957			336		1,621
COMMUNITY SERVICES & EDUCATION							
Administration	1,599		61			1,538	
Family Day Care						-	
Child Care	4,670		3,710			960	
Youth Services	491		254	9		228	
Other Families & Children	131		60			71	
Aged & Disabled	35		29			6	
Migrant Services						-	
Aboriginal Services						-	
Other Community Services	60					60	
Education						-	
		6,986			4,123		2,863
HOUSING & COMMUNITY AMENITIES							
Housing						-	
Town Planning	11,538		2,487	10,834		(1,783)	
Domestic Waste Management	16,730		15,701			1,029	
Other Waste Management	13,393		15,478			(2,085)	
Street Cleaning						-	
Other Sanitation & Garbage						-	
Urban Stormwater Drainage						-	
Environmental Protection	1,656		2,051			(395)	
Public Cemeteries	58		63			(5)	
Public Conveniences	1,019		5			1,014	
Other Community Amenities						-	
		44,394			46,619		(2,225)

WYONG SHIRE COUNCIL

SPECIAL SCHEDULE NO 1 - NET COST OF SERVICES (cont)

Function or Activity	Expenses from continuing operations		Income from continuing operations			NET COST OF SERVICES	
	Expenses	Group Totals	Non-capital revenues	Capital revenues	Group Totals	Net Cost	Group Totals
WATER SUPPLIES	46,987		25,683	16,067		5,237	
		46,987			41,750		5,237
SEWERAGE SERVICES	29,090		24,019	4,479		592	
		29,090			28,498		592
RECREATION & CULTURE							
Public Libraries	4,152		410			3,742	
Museums						-	
Art Galleries						-	
Community Centres	210		4			206	
Public Halls	3,222		600	12		2,610	
Other Cultural Services	41		1			40	
Swimming Pools	677					677	
Sporting Grounds	1,595			13		1,582	
Parks & Gardens, Lakes	7,422		439	53		6,930	
Other Sport & Recreation	30					30	
		17,349			1,532		15,817
FUEL & ENERGY							
Gas Supplies						-	
							-
MINING, MANUFACTURING & CONSTRUCTION							
Building Control	1,197		377			820	
Abattoirs						-	
Quarries & Pits						-	
Other						-	
		1,197			377		820
TRANSPORT & COMMUNICATION							
Urban Roads: Local	11,125		2,541	5,223		3,361	
Urban Roads: Regional	120		456			(336)	
Sealed Rural Roads: Local	9,189		445	3,000		5,744	
Sealed Rural Roads: Regional						-	
Unsealed Rural Roads: Local	637					637	
Unsealed Rural Roads: Regional	160		158			2	
Bridges - Urban Roads: Local	549					549	
Bridges - Urban Roads: Regional						-	
Bridges - Sealed Rural Roads: Local						-	
Bridges - Sealed Rural Roads: Regional						-	
Bridges - Unsealed Rural Roads: Local						-	
Bridges - Unsealed Rural Roads: Regional						-	
Footpaths	1,061		19	26		1,016	
Aerodromes						-	
Parking Areas	622					622	
Bus Shelters & Services	20		1			19	
Water Transport	618		685			(67)	
RTA Works - State Roads	4,818		5,457			(639)	
Street Lighting	1,590		203			1,387	
Other	2,008		1,301			707	
		32,517			19,515		13,002

WYONG SHIRE COUNCIL

SPECIAL SCHEDULE NO 1 - NET COST OF SERVICES (cont)

Function or Activity	Expenses from continuing operations		Income from continuing operations			NET COST OF SERVICES	
	Expenses	Group Totals	Non-capital revenues	Capital revenues	Group Totals	Net Cost	Group Totals
ECONOMIC AFFAIRS							
Camping Areas						-	
Caravan Parks	6,051		6,355	80		(384)	
Tourism & Area Promotion	3,355		59			3,296	
Industrial Development Promotion	614		2			612	
Saleyards & Markets						-	
Real Estate Development						-	
Commercial Nurseries						-	
Other Business Undertakings						-	
		10,020			6,496		3,524
TOTALS - FUNCTIONS		210,434			181,480		28,954
General Purpose Revenues			56,091			56,091	
Equity accounted income (loss)						-	
		-			56,091		56,091
NET OPERATING RESULT FOR YEAR							27,137

WYONG SHIRE COUNCIL
SPECIAL SCHEDULE NO 2 (1)
STATEMENT OF LONG TERM DEBT (ALL PURPOSE)
for the year ended 30th June 2007

\$'000

Classification of Debt	Principal Outstanding at beginning of year		New Loans Raised	Debt Redemption		Tfrs to Sinking Funds	Interest applicable for year	Principal outstanding at end of year	
	Current	Non-Current		From Revenue	Sinking Funds			Current	Non-Current
LOANS (by source)									
Commonwealth Government Treasury Corporation	-	50					3	50	50
Other State Government	300	626	575	299			37	315	887
Public Subscription	135	271		136			27	62	208
Financial Institutions	10,588	60,419	32,500	10,588			4,884	8,286	84,633
Other									92,919
Total Loans	11,023	61,366	33,075	11,023	-	-	4,951	8,713	85,728
OTHER LONG TERM DEBT									
Ratepayers' Advances									
Government Advances									
Finance Leases									
Deferred Payment									
Other									
Total Other Long Term Debt	-	-	-	-	-	-	-	-	-
TOTAL LONG TERM DEBT	11,023	61,366	33,075	11,023	-	-	4,951	8,713	94,441

This Schedule excludes Internal Loans and refinancing of existing borrowings.

WYONG SHIRE COUNCIL

SPECIAL SCHEDULE NO 2 (2) STATEMENT OF INTERNAL LOANS for the year ended 30th June 2007

\$'000

SUMMARY OF INTERNAL LOANS

Borrower (by purpose)	Amount Originally Raised	Total Repaid During Year Principal & Interest	Principal Outstanding at End of Year
General			
Water			
Sewerage			
Domestic Waste Management			
Gas			
Other			
Totals	-	-	-

The above summary of internal loans represents the total of Council's internal loans categorised according to the purpose of the borrower. Details of individual internal loans are set out below.

Borrower (by purpose)	Lender (by purpose)	Date of Minister's Approval	Date Raised	Term (years)	Maturity Date	Rate of Interest	Amount Originally Raised	Paid During Year - Princ and Interest	Principal Outstanding End of Year
Totals							-	-	-

WYONG SHIRE COUNCIL

SPECIAL SCHEDULE NO 3 WATER SUPPLY OPERATIONS (Gross including Internal Transactions) for the year ended 30th June 2007

<u>A. EXPENSES & REVENUES</u>	2007	2006
<u>EXPENSES</u>	\$'000	\$'000
1.a. Management - Administration	19,471	6,959
b. - Engineering & Supervision		
2 Operations		
a. - Dams & Weirs - Operation Expenses	260	92
b. - Maintenance Expenses	141	43
c. - Mains - Operation Expenses	4,658	1,864
d. - Maintenance Expenses	3,430	2,580
e. - Reservoirs - Operation Expenses	107	136
f. - Maintenance Expenses	612	78
g. - Pumping Stations - Operation Expenses	180	427
h. - Energy Costs	430	526
i. - Maintenance Expenses	630	378
j. - Treatment - Operation Expenses	431	652
k. - Chemical Costs	38	16
l. - Maintenance Expenses	257	376
m. - Other - Operation Expenses	43	89
n. - Maintenance Expenses	177	1
o. - Purchase of Water	1,571	978
3.a. Depreciation - System Assets	7,128	7,002
b. - Plant & Equipment	268	250
4.a. Miscellaneous - Interest	3,405	1,797
- Revaluation decrements		
b. - Other	3,752	2,122
	<u>181</u>	<u>121</u>
5 Total Expenses	<u>47,170</u>	<u>26,487</u>
 <u>REVENUE</u>		
6 Residential Charges		
a. - Access (including rates)	6,262	5,424
b. - User Charges	12,016	11,553
7 Non-Residential Charges		
a. - Access (including rates)		
b. - User Charges		
8 Extra Charges		
9 Interest	1,977	1,734
10 Other Income	6,665	3,553
11.a. Grants - Acquisition of Assets	2,567	77
b. - Pensioner Rebates	595	614
c. - Other	55	
12.a. Contributions - Developer Charges	1,609	2,955
b. - Developer Provided Assets	10,298	2,818
c. - Other Contributions	1,684	94
13 Total Revenues	<u>43,728</u>	<u>28,822</u>
 14 Gain (Loss) on Disposal of Assets		
15 OPERATING RESULT	<u>(3,442)</u>	<u>2,335</u>
 15a. Operating Result before Grants for Acquisition of Assets	<u>(6,009)</u>	<u>2,258</u>

WYONG SHIRE COUNCIL

SPECIAL SCHEDULE NO 3 - WATER SUPPLY OPERATIONS (cont)

	2007 \$'000	2006 \$'000
<u>B. CAPITAL TRANSACTIONS</u>		
<u>Non - Operating Expenditure</u>		
16 Acquisition of Fixed Assets		
a. - Subsidised Scheme		46
b. - Other New System Assets	46,691	22,752
c. - Renewals	78	-
d. - Plant & Equipment		122
17 Repayment of Debt		
a. - Loans	4,408	3,231
b. - Advances		
c. - Finance Leases		
18 Transfers to Sinking Funds		
19 Total Non-Operating Expenditure	51,177	26,151
<u>Non-Operating Funds Employed</u>		
20 Proceeds from Disposal of Assets		
21 Borrowings Utilised		
a. - Loans	26,700	23,650
b. - Advances		
c. - Finance Leases		
22 Transfers from Sinking Funds		
23 Total Non-Operating Funds Employed	26,700	23,650
<u>C. RATES & CHARGES</u>		
24 Number of Assessments		
a. - Residential (occupied)	55808	
b. - Residential (unoccupied)	1827	
c. - Non-Residential (occupied)	2278	
d. - Non -Residential (unoccupied)	280	
25 Number of ETs for which Developer Charges were	282 ET	
26 Total Amount of Pensioner Rebates	1,174 \$'000	
<u>D. BEST PRACTICE ANNUAL CHARGES & DEVELOPER CHARGES</u>		
27 Annual Charges		
a. Does Council have best-practice water supply annual charges and usage charges?	<input type="checkbox"/> Yes	
If Yes, go to 28a.		
If No, has Council removed land value from access charges (i.e. rates)?	<input type="checkbox"/>	
b. Cross subsidy from residential customers using less than allowance		_____
c. Cross subsidy to non-residential customers		_____
d. Cross subsidy to large connections in unmetered supplies		_____
28 Developer Charges		
a. Has Council completed a water supply Development Servicing Plan?	<input type="checkbox"/> Yes	
b. Total cross-subsidy in water supply developer charges		_____
29 TOTAL OF CROSS SUBSIDIES		-

WYONG SHIRE COUNCIL

SPECIAL SCHEDULE NO 4 WATER SUPPLY - NET ASSETS COMMITTED (Gross including Internal Transactions) for the year ended 30th June 2007

	<u>Current</u> \$'000	<u>Non-Current</u> \$'000	<u>Total</u> \$'000
<u>ASSETS</u>			
30 Cash and Investments			
a. - Developer Charges	15,809		15,809
b. - Specific Purpose Grants	153		153
c. - Accrued Leave	333		333
d. - Unexpended Loans			-
e. - Sinking Funds			-
f. - Other	(480)		(480)
31 Receivables			
a. - Specific Purpose Grants	679		679
b. - Rates & Availability Charges	11,732	696	12,428
c. - Other	(17)		(17)
32 Inventories	374		374
33 Property, Plant & Equipment			
a. - System Assets		574,404	574,404
b. - Plant & Equipment		361	361
34 Other		1,053	1,053
35 Total Assets	<u>28,583</u>	<u>576,514</u>	<u>605,097</u>
<u>LIABILITIES</u>			
36 Bank Overdraft			-
37 Creditors	8,366		8,366
38 Borrowings			
a. - Loans	4,408	65,795	70,203
b. - Advances			-
c. - Finance Leases			-
39 Provisions			
- Tax Equivalents			-
a. - Dividend	-		-
b. - Other	2,134	846	2,980
40 Total Liabilities	<u>14,908</u>	<u>66,641</u>	<u>81,549</u>
41 NET ASSETS COMMITTED	<u>13,675</u>	<u>509,873</u>	<u>523,548</u>
<u>EQUITY</u>			
42 Accumulated Surplus			369,668
43 Asset Revaluation Reserve			153,880
44 Total Equity			<u>523,548</u>
45 Current Replacement Cost of System Assets			576,210
46 Accumulated Current Cost Depreciation of System Assets			(150,089)
47 Written Down Current Cost of System Assets			<u>426,121</u>

WYONG SHIRE COUNCIL

SPECIAL SCHEDULE NO 5 SEWERAGE SERVICE OPERATIONS (Gross including Internal Transactions) for the year ended 30th June 2007

<u>A. EXPENSES & REVENUES</u>	2007	2006
<u>EXPENSES</u>	\$'000	\$'000
1.a. Management - Administration	9,880	4,329
b. - Engineering & Supervision		
2 Operations & Maintenance Expenses		
a. -Mains - Operation Expenses	639	324
b. -Maintenance Expenses	1,471	1,266
c. - Pumping Stations - Operation Expenses	1,214	1,244
d. - Energy Costs	377	391
e. - Maintenance Expenses	1,635	2,006
f. - Treatment - Operation Expenses	2,275	2,291
g. - Chemical Costs	31	12
h. - Energy Costs	650	691
i. - Effluent Management		-
j. - Biosolids Management		-
k. - Maintenance Expenses	1,844	1,553
l. - Other - Operation Expenses	160	184
m. - Maintenance Expenses	811	73
3.a. Depreciation - System Assets	6,828	7,264
b. - Plant & Equipment	179	191
4.a. Miscellaneous - Interest	1,094	915
- Revaluation decrements		-
b. - Other		
- NCP Tax & Other Equivalents	169	84
5 Total Expenses	29,257	22,818
 REVENUE		
6 Residential Charges (including rates)	19,367	18,173
7 Non-Residential Charges		
a. Access (including rates)	2,099	2,016
b. User Charges	610	800
8 Trade Waste Charges		
a. Annual Fees	183	24
b. User Charges	423	335
c. Excess Mass Charges & Re-inspection Fees		
9 Extra Charges		
10 Interest	1,308	902
11 Other Income	637	(2,582)
12.a. Grants - Acquisition of Assets	(40)	40
b. - Pensioner Rebates	699	658
c. - Other		
13.a. Contributions - Developer Charges	828	1,102
b. - Developer Provided Assets	3,165	1,978
c. - Other Contributions	526	
14 Total Revenues	29,805	23,446
15 Gain (Loss) on Disposal of Assets	-	(34)
16 OPERATING RESULT	548	594
16.a. Operating Result before Grants for Acquisition of Assets	588	554

WYONG SHIRE COUNCIL

SPECIAL SCHEDULE NO 5 - SEWERAGE SERVICE OPERATIONS (cont)

		2007 \$'000	2006 \$'000
<u>B. CAPITAL TRANSACTIONS</u>			
<u>Non - Operating Expenditure</u>			
17	Acquisition of Fixed Assets		
a.	- Subsidised Scheme		39
b.	- Other New System Assets	6,170	7,218
c.	- Renewals		
d.	- Plant & Equipment	15	188
18	Repayment of Debt		
a.	- Loans	2,358	2,842
b.	- Advances		
c.	- Finance Leases		
19	Transfers to Sinking Funds		
20	Total Non-Operating Expenditure	8,543	10,287
<u>Non-Operating Funds Employed</u>			
21	Proceeds of Disposal of Assets		
22	Borrowings Utilised		
a.	- Loans	5,800	4,740
b.	- Advances		
c.	- Finance Leases		
23	Transfers from Sinking Funds		
24	Total Non-Operating Funds Employed	5,800	4,740
<u>C. RATES AND CHARGES</u>			
25	Number of Assessments		
a.	- Residential (occupied)	54979	
b.	- Residential (unoccupied)	1578	
c.	- Non-Residential (occupied)	2125	
d.	- Non-Residential (unoccupied)	212	
26	Number of ETs for which Developer Charges were	410 ET	
27	Total Amount of Pensioner Rebates	1,181 \$'000	
<u>D. BEST PRACTICE ANNUAL CHARGES & DEVELOPER CHARGES</u>			
28	Annual Charges		
a.	Does Council have best-practice sewerage annual charges, usage charges and trade waste fees and charges?	<input type="checkbox"/>	<input type="checkbox"/>
	If Yes, go to 29a.		
	If No, has Council removed land value from access charges (i.e. rates)	<input type="checkbox"/>	<input type="checkbox"/>
b.	Cross subsidy to non-residential customers		_____
c.	Cross subsidy to trade waste dischargers		_____
29	Developer Charges		
a.	Has Council completed a sewerage Development Servicing Plan?	<input type="checkbox"/>	<input type="checkbox"/>
b.	Total cross-subsidy in sewerage developer charges		_____
30	TOTAL OF CROSS SUBSIDIES		-

WYONG SHIRE COUNCIL

SPECIAL SCHEDULE NO 6 SEWERAGE SERVICES - NET ASSETS COMMITTED (Gross including Internal Transactions) for the year ended 30th June 2007

<u>ASSETS</u>	<u>Current</u> \$'000	<u>Non-Current</u> \$'000	<u>Total</u> \$'000
31 Cash and Investments			
a. - Developer Charges	11,313		11,313
b. - Specific Purpose Grants			-
c. - Accrued Leave	432		432
d. - Unexpended Loans	5,129		5,129
e. - Sinking Funds			-
f. - Other	4,224		4,224
32 Receivables			
a. - Specific Purpose Grants	1		1
b. - Rates & Availability Charges			-
c. - Other	2,488	70	2,558
33 Inventories			-
34 Property, Plant & Equipment			
a. - System Assets		384,904	384,904
b. - Plant & Equipment		159	159
35 Other	22	624	646
36 Total Assets	<u>23,609</u>	<u>385,757</u>	<u>409,366</u>
 <u>LIABILITIES</u>			
37 Bank Overdraft			-
38 Creditors	1,617		1,617
39 Borrowings			
a. - Loans	2,334	16,978	19,312
b. - Advances			-
c. - Finance Leases			-
40 Provisions			
- Tax Equivalents			-
a. - Dividend			-
b. - Other	2,527	300	2,827
41 Total Liabilities	<u>6,478</u>	<u>17,278</u>	<u>23,756</u>
42 NET ASSETS COMMITTED	<u>17,131</u>	<u>368,479</u>	<u>385,610</u>
 <u>EQUITY</u>			
43 Accumulated Surplus			281,259
44 Asset Revaluation Reserve			104,351
45 Total Equity			<u>385,610</u>
46 Current Replacement Cost of System Assets			493,579
47 Accumulated Current Cost Depreciation of System Assets			116,246
48 Written Down Current Cost of System Assets			<u>377,333</u>

WYONG SHIRE COUNCIL

SPECIAL SCHEDULE NO 7 CONDITION OF PUBLIC WORKS as at 30th June 2007

Asset Class	Asset Category	Depreciation Rate (%)	Depreciation Expense '000	Cost '000	Valuation '000	Accumulated Depreciation '000	Carrying Value '000	Asset Condition (see Notes attached)	Estimated Cost to bring to a Satisfactory Standard '000	Required Annual Maintenance Expense '000	Actual Maintenance Expense '000
Public Buildings	<i>References</i>	<i>Note 9</i>	<i>Note 4</i>			<i>Note 9</i>			<i>Local Govt. Act 1993, Section 428 (2d)</i>		
	Administration/Depot	3	713	23,672		10,312	13,360	2	500	400	285
	Aerodromes	3	25	858		454	404	2			
	Amenity Buildings	3	122	5,029		2,400	2,629	2	100	100	76
	Bush Fire Station	3	85	2,828		1,026	1,802	2		6	6
	Caravan Parks	3	344	9,919		6,230	3,689	2		334	334
	Child Care Centres/Pre School	3	34	5,264		2,654	2,610	1	100	100	88
	Community Buildings	3	953	39,798		18,493	21,305	2	1,200	300	179
	Cottages	3	37	1,760		906	854	3	200	50	35
	Historic Buildings	3	4	472		465	7		100	20	4
	Retirement Village	3	31	1,026		591	435	2			
	Surf Clubs	3	105	4,394		2,048	2,346	3		44	44
	Swimming Pool Buildings	3	60	1,983		1,445	538	3		9	9
	Toilets	3	88	3,027		1,665	1,362	2	250	275	248
	Rubbish Tips	3	13	432		214	218	2		1	1
	Water Supply Buildings	1	10	1,039		254	785	2		43	43
	Sewer Supply Buildings	1	23	2,262		428	1,834	2		67	67
	Subtotal		2,647	103,763	-	49,585	54,178		2,450	1,749	1,419

WYONG SHIRE COUNCIL

SPECIAL SCHEDULE NO 7 - CONDITION OF PUBLIC WORKS (cont)
as at 30th June 2007

Asset Class	Asset Category	Depreciation Rate (%)	Depreciation Expense '000	Cost '000	Valuation '000	Accumulated Depreciation '000	Carrying Value '000	Asset Condition (see Notes attached)	Estimated Cost to bring to a Satisfactory Standard '000	Required Annual Maintenance Expense '000	Actual Maintenance Expense '000	
	<i>References</i>	<i>Note 9</i>	<i>Note 4</i>			<i>Note 9</i>			<i>Local Govt. Act 1993, Section 428 (2d)</i>			
Public Roads	Cat 1 State Roads	5	265	10,150		8,037	2,113	2				
	Cat 2 Regional Roads	5	314	12,869		9,432	3,437	2	3,334	222	929	
	Cat.3&4 District & Collector Roads	4	3,999	179,040		116,849	62,191	2	60,650	4,040	3,826	
	Cat.5&6 Local & Minor Roads	3	2,852	210,437		80,520	129,917	2	50,439	3,362	7,957	
	Footpaving/Cycle Paths	1	200	10,676		1,502	9,174	2	511	390	260	
	Kerb & Gutter	1	772	54,182		13,961	40,221	2	133	106	70	
	Carparks	1	157	16,970		3,213	13,757	3	2,876	157	97	
	Bridges	1	80	7,330		1,896	5,434	2	6,520	157	101	
		Subtotal		8,639	501,654	-	235,410	266,244		124,463	8,434	13,240
	Water	Treatment Plants	1	2,226		236,452	36,455	199,997	2		1,701	1,701
Reservoirs		1	154		21,633	7,408	14,225	2		221	221	
Mains		2	3,004		327,817	105,432	222,385	2		4,360	4,360	
Pump Stations		4	85		1,696	794	902	2		449	449	
		Subtotal		5,469	-	587,598	150,089	437,509		-	6,731	6,731
Sewerage	Pump Stations	1	560		41,031	15,088	25,943	2		2,738	2,738	
	Mains	2	3,762		327,526	52,822	274,704	2		3,694	3,694	
	Treatment Works	4	2,507		126,589	48,336	78,253	2		3,119	3,119	
		Subtotal		6,829	-	495,146	116,246	378,900		-	9,551	9,551
Drainage Works	Pipes-all sizes	1	830	83,258		19,794	63,464	2	6,517	617	411	
	Culverts & Channels	1	516	55,203		14,232	40,971	2	4,717	444	296	
	Wetlands & GPTs	1	103	10,563		644	9,919	2	183	19	13	
	Pits-inlet & Junction	1	199	19,921		4,776	15,145	2	1,573	148	98	
	Head Walls	1	11	1,091		266	825	2	89	6	4	
	Subtotal		1,659	170,036	-	39,712	130,324		13,079	1,234	822	
Total Classes - All Assets			25,243	775,453	1,082,744	591,042	1,267,155		139,992	27,699	31,763	

This Schedule is to be read in conjunction with the explanatory notes following.

WYONG SHIRE COUNCIL

SPECIAL SCHEDULE NO 7 - CONDITION OF PUBLIC WORKS (cont) as at 30th June 2007

"SATISFACTORY" CONDITION OF PUBLIC ASSETS

In assessing the condition of Public Assets Council has had regard to the condition, function and location of each asset, based on the original design standard. Changes in standards or proposed or potential enhancements to the existing asset design standard have not been included.

Assets within each Asset Category have been assessed on an overall basis, recognising that an average standard of "satisfactory" may be achieved even though certain assets may be above or below that standard on an individual basis.

Council recognises that the standard that it considers to be "satisfactory" may be different from that adopted by other Councils.

ASSET CONDITION

The following condition codes have been used in this Schedule.

- 1 Near perfect condition
- 2 Some superficial deterioration
- 3 Serious deterioration, requiring substantial maintenance
- 4 Level of deterioration affects the fabric of the asset, requiring major reconstruction or refurbishment
- 5 Level of deterioration is such as to render the asset unservicable

Note that various condition ratings are used in Council's asset management system according to the various unique asset types. The condition codes in this schedule represent a simplification as compared to Council's rating system, to facilitate comparisons between different asset types.

COST ESTIMATES

The schedule employs three cost measures. The actual maintenance expense is the amount spent in the year 2006-2007, including routine maintenance, planned maintenance and refurbishment projects.

The required annual maintenance is the annual amount needed to be spent in the short to middle term (say from 1 to 5 years) to maintain at Council's desired standard. For Council's purpose, a condition code of 2 can be taken as an indication of satisfactory standard. The condition code for an asset class can be an average of 2 but individual assets may fall below this point.

The estimated cost to bring to a satisfactory standard is for the asset class as a whole and is the sum of the costs required for each asset where the standard is below level 2. The figure for each asset is supported by a list of repair or refurbishment projects.

Where the assets in a class are generally of a satisfactory condition, it is taken that the current level of maintenance expenditure is close to the required level. The condition rating reflects an average position for the asset group, acknowledging that assets both above and below this condition exist in the group.

In 2006-2007, the annual expenditure was higher than the expected required level for the next 5 years, signalling Council's intent to address the backlog of works over time. The estimated total cost to bring to a satisfactory standard represents 90% of the overall Council total for all asset classes.

The cost of \$13m to bring drainage assets to a satisfactory standard is 9% of the overall Council total.

WYONG SHIRE COUNCIL

SPECIAL SCHEDULE NO 8 - FINANCIAL PROJECTIONS as at 30th June 2007

	2007 \$'m	2008 \$'m	2009 \$'m	2010 \$'m	2011 \$'m
Recurrent Budget					
Income from continuing operations*	166	177	180	203	209
Expenses from continuing operations	180	203	194	207	209
Operating result from continuing operations	<u>(14)</u>	<u>(26)</u>	<u>(14)</u>	<u>(4)</u>	<u>-</u>
Capital Budget					
New Works	52	140	44	52	52
Replacement of existing assets	47	37	29	29	29
	<u>99</u>	<u>177</u>	<u>73</u>	<u>81</u>	<u>81</u>
<i>Funded by</i>					
- Loans	33	57	19	23	23
- Asset Sales	2	7	3	3	3
- Reserves					
- Grants/Contributions	41	65	26	25	25
- Recurrent revenue	23	48	25	30	30
- Other					
	<u>99</u>	<u>177</u>	<u>73</u>	<u>81</u>	<u>81</u>

*excludes capital grants and contributions