



Illustration by TZG Architects

Artist's Impression of The Art House - construction is expected to start by the end of the month.

Wyong Shire Council

Business Paper

ORDINARY COUNCIL MEETING

22 October 2014

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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 22 OCTOBER 2014 at 5.00pm,
for the transaction of the business listed below:

OPENING PRAYER

ACKNOWLEDGEMENT OF COUNTRY

RECEIPT OF APOLOGIES

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10 QUESTIONS ON NOTICE ASKED

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.

Michael Whittaker
GENERAL MANAGER

1.1 Disclosures of Interest

TRIM REFERENCE: F2013/02042-02 - D11725725

MANAGER: Lesley Crawley, Manager

AUTHOR: Jade Maskiewicz; Councillor Services Officer

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 Inspections and Briefings

TRIM REFERENCE: F2013/02042-02 - D11725743

MANAGER: Lesley Crawley, Manager

AUTHOR: Jade Maskiewicz; Councillor Services Officer

SUMMARY

There were no briefings proposed for this meeting.

Briefings proposed for future meetings, to be held in the Wilfred Barrett and Tim Farrell Committee Rooms, are attached.

RECOMMENDATION

That Council receive the report on Proposed Inspections and Briefings.

ATTACHMENTS

- 1 Councillor Proposed Briefings - Ordinary Meeting 22 October 2014 D11739102

Proposed Briefings List to date

Briefing Title:	Directorate:	Proposed Month:	Proposed Date:
Facts of and Strategy for Tidy Towns & LandCare	Community and Recreation Services	October	12/11/2014
CONFIDENTIAL: Building Certification Business	Development and Building		12/11/2014
Regional Playgrounds	Community and Recreation Services	October	12/11/2014
Legal and Governance Org Review	GM Unit		12/11/2014
CCRDC Update - Graeme Inchley & Greg South	GM Unit		26/11/2014
Community Facilities Strategy Update	Community and Recreation Services	November	26/11/2014
2014/15 Q1	GM Unit		26/11/2014
Discussion on topics for weekend workshop - Capital budget - Key business objectives articulated and agreed - Q1 Report	GM Unit		26/11/2014
Motorbike Farm	Community and Recreation Services	November	26/11/2014
Rating Model (3 hrs)	GM Unit		10/12/2014
Fees and charges -- Special Rate Variation	GM Unit		21/01/2015
Q2 Report	GM Unit		25/02/2015
Ward Forums Annual Review	Community and Recreation Services	March	11/03/2015
Final draft plan changes and considerations	GM Unit		25/03/2015
Discuss and consider submissions -- Q3	GM Unit		27/05/2015
Wyong Employment Zone - results of DCP and S94 contributions Plan/Biocertification update, DCP amendment update	Property and Economic Development	November	
INSPECTION: Rezoning 10 Oscar Drive, Chittaway Point - RZ/7/2009		December	

1.3 Address By Invited Speakers

TRIM REFERENCE: F2013/02042-02 - D11725750
MANAGER: Lesley Crawley, Manager
AUTHOR: Jade Maskiewicz; Councillor Services Officer

SUMMARY

The following person has been invited to address the meeting of Council:

SPEAKERS	REPORT	PAGE NO	DURATION
Mr Dennis Banicevic, from PricewaterhouseCoopers	6.5 Presentation of 2013/14 Annual Financial Statements	200	5 minutes

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: F2013/02042-02 - D11725762

MANAGER: Lesley Crawley, Manager

AUTHOR: Jade Maskiewicz; Councillor Services Officer

SUMMARY

Confirmation of minutes of the previous Ordinary Meeting of Council held on Wednesday 8 October 2014.

RECOMMENDATION

That Council confirm the minutes of the previous Ordinary Meeting of Council held on Wednesday 8 October 2014.

ATTACHMENTS

- | | | |
|---|--|-----------|
| 1 | Ordinary Meeting 8 October 2014 - Minutes | D11735814 |
| 2 | Ordinary Meeting 8 October 2014 - Confidential Minutes - | D11735832 |

WYONG SHIRE COUNCIL

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

HELD IN THE COUNCIL CHAMBER
WYONG CIVIC CENTRE, HELY STREET, WYONG
ON 08 October 2014
COMMENCING AT 5.00PM

PRESENT

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

IN ATTENDANCE

General Manager, Director Development and Building, Acting Director Infrastructure and Operations, Acting Director Property and Economic Development, Director Community and Recreation Services, General Counsel, Acting Manager Communications, Manager Corporate Governance, Manager IT Operations, Acting Marketing and Communications Manager and two administration staff.

The Mayor, Councillor Eaton, declared the meeting open at 5.02 pm and advised in accordance with the Code of Meeting Practice that the meeting is being recorded.

Councillor Eaton delivered the opening prayer and Councillor Matthews read an acknowledgment of country statement.

APOLOGY

An apology for the inability to attend the meeting was received on behalf of Councillors Best and Troy as they are away on Council Business.

An apology for the inability to attend the Ordinary Meeting 22 October 2014 was received on behalf of Councillor Matthews as she will be attending Women in Local Government Leadership Summit 2014.

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

1096/14 That Council accept the apology on behalf of Councillors Best and Troy and grant leave of absence from the meeting.

RESOLVED on the motion of Councillor NAYNA and seconded by Councillor VINCENT:

1097/14 That Council accept the apology and grant leave of absence for Councillor Matthews at the Ordinary Meeting 22 October 2014 as she will be attending Women in Local Government Leadership Summit 2014.

All reports were dealt with in sequential order.

1.1 Disclosures of Interest

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

1098/14 That Council receive the report on Disclosure of Interest and note advice of disclosures.

Item 4.8 - Proposed Councillors' Community Improvement Grants

Councillor Matthews declared a non-pecuniary insignificant interest in the matter for the reason that David Harris is the Soldiers Beach Surf Club President and the current Labor Candidate for Wyong.

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."

Item 4.8 - Proposed Councillors' Community Improvement Grants

Councillor Greenwald declared a non-pecuniary insignificant interest in the matter for the reason that David Harris is the Surf Club President and the current Labor Candidate for Wyong.

Councillor Greenwald 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."

Item 4.8 - Proposed Councillors' Community Improvement Grants

Councillor Vincent declared a non-pecuniary insignificant interest in the matter for the reason that David Harris is the Soldiers Beach Surf Club President and the current Labor Candidate for Wyong.

Councillor Vincent 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."

Item 3.4 - Amendment to Planning Proposal in Respect of 414 Old Maitland Road (Old Farm), Mardi

Mr Glendenning declared a non-pecuniary significant conflict of interest in the matter for the reason that prior to commencing at Council he provide advice to the now deceased Director of the proponent in relation to this planning proposal and did not participate in discussions.

PROCEDURAL MOTION

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

1099/14 That Council allow meeting practice to be varied.

1100/14 That Council use the exception method to deal with the balance of the Agenda.

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

1101/14 That with the exception of report numbers,1.4, 2.1, 2.2, 3.1, 3.2, 3.3 ,4.2, 4.7,and 5.3 Council adopt the recommendations contained in the remaining reports.

1.2 Proposed Inspections and Briefings

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

1103/14 That Council receive the report on Proposed Inspections and Briefings.

1.3 Address By Invited Speakers

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

1104/14 That Council receive the report on Invited Speakers.

1.4 Confirmation of Minutes of Previous Meeting

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

1105/14 That Council confirm the minutes of the previous Ordinary Meeting of Council held on Wednesday 24 September 2014.

BUSINESS ARISING

The Mayor raised a matter in relation to the Confidential session of the previous meeting of Council where confidential information discussed at that meeting has been distributed to external parties. The Mayor advised that as a result of that occurrence the procedure for distributing Confidential Reports would be amended.

Some Councillors expressed their concerns regarding the new procedure for the reason that it would not allow for adequate notice of business to be conducted and requested that a full briefing of Councillors be scheduled to discuss the matter before making a decision.

1.5 Notice of Intention to Deal with Matters in Confidential Session

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

1106/14 That Council consider the following matters in Confidential Session, pursuant to Sections 10A(2c) if the Local Government Act 1993:

7.1 – Art House Tender Negotiations

1107/14 That Council note its reason for considering Report No 6.1 – Art House Tender Negotiations information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business

1108/14 That Council request the General Manager to report on this matter in open session of Council.

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.”

2.1 Meet the Mayor Forums

RESOLVED on the motion of Councillor EATON:

1109/14 That Council trial a series of eight 'Meet the Mayor' forums to be held at key locations across the Shire.

The MOTION was CARRIED on the casting vote of the Mayor.

FOR: COUNCILLORS EATON, NAYNA, TAYLOR AND WEBSTER

AGAINST: COUNCILLORS GRAHAM, GREENWALD, MATTHEWS AND VINCENT

2.2 Mayoral Minute - Central Coast Economic Breakfast - October 2014

RESOLVED unanimously on the motion of Councillor EATON:

1110/14 That Council authorise those interested Councillors to attend the Central Coast Economic Breakfast on 17 October 2014 at Mingara in accordance with the Council's Facilities and Expenses Policy for Councillors.

1111/14 That Council authorise the reimbursement of expenses for Councillors in accordance with the Council's Facilities and Expenses Policy for Councillors.

3.1 Incentives for Dual Occupancy Development

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

1112/14 That Council amend Development Control Plan 2013: Chapter 2.3 – Dual Occupancy Development to provide incentives for dual occupancy development by amending Chapter 2.3 in the following way:

- **Reducing the open space area requirements per dwelling from 60m² to 45m².**
- **Reducing the minimum lot size requirements for attached dual occupancy from 550m² to 450m² and a detached dual occupancy from 700 m² to 600m² where the proposal involves the demolition of an existing dwelling greater than 30 years old and is located on land zoned for residential purposes (R1,R2 &R3 zones).**

1113/14 That Council consider for a period of twelve months the requirement for kerb, gutter and foot paving for dual occupancy development not be applied to isolated sites unless a significant safety concern is evident.

1114/14 That Council place the Draft Development Control Plan 2013: Chapter 2.3 – Dual Occupancy Development on public exhibition for a period of 28 days for public comment.

1115/14 That Council adopt subject to there being no significant objections, the draft Development Control Plan and appropriate public notice be given.

1116/14 That Council authorise the General Manager to make any minor amendments to the DCP (if required).

FOR: COUNCILLORS EATON, GRAHAM, GREENWALD, MATTHEWS, NAYNA, TAYLOR, VINCENT AND WEBSTER

AGAINST: NIL

3.2 Review of Landscape Provisions for Development

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

1117/14 That Council repeal the Policy for Landscape.

1118/14 That Council amend Development Control Plan 2013 to incorporate landscaping requirements into the appropriate Chapters.

1119/14 That Council place on public exhibition for a period of 28 days the proposed amendment to Development Control Plan 2013.

1120/14 That Council endorse the amendments to Development Control Plan 2013 subject to there being no significant objections.

1121/14 That Council request the General Manager to consider adopting the contents of the existing Landscape Policy as a guideline for Council works only where applicable.

FOR: COUNCILLORS EATON, GRAHAM, GREENWALD, MATTHEWS, NAYNA, TAYLOR, VINCENT AND WEBSTER

AGAINST: NIL

3.3 Proposed Amendments to Tree Policy

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

1122/14 That Council amend Development Control Plan 2013: Chapter 3.6 – Tree and Vegetation Management in accordance with the draft attached to this report, including the following amendments:

- a R5 zones to be included in residential exemptions.**
- b The 12m exemption rule to apply to all other zones.**

1123/14 That Council place draft Development Control Plan 2013: Chapter 3.6 – Tree and Vegetation Management on public exhibition for a period of 28 days for public comment.

1124/14 That Council adopt the draft Development Control Plan 2013 Chapter 3.6 – Tree and Vegetation Management subject to there being no significant objections received.

1125/14 That Council request the Mayor to forward a copy of the tree policy to Gosford City Council

FOR: COUNCILLORS EATON, GRAHAM, GREENWALD, MATTHEWS, NAYNA, TAYLOR,
VINCENT AND WEBSTER

AGAINST: NIL

3.4 Amendment to Planning Proposal in Respect of 414 Old Maitland Road (Old Farm), Mardi

Mr Glendenning declared a non-pecuniary significant conflict of interest in the matter for the reason that prior to commencing at Council he provide advice to the now deceased Director of the proponent in relation to this planning proposal and did not participate in discussions

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

- 1126/14 That Council prepare a planning proposal to amend Wyong Local Environmental plan, 2013 pursuant to Section 55 of the Environmental Planning and Assessment (EP&A) Act, 1979, enable a retail/tourism village consisting of a Gross Floor Area (GFA) of no more than 6500m² on Lot 1 DP 554423.**
- 1127/14 That Council forward the Planning Proposal to the Department of Planning and Environment accompanied by a request for a "Gateway Determination", pursuant to Section 56 of the EP&A Act 1979.**
- 1128/14 That Council request the General Manager to apply to accept plan making delegations for the rezoning.**
- 1129/14 That Council endorse the preparation of an amendment to Wyong Development Control Plan (DCP) 2013 to incorporate site specific controls for development of this nature on this site.**
- 1130/14 That Council undertake community and government agency consultation in accordance with the requirements of the "Gateway Determination"**
- 1131/14 That Council consider a further report on results of the community consultation.**
- 1132/14 That Council notes the applicants agreement to this planning proposal not proceeding until a funding agreement is signed and adequate resources are available.**

FOR: COUNCILLORS EATON, GRAHAM, GREENWALD, MATTHEWS, NAYNA, TAYLOR,
VINCENT AND WEBSTER

AGAINST: NIL

4.1 Procurement Policy Review

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

- 1133/14 That Council adopt the updated Policy for Procurement.**

4.2 Placement of Plaque at Norah Head Nature Trail

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

1134/14 That Council note that its previous request to the Geographical Names Board (GNB) to rename Norah Head Nature Trail has been rejected as it does not align with GNB naming guidelines.

1135/14 That Council approve the placement of the following plaque on the Norah Head Nature Trail, to honour living residents Mr Ray Griffith and Mr Bill Alexander:

"Norah Head Nature Trail

This trail honours two local residents, Mr Ray Griffith and Mr Bill Alexander, for their influential involvement in the establishment of the Norah Head Nature Trail and their involvement in the Norah Head Coastcare Group for more than 20 years."

1136/14 That Council note that this proposal does not require the approval of the Geographical Names Board.

4.3 Renaming of George Fulcher Playground, Killarney Vale - Proposed Variation

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

1137/14 That Council endorse the name variation from George Fulcher Playground to Fulcher Reserve.

1138/14 That Council advise the Geographical Names Board (GNB) that it supports the proposed name.

4.4 Community Subsidy Program and Sport & Cultural Sponsorship Program Applications

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

1139/14 That Council allocate \$894.50 from the 2014-15 Community Subsidy Program as follows:

Applicant	Project Name and Summary	Committee Funding Recommended
Greek (Hellenic) Community of Central Coast NSW Inc	Venue Hire - Chittaway Community Hall	\$894.50

1140/14 That Council allocate \$4,725.00 from the 2014-15 Sport & Cultural Sponsorship Program as follows:

Applicant	Event	Committee Funding Recommended
Natalee McJannet	Australian Country Women's Water Polo Tournament, Hawaii USA, representing Australia	\$1000.00
Shanie Singleton	Touch Football Australia's State of Origin Touch Championships, Caloundra QLD, representing NSW	\$500.00
Jessica Grimwood	2014 ISA World Surfing Games, Peru South America, representing Australia	\$1,000.00
Coastal a Cappella Chorus	National Sweet Adeline Championships, Hobart Tasmania, representing the Central Coast	\$1,250.00
Doyalson Girls Air League Squadron	80th Anniversary Australian Air League National Marching Titles, Canberra ACT, representing the Central Coast	\$975.00
TOTAL		\$4,725.00

1141/14 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	Event	Committee Assessment
Kelly Martin for Val Lincoln	FINA World Masters Swimming Championships, Montreal Canada, representing the Central Coast	Application not received 30 days in advance
Sonya Mahony	School Sport Australian Rugby League Championships, Wollongong NSW, representing NSW	Application not received 30 days in advance
Ethan Byrnes	Football Federation Australia (FFA) 13 year old National Titles, Coffs Harbour NSW, representing NSW	Applicant not affiliated with a Central Coast organisation
Mundinarra Daley	Grow a Star Program - National Scouting Report (NSR), USA	Application is for a program, not a competition
Aiden Thomas	Loule Cup - International Trampoline Competition, Loule Portugal	Application not received 30 days in advance, applicant not affiliated with a Central Coast organisation

4.5 Contract Variations and Finalisation for the period covering May 2014 to August 2014

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

1142/14 That Council receive the Contract Variations and Finalisation report for the period covering May to August 2014.

1143/14 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)
Relocation of Poles, The Ridgeway, Tumbi	CPA/235485	\$151,647.00	\$2,021.00
Demolition of Old Mardi Intake Tower	CPA/216733	\$318,298.51	\$8,298.51
Provision of Design Services for Wyong Shire Performing Art Centre	CPA/159128	\$1,494,546.00	\$305,725.46
Norah Head Boat Ramp Detail Design	CPA/204444	\$196,655.00	\$112,955.00
T06 Sewer Rising Main Partial Replacement Noraville	CPA/235534	\$1,186,192.22	\$104,642.22
Gross Pollution Trap Upgrades – Killarney Vale	CPA/244324	\$151,835.00	\$10,535.00
Provision of Security Services at Various Council Facilities – Part 1	CPA/196431	\$649,631.43	\$-47,537.57
Provision of Security Services at The Entrance Town Centre – Part 2	CPA/239591	\$165,614.50	\$48,000.00
Provision of Cleaning Services at Council various facilities	CPA/201208	\$991,816.21	\$265,416.21

1144/14 That Council approve the additional expenditures requested and increase the resolved contract values accordingly.

4.6 Renaming of Tuggerah Beach to Pelican, Magenta and North Entrance Beach - Proposed Amendment

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

1145/14 That Council endorse the Geographical Naming Boards (GNB) proposed amendment for the extent of the beach boundaries of proposed North Entrance, Magenta and Pelican Beaches to coincide with suburb boundaries.

4.7 2013/14 Annual Financial Statements

The General Manager advised that Item 5.5 contained additional information in relation to the Annual Financial Statements.

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

1146/14 That Council adopt the draft Wyong Shire Council financial statements for 2013/14 as presented.

1147/14 That Council refer the draft Wyong Shire Council financial statements for 2013/14 (as presented) to external audit.

1148/14 That Council authorise the Mayor, Deputy Mayor, General Manager and Responsible Accounting Officer to execute all documents related to the draft 2013/14 financial statements as required by legislation.

1149/14 That Council fix 22 October 2014 as the date for the presentation of the audited 2013/14 financial statements and external audit report in accordance with section 419(1) of the Local Government Act 1993.

4.8 Proposed Councillors' Community Improvement Grants

Councillor Matthews declared a non-pecuniary insignificant interest in the matter for the reason that David Harris is the Soldiers Beach Surf Club President and the current Labor Candidate for Wyong.

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."

Councillor Greenwald declared a non-pecuniary insignificant interest in the matter for the reason that David Harris is the Surf Club President and the current Labor Candidate for Wyong.

Councillor Greenwald 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."

Councillor Vincent declared a non-pecuniary insignificant interest in the matter for the reason that David Harris is the Soldiers Beach Surf Club President and the current Labor Candidate for Wyong.

Councillor Vincent 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."

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

1150/14 That Council allocate an amount of \$11,620.00 from the 2014-15 Councillors' Community Improvement Grants as follows:

4 Hope Ministries (\$4000)	Provide a free dinner to the disadvantaged every Wednesday.	1100
Community Education and Training Centre Inc. (\$4000) (\$2400 already allocated)	Networking Function at Mingara to promote information sharing and relationships among non-profit and community organisations in Wyong Shire.	1600
Greek (Hellenic) Community of Central Coast NSW Inc. (\$2880)	Printing and Posting of the monthly Bulletin.	1050
Soldiers Beach SLSC (\$4000)	Operation costs in hosting a charity fundraiser event.	3420
The Entrance District Cricket Club (\$4000)	Purchase pitch covers.	1100
Tuggerah Lakes View Club (\$750)	Printing and Stationary Supplies.	750
Tuggerah United Football Club (\$4000)	Improve Shade and Shelter at the Fields.	2600

5.1 Annual Disclosure of Interest Returns 2013-14

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

1151/14 That Council receive the report on Annual Disclosure of Interest Returns 2013-14.

5.2 Road Capital Works Program

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

1152/14 That Council receive the report on the status of the Council's Road Capital Rolling Works Program.

5.3 Draft Minutes of the Employment and Economic Development Committee Meeting - 3 September 2014

RESOLVED on the motion of Councillor NAYNA and seconded by Councillor TAYLOR:

1153/14 That Council receive the Draft Minutes of the Employment and Economic Development Committee Meeting - 3 September 2014.

FOR: COUNCILLORS EATON, GRAHAM, GREENWALD, MATTHEWS, NAYNA, TAYLOR AND WEBSTER

AGAINST: COUNCILLOR VINCENT

5.4 Outstanding Questions on Notice and Notices of Motion

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

1154/14 That Council receive the report on Outstanding Questions on Notice and Notices of Motion.

5.5 Supplementary Report for Item 4.7 2013/14 Annual Financial Statements

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

1155/14 That Council receive the Supplementary Report for Item 4.7 2013/14 Annual Financial Statements.

General Manager reported on the following Confidential item that was adopted by the exception method during open session;

7.1 Art House Tender Negotiations

- 1156/14** That Council accept the negotiated offer from the company nominated as Tenderer No 1 in the attached Evaluation Report..
- 1157/14** That Council determines the 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.
- 1158/14** That Council endorses the Budget allocation to deal with Contingency & other project costs.
- 1159/14** That Council delegates to the General Manager the power to finalise the Contract with the recommended company..
- 1160/14** That Council determine that this is a matter of urgency and be enacted immediately.

THE MEETING closed at 6.21 pm.

22 October 2014

To the Ordinary Council Meeting

Councillor

2.1 Mayoral Minute - Consideration for Further Patrolled Beach in North of Shire to Meet Future Growth Needs

TRIM REFERENCE: F2004/07854 - D11732021

AUTHOR: Doug Eaton; Councillor

Given the considerable growth projected for Wyong Shire and the fact that the large majority of the increase in population is in the north of the Shire, it is request that staff provide a report on the potential to develop a safe swimming beach, freely accessible by the general public in the far north of Wyong Shire with an emphasis on Birdie Beach.

This increase in level of service would be in the medium to long term and would coincide with the increase in population.

The report needs to provide information on current accessibility, facilities and amenities that will be required, funding sources, capital and recurrent costs as well as consultation with National Parks and Wildlife Services and Surf Life Saving Central Coast.

I formally move that Council request staff to provide a report on:

- ***The need for a further patrolled beach in the north of the Shire***
- ***The appropriate timing of provision of a patrolled beach in that area***
- ***Cost to deliver this service to the community.***

ATTACHMENTS

Nil.

22 October 2014

To the Ordinary Council Meeting

Councillor

2.2 Mayoral Minute - Christmas Party at Memorial Park to coincide with the Tuggerah Lakes Mardi Gras

TRIM REFERENCE: F2004/06179 - D11732329

AUTHOR: Doug Eaton; Councillor

With the timing of the Summer Ward Forums coinciding with the Tuggerah Lakes Mardi Gras, staff are requested to investigate the possibility of incorporating a Christmas Party with the Ward Forum at Memorial Park the Entrance on the Saturday evening of the Mardi Gras.

The Christmas Party would consist of a BBQ and light non-alcoholic refreshments as well as activities for children.

An interactive Council Expo at The Entrance Memorial Park would coincide with the Christmas Party to provide the engagement opportunity for the community that is consistent with the Ward Forums.

I formally move:

That Council request staff to investigate the viability of incorporating a Christmas Party with the Ward Forum at Memorial Park The Entrance on the Saturday evening of the Mardi Gras.

ATTACHMENTS

Nil.

3.1 DA 661/2014 - Proposed Fence at 7 Amsterdam Circuit North Wyong

TRIM REFERENCE: DA/661/2014 - D11711652
MANAGER: Jamie Loader, Manager
AUTHOR: Scott Rathgen; Team Coordinator

SUMMARY

An application has been received for a 1.8 metre high brick and metal slat front fence. The application has been examined having regard to the matters for consideration detailed in section 79C of the Environmental Planning and Assessment (EP&A) Act and other statutory requirements with the issues requiring attention and consideration being addressed in the report.

This application has been reported to Council due to one of the property owners being a designated person in accordance with Part 8 of the Local Government (General) Regulation 2005.

Applicant	Colin Wallace
Owner	A. Van Stappen Pty Ltd
Application No	DA/661/2014
Description of Land	Vacant lot
Proposed Development	Front fence
Site Area	4,500sqm
Zoning	B6 Enterprise corridor
Existing Use	vacant
Employment Generation	No
Estimated Value	\$15,000

RECOMMENDATION

- 1 That Council grant consent subject to the conditions detailed in the schedule attached to the report and having regard to the matters for consideration detailed in Section 79C of the Environmental Planning and Assessment Act and other relevant issues.**
- 2 That Council authorise the General Manager to determine any application for minor modifications to the approved development plans and/or consent conditions.**

PRECIS

Proposed Development	1.8 metre high brick and metal slat fence
Permissibility and Zoning	B6 Enterprise corridor. Permissible
Relevant Legislation	Chapter 6.11 North Wyong-Enterprise Corridor and Industrial Precinct.
Current Use	Vacant lot
Integrated Development Submissions	No.

VARIATIONS TO POLICIES

Nil.

THE SITE

The site is a generally level, vacant allotment within the North Wyong industrial estate.

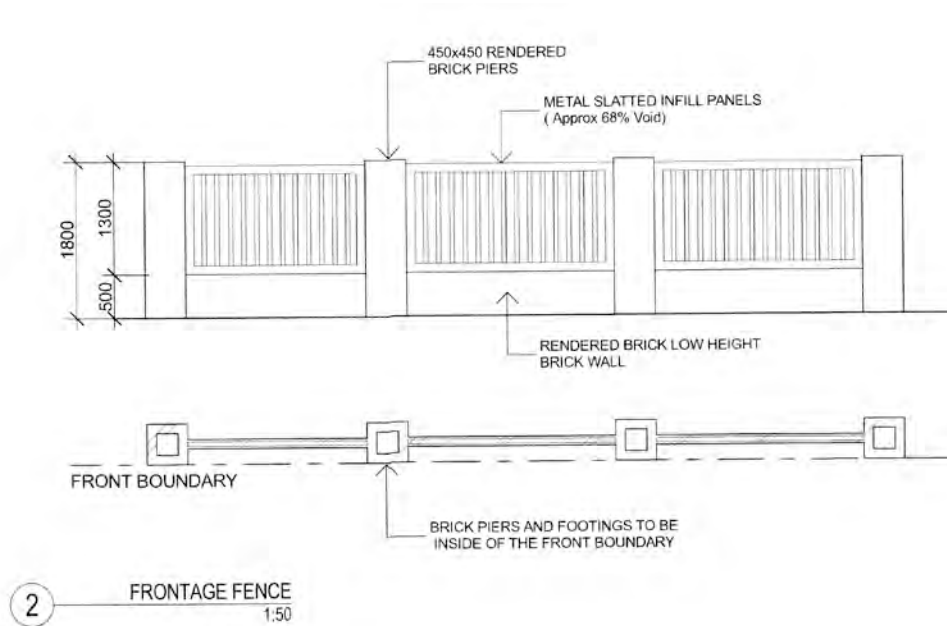


SURROUNDING DEVELOPMENT

The surrounding allotments are a mixture of vacant lots and lots developed with industrial developments.

THE PROPOSED DEVELOPMENT

The proposed development is a 1.8 metre high brick fence with metal slats between the brick piers. The fence is proposed to be located on the front boundary of the site with a length of 50 metres.



Fence Detail

SUBMISSIONS

The application was not advertised in accordance with WDCP 2013 Chapter 1.2 Notification of Development Proposals.

Submissions from Public Authorities

No referrals were done to any external agencies.

INTERNAL CONSULTATION

Development Assessment Engineers

Council's Engineers have assessed the design of the fence with regard to pedestrian and vehicle line of sight issues and raised no objection.

ECOLOGICALLY SUSTAINABLE PRINCIPLES

The proposal has been assessed having regard to ecologically sustainable development principles and is considered to be consistent with the principles.

The proposed development is considered to incorporate satisfactory stormwater, drainage and erosion control and the retention of vegetation where possible and is unlikely to have any significant adverse impacts on the environment and will not decrease environmental quality for future generations. The proposal does not result in the disturbance of any endangered flora or fauna habitats and is unlikely to significantly affect fluvial environments.

CLIMATE CHANGE

Nil to report.

ASSESSMENT

Having regard for the matters for consideration detailed in Section 79C of the Environmental Planning and Assessment Act 1979 and other statutory requirements, Council's policies and Section 149 Certificate details, the assessment has identified the following key issues, which are elaborated upon for Council's information. Any tables relating to plans or policies are provided as an attachment.

PROVISIONS OF RELEVANT INSTRUMENTS/PLANS/POLICIES

Wyong Local Environmental Plan 2013

PERMISSIBILITY

The property is zoned B6 Enterprise Corridor. The objective of the zone are as follows;

Zone B6 Enterprise Corridor Objectives of zone

- *“To promote businesses along main roads and to encourage a mix of compatible uses.*
- *To provide a range of employment uses (including business, office, retail and light industrial uses).*
- *To maintain the economic strength of centres by limiting retailing activity.*
- *To provide for residential uses, but only as part of a mixed use development.*
- *To provide primarily for businesses along key corridors.”*

The front fence is a permissible form of development within the zone.

State Environmental Planning Policies (SEPP)

There are no SEPPs relevant to this development.

Wyong Development Control Plan 2013

Chapter 6.11 North Wyong-Enterprise Corridor and Industrial Precinct is the relevant development control for the site. This document does not contain any requirements for the construction of a front fence on sites within this estate.

LIKELY IMPACTS OF THE DEVELOPMENT**Built Environment**

Within this industrial estate there are existing fences of a similar scale and design to the proposed fence. The proposed fence is compatible with the existing and future development proposed within this estate and accordingly is satisfactory in terms of its impact upon the built environment.

Access and Transport

The fence is required to comply with AS/NZS 2890.1 with regard to line of sight for pedestrians and vehicles. This is achievable and an appropriate condition will be imposed upon the consent stipulating that the slats be appropriately spaced to ensure visibility through the fence.

Context and Setting

Within this industrial estate there are existing fences of a similar scale and design to the proposed fence. This fence is compatible with the existing and future development proposed within this estate and accordingly would have a positive impact upon the character and amenity of the locality.

A thorough assessment of the proposed development on the built environment has been undertaken in terms of statutory and DCP compliance. As a result, the proposed development is considered to be satisfactory in terms of impacts on the built environment subject to the imposition of conditions of consent.

Natural Environment

All relevant issues regarding the likely impacts upon the natural environment have been considered and determined to be reasonable for the proposed development.

SUITABILITY OF THE SITE FOR THE DEVELOPMENT

A review of Council's Land Information mapping does not identify any site constraints therefore the site is suitable for the proposed development.

ANY SUBMISSION MADE IN ACCORDANCE WITH THIS ACT OR REGULATIONS

The submissions have been addressed previously in this report.

THE PUBLIC INTEREST: (s79C(1)(e)):

The public interest is best served by the orderly and economic use of the land for which it is zoned. The proposed fence is considered appropriate for the site.

OTHER MATTERS FOR CONSIDERATION

Nil to report.

CONCLUSION

The proposed front fence is similar to existing development within the locality and is a permissible form of development on the land. The potential built form and natural impacts have been considered and accordingly the application is recommended for approval.

ATTACHMENTS

- 1 Draft Conditions of Consent D11712361

PROPOSED CONDITIONS – DA 661/2014

- 1 The development taking place in accordance with the approved development plans reference number Thomas Paul Constructions sheets CC to 101 prepared by S.M dated 6/8/2014 except as modified by any conditions of this consent, and any amendments in red.

Certificates – Application and Approval

- 2 A Construction Certificate is to be issued by the Principal Certifying Authority prior to commencement of any construction works. The application for this Certificate is to satisfy all of the requirements of the Environmental Planning and Assessment Regulation 2000.
- 3 Prior to the occupation or use of the building/structure, an application for an Occupation Certificate for the development must be submitted to and approved by the Principal Certifying Authority.

Prior to Release of Construction Certificate:

The following conditions must be satisfied prior to the release of the Construction Certificate. Conditions may require the submission of additional information with the Construction Certificate Application. Applicants should also familiarise themselves with conditions in subsequent sections and provide plans in accordance with any design requirements contained therein.

No Conditions

Prior to Commencement of Works:

The following conditions must be satisfied prior to the commencement of site works, including any works relating to demolition, excavation or vegetation removal.

Site Requirements

- 4 Prior to works associated with the development commencing, the Principal Contractor (or Owner/Builder) is to erect a suitable sign in a prominent position on the development site (not attached to any tree) identifying the name, address and telephone number of the Principal Certifying Authority (PCA) for the work, the name, address and telephone number (including a number for outside of business hours) of the Principal Contractor for the work (or Owner/Builder) and stating that unauthorised entry to the site is prohibited. The required sign is to be maintained for the duration of works associated with the development. Appropriate signs can be collected from Council's Customer Service Centre, where Council is the nominated Principal Certifying Authority with respect to the development.

During Construction Works:

The following conditions must be satisfied during construction works.

Site Requirements

- 5 During the construction phase of the development, all building materials, plant and equipment must be placed on the site of the development in order to ensure that pedestrian and vehicular access within adjoining public roads, footpaths and reserve areas, is not restricted and to prevent damage to public infrastructure.

Prior to Release of Occupation Certificate:

The following conditions must be satisfied prior to the release of an Occupation / Subdivision Certificate.

Building Code of Australia – Compliance Requirements

- 6 Prior to the issue of an Occupation Certificate, the building shall be completed in accordance with the relevant provisions and requirements of the Building Code of Australia.

Statutory Certificate Requirements

- 7 Prior to the occupation of the building occurring, an application for an Occupation Certificate for the development must be submitted to and approved by the Principal Certifying Authority. Occupation of the development without an Occupation Certificate is an offence under the provisions of the Environmental Planning and Assessment Regulation, 2000.

Fencing – Compliance Requirements

- 8 The proposed fence shall be designed and constructed to ensure pedestrian and vehicle driver sight distance is maintained. In this respect the fence infills and gates shall have a minimum void ratio of 60% and the openings between bars are to be a minimum of 100mm.

Ongoing Operation:

The following conditions must be satisfied during use / occupation of the development.

No Conditions

3.2 Draft State Environmental Planning Policy Amendment in Respect of the Westfield and Gateway Sites Tuggerah (Wyong Local Environmental Plan 2013 Deferred Area) Public Exhibition - Draft Submission

TRIM REFERENCE: F2009/01895 - D11717684

MANAGER: Scott Cox, Director

AUTHOR: Jenny Mewing; Strategic Planner

SUMMARY

This report requests Council to consider the draft submission proposed to be made in response to the public exhibition of the Wyong Local Environmental (LEP) 2013 Deferred Area which incorporates the Westfield Shopping Centre and Gateway sites at Tuggerah.

RECOMMENDATION

- 1 That Council consider the draft submission proposed by staff in response to the Draft State Environmental Planning Policy (SEPP) Amendment in respect of the Westfield and Gateway Sites Tuggerah (Wyong Local Environmental Plan (LEP) 2013 Deferred Area) public exhibition.**
- 2 That Council request the General Manager to forward the submission to the Department of Planning and Environment (DoP&E) subject to any amendments endorsed by Council.**

BACKGROUND

Public exhibition of a proposed State Environmental Planning Policy (SEPP) to amend Wyong Local Environmental Plan (LEP) 2013 was undertaken by the Department of Planning and Environment (DoP&E) from 17 September and concluded on 20 October 2014.

Council has been granted an extension until 31 October 2014 to make a submission.

The proposed amendment rezones two sites that are still subject to the provisions of Wyong LEP 1991 (the deferred area), including the Tuggerah Gateway Site and existing Westfield Shopping Centre.

The deferred areas are zoned 10(a) (Investigation) and 3(a) (Business Centre)/7(a) (Conservation)/2(b) (Multiple Dwelling Residential) respectively.

The SEPP aims to adopt the planning and land use controls of Wyong LEP 2013 for the site by zoning the Gateway site to E2 Environmental Conservation, RU6 Transition and B4 Business Development, and the existing Shopping Centre to E2 Conservation and B3 Commercial Core.

3.2 Draft State Environmental Planning Policy Amendment in Respect of the Westfield and Gateway Sites Tuggerah (Wyong Local Environmental Plan 2013 Deferred Area) Public Exhibition - Draft Submission (contd)

The SEPP will also include an amendment to the Objectives of the B3 Commercial Core Zone. Any reference to Wyong central business district under the objectives of the zone will be amended to Tuggerah-Wyong central business district.

A draft submission has been prepared on behalf of Council responding to the public exhibition is attached.

Although supportive of the process, the submission reiterates Council's preference for a B3 Commercial Core zone on the Gateway site for the following reasons:

- The centre (both sites) is considered a strategic commercial core therefore should be zoned a single zone to be consistent with the DoP&E draft Centres Policy (April 2009);
- The B3 zone is consistent with the commercial vision for the site;
- A B3 zone would stimulate further investment and employment opportunities elsewhere in the Wyong shire; and
- A B4 zone would permit residential flat buildings which would be contrary to the strategic outcome for the site as a major commercial centre.

ATTACHMENTS

1	Draft Submission - Response to Exhibition of Wyong LEP 2013 Deferred Area	D11725479
2	Explanation of Intended Effect	D11726016
3	Planning Report	D11726012
4	Draft Land Zoning Plan	D11726015



JLM/Scott Cox
F2005/01895

27 October 2014

Department of Planning and Environment
GPO Box 39
SYDNEY NSW 2001

Attention: Mr Bruce Colman
Director, Employment Precincts

Dear Mr Colman,

Planning Changes to the Wyong Local Environmental Plan 2013 Wyong Shire Council Submission

Wyong Shire Council would like to thank the Department for expediting the resolution of the 2013 Deferred Area, and is pleased to know that new development and employment opportunities in the Tuggerah area are a step closer to realisation.

The sites are a 'Strategic' commercial centre, and to be consistent with the Department's Draft Centres Policy (April 2009), *'a single 'zone' should be applied across the whole centre to provide certainty and flexibility for the market to respond to demand'*.

In Council's opinion, the Gateway site will be a key catalyst for the stimulation of economic activity in Wyong Shire. It will be the centrepiece for the provision of jobs and the extension of the retail trade catchment to the North of Sydney and Hunter Valley due to its proximity to the M1 Motorway and its central location between the two regions.

The proposed B4 Mixed Use zone on the Gateway site has the potential to be inconsistent with this vision. The permissibility of stand-alone residential flat buildings is a potential threat to the commercial vision for the site.

Council's preference of zoning for the site is the B3 Commercial Core, the key difference to the B4 zone being its commercial focus. It is Council's preference that residential development should remain the focus of the northern areas of the Shire, as identified within relevant Planning Strategies, including the North Wyong Shire Structure Plan (NWSSP).



Council has always regarded the Wyong-Tuggerah area as the regional commercial core for Wyong Shire and the zoning of the area should reflect this. The B3 Commercial Core zone will enable the intended commercial development to be realised and, if needed, enable a mix of compatible residential development.

The adoption of the B3 zone for the Gateway site would also add potential to create further investment opportunities in other areas of Wyong Shire as well as providing flexibility for the site to respond to fluctuations in the property market.

Your consideration of Council's comments is appreciated. Should you require additional information, or clarification regarding the contents of the submission, please contact Jenny Mewing, Strategic Planner, on 02 4350 5742 (Monday – Thursday) or email JLMewing@wyong.nsw.gov.au.

Yours faithfully

Michael Whittaker
General Manager
WYONG SHIRE COUNCIL

ATTACHMENTS

- 1 Correspondence from Wyong Shire Council to Department of Planning and Environment dated 11 April 2014

ATTACHMENT 1



JLM/Scott Cox
F2009/01895

11 April 2014

Mr Sam Haddad
Director – General
Planning and Infrastructure NSW
GPO Box 39
SYDNEY NSW 2001

Dear Mr Haddad

WESTFIELD TUGGERAH - STATE SIGNIFICANT SITE

As you would be aware, the Westfield sites located along Wyong Road, Tuggerah including the existing Shopping Centre and Gateway site were deferred from inclusion in Wyong Local Environmental Plan (WLEP) 2013.

The rezoning development of the "Gateway" site will be a key catalyst to stimulate economic activity in Wyong Shire through the provision of jobs and extension of the retail trade catchment to the North of Sydney and Hunter Valley due to its proximity to the M1 Motorway and central location between the two regions.

It is pleasing to see that your Department has this project as a priority and the presentation by your staff was well received by the Councillors. This letter serves as a response and feedback from the Councillors and Senior staff on the proposed future zone of the two sites.

We do express some concerns with a proposal B4 Mixed Use zone for the "Gateway" site in the fact that it would allow for stand alone residential flat buildings which may pose a risk to realisation of the site as a large bulky goods retail outlet.

Council has always regarded the Wyong-Tuggerah area as the regional commercial core for Wyong Shire and our planning instrument should reflect this. It is for this reason that the B3 Commercial Core would be more appropriate. A B3 Commercial Core zone also only allows for residential buildings as mixed use development, therefore enabling the retail potential of the site. We would also request that the B3 zone objectives be amended to reflect the Wyong-Tuggerah central business district.

The adoption of the B3 zone for the two sites would add potential to create further investment opportunities in other areas in Wyong Shire as well as providing flexibility for the sites to respond to fluctuations in the property market.



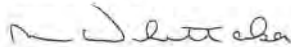
Page 2

Mr S Haddad, Planning and Infrastructure NSW
Westfield Tuggerah – State Significant Site

We look forward to working with your staff to deliver the rezoning this year.

Should you require further information, please contact Council's Manager – Development and Rezoning, Scott Cox on (02) 4350 5585 or email SMCox@wyong.nsw.gov.au.

Yours sincerely



Michael Whittaker
GENERAL MANAGER

Cc Michael Wiles
Planning and Infrastructure NSW

EXPLANATION OF INTENDED EFFECT

PROPOSED AMENDMENT TO WYONG LOCAL ENVIRONMENTAL PLANS 1991 and 2013

PART 4 – PROVISIONS RELATING TO DEVELOPMENT AT TUGGERAH

It is proposed to make a State Environmental Planning Policy (the proposed instrument) to introduce an amendment to the planning objectives for the Zone B3 Commercial Core in *Wyong Local Environmental Plan* (LEP) 2013; and an amendment to the Land Zoning Map for *Wyong Local Environmental Plan* (LEP) 1991 (see map of the area at Tuggerah, which was deferred from Wyong LEP 2013).

1. OBJECTIVES OR INTENDED OUTCOMES

The proposed instrument will amend the existing controls set out in Wyong Local Environmental Plan 1991, by adopting the planning and land use controls of zones in Wyong LEP 2013. Wyong LEP 2013 is the principal local environmental planning instrument that regulates development in the Tuggerah-Wyong Major Centre. The major parcels of the land in the deferred area at Tuggerah are currently zoned either Business Centre Zone 3a or Investigation Precinct Zone 10a.

Wyong Shire Council will continue to be the consent authority for development under the amendments to be introduced by the proposed instrument. Council will be responsible for the assessment and determination of development applications in accordance with the planning controls.

The aims of the proposed instrument are to:-

- Provide for development in Tuggerah that encourages employment and economic growth, consistent with the status of Tuggerah-Wyong as a Major Centre in the Central Coast Regional Strategy; and
- Zones land in the deferred area with zones that are consistent with zones in Wyong LEP 2013

2. EXPLANATION OF PROVISIONS

This section provides an explanation of the proposed zoning and development objectives to be introduced into Wyong LEP 2013 by the proposed instrument. Terms used in this description have the same meaning as in the *Environmental Planning and Assessment Act 1979* (EP&A Act) and the *Standard Instrument Local Environmental Plan*.

2.1 Land to which the proposed instrument will apply

The proposed instrument will apply to Wyong LEPs 1991 and 2013

2.2 Objectives of land use zones

The proposed instrument will amend the Objectives of zone for Zone B3 Commercial Core in Wyong LEP 2013. Under the Objectives of zone, any reference to *Wyong central business district* will be

amended to *Tuggerah-Wyong central business district*. This amendment will clarify the Objective of the zone and is consistent with the Central Coast Regional Strategy, and the Wyong Shire Retail Centres Strategy.

2.3 Land use table and zones

The proposed instrument will apply the following zones to land in the deferred area at Tuggerah as defined in the attached Land Zoning Map

- RU6 Transition, to ensure that interim land uses do not have an adverse impact on the development potential of land for future investigation in the Wyong Settlement Strategy.
- R1 General Residential, to provide for a variety of housing types and densities.
- B3 Commercial Core, to encourage appropriate employment opportunities, development and investment in the Tuggerah-Wyong central business district.
- B4 Mixed Use, to encourage active retail and business development including bulky goods premises that require a large floor area.
- E2 Environmental Conservation, to protect, manage and restore areas of high ecological value.

The Land Zoning Map shows the locations of the proposed zones.

The proposed uses which will be permissible without consent, with consent or prohibited, in each zone are consistent with Wyong LEP 2013.

The Tuggerah Town Centre Planning Report provides further explanation and justification for the proposed instrument.

Tuggerah Town Centre

Planning Report

DRAFT



Date: July 2014

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Executive Summary

In 2009, the former Minister for Planning & Infrastructure requested a State Significant Site Study be prepared for the Westfield Tuggerah shopping centre and adjacent site, known as the "Gateway" site.

Consequently in 2013, the rezoning of these sites under Wyong LEP 2013 was identified as a Deferred Matter, pending the resolution of a number of issues by the Department of Planning & Environment (the Department).

Since 2009, The Department has been considering a proposal for commercial and retail development on part of the Gateway site in the context of longer term development of the Tuggerah town centre.

The Planning Report assesses the proposal as being consistent with the Central Coast Regional Strategy and the Wyong Shire Retail Centres Strategy. In particular, the proposal will encourage investment in the Tuggerah-Wyong Major Centre and new local employment opportunities. This is important as the Region's population is also expected to grow by around 80,000 by 2031.

The proposal will allow for an additional 30,000m² of commercial floor space, including bulky goods outlets, with extensive on-site parking on part of the Gateway site. Planning issues relating to the proposal have been assessed. In particular, the impacts and management of drainage; traffic and access; and ecology have been addressed in the report.

Drainage will be managed on the Gateway site with the aim to contain flows to pre-development levels. Various measures including a detention basin, bioretention basin and riparian corridor will be used to manage impacts of development on part of this site.

Traffic and access has been assessed and the proposal is expected to generate increased traffic on the local major roads. The intersection of Wyong Road and Tonkiss Street will need to be upgraded to manage increased traffic flows generated by the proposed commercial development on the Gateway site. A Planning Agreement will ensure funding for this upgrade, which is expected to cost \$15 million.

The ecology impacts have been assessed in an Ecological Impact Statement that includes both the Gateway and existing shopping centre sites. The proposed Environmental Conservation areas will ensure that high value vegetation and habitats are conserved and managed in the future and allow for other development to be considered on the remainder of these sites in the future.

The proposal will be implemented by amending Wyong LEP 1991 and Wyong LEP 2013. This will enable the early stages of development on the Gateway site to proceed. Council may consider later stages of development on the remainder of the Gateway site and elsewhere in the Tuggerah-Wyong Major Centre in time.

1 Introduction

1.1 Background

In January 2009, the Minister declared the Tuggerah town centre a potential State Significant Site (SSS). The Department of Planning was directed to commence preparing a study to determine how the town centre could develop in a way that would assist with the delivery of jobs and housing targets for Wyong Shire over the next 25 years.

The study area included the Gateway site and the existing Westfield shopping centre site as well as the area between the shopping centre and either side of the northern railway line. The site is an integral part of the Tuggerah-Wyong Major Centre and contributes to the growth of this centre. The proposed development of the Gateway site included proposals for retail, in particular bulky goods, mixed retail and residential development.

The Central Coast Regional Strategy identifies Tuggerah-Wyong as the only Major Centre in Wyong, with a development target of 4,000 new dwellings and 5,500 new jobs by 2031.

Wyong Council has completed various planning strategies, an updated planning instrument and guidelines that relate to the future of the Tuggerah-Wyong centre, including:-

1. Wyong Shire Retail Centres Strategy 2013;
2. Wyong LEP 2013; and
3. Wyong DCP 2013.

The relationship of these to the Gateway site and the existing Westfield shopping centre at Tuggerah are outlined in more detail in Section 3.

Development on the Gateway site is expected to be staged in line with the progressive growth of the town centre. The early stage is expected to include retail development, in particular bulky goods outlets. A Mixed Use zone is intended to provide flexibility to enable the transition from the commercial development on the adjacent Westfield shopping centre to possible residential and other urban uses at a later stage on the remainder of the Gateway site.

1.2 Purpose of this Report

This report reviews the proposed development in the Tuggerah-Wyong Major Centre that will initially provide additional employment opportunities for this community and also enable residential development in the longer term.

The report assesses the proposed development at Tuggerah on the sites that were deferred in Wyong LEP 2013 as shown at Figure 1.

Tuggerah site



Figure 1. Gateway site and Westfield shopping centre at Tuggerah

The sites were deferred from the Wyong LEP 2013 to allow resolution of outstanding matters relating to both of the sites. Under the deferral these sites retained their existing land use zoning under Wyong LEP 1991. Key issues are the consideration of natural vegetation areas on the sites, and consideration of a contribution to the upgrade of major road infrastructure as a consequence of planned development on the Gateway site. The deferred area is shown at Figure 2.

Wyong LEP 2013



Figure 2. Extract from Wyong LEP 2013 Zoning Map showing deferred area in white

The report proposes to rezone these sites so that future development is subject to the same planning controls and is consistent with the new zones in Wyong LEP 2013.

2 Planning Context

2.1 Location

Tuggerah is located in the Central Coast Region of NSW, within the Wyong Shire Local Government Area. It is approximately 110 kilometres north of Sydney and 65 kilometres south of Newcastle. The F3 Sydney to Newcastle Freeway defines the western edge of the sites at Tuggerah and provides regional access to the centre via the Wyong Road interchange. Wyong Road provides the main east-west transport route between the Freeway and Wyong and other coastal suburbs in the Shire. The Pacific Highway provides an alternative regional access for north-south traffic between Lake Macquarie and Gosford. To the east of the Pacific Highway is the main northern railway with a station at Tuggerah.

Employment and retail land uses are dispersed, with Westfield shopping centre to the west of the railway and Pacific Highway. The Supa Centa is located to the east of the railway and these two sites provide the major retail and bulky goods shopping destinations respectively in Tuggerah. Tuggerah Straight is located to the north of Wyong Road and provides light industrial and supporting retail uses along the Pacific Highway towards Wyong.

Tuggerah Business Park is located to the south-east of the railway and south of the Supa Centa. This area provides office space and warehousing facilities. These areas are shown at Figure 3.



Figure 3 Area surrounding the site at Tuggerah (Source: Google Earth)

2.2 Site Description

The Gateway site is located at the western entrance to Tuggerah and is adjacent to the F3 Freeway at the Wyong Road interchange. It is a 40 hectares site currently used for grazing cattle. The site slopes generally from south towards Wyong Road. There is a substantial amount of landfill along the northern part of the site and the main drainage course is also located in this part of the site. Most of the site has been cleared of former vegetation for grazing, however, there are remnant stands of vegetation on parts of the site as shown at Figures 4 and 5.



Figure 4. Most of the Gateway site has been cleared and is used for grazing cattle.



Figure 5. Remnant parcels of vegetation on the gateway site

The existing Westfield Tuggerah shopping centre is located to the east of the Gateway site and to the south of Wyong Road. The site is approximately 28 hectares and contains a large retail outlet with extensive parking facilities at grade, incorporated in the development, as shown in Figure 6.



Figure 6. Westfield shopping centre and parking area at Tuggerah

The area of the site to the south has extensive areas of vegetation shown at Figure 7.



Figure 7. The area to the south of the shopping centre that fronts Tonkiss Street

2.3 Current Land use Zoning

As these sites were deferred from Wyong LEP 2013, the principal planning instrument affecting land use is the former Wyong LEP 1991.

Under the provisions of Wyong LEP 1991:

- The major part of the Gateway site is zoned 10a *Investigation Precinct Zone*;
- A small portion in the southeast corner is zoned 7a *Conservation Zone*;
- The main shopping centre site is zoned 3a *Business Centre Zone*;
- A small part of the site along the southern boundary is zoned 7a *Conservation Zone*; and,
- A small part of the site is zoned *General Residential 2b*.

3 Strategic and Statutory Framework

3.1 State and Regional Planning Strategies

3.1.1 Central Coast Regional Strategy 2006-2031

The Strategy covers the two local government areas of Gosford City and Wyong Shire. The region's current population is expected to grow by around 80,000 by 2031. This growth is largely attributed to the region's proximity to Metropolitan Sydney. The major part of this growth is expected to be in Wyong Shire.

A challenge for the region is that a large proportion (about 25 percent) of the working population commutes out of the region for employment. The Strategy aims to encourage local job opportunities to reduce the proportion of people commuting outside the area for work. Tuggerah- Wyong is identified as a major centre with the capacity for 5,500 new jobs.

Retail is an important activity in the regional economy and is currently the second largest employer by industry with about 15 percent of the workforce.

The Strategy proposes that there will be no new urban or rural residential development for land to the west of the F3 freeway, however, employment opportunities around the F3 freeway interchanges may be considered.

3.1.2 Wyong Shire Retail Centres Strategy

Council undertook a review of retail centres in the Shire during 2011 and 2012, and prepared a Strategy to manage and promote the development of retail centres. The Wyong Shire Retail Centres Strategy was adopted by Council in November 2013.

3.1.2.1 Strategic framework

The strategic framework for the centres will allow for:

- Centres to grow and respond to the changing retail environment;
- Centres that have the capacity to meet the growth in demand generated by population growth;
- Centres that provide residents with the widest possible range of shopping opportunities and commercial services;
- Conveniently located and accessible centres;
- Protection of the integrity of the existing centres network and viability of existing centres to ensure that they continue to provide for the needs of the community;
- Protection and creation of employment opportunities in centres; and
- Sustainable centres in terms of infrastructure provision particularly transport infrastructure.

Tuggerah-Wyong is a major employment centre in the Shire. Expansion of the regional centre will result in the creation of jobs which will assist in addressing unemployment in the area.

The hierarchy of centres within the Wyong Shire retail network identifies Tuggerah-Wyong as the major centre serving the whole of the LGA in terms of higher order comparison shopping, and provides for a range of business, retail, cultural, entertainment and recreational activities.

3.1.2.2 Retail catchment

The 2011/12 Retail Centres Review demonstrated that there are significant opportunities to expand the supply of retail floorspace within the Wyong retail network, particularly within the major centre at Tuggerah.

It is expected that if the current retail centre at Tuggerah is expanded, it could result in a reasonable proportion of expenditure from Wyong households being retained within Wyong Shire. This could have flow on effects to other lower order centres by reducing the number of trips beyond the LGA for retail purchases.

Increasing the quantum of floorspace and the range of goods and products available in these precincts could have the effect of attracting expenditure from areas beyond the Wyong Shire and, in particular, from the western areas of Lake Macquarie, which are also likely to experience significant population growth in the short to medium term. This expenditure will supplement that available from Wyong households and could result in the amount of floorspace that might be supportable being more than if the precincts were only relying on expenditure from Wyong households.

3.1.2.3 Bulky goods

At present, it is estimated that there is a shortfall in bulky goods floorspace provision in the order of 21,000m². This shortfall will increase as the population of Wyong increases.

By 2021 the growth in population would be such that there could be \$427 million of bulky goods expenditure available from all households in Wyong which could potentially support a total of 84,000m² of bulky goods retail floorspace. This is about 34,000m² more than is currently provided.

These estimates are based solely on expenditure from Wyong households and do not factor in the potential for bulky goods precincts in Wyong to attract expenditure from areas beyond the LGA. The concept plan for Tuggerah considers the development of bulky goods floorspace within this centre. It is appropriate that this major centre be the focus of additional floor space provision given the presence of the Tuggerah Supa Centa development and the other retail activities in the local area. There is sufficient space available within the Tuggerah major centre to accommodate a significant amount of bulky goods floorspace. The market will determine, to a certain extent how much bulky goods floorspace might be provided within the Tuggerah major centre, however, there must be a balance in terms of the location of such floorspace.

Opportunities to provide for the expansion of existing centres by applying a mixed use zone to land on the fringe of some local or town centres could alleviate the pressure to consider proposals for out of centre developments and also provide a degree of flexibility of use. Where an extension to a centre is proposed, it is necessary to assess any impacts on the surrounding area. This is outlined in more detail in section 4 - Planning Issues.

3.2 Statutory Planning Framework

3.2.1 NSW Environmental Planning and Assessment Act 1979

The *NSW Environmental Planning and Assessment Act, 1979 (EP&A Act)* and the *NSW Environmental Planning and Assessment Regulation 2000 (EP&A Regulation)* provide the statutory planning context for environmental planning context for environmental assessment and approval in NSW. Within the study area of the Tuggerah town centre, Planning and Environment has been considering a proposal for development on part of the Gateway site under the former Part 3A of the EP&A Act.

Determination of this proposal has depended on the consideration and finalisation of an agreement on a contribution to upgrade major road infrastructure, and to protect areas of native vegetation on the sites. These matters are outlined in more detail in section 4.2 and 4.3 respectively.

The SEPP rezones the sites that were deferred from the Wyong LEP 2013. It amends the Zoning Map, so that the development on these sites is consistent with the provisions of new zones in Wyong LEP 2013.

3.2.2 Section 117

Section 117 Directions of the EP&A Act require councils to address a range of matters when seeking to rezone land. They have been addressed at Appendix B.

3.2.3 Biodiversity

An Ecological Impact Assessment (EIA) has been prepared, which assesses the impact of the proposed development on the sites, within the context of the legislative framework for ecological assessment. The conclusions on conservation significance; impact evaluation and mitigation measures are outlined in Section 4.3 Ecology. The EIA is included in Appendix C.

3.3 Local Planning Framework

As noted in Section 2.3 the principal instrument currently affecting the land is the former Wyong LEP 1991.

The proposed SEPP will ensure that the the planning instrument applying to these Westfield Tuggerah shopping centre site and the Gateqay site at will be the provisions in Wyong LEP 2013, and planning guidelines in Wyong DCP 2013. Subject to the EP&A Act 1979, Wyong Council will be the development consent authority once the SEPP is published.

4 Planning Issues

4.1 Flooding and Hydrology

The Gateway site is situated within a larger catchment that extends at least 1 kilometre to the west of the F3 freeway and 300 metres to the south of the southern boundary. The larger catchment drains through the Gateway site and discharges through culverts under Wyong Road in the north-east corner of the site.

A Stormwater Management assessment prepared by Mott MacDonald outlines water management objectives for the site as follows:

1. Management of Mardi Creek:
To manage the Mardi Creek flows through the site in a constructed “natural” waterway that meets the requirements of the Office of Environment and Heritage (OEH), formerly the Department of Water.
2. Water Quantity Management:
To restrict post-development site outflows to pre-development levels. This also assumes that site inflows from upstream will similarly be restricted to their current pre-development levels. Water management facilities within the Gateway site will be designed to cater for development of this site and future development of upstream land will be required to similarly ensure that flows do not exceed pre-development levels.
3. Water Quality Management:
Water quality objectives will be set by Wyong Council.

Advice from the Office of Environment and Heritage (OEH – then Department of Natural Resources) and with Wyong Council, has established the following with respect to the management of the Mardi Creek corridor:

1. It is proposed that the creek line through the Gateway site be harnessed to a defined corridor along the northern boundary of the site. It shall provide for a constructed base flow channel represented as a “natural creek line” within a 25 metre wide riparian corridor. This will provide for the design pre-development flood flows from the upstream contributing catchments.
2. Water quantity management is expected to require a detention basin to the west of the proposed Business area on the Gateway site. Details of the location and sizing will be finalised at the development stage.
3. Water quality management is expected to require a bioretention basin, likely to be an integral part of the detention basin. Details of the location and sizing will be finalised at the development stage.
4. Water quantity and quality measures relating to flows from development on the business area may include:
 - strategically located retention systems and gross pollutant traps on the car park drainage lines;
 - biofiltration pits at tree wells to treat dirty water runoff from the car park; and
 - bioswales through the car park area.

4.2 Traffic and Access

The Gateway site at Tuggerah has frontage to the F3 freeway (west), Wyong Road (north) and Tonkiss Street (east). The site has good access to the regional road network being located adjacent to the F3 freeway between Sydney and Newcastle. It is also adjacent to Wyong Road and close to the Pacific Highway at Tuggerah.

Existing public transport services are provided by buses operating from an interchange to the rear of the adjacent shopping centre site. Buses provide local and regional services from the interchange, including connection to Tuggerah and Wyong stations. Tuggerah station is about 1.2 kilometres to the east of the Gateway site.

To cater for future development consideration has been given to amplifications and upgrades to key local roads, including the Pacific Highway and intersections like Wyong Road and the Pacific Highway. These upgrades will eventually be required irrespective of development on the Gateway site. Traffic and access has been considered for development of part of the Gateway site for an expansion of retail outlets, including bulky goods stores with a gross floor area of up to 30,000m². Access to proposed development on the Gateway site would be from Tonkiss Street. This street also provides access to the adjacent Westfield shopping centre and a residential area to the south. Tonkiss Street has a four lane divided carriageway adjacent to the site and intersects with Wyong Road at a two lane roundabout.

A traffic review has been prepared by Colston Budd Hunt & Kafes to consider whether traffic from bulky goods development on the Gateway site can be accommodated by the adjacent road network. Traffic flow data and estimates of future traffic growth along Wyong Road provided by RMS were used. The additional traffic from the proposed development was assigned to the local road network. The analysis of estimated traffic flows indicated that the intersections along Wyong Road at Tonkiss Street and Gavenlock Road could be accommodated by the 2021 road network. However, the intersection of Tonkiss Street and Wyong Road will require upgrading to traffic signal control in order to cater for traffic generated by future development on the Gateway site and the general increase in traffic along Wyong Road. The traffic intersection is shown at Figure 8.



Figure 8. Tonkiss Street leading to the intersection with Wyong Road.

The planned upgrade to the intersection of Tonkiss Street and Wyong Road has been agreed by RMS and will be funded by the developer of the Gateway site under a Planning Agreement (PA). The upgrade will be paid for as a road works contribution amount of \$15 million or an agreement to provide works in kind.

4.3 Ecology

The existing Westfield shopping centre site was deferred from Wyong LEP 2013. An issue for resolution was the matter of the proposed environmental conservation areas on this site and the likely link to similar areas on the adjacent Gateway site. The map exhibited with the draft Wyong LEP 2013 indicated a mix of business zoned land and land to be retained for environmental conservation (E2). It was necessary to review the areas proposed for environmental conservation to ensure that such areas could be effectively identified and protected in the future.

GHD has prepared an EIA report that assesses biodiversity and recommends areas for environmental conservation on both sites with the aim of identifying which areas need to be set aside for longer term environmental conservation. These areas are shown zoned Environmental Conservation E2 on the proposed zoning map at Appendix A. The ecological assessment considers the flora and ecological communities on both sites.

The proposal will allow the clearing of some isolated or disturbed edges of larger stands of vegetation on the Gateway site (0.85ha), with appropriate offsets by consolidating the environmental conservation (E2) areas on both sites. The net gain of area set aside for environmental conservation on these sites is 1.93ha.

the northern boundary of the site is assessed as the bushfire behaviour of rainforest. The open forest to the east of the site situated between the existing shopping centre and the residential area to its south, is separated by Tonkiss Street, a 20 metre managed road reserve. The proposed business development on the Gateway site is located in the vicinity of these two areas.

The behaviour of bushfires burning within the open forest to the south of the Gateway site, would see fires travelling quickly upslope and away from the site or slowly down the slope. Either of these scenarios would present a minimal threat to development on the southern part of the site from an operational fire fighting perspective. There is significant distance between the proposed business development and this part of the Gateway site.

Wyong Council's bushfire prone mapping confirms that most of the Gateway site is not bushfire prone, other than the boundaries which are shown as buffer areas. The stand of existing vegetation on the eastern part of the site fronting Tonkiss Street is shown as a possible source of potentially hazardous fuel and would need to be considered in relation to development in the vicinity. It is expected that this source will be removed by development on this part of the site.

4.5 Heritage

There are no statutory heritage listings that apply to the Gateway site. A heritage impact statement prepared by Conybeare Morrison outlines an assessment of both Indigenous and Non-indigenous heritage significance that may apply to parts of the Gateway site.

Most of the site has been extensively disturbed and cleared for use as an abattoir and grazing. Following the closure of the abattoir in 1989, the buildings were demolished. Some artefacts from the use of the site as an abattoir may be found when future works are being undertaken. A large amount of spoil from the adjacent shopping centre site was deposited in the north-eastern part of the site, close to Wyong Road. The major part of the proposed retail development on the Gateway site is situated in this area.

While no Indigenous archaeological sites were found on the Gateway site, the sandstone outcrop in the north-west corner of the site is identified as likely to contain sub-surface cultural deposits. The proposed development does not extend to this part of the Gateway site.

4.6 Soil Contamination and Acid Sulphate Soils

URS Australia prepared an assessment of potential soil contamination on the Gateway site and identified the following as possible sources:-

1. Past operations of the abattoir including detection of phenols and cresols in the water and sediment of dams on the site;
2. Asbestos fragments from the demolition of the abattoir;
3. A large stockpile located in the north-east of the site, which originated from the construction of the shopping centre on the adjacent site to the east;
4. Two smaller stockpiles of fill located to the east of the former abattoir site, the origin of this is unknown; and

5. Potential for acid sulphate soil conditions in low lying areas of the site.

Soil and water samples were analysed from more than 70 sites across the Gateway property and the results indicated that water quality guidelines were exceeded for total metals at two dam sites. Remnant piping containing asbestos was identified at one location and asbestos fibres were detected in soil at another location. The assessment concluded that the asbestos remediation undertaken in 1994 had been completed satisfactorily.

The existence of actual and potential acid sulphate soil conditions was identified in low lying areas of the site. It is noted that the Wyong LEP 2013 - Acid Sulphate Soils map indicates that the northern part of the Gateway site as potential Class 4. This is the part of the site that is now largely covered by landfill as shown at Figure 9.



Figure 9. Area of landfill on the Gateway site.

The URS assessment concluded that there was no constraint to rezoning the Gateway site for urban uses as a result of land contamination.

Detailed design at the development stage should consider:-

1. Preparation and implementation of an Acid Sulphate Management Plan during disturbance of soils in low lying areas of the site;
2. Removal and disposal of asbestos containing materials on the site; and
3. Appropriate management of the fill containing anthropogenic materials located adjacent to the existing Tonkiss Street entrance to the Gateway site.

4.8 Service and Utility Infrastructure

An assessment of services infrastructure was prepared for development on the Gateway site by Hughes Trueman. Wyong Council is the water and sewer services authority. The site is adjacent to reticulated water and sewer mains and at the time of the study, council advised that there was capacity to service the initial stages of development on this site.

There is a 132kV high voltage overhead power line in a 30 metre easement running north-south through the site. The initial stage of development is well clear of this easement, however later stages may require the relocation of this line. Connection to the local distribution network may require some upgrading depending on the power needs of the initial stage of development.

There is a secondary gas main in Tonkiss Street and the site can be serviced from the existing mains in the area.

The servicing of the site with telecommunications, water, sewer, electricity and gas does not present a major constraint to the proposed development on the site.

Arrangements for connection to local infrastructure services will depend on staging and can be made at the Development Application stage.

4.9 Visual Impact

The Gateway site is considered to present an “iconic” opportunity being located on a major approach to Tuggerah centre from the F3 freeway and Wyong Road. The location of a 25 metre buffer along the northern boundary of the proposed development and Wyong Road provides both an effective part of the solution to the management of stormwater runoff from the site, and an opportunity for a landscaped vegetative edge along Wyong Road. Similarly, the extensive parking areas proposed as part of the development on the site can also be landscaped and softened by tree planting. The visual impact of the proposed development is capable of being addressed at the Development Application stage.

5 Statutory and Development Controls

5.1 Proposed Amendment to Wyong LEP 2013

The SEPP amends the Objectives of Zone for B3 *Commercial Core*, so any reference to “Wyong central business district” will be amended to “Tuggerah-Wyong central business district”. The amended Objective of Zone will be consistent with the Central Coast Regional Strategy and the Wyong Shire Retail Centres Strategy.

The SEPP proposes to amend the Zoning Map in Wyong LEP 1991. The proposed map amendment is shown at Appendix A.

The following zones will apply to the land in the deferred area at Tuggerah as shown on Land Zoning Map

- RU6 Transition, to ensure that interim land uses do not have an adverse impact on the development potential of land for future investigation in the Wyong Settlement Strategy.
- R1 General Residential, to provide for a variety of housing types and densities.
- B3 Commercial Core, to encourage appropriate employment opportunities, development and investment in the Tuggerah-Wyong central business district.
- B4 Mixed Use, to encourage active retail and business development including bulky goods premises that require a large floor area.
- E2 Environmental Conservation, to protect, manage and restore areas of high ecological value.

The planning instrument that will apply to the deferred sites will be Wyong LEP 2013. The SEPP will no longer have effect on the site once the rezoning has occurred.

5.2 Statements of Consistency

The SEPP proposes to rezone the land uses on the sites at Tuggerah, which were deferred in the making of Wyong LEP 2013. These proposed land uses are considered to be consistent with State and Regional Planning Strategies that apply to the Central Coast and Wyong Shire.

An assessment of consistency with Section 117 Directions is included at Appendix B. An assessment of existing natural vegetation on these sites has resulted in the proposal to zone some areas for *Environmental Conservation* (E2). While there will be some impact on Existing Native Vegetation (ENV), it is intended that the clearing of vegetation in some areas will be offset by the protection and improved management of other ENV on the sites. The assessment of impact on threatened species has been addressed in the EIA. It is concluded that that the proposal is unlikely to impose a "significant effect" on any EPBC Act threatened or migratory species and hence is unlikely to constitute a controlled action under the EPBC Act.

6 Conclusion

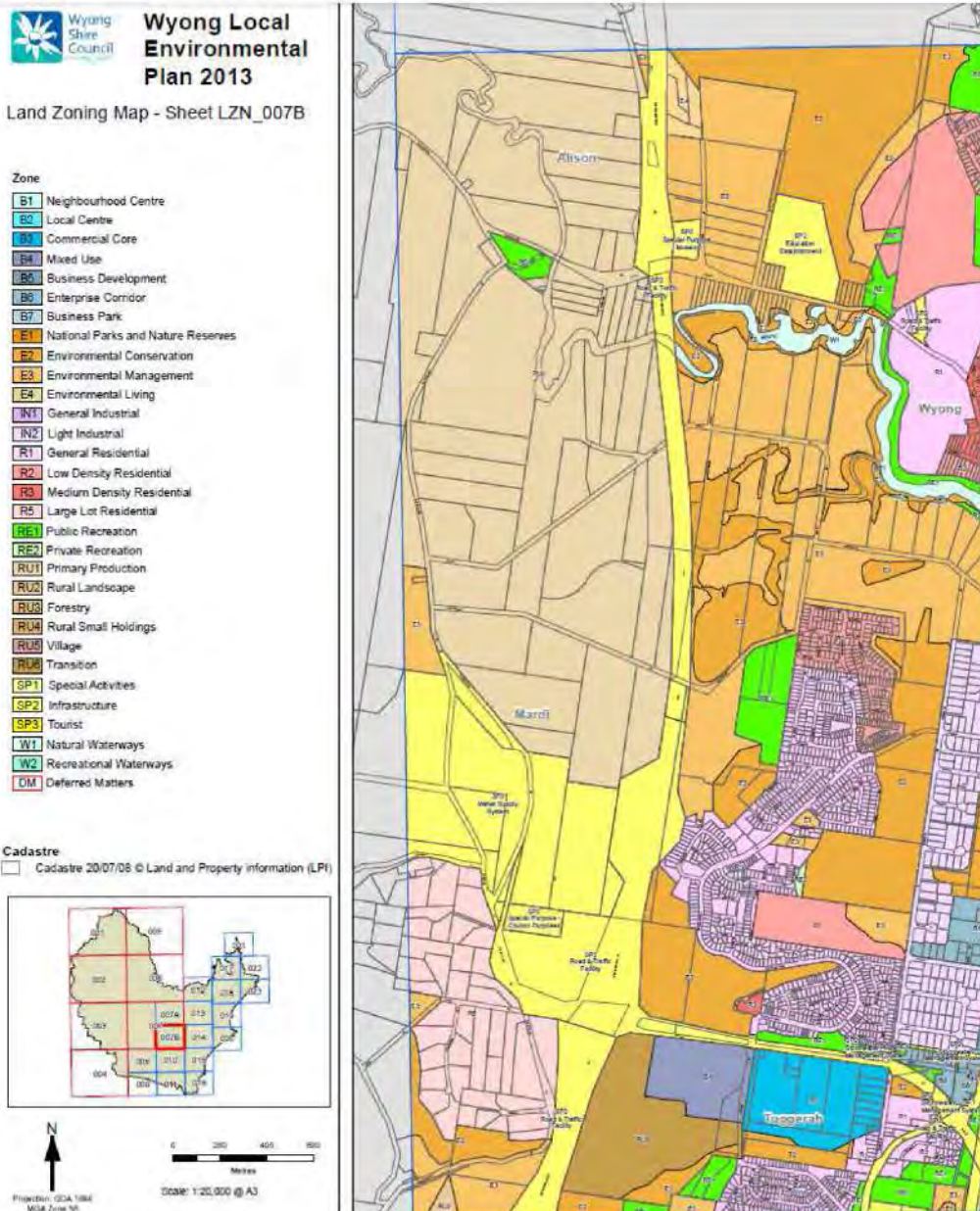
The proposed development on the Gateway site has been considered in the context of its likely contribution to the planning strategies for employment growth in the Tuggerah town centre. The zoning change will enable development that is best located in a major centre with Wyong Council as consent authority.

Areas of highly valued native vegetation will be set aside for long term conservation. The impact of traffic generated by the development on the Gateway site will be addressed by a contribution to upgrade the local road network.

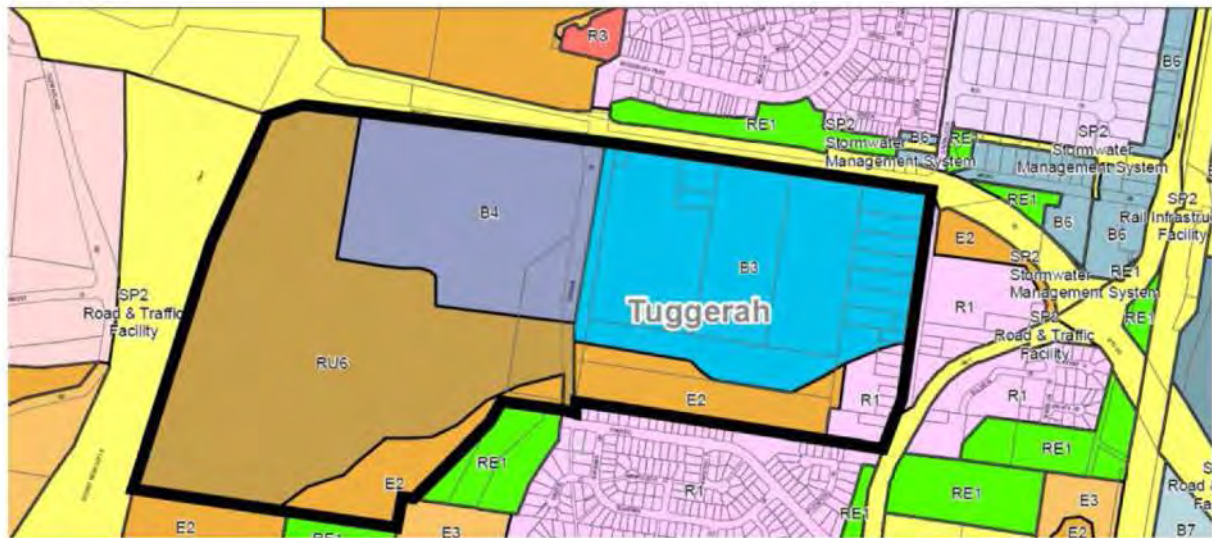
The zoning change will enable the first stages of development on the Gateway site to proceed and allow Council to consider later stages that are expected to provide for residential; open space and

recreation uses; drainage retention basin(s); and other associated uses that are suitable on this iconic site, close to major transport and the centre of Tuggerah.

APPENDIX A - Draft Zoning Map for Wyong LEP 2013



TAG C – PROPOSED ZONING



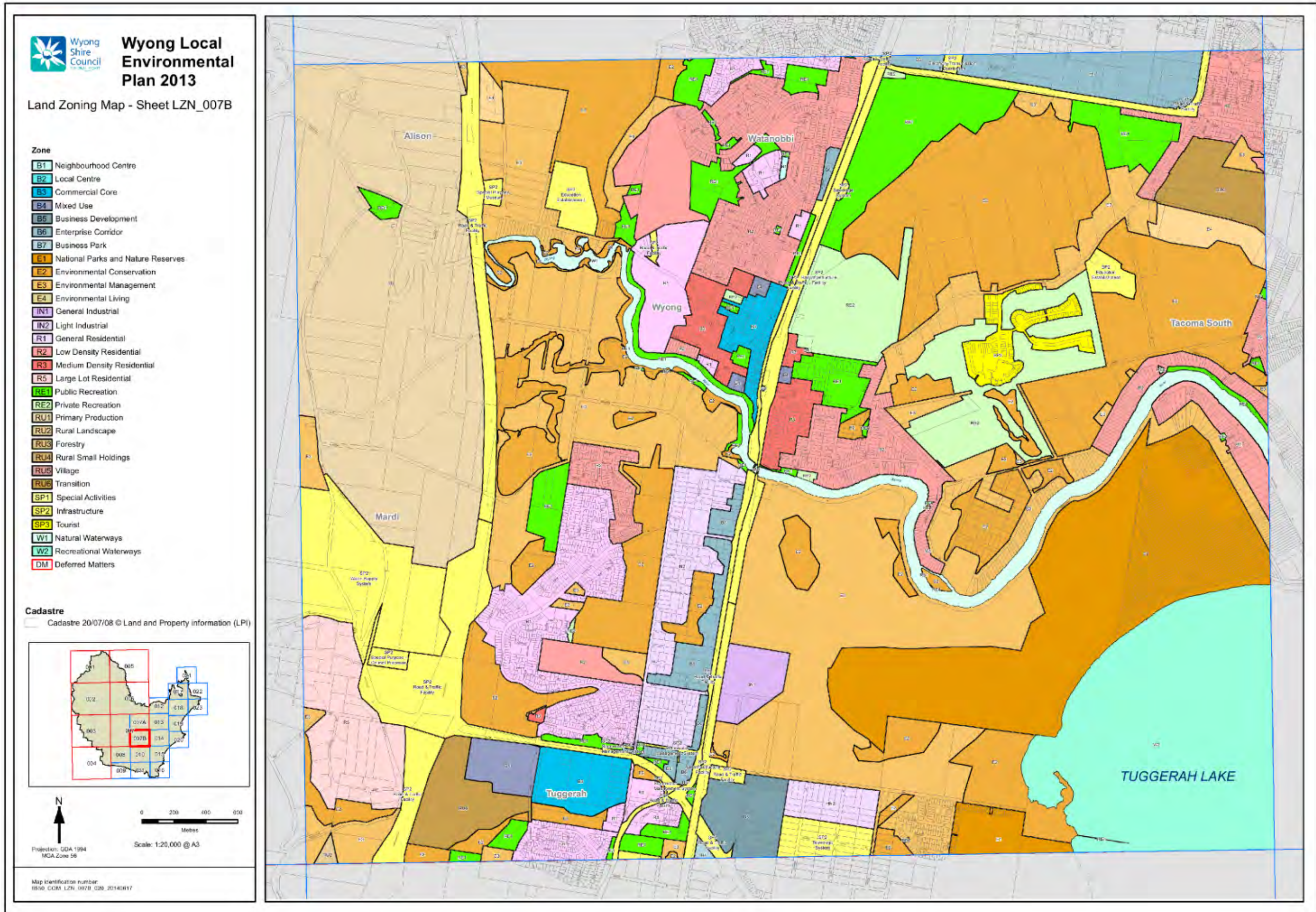
- B3 - Commercial Core
- B4 - Mixed Use
- RU6 - Transition
- E2 - Environmental Conservation

APPENDIX B - Consistency with Section 117 Directions

Section 117 Direction	Compliance
1. Employment and Resources	
Direction 1.1 – Business and Industrial Zones	The proposed SEPP amendment will encourage employment growth and the viability of Tuggerah, an identified major centre on the Central Coast. This is consistent with the direction
Direction 1.2 – Rural Zones	The land is currently zoned Investigation Precinct and proposed to be zoned Transition. The plan is consistent with the strategies for development in the Central Coast Regional Strategy and is consistent with this direction.
Direction 1.3 – Mining, Petroleum Production and Extractive Industries	The direction is not applicable to the proposed development of the land at Tuggerah
Direction 1.4 – Oyster Aquaculture	The direction is not applicable to the proposed development of the land at Tuggerah
Direction 1.5 – Rural Lands	The plan is considered to be inconsistent with the direction. The land is currently zoned Investigation Precinct and proposed to be zoned Transition; Mixed Uses; and Environmental Conservation. The plan is consistent with the strategies for development in the Central Coast Regional Strategy. Accordingly, the inconsistency with the direction is considered to be justified
2. Environment and Heritage	
Direction 2.1 – Environmental Protection Zones	Plan includes provisions to facilitate the protection and conservation of significant vegetation through the E2 Conservation Zone. The rezoning provides for 5.28 hectares of conservation land, predominantly located in the south and south-east of the sites. This area relates to existing vegetation. The plan is considered consistent with this direction relating to the environmental protection zones
Direction 2.2 – Coastal Protection	The direction is not applicable to the proposed development of the land at Tuggerah
Direction 2.3 – Heritage Conservation	The direction is not applicable as there are no items of state or local heritage significance within the vicinity of the sites
Direction 2.4 – Recreation Vehicle Areas	The direction is not applicable to the proposed development of the land at Tuggerah
3. Housing, Infrastructure and Urban Development	
Direction 3.1 – Residential Zones	The plan replaces a small area of existing General residential use that was deferred from Wyong LEP 2013
Direction 3.2 – Caravan Parks and Manufactured Home Estates	The direction is not applicable to the proposed development of the land at Tuggerah
Direction 3.3 – Home Occupations	The plan is consistent with the direction as it permits home occupations in the R1 General residential zone without consent
Direction 3.4 – Integrating Land Use and Transport	The objective and requirements of the direction are achieved through the upgrade of the bus interchange on the Westfield shopping site, and the links to Tuggerah and Wyong stations and bus services elsewhere in Wyong
Direction 3.5 – Development Near Licensed Aerodromes	The direction is not applicable to the proposed development of the land at Tuggerah
4. Hazard and Risk	
Direction 4.1 – Acid Sulphate Soils	The land is partially subject to acid sulphate

	soils. Wyong LEP includes provisions to regulate works in areas with acid sulphate soils. The adoption of appropriate practices during development will ensure that this matter can be managed without impact. The plan is considered to be inconsistent with the direction, but the inconsistency is of minor significance
Direction 4.2 – Mine Subsidence and Unstable Land	The sites are not within a mine subsidence district. There are no significant issues with land stability in the area. The plan is consistent with the direction
Direction 4.3 – Flood Prone Land	Wyong LEP includes provisions to regulate works in areas that are flood prone. The adoption of appropriate flood mitigation works during development will ensure that this matter can be managed without impact to adjacent properties. The plan is inconsistent with the direction, but the inconsistency is of minor significance
Direction 4.4 – Planning for Bushfire Protection	The plan is consistent with the direction and provides for appropriate APZs and perimeter roads having regard to <i>Planning for Bushfire Protection 2006</i>
5. Regional Planning	
Direction 5.1 – Implementation of Regional Strategies	The plan supports the aims for development and employment growth in centres as outlined in the Central Coast Regional Strategy and is consistent with the direction
Direction 5.2 – Sydney Drinking Water Catchments	The direction is not applicable to the proposed development of the land at Tuggerah
Direction 5.3 – Farmland of State and Regional Significance on the NSW Far North Coast	The direction is not applicable to the proposed development of the land at Tuggerah
Direction 5.4 – Commercial and Retail Development along the Pacific Highway, North Coast	The direction is not applicable to the proposed development of the land at Tuggerah
Direction 5.5 – Development in the Vicinity of Ellalong, Paxton and Millfield	The direction was revoked in June 2010
Direction 5.6 – Sydney to Canberra Corridor	The direction was revoked in July 2008
Direction 5.7 – Central Coast	The direction is consistent with direction 5.1
Direction 5.8 – Second Sydney Airport: Badgerys Creek	The direction is not applicable to the proposed development of the land at Tuggerah
6. Local Plan Making	
Direction 6.1 – Approval and Referral Requirements	The plan is consistent with the direction and does not contain provisions requiring concurrence, consultation or referral which have not been approved. The plan does not identify any development as designated development
Direction 6.2 – Reserving Land for Public Purposes	The plan does not create, amend or reduce any existing reservations without approval
Direction 6.3 – Site Specific Provisions	The plan does not include site specific provisions and development will be regulated by the provisions of Wyong LEP. The plan is consistent with the direction

APPENDIX C - Ecological Impact Assessment



4.1 Compulsory Acquisition by Agreement from Crown Lands of Lot 519 DP 821134, Morris Place, Bateau Bay

TRIM REFERENCE: F2014/00961 - D11708053

MANAGER: Chris Luscombe, Manager Property Management

AUTHOR: Simone Barwick; Property Officer1

SUMMARY

Approval is sought to acquire Crown Land, Lot 519 DP 821134 Morris Place, Bateau Bay.

RECOMMENDATION

- 1 That Council acquire by agreement pursuant to Section 29 of The Land Acquisition (Just Terms Compensation) Act 1991, Lot 519 DP 821134 Morris Place, Bateau Bay from The Crown for compensation as determined by the Valuer General.**
- 2 That Council authorise the signing on behalf of Council by the General Manager of all documentation associated with the acquisition of the land referred to in Item 1 to Council including the application for compulsory acquisition to the Minister for Local Government.**
- 3 That Council classify Council land Lot 519 DP 821134 as operational land.**
- 4 That Council advertise the proposal to classify in accordance with Section 34 of the Local Government Act 1993 subject to the exchange being approved by the Minister and Governor.**
- 5 That Council adopt the classification if no material adverse submissions being received.**

BACKGROUND

Lot 519 DP 821134 Morris Place, Bateau Bay is Crown Land managed by The Department of Trade and Investment, Crown Lands Division. The subject land is a triangular parcel located between Morris Place and The Entrance Road, Bateau Bay. The land is zoned SP2 Infrastructure and has an area of approximately 234m².

To pursue the orderly development of land in and around the Long Jetty Works Depot Council seeks to acquire Lot 519 DP 821134. The rationalisation of land assets in the area will include the Depot site, unused public road and Lot 519 DP 821134.

4.1 Compulsory Acquisition by Agreement from Crown Lands of Lot 519 DP 821134, Morris Place, Bateau Bay (contd)

CURRENT STATUS

Crown Lands has now provided its consent for Council to compulsorily acquire Lot 519 DP 821134 by agreement pursuant to Section 29 of the Land Acquisition (Just Terms Compensation) Act 1991 on the basis that the agreed compensation is as determined by the Valuer General.



THE PROPOSAL

It is proposed to acquire Lot 519 DP 821134 for the purposes of rationalising land holdings in and around the Long Jetty Depot site and which may facilitate future use and redevelopment.

The Morris Place site is opposite Council's Long Jetty depot and has frontage to The Entrance Road.

OPTIONS

Council may acquire Lot 519 DP 821134 for consolidation with adjoining land which will facilitate any future redevelopment of the Long Jetty Depot; or

Council may decline to acquire Lot 519 DP 821134 and the current arrangements will remain.

BUDGET IMPACT

The costs associated with the acquisition of the land will be the compensation payable as determined by the Valuer General in accordance with the heads of compensation allowed under Section 55 of the Land Acquisition (Just Terms Compensation) Act, 1991 together with the Valuer General's fees to prepare and provide the Determination.

Budget funds are available from the Property Investment Reserve.

GOVERNANCE AND POLICY IMPLICATIONS

The Local Government Act provides that on or before its acquisition Council may classify land as operational land by resolution. Operational land classification is recommended as the land will not be available for the use of the general public.

CONCLUSION

That Council compulsorily acquire, by agreement pursuant to Section 29 of The Land Acquisition (Just Terms Compensation) Act 1991, Lot 519 DP 821134 Morris Place, Bateau Bay from The Crown for compensation as determined by the Valuer General for the purpose of including the land in a site for future development fronting The Entrance Road.

ATTACHMENTS

Nil.

4.2 Classification of Land at Fountaindale

TRIM REFERENCE: F2014/01376 - D11716618

MANAGER: Chris Luscombe, Manager Property Management

AUTHOR: Paul Forster; Services Coordinator

SUMMARY

Authority is sought to classify Part of Lot 23 DP 1169704 being Lot 1 in the unregistered plan of subdivision of Lot 23 and zoned E2 Environmental Conservation, as operational land.

RECOMMENDATION

- 1 That Council propose classification of Part of Lot 23 DP 1169704 being that part shown as Lot 1 in the unregistered plan of subdivision of Lot 23 as operational land.**
- 2 That Council advertise the proposal in accordance with Section 34 of The Local Government Act 1993.**
- 3 That Council adopt the classification, if no adverse submissions are received.**

BACKGROUND

Part of Lot 23 DP 1169704, being Lot 1 in the unregistered plan of subdivision of Lot 23 at Berkeley Road Fountaindale is to be transferred to Council pursuant to the condition of a Voluntary Planning Agreement between Council and Hapido Pty Ltd and TSM Projects Pty Ltd.

Proposed Lot 1 has an area of 7.186 hectares and is zoned E2 Environmental Conservation.

Land owned by Council for the operational functions of Council and that is not available for the use of the general public should be classified as operational land. Council is required, before or within 3 months of acquiring land to classify that land as operational land otherwise the land will automatically be classified as community land.

Under Section 34 of The Local Government Act 1993 Council is required to give public notice of the proposal to classify land for a period of 28 days before confirming the classification. If no adverse submissions are received Council's proposed classification of land as operational land will be adopted upon expiration of the notification period.

OPTIONS

Options for Council are to resolve to classify the land as operational land or do nothing and in that event the land will become community land.

CONCLUSION

Authority is sought to classify Part of Lot 23 DP 1169704 being Lot 1 in the unregistered plan of subdivision of Lot 23 and zoned E2 Environmental Conservation, as operational land.

ATTACHMENTS

Nil.

5.1 CPA/247886 - Road Safety Barrier Systems

TRIM REFERENCE: CPA/247886 - D11727790

MANAGER: Peter Murray, Manager

AUTHOR: Sue Ralph; Tech Officer Contracts Administrator

SUMMARY

Evaluation and selection of tenders for Contract CPA/247886 – Road Safety Barrier Systems.

RECOMMENDATION

- 1 ***That Council accept the tender from the company nominated as Tenderer '7' in the attached Tender Evaluation Report, as the first ranked Contractor in a panel of 6 Contractors, for a period of up to 3 years for Contract CPA/247886– Road Safety Barrier Systems. The estimated annual expenditure against this contract is \$601,501.00 (excl GST), however actual expenditure may vary significantly with fluctuations in demand.***
- 2 ***That Council accept the following order for the ranked panel, after Tenderer "7".***
 - 2nd Ranked Contractor – Tenderer No5***
 - 3rd Ranked Contractor – Tenderer No 1***
 - 4th Ranked Contractor – Tenderer No 4***
 - 5th Ranked Contractor – Tenderer No 6***
 - 6th Ranked Contractor – Tenderer No 3***
- 3 ***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 tenderers, which may be disclosed after Council has resolved to accept those tenders.***
- 4 ***That Council delegate to the Director Infrastructure and Operations the power to approve the option for a further term and any financial variations required under this contract.***

BACKGROUND

Road Safety Barrier Systems are used to improve road safety by preventing errant vehicles colliding with roadside hazards such as power poles. The installation of barriers is common when roads are reconstructed. This contract incorporates the supply and installation of new barriers and the maintenance and removal of existing barriers. In the past this work has been carried out in an ad-hoc arrangement. However increased road reconstruction activity will result in future works exceeding \$150,000.00 per annum necessitating the use of a formal Contract.

5.1 CPA/247886 - Road Safety Barrier Systems (contd)

Funding is through individual projects within the Roads and Drainage Rolling Works Program.

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 D11719501.

INVITATION TO TENDER

The tender was advertised in the Sydney Morning Herald, Newcastle Herald, Central Coast Express and eTender on 29 July 2014 and closed on 21 August 2014.

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

Tenders closed at Council's Chambers at 2.00pm on Thursday 21 August 2014.

TENDER SUBMISSIONS

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

- A1 Highways
- Colemans Group Australia Pty Ltd
- D & P Fencing
- Evolution Road Maintenance Group Limited
- Guardrail Installations Australia Pty Ltd
- JC's Constructions Pty Ltd
- Irwin Fencing 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 Tender Evaluation Report – Attachment A.

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

- a) Price;
- b) Methodology;
- c) Experience;

FINANCIAL IMPLICATIONS

There are sufficient funds allocated for this contract within the current year's capital works program under Roads and Drainage Rolling Works Program.

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 10 A (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 and that the works will be available to be put into service.

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 *D11719501*.

REGULATORY APPROVALS

No regulatory approvals are required.

PROCESS REVIEW

The Tender evaluation and this Report 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 | Confidential Tender Evaluation Report - V2.2 CPA/247886 Road Safety Barriers - | D11721856 |
|---|--|-----------|

6.1 **Amendment to Policy for Property Transactions - Sales and Acquisitions**

TRIM REFERENCE: F2004/07011 - D11721061

MANAGER: Maxine Kenyon, Director

AUTHOR: Mary-Ellen Wallace; Manager

SUMMARY

At the Ordinary Meeting of 14 May 2014 Council adopted the Policy for Property Transactions – Sales and Acquisitions. A number of amendments to this Policy are required to rectify a number of anomalies and to provide greater flexibility, to enable property transactions to be carried out efficiently and to optimise commercial outcomes for Council, in a transparent and accountable manner.

RECOMMENDATION

That Council adopt the amended Policy for Property Transactions – Sales and Acquisitions.

BACKGROUND

Wyong Shire Council manages a high volume of property transactions annually ranging from sales, acquisitions, subdivisions and the registration of easements.

The Policy for Property Transactions – Sales and Acquisitions is an operational policy which has been in place for several months. In administering the Policy it has become evident that there are several anomalies and unintended consequences that need to be addressed, to provide greater flexibility to enable property transactions to be carried out efficiently and to optimise commercial outcomes for Council.

CURRENT STATUS

A marked up copy of the Policy for Property Transactions – Sales and Acquisitions – is attached in Attachment 1.

- Tracked changes highlighted in green are typographic only, with no change in substance to the Policy.
- Tracked changes highlighted in yellow are required to clarify legislative references, with no change in substance to the policy.
- A summary of the remaining changes tracked in red are set out in the following table:

6.1 Amendment to Policy for Property Transactions - Sales and Acquisitions (contd)

Current Policy	Problem/Issues	Recommended Amendment
Determining the minimum sale or acquisition price		
External valuation required to determine the price for all property transactions	Valuations can be expensive. Cost not warranted for unimproved land where the value is relatively easy to determine and which Council regularly re-values, or for lower value improved land.	External valuation not mandatory if: <ul style="list-style-type: none"> • Unimproved land • Improved land < \$300K (ex GST) • Easements < \$50K (ex GST) • External valuation obtained by Council less than 3 years previously In such cases market value may be assessed on the basis of a market appraisal carried out by an independent Council officer with the appropriate skills and experience who is independent from the Business Unit responsible for the property transaction, instead of an external valuation.
Proposal to sell land at less than assessed market value		
All real property should be transacted at market value. Where property is not proposed to be transacted at market value, the reasons will be detailed in the Council report supporting the proposed action.	Requirement to go back to Council more than once for the same transaction interrupts normal market price negotiations and could result in lost sales; Greater flexibility required given that valuation is not an exact science.	All real property should be transacted at market value unless there is a Council resolution that authorises the transaction to proceed at other than market value.
Sale of land affected by pathways		
"Council policy is not to sell land which is used by the community as a public pedestrian thoroughfare, pathway, accessway or the like".	Lack of flexibility in situations where a sale is considered to be the better outcome for the community. For example, a small lot with an informal track may be costly to maintain; an alternative pathway may be available nearby; or accessway may only be used by few people.	The land may be sold provided full details of the pathway have been disclosed in the Report to Council recommending the sale, including potential impacts on the community.
Preparing land for sale		
Land to be re-zoned before sale if not appropriately zoned	Lack of flexibility – may be preferable to leave it to the market or time & cost of re-zoning may not be warranted.	Land to be re-zoned <u>or arrangements made in preparation for re-zoning</u> , before sale, if the land is not appropriately zoned.
Development consent to be obtained before sale if this will result in financial gain to Council	Lack of flexibility – may be preferable to leave it to the market or time & cost of re-zoning may not be warranted.	Council should consider securing development consent prior to sale, if appropriate in the circumstances.
Payment of transaction costs		
Policy requires purchasers to pay all Council's costs including legal, valuation, surveyors, etc.	Lack of flexibility – where Council instigating the sale eg to an adjacent property owner, they may not be interested in buying if have to pay all these costs.	Council may at its discretion require its transaction costs to be paid, where the sale is instigated by Council rather than the purchaser.

Budget Impact

The amendments to the Policy are likely to result in reduced property transaction costs and better commercial outcomes, resulting in a favourable budget impact.

GOVERNANCE AND POLICY IMPLICATIONS

This amended policy does not require formal approval under any Act or Regulation, as it is an organisational initiative. Any activities resulting from the implementation of the amended Policy will be governed by statutory requirements and Council's existing policies and procedures.

CONCLUSION

The adoption of the amended Policy for Property Transactions – Sales and Acquisitions will provide greater flexibility to enable property transactions to be carried out efficiently and to optimise commercial outcomes for Council, but also in a transparent and accountable manner.

ATTACHMENTS

- 1 Amended Policy for Property Transactions - Sales and Acquisitions D11733798

Policy for Property Transactions – Sales and Acquisitions



POLICY NO: WSC123

POLICY FOR PROPERTY TRANSACTIONS – SALES AND ACQUISITIONS

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Policy for Property Transactions – Sales and Acquisitions



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CERTIFIED A TRUE COPY OF POLICY ADOPTED BY COUNCIL

AUTHOR SIGNATURE	
COUNCIL RESOLUTION DATE	14/5/2014

History of Revisions:

Version	Date	TRIM Doc. #
1	16/4/2014	D06914286

Policy for Property Transactions – Sales and Acquisitions

1. PURPOSE

To provide guidance in relation to all prospective property transactions in accordance with Council's strategic priorities, service delivery, operational and legislative requirements.

2. SCOPE

This Policy applies to all employees of the Wyong Shire Council.

3. REFERENCES

- Local Government Act 1993
- Environmental Planning and Assessment Act 1979
- Local Government Act 1989
- Local Government Act 1993
- Local Government Act 1996

3.1 DEFINITIONS

Property Transactions: For the purpose of this Policy, Property Transactions means the sale and acquisition of real property and the grant of easements include the purchase, acquisition, sale and exchange of building assets and land including any property interest, easements, covenants, etc. and discontinuance, accepting and relinquishing Management responsibility for Crown Land.

4. COUNCIL POLICY

The following principles and practices will apply in governing the effective and efficient conduct of prospective property transactions.

The General Manager of Wyong Shire Council may, at any time, vary or dispense with any part of this policy where it is deemed appropriate.

Principle: Strategic Resourcing

In accordance with the changing economic environment the transactions of land and buildings will be governed by the priorities outlined in the WSC Property Strategy and Strategic Plan.

Practice:

Property transactions will be conducted in accordance with the following this Policy for Property Transactions – Sales and Acquisitions Guidelines on the Sale and Exchange of Land

Principle: Legislation Framework

All property transactions are to comply with relevant legislative requirements.

Practice

Applicable legislative requirements will be identified and managed during all contractual negotiations with prospective parties.

Policy for Property Transactions – Sales and Acquisitions

Principle: Basis of Property Transactions

All property transactions will be conducted in a fair and equitable basis in the overall interests of the Shire.

Practice

All ~~real~~ property should be transacted at market value including that transacted with private entities, government departments and agencies, ~~unless there is a Council resolution that authorises the transaction to proceed at other than market value.~~ ~~Where property is not transacted at market value, the reasons will be detailed in the Council report supporting the proposed action.~~

Councillors will be advised of any pending property transactions.

A report to Council relating to a property transaction should be considered in open Council, ~~with~~ ~~except where it contains~~ commercially sensitive information contained in confidential attachments. ~~When a report is to be considered as a confidential agenda item, the report will explain the commercial-in-confidence aspects of the proposal.~~

Policy for Property Transactions – Sales and Acquisitions

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Policy for Property Transactions – Sales and Acquisitions

BACKGROUND

This Policy has been prepared by Wyong Shire Council to provide guidance for staff members that are responsible for selling, acquiring or exchanging ownership of land.

From time to time, land owned by Wyong Shire Council may be identified as surplus to operational requirements and be offered for sale. Similarly, Council may identify the need for new assets and resolve to acquire property.

Council owned land is a valuable public asset owned by Council on behalf of ratepayers. The adoption of this policy will ensure the sale and acquisition of Council land (real property) with or without buildings or other improvements, and the sale granting of any easements or similar interest in land owned by Council, is transparent, consistent and has regard to Council's strategic aims and statutory responsibilities.

OBJECTIVES

The objectives of this policy are to:

- 1 Ensure property transactions comply with statutory obligations
- 2 Ensure property transactions are transparent, robust and aligned to Council's Strategic Plan.

LEGISLATIVE REQUIREMENTS

The *Local Government Act 1993* (the *Local Government Act*) sets out specific legislative requirements in regard to the management and disposal of public land by Councils. This policy is intended to provide further guidance on property dealings in addition to the statutory obligations under the *Local Government Act*.

ACQUISITION AND DISPOSAL OF REAL PROPERTY ASSETS

Council resolution required

There must be a Council resolution for any land to be sold or acquired. Council officers may undertake preliminary enquiries and processing of applications for the closure of roads and sale or purchase of land prior to reporting to Council but cannot agree to the sale or purchase of any Council land in the absence of a Council resolution.

Classification

Under the *Local Government Act*, land under Council's control, other than roads and crown land, must be classified as either "community land" or "operational land."

Council cannot sell, exchange or otherwise dispose of land classified as community land (s. 45 of the *Local Government Act*). Accordingly, where Council has resolved to dispose of property, it would first have to reclassify the land as operational land, which must be done by a Local Environmental Plan

Policy for Property Transactions – Sales and Acquisitions

LEP and requires public exhibition of the proposed LEP, community consultation, a public hearing conducted by an independent chairperson and consent of the Minister.

Public land owned by Council and classified as operational land can be sold at the discretion of Council, subject to a resolution endorsing the sale.

Land acquired by Council must be designated as 'community' or 'operational' at the time of acquisition. All future land purchases by Council ~~should generally will~~ be designated as operational land irrespective of the intended or existing use.

Roads Act, 1993

The Roads Act sets out some requirements for the formal and permanent closure of parts of public roads and lanes. ~~The Minister, NSW Trade and Investment administers the Roads Act~~ Under s. 43(2) of the Roads Act ~~land vested in a Council and forming part of a former public road is closed roads are~~ classified as operational land for the purpose of the Local Government Act, ~~unless Council resolves before the land vests that it is to become community land.~~

PROPERTY DIVESTMENT

General Principles

1. All sales of land must comply with the provisions of the ~~Local Government~~ Act.
2. Sales should be conducted through a competitive public process (i.e. public auction, public tender or by registration of expressions of interest ~~by advertising~~) unless circumstances exist that justify an alternative method of sale, such as sale or exchange of land by private treaty (for example where the only viable purchasers are the adjoining owners). Council must outline the reasoning which led to its decision to use an alternative method of sale in the interests of probity, public accountability and transparency.
3. Sales should be in the best interests of the community and provide the best result, both financial and non-financial, for the Council and the community.
4. Generally, all sales should occur at not less than the market value assessed by an independent valuer engaged by Council.
5. ~~The assessment of market value may be based on a market appraisal carried out by a Council officer with appropriate skills and experience who is independent from the Business Unit responsible for the property transaction, instead of an external valuation, if the land proposed to be sold:~~
 - ~~Is unimproved land; or~~
 - ~~Is improved land with a market value likely to be less than \$300,000 (ex GST); or~~
 - ~~An external valuation of the property was obtained by Council less than 3 years previously.~~
6. In the event that land is sold for less than the market value, the Council should explain the circumstances, reasons or factors which led to the decision to recommend acceptance a sale price that is less than market value.

Policy for Property Transactions – Sales and Acquisitions

75. Prior to being offered for sale, property should be appropriately zoned or arrangements made in preparation for re-zoning. This will ensure that the ultimate use of the land is determined by that zone and the highest possible sale price is achieved.
86. Where an opportunity exists to substantially increase the potential value of a site through development consent, Council should consider endeavour to secure such consent prior to the sale of the land if appropriate in the circumstances.
98. Council policy is not to sell land which is used by the community as a public pedestrian thoroughfare, pathway, access way or the like, unless full details have been disclosed in the Report to Council recommending the sale, including potential impacts on the community.
109. —Applications for the closure and sale of part of a lane or road are looked at individually. Amongst other things, Council's operational requirements are considered, effects on streetscape and access are considered, any affected neighbours must be consulted.
110. Roads can only be closed by the Minister, even for roads owned by Council. Council can make the application to the Minister, Department of Lands but cannot guarantee to any potential purchaser that such application will succeed.

CATEGORIES

There are three types of sales which are dealt with separately.

- **Section A** deals with the sale of stand-alone properties, that is properties that can be sold to any person (not just a neighbour) and can be used separately from neighbouring land.
- **Section B** deals with sales to adjacent property owners without a public sales campaign of closed roads, drainage reserves and other small areas of land to be used and consolidated with the purchaser's existing property.
- **Section C** deals with grants of rights of way and other easements over Council's land that benefit privately owned land.

A. "Stand Alone" Properties

- Without limiting Council's powers under the Local Government Act, Council may sell operational land if that sale is to provide funds for future asset acquisition through the Property Reserve.
- Prior to the sale of land, Council must:
 - (i) Determine the property to be surplus to requirements, or
 - (ii) Where it is commercial property, prepare a Business Case outlining the reason for divestment.
- Reports to Council recommending a property sale must include, where relevant:
 - (i) a detailed description of the property, its address, size, improvements and brief history of use;

Policy for Property Transactions – Sales and Acquisitions

- (ii) details of why the property is deemed surplus to Council's current and future service delivery requirements;
 - (iii) disclosure of current or estimated ~~holding-maintenance costs or requirements~~;
 - (iv) assessment of alternatives to disposal including potential interim uses to which the property may be put and the likely revenue (if any) from such interim uses;
 - (v) an indicative value for the property (to be confirmed by independent valuation ~~or internal market appraisal~~);
 - ~~(v)~~
 - (vi) any proposal for use of the sale proceeds.
- In the absence of a specific resolution for other application, the sale proceeds are to be paid into the Property Reserve for reinvestment into other land or property assets. The sale proceeds are not to be used for Council's recurrent or operational expenses. **This requirement does not apply to proceeds from the sale of former public roads, on the basis that section 43(4) Roads Act requires these proceeds to be used for acquiring land for public roads or carrying out roadwork on public roads.**
 - Prior to sale, Council will obtain ~~an assessment of the market value -valuation of the market sale price~~ from an external registered valuer, ~~or an internal market appraisal if permitted under Property Divestment General Principle 5 of this Policy.~~ –This will be used to set the reserve price at auction and for any negotiations.
 - Council may appoint a licensed real estate agent to act on the sale.
 - Sales should be structured to obtain the highest price for the land.
 - Sales will **generally** be conducted through a public competitive process (tender, EOI, auction, ~~advertising-private treaty~~).
 - The sale will be advertised in accordance with usual industry practice for the sale of similar types of properties by private sellers. If the property is auctioned but does not reach the reserve price, Council may negotiate a sale to the highest bidder.
 - In rare cases, stand-alone properties will have only one potential purchaser and in that case, Council may negotiate a private treaty sale with that purchaser, for ~~not less than~~ the market ~~price-value~~ in accordance with the valuation received, ~~or an internal market appraisal if permitted under Property Divestment General Principle 5 of this Policy.~~

B. Sales to Adjacent Property Owners

- In some cases, such as **small** lots created through road closures, surplus land may have little commercial appeal to the broader market. In such cases a sale may be negotiated directly with adjoining land owners.
- The sale of Council owned property to the adjacent property owner may be instigated by either Council or by the adjacent property owner interested in

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Policy for Property Transactions – Sales and Acquisitions

purchasing. ~~Potential purchasers must agree to payment of the Council's costs in completing the sale and the sale price.~~

- Council may be willing to sell drainage reserves to adjacent property owners, provided there is no impact on service delivery.
- Any sale of a drainage reserve will require the creation of a drainage easement in Council's favour over the land to be sold.
- ~~Where the purchase is not instigated by Council, the~~ Any purchaser ~~of adjacent Council land~~ must pay:
 - All costs and expenses incurred by Council in connection with the road closure (if relevant), subdivision (if any) and sale including but not limited to:
 - o surveyor's fees (if a road closure or subdivision of a drainage reserve is involved and/or if a plan of consolidation is required), and registration fees for the plan/s of subdivision and/or consolidation;
 - o development application fees, or the fees of an external assessor of the development application for subdivision (if any);
 - o fees payable to any other authority, for example the road closure application fee to the Department of Lands;
 - o valuer's fees; and
 - o legal fees incurred by Council in connection with the sale.
- ~~Where the purchase is instigated by Council, Council may require the purchaser to pay some or all of the costs and expenses referred to above.~~
- ~~In all cases, the purchaser must pay:~~
 - the sale price of the land being the amount assessed by an external registered valuer, ~~or an internal market appraisal if permitted under Property Divestment General Principle 5 of this Policy,~~ having regard to the amount by which the addition of the land will increase the market value of the purchaser's existing property with which it is to be consolidated and used; and
 - the purchaser's own costs in connection with the sale including but not limited to surveyor's fees for any plan of consolidation of the land sold with the purchaser's existing property and solicitor's costs and disbursements.
- Net proceeds from the sale of land **(other than for former public roads)** will be paid into Council's Property Reserve.

C. Grants of Easements

- An easement is a right burdening one parcel of land and benefitting another parcel of land owned by a different person. It allows the owner of the benefitted land to use part of the burdened land of another person for purposes which would not be permitted in the absence of the easement. For example, a right of way permits access over the burdened land to the benefitted land, which would otherwise be trespass without the easement. The easement is attached to the land and registered on the title of both properties, so that it automatically

Policy for Property Transactions – Sales and Acquisitions

passes to purchasers of the land. It continues indefinitely unless and until, for example, it is expressly released by the owner of the benefitted land or extinguished by the Supreme Court on evidence that it is no longer used. It is a valuable interest in land.

- Properties adjacent to Council owned land do not have a right to use the Council owned land for access to their private properties without a registered right of way, lease or licence agreement. Similarly, a private property owner does not have the right to run pipes or other services across, through or under Council owned land unless there is a legal registered easement allowing this. In this respect, Council owned land is no different from land owned by a private owner.
- Council cannot grant rights of way over community land for access to private properties, and has very limited rights to grant easements for underground pipes under community land. Council can grant easements over its operational land the same as any private owner.
- The grant of an easement over Council land reduces the value of that Council land. It also restricts the use of part of the Council land. Council cannot block any right of way and usually cannot build over the site of an easement for drainage or other services. The same restrictions would apply to any purchaser of Council land which is burdened by an easement and so reduces the sale value.
- The grant of a right of way or other easement benefitting an adjacent or nearby private property increases the value of that property. It can give vehicular access to a property that otherwise does not have vehicular access. It can give rear access to a property that otherwise would not have rear access. It can allow development on that other property that may not otherwise be possible. It can allow increased development on that property because provision for access does not have to be made on that property to the road but only to the Council land and then along the right of way to the road. It can reduce the costs of development on that property if pipes can be taken under Council's land rather than on a longer route along the public road.
- Any agreement by Council to create or grant an easement over Council land benefitting private land is on the basis that the grantee must pay:
 - all costs and expenses in connection with creation of the right of way, including but not limited to survey, valuation, legal and registration fees; and
 - the consideration (sale price) for the grant easement being the amount assessed by an external registered valuer having regard to the amount by which the easement increases the market value of the benefitted land and the amount by which the easement reduces the market value of the burdened Council land.
- The consideration for the easement may be based on a market appraisal carried out by a Council officer with appropriate skills and experience who is independent from the Business Unit responsible for the property transaction, instead of an external valuation, if the easement proposed to be created or granted:

Policy for Property Transactions – Sales and Acquisitions

- Is over unimproved land only; or
- The consideration for the grant of easement is likely to be less than \$50,000 (ex GST); or
- An external valuation of the affected property was obtained by Council less than 3 years previously.

Compliance

- Purchasers of Council land are expected to comply with the terms and conditions of any formal agreement and contract for sale entered into by them, including as to the time for completion and amounts to be paid. Grantees of easements over Council's land are expected to comply with the registered terms of the easement. The obligations are not reduced and will not be waived because the vendor/grantor is Council rather than a private seller/grantor.

Policy for Property Transactions – Sales and Acquisitions

PROCEDURE FOR THE SALE OF LAND

Preparation of land for sale

Council should ensure that land is offered for sale in a manner that will ensure the maximum price is achieved while protecting both the Council and the public interest. ~~Land zoned for public purposes must be appropriately rezoned prior to public sale.~~

Some examples of matters which should be addressed before offering land for sale include:

- The land proposed for sale being sold at its highest and best use and is zoned appropriately, ~~or arrangements made for re-zoning.~~
- Presentation of the land should expose its best attributes. Preparation for sale should include (where ~~appropriate~~ relevant) repairs, cleaning, painting, clearing of vegetation, pegging of boundaries and associated works.
- The optimum development potential of the land should be considered ~~and development consent obtained if it will result in a financial gain to Council.~~
- The need for any continuing interest in the land such as covenants, easements, leases, licenses, planning protections or controls and so on.
- Is subdivision required?
- Structural and engineering reports may be required.
- Environmental reports should be obtained where there is possible contamination.
- Land must be offered for sale with full disclosure of relevant information to enable a full and proper due diligence enquiry.
- If land proposed for sale is contaminated, a strategy for its remediation (including the responsibility for and the funding of remediation works) needs to be developed.
- A site survey is to be commissioned ~~if required~~ to accurately define the asset being sold.

~~Where the Council proposes to offer a lease on the land before selling it, or where it offers a leaseback, the lease should include commercial terms and conditions to ensure the full market value of the land is realised.~~

As each sale is different, the above matters are only examples of the many potential matters that should be addressed before offering land for sale. In all cases, the preparation of land for sale should be cost-effective and be consistent with the nature of the land being proposed for sale as well as the circumstances which have led to the proposed sale.

Appointment of consultants and real estate agents

Consultants may be appointed to give advice or to assist with the preparation of the land for sale. Consultants may include valuers, surveyors, engineers, environmental assessors (i.e. in relation to soil contamination and remediation), demolition specialists, town planners, legal advisers and so on.

Consultants must be independent and not have any personal or pecuniary interest in the transaction. A written declaration or disclosure in this regard is essential.

A consultant must not be appointed as valuer and selling agent for the same land. Careful selection of consultants will ensure best results are achieved. Consultants should be fully briefed on the scope of their engagement. Only those consultants who are adequately qualified, skilled and experienced

Policy for Property Transactions – Sales and Acquisitions

should be invited to tender for the services to be performed. This will generally enable acceptance of the lowest quote or tender.

Consultants must provide evidence of professional indemnity insurance.

Instructions for Valuers

Valuers should receive unbiased instructions to carry out the valuation independently, free from influence or collusion with the selling real estate agent and Council officers, and in the case where land is being exchanged, with the owners of property which are the subject of the exchange. In appointing the valuer, the Council must ensure that the preferred valuer **must not** have any conflict of interest.

Generally, valuers should be instructed to provide a valuation on the basis of highest and best use of the land proposed for sale. However, where land is proposed for sale for some purpose other than the highest and best use, the valuer should be instructed to provide a valuation on both bases. This will enable the Council to make an informed decision on the sale of this land. Further, the community can be fully informed of the value of any community service obligation that might arise as a result of the land being used for a purpose other than highest and best use.

If the value of the land is high and/or the land is complex in nature, it would be prudent to have a second valuation done by an independently instructed valuer on the same instructions. If there is a difference of opinion in the valuation, a valuer's conference should be called to work out the differences and arrive at an agreed valuation. An impartial chairperson should preside over the conference.

Instructions for Real Estate Agents

Real estate agents should be required to provide a report, which outlines:

- details of the proposed marketing and advertising campaigns;
- the expected selling price; and
- details of any works required to be undertaken on the land being offered for sale

Where the sale is by auction, the real estate agent should nominate the auctioneer prior to the appointment.

Method of Sale

Sale by public auction

Where the Council has decided that land is to be sold by public auction, the sale of this land before auction must not be permitted.

Sale of land by public auction should be conducted in the following manner:

- After the selection and appointment of a real estate agent, the date of auction should be set, allowing approximately four to six weeks for an advertising campaign. The period may need to be varied depending on the type of land. The agent should be required to submit a summary to the Council of the marketing campaign, enquiry rate and anticipated result seven days before the auction.

Policy for Property Transactions – Sales and Acquisitions

- The advertising campaign should be conducted in a manner that adequately exposes the land to the market.
- If an external valuation is required, The valuer(s) should provide valuations to the Council at least two to three weeks before the auction date. This will allow sufficient time to arrange a conference of valuers, or to confer with the valuer(s) if there is any concern about or disagreement over the valuations provided.
- When the valuation(s) and the selling agent's report have been received, the Council should determine a reserve price. The reserve price should be not less than the market value, unless there is a Council resolution that authorises the transaction to proceed at other than market value. The reserve price must be set before the auction and must remain confidential at all times.
- Security must be maintained over documentation relating to the reserve price.

Documents such as valuations, agent's reports and related correspondence must be provided on a confidential basis and only to the Council representatives responsible for the transaction.

- The reserve price or valuation advice must not be disclosed, particularly to the selling agent, before the auction.
- If the land fails to sell at auction, it is to be passed in for negotiation with the highest bidder and offered for sale to that person at not less than the reserve price, unless there is a Council resolution that authorises the transaction to proceed at other than the reserve price or market value.
- If the land remains unsold following negotiations after auction, it should be left on the market for private sale at not less than the reserve price, unless there is a Council resolution that authorises the transaction to proceed at other than the reserve price or market value, –for an appropriate or reasonable period of time as determined by the Council.
- If an offer is received which is lower than the market valuevaluation and the Council is considering acceptance of the offer, it should be submitted to Council for consideration with an explanation as to why the lower value should be considered, unless there is a Council resolution that authorises the transaction to proceed at other than market value. -

Sale by public tender

Where the Council has decided that land is to be sold by public tender, the sale of this land before the close of tenders must not be permitted.

Most of the procedures described in the conduct of a sale by public auction are relevant to a sale by public tender, and it is recommended that they be read in conjunction with this section.

Sale of land by public tender should be conducted in the following manner:

- Tender documents must be prepared which outline the process for the sale and all relevant timelines. The documents should also outline the broad objectives the Council wishes to achieve through the sale, how tenders will be received and assessed, and how any post tender negotiations will be conducted.
- Where appropriate the Council should appoint a probity auditor to oversee the entirety of the sale process.

Policy for Property Transactions – Sales and Acquisitions

- The reserve price must be set before the close of tenders and must remain confidential to ensure the integrity of the sale process. Tendere must not be opened until the reserve price is set (i.e. if a reserve price had not been set before the close of tenders).
- Tendere must be lodged with the Council or its legal representative. Tendere must not be lodged with the selling agent. Tendere lodged with the selling agent should not be accepted. Tendere submitted by facsimile or by e-mail should also not be accepted.
- Late tendere must not be accepted.
- Tendere should only be opened by a formally appointed panel comprising representatives of the Council and may include its legal representative and, if appointed, the probity auditor.
- The conforming tender that offers the best result, both financial and non-financial, for Council and the community, highest non-financial tender at or above the reserve price should be accepted. If no conforming tendere are received at or above the reserve price, the Council may commence post tender negotiations in accordance with its pre-determined strategy. This may involve negotiations with the highest tenderer or may involve inviting tenderers to consider increasing their offers for the property. Post tender negotiations should only be conducted for the duration allowed in the tender documentation. If the land remains unsold, it should be formally passed in and all tenderers must be advised. The land should continue to be marketed for an appropriate or reasonable period of time as determined by the Council.
- If an offer is received which is lower than the valuation adopted as the reserve price or market value and the Council is considering acceptance of the offer then Council should disclose the reasons for its decision to sell the land for a price lower than valuation, unless there is a Council resolution that authorises the transaction to proceed at other than market value.

Sale by Public Registration or Expression of Interest

This method of sale is useful where the Council wishes to expose land to the market without the assistance of an agent. It can be used as a public marketing process that is an alternative to an auction or tender.

This method of sale is also appropriate in circumstances where, in addition to selling the land, a Council wishes to control the future use or development of the land.

Potential purchasers can be invited to provide details of a design concept or to make a commitment to enter into an agreement to develop the land in accordance with the Council's brief. Interested parties may also be required to provide details of their ability to perform and of their history of achievements.

Registration of expressions of interest may or may not be binding on either party.

The reserve price for the land should be set before the receipt of offers. Again, the reserve price must remain confidential to ensure the integrity of the sale process.

The marketing of the land should be conducted in the same manner as sales by auction or tender. If a Council has a desired development outcome for the land, the advertising campaign must include details of the proposal.

Policy for Property Transactions – Sales and Acquisitions

Sale/Exchange by Private Treaty

There may be circumstances where it may be more appropriate to sell/exchange land by private treaty.

Generally, it will be determined by:

- the nature of land that is proposed for sale/exchange; and
- how the proposed sale/exchange is initiated, e.g. often it is an external person who has initiated discussions with the Council with regard to the sale/exchange of land, that will determine if a sale/exchange by private treaty is appropriate

The nature/type of land may include:

- rear laneways and rights-of-way;
- disused/closed roads; and
- ~~small allotments from previous inappropriate~~ subdivisions

Prospective purchasers of this type of land may include:

- owners of adjacent properties;
- developers;
- community groups;
- State/Commonwealth Government; and
- other parties with a particular interest in that land

An important consideration is the value of land proposed for sale/exchange. The value of this land to the Council may be different (and in some cases, significantly different) to the value of land to the prospective purchaser. For example:

- The addition of ~~small allotments or~~ part of a laneway or disused/closed road to an adjoining owner's property may increase the value of the combined property.
- The ~~availability of the additional land sale of allotments in an inappropriate sub-division to an adjoining owner~~ could mean the difference between not being able to and being able to develop ~~or subdivide the purchaser's~~ property.
- The sale/exchange of land to a developer could reap the developer a significant return on ~~invested~~ their investment.

Additionally, the sale/exchange of land ~~to a community group~~ may result in a loss of general public access to land which may become restricted as a consequence of the sale/exchange. Any change in public access needs to be balanced with the public/community benefit which may arise from the sale/exchange and managed properly.

Given the nature of land generally offered for sale/exchange, the differences in value of the land for the vendor and the prospective purchaser, and the likely public perceptions of the proposed transaction, the highest standards of probity and transparency must be applied and be seen to be applied.

Policy for Property Transactions – Sales and Acquisitions

PROCEDURE FOR ACQUISITION OF LAND

At times Council will resolve to acquire new ~~r~~Real property assets. These assets may be acquired to assist in current or future delivery of Council Services or to supplement Councils revenue – generating investment/development portfolio.

General Principles

- All property acquisitions must be supported by a Council ~~r~~resolution.
- New acquisitions ~~should~~~~will~~ generally be classified as operational land.
- Purchases will be conducted through private treaty negotiation, tender or expressions of interest. Purchases through public auction should not be pursued.
- The purchase price ~~must~~~~should~~ not be more than the market value as determined by an independent valuation, ~~or an internal market appraisal if permitted under Property Divestment General Principle 5 of this Policy, unless there is a Council resolution that authorises the transaction to proceed at other than market value.~~ The valuation must be based on the current state, ~~and~~ condition ~~and zoning~~ of the property and not the development potential of the site.
- Negotiations with potential vendors/owners of sites identified for acquisition can be conducted without a Council resolution, however, no binding offer to purchase can be made until a resolution supporting the acquisition has been pursued.
- Council must undertake detailed due diligence on the site including, but not limited to;
 - Property and title searches
 - Contamination
 - Zoning development potential
 - Registered interests (easement and rights of way, etc.)
 - Structural/engineering reports
 - Environmental constraints (flooding, EECs, etc.)
 - Surveys.

6.2 Property Portfolio Review Project - Stage 2

TRIM REFERENCE: F2014/00328 - D11704577

MANAGER: Greg McDonald, Director

AUTHOR: Kathryn Heintz; Senior Strategic Planner

SUMMARY

Council's operational property portfolio is extensive, with approximately 1,337 properties, and a further 497 properties recently submitted to the Department of Planning & Environment for reclassification to operational. As part of Council's ongoing review of the highest and best use of its assets in terms of service to the community, a review of Council's operational property portfolio by staff within Council's Property Development Unit commenced in January 2014.

This review includes all Council-owned land classified as operational, including that land reclassified to operational land under *Wyong Local Environmental Plan 2013* in December 2013. A Stage 1 review restricted to small parcels of land between 350m²-650m², as well as any land to the west of the M1 Pacific Motorway, has since been completed. On 11 June 2014, 21 properties were approved for sale at the ordinary meeting of Council as part of Stage 1 of this review.

This report provides detail on the outcomes of Stage 2 of this review, which was generally restricted to parcels of land less than 1,000m² in size. The parcels selected are identified as surplus to Council's needs and have limited impact on the community and therefore are suitable for immediate sale. This review has resulted in 38 parcels being identified as surplus to Council's needs and having limited service to the community.

This report identifies these surplus properties and seeks Council's authorisation to proceed with the sale of these properties, generally for not less than market value.

RECOMMENDATION

1 That Council authorise the sale of the following properties:

- 1 3W Eric Place, Berkeley Vale (Lot 40 DP 263868)**
- 2 79 Hillside Drive, Berkeley Vale (Lot 216 DP 216319)**
- 3 7W Sunnyhills Terrace, Berkeley Vale (Lot 18 DP 262327)**
- 4 Malvina Parade, Gorokan (Lot 351 DP 26286)**
- 5 23 Mary Street, Gorokan (Lot 48 DP 19705)**
- 6 43W Ulana Avenue, Halekulani (Lot 2 DP 218406)**
- 7 101W Malvina Parade, Lake Haven (Lot 191 DP 12248)**
- 8 92 Budgewoi Road, Noraville (Lot 102 DP 26104)**
- 9 8 Wyndora Avenue, San Remo (Lot 146 DP 28798)**
- 10 3 Boomerang Road, The Entrance (Lot 100 DP 734527)**
- 11 160A The Entrance Road, The Entrance (Lot B DP 376323)**
- 12 307 Tuggerawong Road, Tuggerawong (Lot 65 DP 13019)**
- 13 1W Lucca Road, Wyong (Lot 21 DP 243037)**
- 14 2W Lucca Road, Wyong (Lot 1 DP 243037)**

- 15 44W Springall Avenue, Wyongah (Lot 210 DP 26178)
- 16 48W Berne Street, Bateau Bay (Lot 4 DP 717462)
- 17 48W Debra Anne Drive, Bateau Bay (Lot 284 DP 875780)
- 18 9W Greenwood Avenue, Berkeley Vale (Lot 19 DP 262327)
- 19 5 Sunnyhills Terrace, Berkeley Vale (Lot 12 DP 730803)
- 20 44W Mckellar Boulevard, Blue Haven (Lot 997 DP 1035659)
- 21 44W Mckellar Boulevard, Blue Haven (Lot 999 DP 1035659)
- 22 46W Olney Drive, Blue Haven (Lot 998 DP 1035659)
- 23 198 Roper Road, Blue Haven (Lot 15 DP 1184211)
- 24 10 Wallarah Road, Gorokan (Lot 342 DP 778683)
- 25 67 Gilbert Street, Long Jetty (Lot 72 DP 20749)
- 26 15W Willow Street, Long Jetty (Lot 2 DP 403459)
- 27 2 Budgewoi Road, Noraville (Lot 4C DP 24617)
- 28 444W Main Road, Noraville (Lot 22 DP 717325)
- 29 13W Alex Close, Ourimbah (Lot 38 DP 787730)
- 30 24W Kauri Court, Ourimbah (Lot 68 DP 793613)
- 31 23W Old Farm Place, Ourimbah (Lot 11 DP 862250)
- 32 2W Benelong Street, The Entrance (Lot 2 DP 614907)
- 33 78W Main Road, Toukley (Lot 370 DP 815190)
- 34 98W Main Road, Toukley (Lot 97 DP 14731)
- 35 45W Pacific Highway, Tuggerah (Lot 1 DP 605627)
- 36 152W Pacific Highway, Watanobbi (Lot 3 DP 541094)
- 37 222W Pacific Highway, Watanobbi (Lot 1 DP 562779)
- 38 28W Marathon Street, Wyong (Lot 3 DP 582389)

- 2 That Council authorise the General Manager to finalise the terms of sale.
- 3 That Council authorise the General Manager and the Mayor to execute all necessary documentation relevant to the sale of these properties.
- 4 That Council authorise the Common Seal of Wyong Shire Council to be affixed to the formal documents associated with the sale of land as required between Wyong Shire Council and the purchaser.

BACKGROUND

The background to Council's Property Portfolio Review has previously been discussed in reports to the Employment and Economic Development Committee on 5 March 2014 and 7 May 2014, and a report to the Ordinary Meeting of Council on 11 June 2014. In summary, this review is being undertaken to ensure that Council is managing its property portfolio as a strategic resource, on behalf of Wyong LGA ratepayers.

To this end, the Property Portfolio Review is listed in Council's Strategic Plan 2013-2017 as a designated 'Major Project' – projects dealing with priority areas that are identified as being of critical importance to the community.

The intent of the review is to identify surplus or under-performing sites and to maximise the value of Council's operational property portfolio in a manner that is consistent with the Policy for Property Transactions – Sale and Acquisitions. In accordance with this Policy, any funds generated by this review will be applied to Council's property revenue to fund an improved level of service provision throughout the LGA.

CURRENT STATUS

Stage 1 Review

Sites approved for sale as part of the Stage 1 review are currently being prepared for sale. This involves incorporating the relevant easements to certain properties, as well as finalising the market valuations for these properties, in accordance with Council's Policy for Property Transactions – Sale and Acquisitions.

Stage 2 Review

Stage 2 of this review was generally restricted to operational parcels of land less than 1,000m² in size. This has completed the review of all operational land less than 1,000m² in size. As part of this review, 38 sites have been identified as surplus to Council's needs and have limited impact on the community and therefore are suitable for immediate sale. These sites are detailed later in this report, and in Attachment 1.

Stage 1 and Stage 2 Review – Combined Results

At the completion of Stage 2 of the Property Portfolio Review, 1,011 operational properties have now been reviewed and categorised into one of the following categories:

#	Category	Number of Sites	
		Stage 1	Stage 2
1)	Sale Recommended – Properties to be sold on the open market:	14	38
2)	Sale Recommended – Properties to be sold to adjoining landowners only:	7	0
3)	Sale/Development Potential – For further investigation (Appropriately zoned):	187*	
4)	Sale/Development Potential – For further investigation (Rezoning required):	108*	
5)	No sale or development recommended:	657	
	TOTAL:	1,011	

*See Stage 4 review in 'Next Steps' section of this report

THE PROPOSAL

As a result of the Stage 2 review, a total of 38 surplus properties are recommended for immediate divestment. Of these 38 properties, 15 properties were originally identified as having significant commercial appeal to the broader market and were categorised as stand-alone properties in accordance with the Policy for Property Transactions – Sale and Acquisition of Land. Stand-alone properties are defined as those properties that can be sold to any person (not just a neighbour) and can be used separately from neighbouring land.

A further 23 properties were identified as being too small or otherwise generally inappropriate site attributes to be categorised as stand-alone properties. As a result, these properties were classified as those suitable for sale to adjacent property owners only, for example to enable an adjoining property owner to amalgamate these properties to create a larger parcel of useable land. Sites allocated to this category are those sites that are likely to have little commercial appeal to the broader market.

However, on 3 September 2014, the Employment and Economic Development Committee recommended that all parcels should be made available for sale to any purchaser. As such, all 38 properties are therefore recommended for sale on the open market, as follows:

	Address	Description	Area (m²)
1)	3W Eric Place, Berkeley Vale	Lot 40 DP 263868	793.6
2)	79 Hillside Drive, Berkeley Vale	Lot 216 DP 216319	821.5
3)	7W Sunnyhills Terrace, Berkeley Vale	Lot 18 DP 262327	991.2
4)	2 Malvina Parade, Gorokan	Lot 351 DP 26286	838.8
5)	23 Mary Street, Gorokan	Lot 48 DP 19705	525.0
6)	43W Ulana Avenue, Halekulani	Lot 2 DP 218406	767.6
7)	101W Malvina Parade, Lake Haven	Lot 191 DP 12248	939.5
8)	92 Budgewoi Road, Noraville	Lot 102 DP 26104	787.5
9)	8 Wyndora Avenue, San Remo	Lot 146 DP 28798	692.3
10)	3 Boomerang Road, The Entrance	Lot 100 DP 734527	956.6
11)	160A The Entrance Road, The Entrance	Lot B DP 376323	454.5
12)	307 Tuggerawong Road, Tuggerawong	Lot 65 DP 13019	809.0
13)	1W Lucca Road, Wyong	Lot 21 DP 243037	13,539.3
14)	2W Lucca Road, Wyong	Lot 1 DP 243037	6,325.7
15)	44W Springall Avenue, Wyongah	Lot 210 DP 26178	716.6
16)	48W Berne Street, Bateau Bay	Lot 4 DP 717462	189.8
17)	48W Debra Anne Drive, Bateau Bay	Lot 284 DP 875780	128.0
18)	9W Greenwood Avenue, Berkeley Vale	Lot 19 DP 262327	275.9
19)	5 Sunnyhills Terrace, Berkeley Vale	Lot 12 DP 730803	367.4
20)	44W Mckellar Boulevard, Blue Haven	Lot 997 DP 1035659	66.9
21)	44W Mckellar Boulevard, Blue Haven	Lot 999 DP 1035659	198.6
22)	46W Olney Drive, Blue Haven	Lot 998 DP 1035659	43.0
23)	198 Roper Road, Blue Haven	Lot 15 DP 1184211	452.3
24)	10 Wallarah Road, Gorokan	Lot 342 DP 778683	664.8
25)	67 Gilbert Street, Long Jetty	Lot 72 DP 20749	683.3
26)	15W Willow Street, Long Jetty	Lot 2 DP 403459	87.2
27)	2 Budgewoi Road, Noraville	Lot 4C DP 24617	422.7
28)	444W Main Road, Noraville	Lot 22 DP 717325	123.4
29)	13W Alex Close, Ourimbah	Lot 38 DP 787730	47.0
30)	24W Kauri Court, Ourimbah	Lot 68 DP 793613	320.3
31)	23W Old Farm Place, Ourimbah	Lot 11 DP 862250	483.9
32)	2W Benelong Street, The Entrance	Lot 2 DP 614907	118.3
33)	78W Main Road, Toukley	Lot 370 DP 815190	173.9
34)	98W Main Road, Toukley	Lot 97 DP 14731	814.8
35)	45W Pacific Highway, Tuggerah	Lot 1 DP 605627	497.2
36)	152W Pacific Highway, Watanobbi	Lot 3 DP 541094	195.0
37)	222W Pacific Highway, Watanobbi	Lot 1 DP 562779	44.3
38)	28W Marathon Street, Wyong	Lot 3 DP 582389	193.1

These properties are discussed in more detail in Attachment 1.

NEXT STEPS

Stage 3 Review

Stage 3 of the Property Portfolio Review will involve a thorough analysis of all remaining properties in Council's operational land portfolio, which consists of approximately 326 sites that are larger than 1,000m² in size. As part of Stages 1, 2 and 3 a large number of sites have been categorised as needing further investigation so that Council can maximise the site value prior to divestment or otherwise. At completion of Stage 3 of this project, a clear way forward will be established for all of Council's operational properties. Sites needing further investigation will be reviewed as part of Stage 4 of this project.

Stage 4 Review

Stage 4 of the Property Portfolio Review will involve a thorough analysis of all properties that have been categorised during Stages 1-3 as having some further potential to increase Council's financial return, for example those sites for which the value would be maximised through the preparation of a Development Application. Due to the scale of this Stage of the project, it is anticipated that a staging plan will need to be introduced to implement value adding activities for these properties.

METHOD OF SALE

Council has recently developed a policy to provide guidance and transparency around property transactions. The Policy for Property Transactions – Sale and Acquisition of Land outlines the procedural requirements for the sale of Council-owned land. This policy sets important parameters on matters such as the appointment of agents and methods of sale, establishes clear and transparent procedures to ensure Council maximises the revenue from property transactions and restricts practices which reduce competition and may result in unfavourable outcomes for Council.

In accordance with the Policy for Property Transactions, these properties will be prepared for sale in a transparent and efficient manner. This will include establishing the minimum sale price in accordance with the Policy for Property Transactions – Sale and Acquisition of Land.

The overall profit from sale of these properties is anticipated to be in the region of \$2 million.

OPTIONS

The sites recommended for immediate sale are generally small in size. Review of sites as part of this Stage 2 review was generally restricted to small sites with few development opportunities with the exception of a single dwelling. As a result, those sites with more development options will be considered as part of Stage 4 of the Property Portfolio Review (see 'Next Steps').

STRATEGIC LINKS

Wyong Shire Council Strategic / Annual Plan

As part of the Strategic Plan and the Corporate/Commercial Strategy, Council has committed to put its extensive property portfolio to work by developing revenue streams to offset rate rises and to therefore reduce the rate burden on our community. This will involve reviewing these assets with a view to ensuring that each asset is being used efficiently and to its full potential. This will assist Council to fulfil its responsibilities to the Wyong Shire community.

The Property Portfolio Review is listed in Council's Strategic Plan 2013-2017 as a designated 'Major Project' – projects dealing with priority areas that are identified as being of critical importance to the community.

<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</i>
3	Economic and Property Development	Strengthening the economic base of the Shire by promoting economic development as well as the creation of employment opportunities, identifying and developing sustainable income strategies for Council, and providing property related services to the organisation.	n/a	This project will assist Council to achieve Key Performance Indicator PA03.01.01: 10% increase in rental and/or land sale revenue to Council.

Contribution of Proposal to the Principal Activity

This project will assist Council to achieve Key Performance Indicator PA03.01.01 which requires a 10% increase in rental and/or land sale revenue to Council.

Long Term Financial Strategy (LTFS)

The LTFS is the framework guiding the preferred approach for ensuring Council's enduring financial sustainability. The review of Council's Property Portfolio is therefore aligned with this strategy.

Asset Management Strategy

The Asset Management Strategy guides the various Council Departments as to the best use of resources by ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's service needs. As a result, the review of Council's Property Portfolio is wholly in accordance with Council's Asset Management Strategy.

Workforce Management Strategy

Not applicable.

Link to Community Strategic Plan (2030)

The Property Portfolio Review project aims to identify:

- Surplus/underutilised/non-fit for purpose/vacant assets
- Operational and Non-Operational assets and sites
- Potential to co-locate future community facilities with other assets.

The outcomes of the Property Portfolio Review project will involve maximising our property assets, including sale of surplus sites. Therefore, profits from the sale of surplus Council land will indirectly assist Council in improving our delivery of some, if not all, of the 8 priority areas that the Community identified as part of the Community Strategic Plan:

- Vibrant, caring and connected communities
- Access to facilities, programs and services
- Ease of travel
- Educated, innovative and creative communities
- Enhanced areas of natural value
- Community ownership of the natural and built environment
- Strong sustainable business sector and increased local employment
- Advanced information communication technology.

Budget Impact

Council will incur costs associated with the proposed sale of land including survey, agent commissions and legal fees. However, if the properties are sold Council will also receive proceeds of the sale. Overall the proposal is expected to yield a positive budget return to Council. It is proposed that the proceeds of any proposed sale can be directed towards improving Council facilities and services.

CONSULTATION

Internal Stakeholders

For Stage 2 of this project a team of senior staff from across the organisation reviewed each of the properties identified in Attachment 1. Representatives from the following Sections within Council were included in this process and were provided with final approval authority for the sale of each site:

- 1) Roads & Drainage
- 2) Water & Sewer
- 3) Community Partnerships & Planning
- 4) Open Space & Recreation
- 5) Engineering Assessments
- 6) Property Management
- 7) Property Development.

In particular, the following site was subject to further stakeholder consultation:

a *67 Gilbert Street, Long Jetty*

There is some concern from Council's Infrastructure Operations Department in relation to the proximity of this site to the adjacent reservoir. Council has received complaints from nearby residents in relation to operational noise from this reservoir from the on-site water pumping station, as well as noise that is generated during essential maintenance activity. As a result, concern has been raised in relation to costs that Council may incur in order to provide acoustic treatments to minimise noise emanating from the water pumping station.

This is noted, however these issues can be further reviewed prior to sale, with these issues either being resolvable and therefore sale can proceed, or unable to be resolved which will result in this property not proceeding to final sale.

Employment and Economic Development Committee (EEDC)

The properties recommended for sale were also considered by the EEDC on 3 September 2014, at which time the following resolution was made:

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

- 1. That the Committee receive the report on the Property Portfolio Review – Stage 2.*
- 2. That the Committee recommend to Council that it endorse the list of properties identified in Attachment 1 which have been identified as surplus to Council's needs.*
- 3. That the Committee recommend to Council that those properties identified in Attachment 1 to this report be sold.*
- 4. That the Committee recommend to Council that all properties identified in this report be available for purchase by any interested party.*

Councillor Greenwald requested that his dissenting vote be recorded.

*FOR: Councillors Eaton, Troy and Webster
AGAINST: Councillor Greenwald"*

In particular, the following sites were discussed in detail at the EEDC meeting:

a *3 Boomerang Road, The Entrance*

The current use of this site was queried by EEDC members. In response, it is advised that this property is not leased at present and is therefore vacant. This property has been deemed by the asset owner (Community Partnerships and Planning) as surplus to operating requirements and is therefore recommended for sale.

6.2 Property Portfolio Review Project - Stage 2 (contd)

b 2W Benelong Street, The Entrance

EEDC members recommended that sale of this property be delayed until agreement is reached for The Entrance Greens Iconic Site in relation to the 4th bowling green on Council land. This is noted and will be actioned accordingly.

c 44W Springall Avenue, Wyongah

The current use of this site for the purpose of pedestrian access was queried by EEDC members. In response, it is advised that this site has a formalised footpath through the property which connects Springall Avenue to Swan Street. However, if this pedestrian connection was removed due to sale of this property, the distance to cross streets for pedestrians would be approximately 600 metres. This is consistent with a number of streets in the surrounding neighbourhoods and will therefore result in minimal impact to the community. An alternative could be incorporation of a pedestrian pathway along the side of the property, which could be subdivided prior to sale of this property, should approval be provided to sell this property, although this course of action is not recommended.

d 5 Sunnyhills Terrace, Berkeley Vale

EEDC members suggested that prior to sale, a boundary adjustment should be carried out for these properties in order to normalise the dimensions of these properties. This is noted and will be actioned should approval be provided to sell these properties.

e 152W Pacific Highway, Wyong

EEDC members suggested that prior to sale, a boundary adjustment should be carried out to normalise the dimension of this property from a triangular shape to a rectangular shape. This is noted however as the surrounding land is part of the Watanobbi Road and Pacific Highway road reserves, a road closure application and a lot consolidation plan will need to be prepared and submitted to the State Government, prior to this site being normalised in shape. This will be investigated, however the final outcome will be dependent on assessing the additional acquisition and survey costs to any additional sales income that might be generated.

f 160A The Entrance Road, The Entrance

Please note that since the EEDC meeting took place, 160A The Entrance Road, The Entrance (Lot B DP 376323) has been added to the list of sites recommended for sale. This site has been endorsed for sale by Council's Water & Sewer Unit due to this Unit being assigned as the asset owner for this property. This site has also been endorsed for sale by Council's Property and Economic Development Department.

GOVERNANCE AND POLICY IMPLICATIONS

The proposal is consistent with Council's Property Strategy and the Policy for Property Transactions – Sale and Acquisition of Land.

MATERIAL RISKS AND ISSUES

There are no material risks as the properties will not be sold for less than market value, with the possible exception of those properties originally categorised as 'Sales to Adjacent Property Owners' only, which may be sold for less than market value if the consent of the General Manager is obtained.

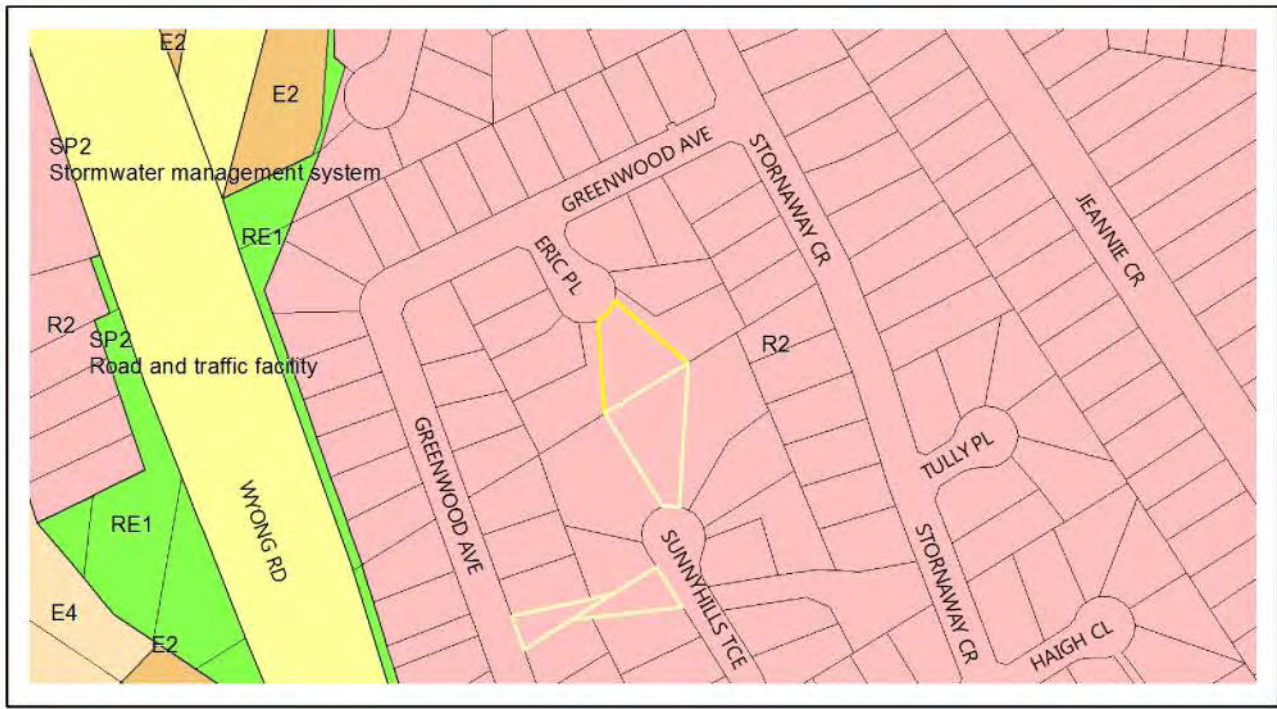
CONCLUSION

Stage 2 of the Property Portfolio Review is now complete. As the subject sites are surplus to Council requirements and are classed as Operational land, it is recommended that the proposed sale of the land be authorised, as set out in this report.

ATTACHMENTS

- 1 Report - Council - Review of Councils Property Portfolio - 8 October 2014 D11711117
- Attachment 1

1. Parcel Information for Stand Alone Property 1	
Address	3W ERIC PLACE BERKELEY VALE 2261
Known As	
Parcel Description	Lot 40 DP 263868
2. Area	
SQM	793.6m2
3. Location	
e.g. Access to town centres	Berkeley Vale residential area
4. Acquisition Details	
S.94 Dedication	1983
Agreements over the land	Marked as public reserve on DP. Easement for electricity 2 wide on western boundary.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Public Reserve
5. Current Use	
Current Use / Potential Conflicts	Public Reserve
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
MIne Subsidence District	No
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land)
8. Funding	
Asset Owner	Open Space & Recreation
9. Conclusion	
Comments	Vacant land not used for formal recreation. Lot 17 DP 262327 in Council ownership provides public open space in same location. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes.
10. Figures (see following page)	



Lot 40 DP263868

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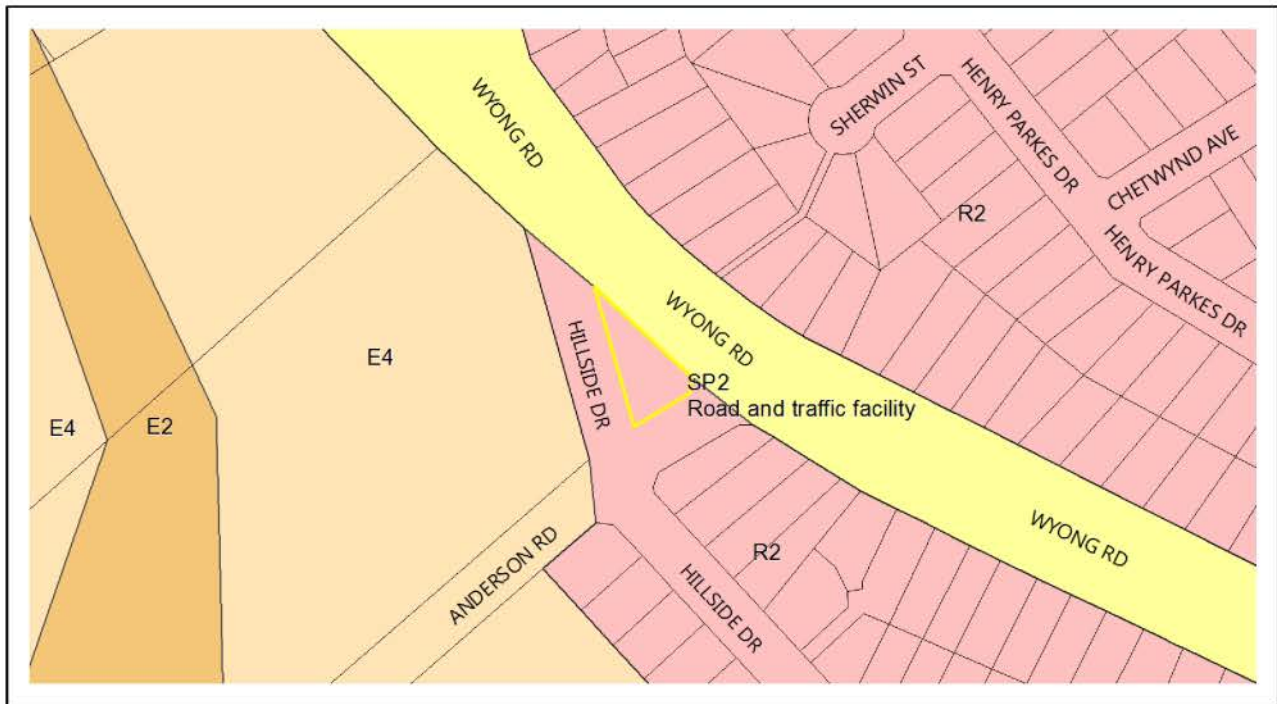
Legend

- Zone Codes
- Proposed Roads
- Zone
- Environmental Conservation
- Strategic Land Use
- Local Density Provisions
- SP Stormwater
- R2 Infrastructure

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1. Parcel Information for Stand Alone Property 2	
Address	79 HILLSIDE DR BERKELEY VALE 2261
Known As	
Parcel Description	Lot 216 DP 216319
2. Area	
SQM	821.52m2
3. Location	
e.g. Access to town centres	Berkeley Vale residential area
4. Acquisition Details	
S.94 Dedication	1962 - No.
Agreements over the land	Nil
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Vacant land.
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Water - Yes Sewer - No
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	Yes
MIne Subsidence District	No
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Open Space & Recreation
9. Conclusion	
Comments	Vacant land not used for formal recreation. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes.
10. Figures (see following page)	



Lot 216 DP216319

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Legend

- Drive Pitches
- Separated Pavement
- Sewer
- E1: Environmental Conservation
- E2: Residential Living
- R2: Low Density Residential
- SP2 Infrastructure



1. Parcel Information for Stand Alone Property 3	
Address	7W SUNNYHILLS TERRACE BERKELEY VALE 2261
Known As	
Parcel Description	Lot 18 DP 262327
2. Area	
SQM	991.23m2
3. Location	
e.g. Access to town centres	Berkeley Vale residential area
4. Acquisition Details	
S.94 Dedication	1981
Agreements over the land	Marked as public reserve on DP. Easement for electricity 2 wide on western boundary.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Public Reserve
5. Current Use	
Current Use / Potential Conflicts	Public Reserve
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Water - Yes Sewer - No
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
MIne Subsidence District	No
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land)
8. Funding	
Asset Owner	Open Space & Recreation
9. Conclusion	
Comments	Vacant land not used for formal recreation. Lot 12 DP 730803 & Lot 17 DP 262327 in Council ownership provide public open space in same location. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes.
10. Figures (see following page)	



Lot 18 DP262327

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Legend

- State Roads
- Regional Roads
- Zone
- E2 - Residential Generalist
- E4 - Suburban Living
- RE1 - Low Density Residential
- SP2 - Public Reserve
- SP1 - Infrastructure

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1. Parcel Information for Stand Alone Property 4	
Address	2 MALVINA PARADE GOROKAN 2263
Known As	
Parcel Description	Lot 351 DP 26286
2. Area	
SQM	838.81m2
3. Location	
e.g. Access to town centres	Gorokan residential area.
4. Acquisition Details	
S.94 Dedication	1955 - No.
Agreements over the land	Marked as natural watercourse on DP.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Drainage.
5. Current Use	
Current Use / Potential Conflicts	Drainage.
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes.
Heritage	No
Flood Prone Land	Yes - 1% AEP
Bushfire Prone Land	No
Mine Subsidence District	Yes
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Roads & Drainage
9. Conclusion	
Comments	Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes.
10. Figures (see following page)	



Lot 351 DP26286

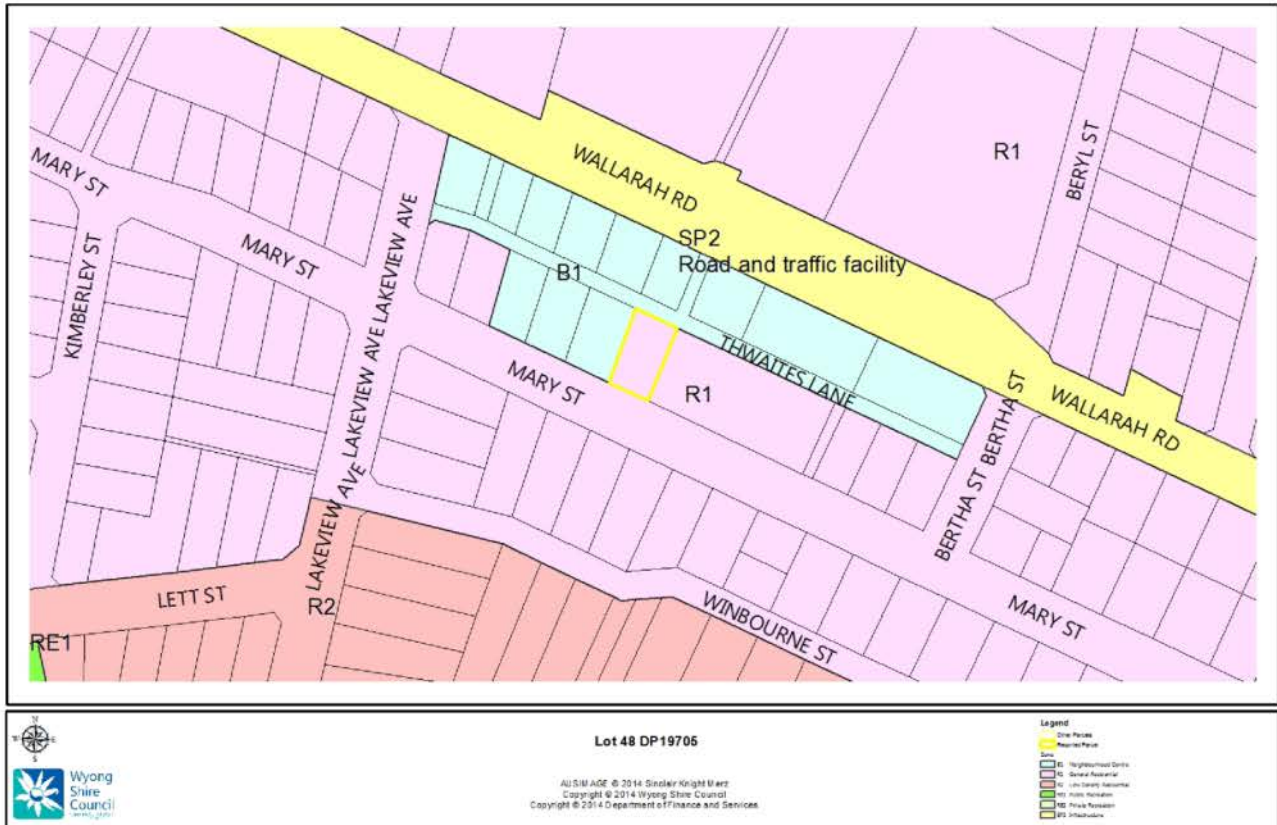
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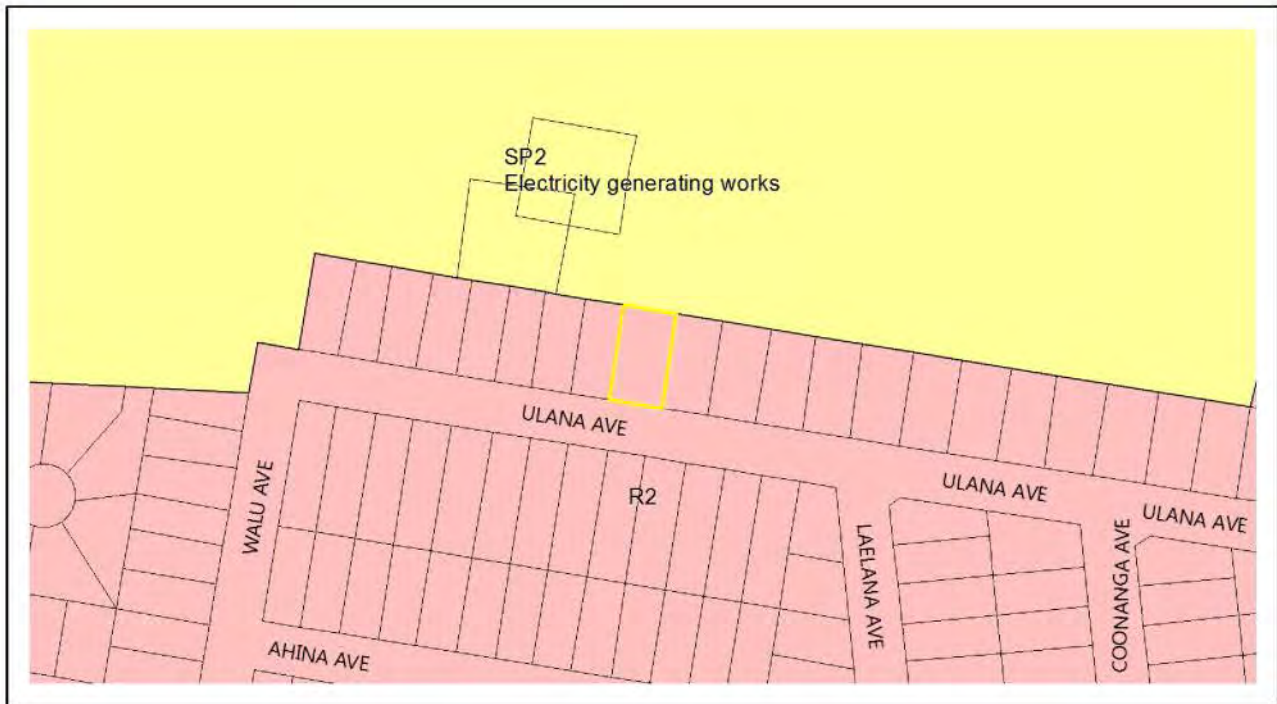
Legend
- Orange Parcel
- Yellow Boundary
- Pink R2
- Green RE1
- Light Blue W2



1. Parcel Information for Stand Alone Property 5	
Address	23 MARY STREET GOROKAN 2263
Known As	
Parcel Description	Lot 48 DP 19705
2. Area	
SQM	525.02m2
3. Location	
e.g. Access to town centres	At rear of Gorokan neighbourhood centre.
4. Acquisition Details	
S.94 Dedication	1942 - No.
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	At rear of Gorokan neighbourhood centre and adjacent to centre carpark. Dwelling on property.
6. Constraints/Opportunities	
Zoning	R1 General Residential
Endangered Ecological Communities	Not vegetated.
Water Servicing	Yes
Water / Sewer Servicing	Yes.
Heritage	No.
Flood Prone Land	No.
Bushfire Prone Land	No
MIne Subsidence District	Yes
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Nil.
8. Funding	
Asset Owner	Roads & Drainage
9. Conclusion	
Comments	Old Rangers Cottage - Surplus to requirements. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes.
10. Figures (see following page)	



1. Parcel Information for Stand Alone Property 6	
Address	43W ULANA AVENUE HALEKULANI 2262
Known As	
Parcel Description	Lot 2 DP 218406
2. Area	
SQM	767.56m2
3. Location	
e.g. Access to town centres	Halekulani residential area.
4. Acquisition Details	
S.94 Dedication	1963 - No.
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Vacant land.
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes.
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	Yes
Mine Subsidence District	Yes
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Property.
9. Conclusion	
Comments	Site is utilised for access to Council's Reservoir at 45W Ulana Avenue. The site is 20m wide and can be sold provided the existing easements over the water supply pipelines are maintained, and either a right of carriageway access applied on the western boundary, or when alternative access rights over the adjacent Delta land is secured. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes.
10. Figures (see following page)	



Lot 2 DP218406

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Legend
Site Permit
Approved Plans
R2 Low Density Residential
PS Infrastructure



1. Parcel Information for Stand Alone Property 7	
Address	101W MALVINA PARADE LAKE HAVEN 2263
Known As	
Parcel Description	Lot 191 DP 12248
2. Area	
SQM	939.53m2
3. Location	
e.g. Access to town centres	Lake Haven residential area.
4. Acquisition Details	
S.94 Dedication	1923 - No.
Agreements over the land	Marked as public reserve on DP.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Public Reserve
5. Current Use	
Current Use / Potential Conflicts	Public Reserve
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	Yes - 1% AEP
Bushfire Prone Land	No
Mine Subsidence District	Yes
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land)
8. Funding	
Asset Owner	Open Space & Recreation
9. Conclusion	
Comments	Vacant land not used for formal recreation - no playground facilities. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes.
10. Figures (see following page)	



Lot 191 DP12248

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Legend

- Open Space
- Separation Wall
- Zone
- RE - Low Density Residential
- R2 - Rural Residential
- W2 - General Employment
- W3 - Neighbourhood



1. Parcel Information for Stand Alone Property 8	
Address	92 BUDGEWOI ROAD NORAVILLE 2263
Known As	
Parcel Description	Lot 102 DP 26104
2. Area	
SQM	787.53m2
3. Location	
e.g. Access to town centres	Norville residential area.
4. Acquisition Details	
S.94 Dedication	1955 - No.
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Single dwelling rental.
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	Yes - 1% AEP
Bushfire Prone Land	Yes
Mine Subsidence District	Yes
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Water & Sewer
9. Conclusion	
Comments	<p>This site is used as access point to sewer pump station at the rear. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014, provided access to pump station is retained by:</p> <ul style="list-style-type: none"> • Establishing a right of way over the access recently constructed by Council. • Securing an easement for the underground electrical power from the pole at the NE corner of the lot to the pumping station; and • An easement being obtained over the 100 mm water main located within the pumping station access if the access ROW does not provide Council with the same access rights as an easement.
Recommend Sale	Yes.
10. Figures (see following page)	



Lot 102 DP26104

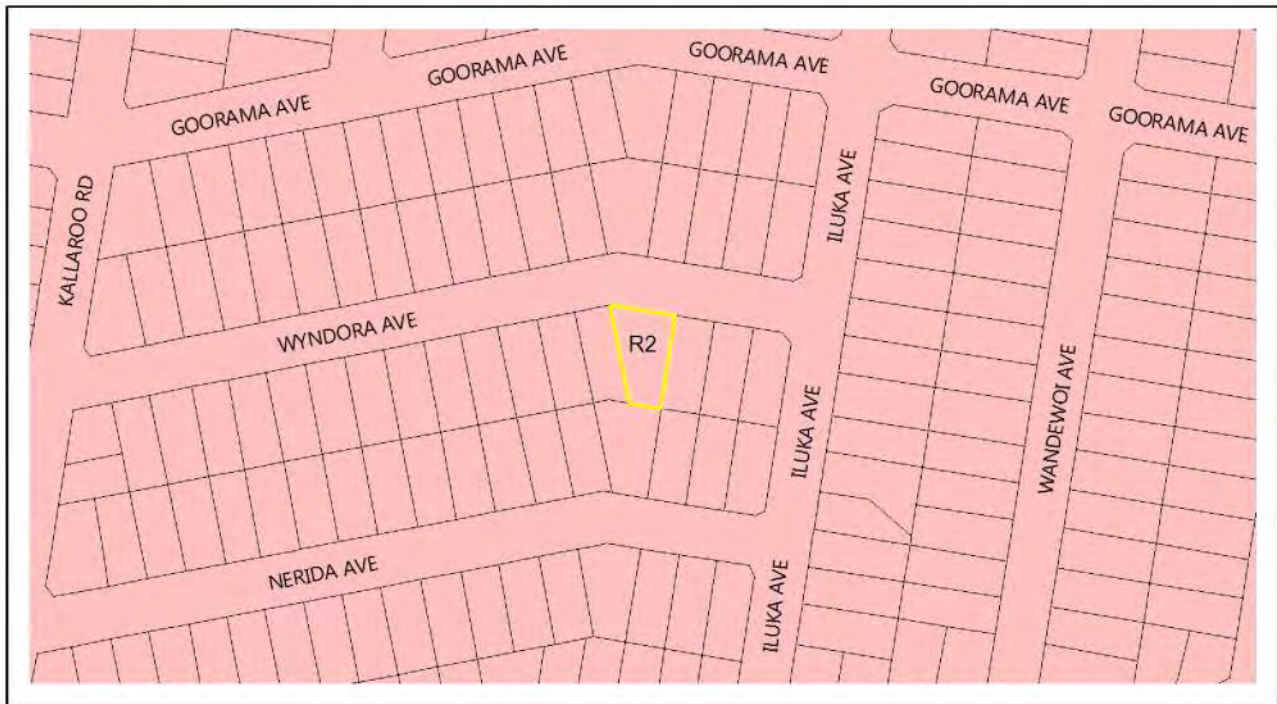
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Legend
Line: House
Area: Rural/Rural
Zone:
E2: Environmental Conservation
E3: Environmental Management
R2: Low Density Residential
SP: Public Reserve
RE1: Infrastructure



1. Parcel Information for Stand Alone Property 9	
Address	8 WYNDORA AVENUE SAN REMO 2262
Known As	
Parcel Description	Lot 146 DP 28798
2. Area	
SQM	692.32m2
3. Location	
e.g. Access to town centres	San Remo residential area.
4. Acquisition Details	
S.94 Dedication	1958 - No.
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Vacant land. Drainage infrastructure.
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential
Endangered Ecological Communities	No
Water Servicing	No
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
Mine Subsidence District	Yes
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Nil.
8. Funding	
Asset Owner	Roads & Drainage
9. Conclusion	
Comments	Site identified as surplus to requirements by Roads & Drainage Unit - Advised by email 16 April 2014. Site has an open concrete culvert through middle of the site. It is proposed that this site be consolidated with 6 Wyndora Avenue and the drainage culvert at the rear of both of these sites be subdivided into a separate drainage corridor. The consolidation with 6 Wyndora Avenue will create an appropriately sized parcel for a residential dwelling.
Recommend Sale	Yes.
10. Figures (see following page)	



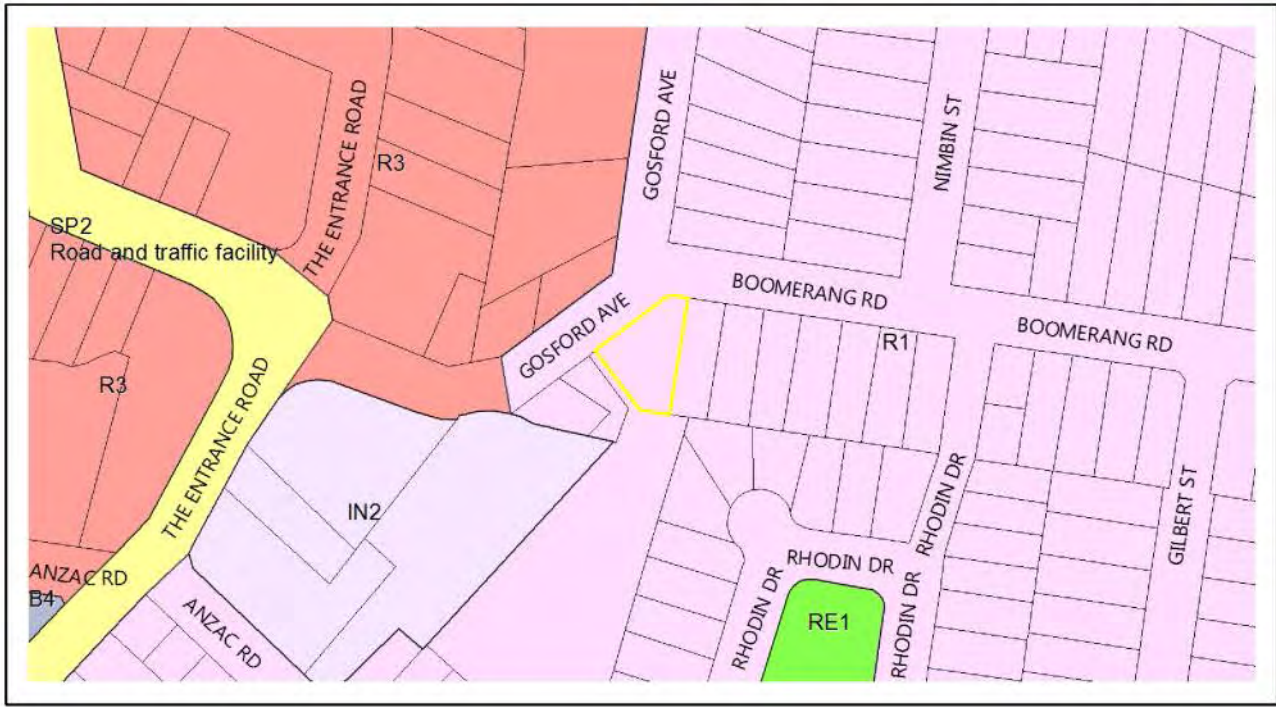
Lot 146 DP28798

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Legend
City Parks
Rural Reserve
Zone
Land Use National



1. Parcel Information for Stand Alone Property 10	
Address	3 BOOMERANG ROAD THE ENTRANCE 2261
Known As	Boomerang Cottage Community Centre
Parcel Description	Lot 100 DP 734527
2. Area	
SQM	956.56m2
3. Location	
e.g. Access to town centres	The Entrance residential area.
4. Acquisition Details	
S.94 Dedication	1986
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Boomerang Cottage Community Centre - May be leased to WorkWise however records not conclusive.
6. Constraints/Opportunities	
Zoning	R1 General Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes.
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
MIne Subsidence District	No
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land
8. Funding	
Asset Owner	Community Partnerships and Planning
9. Conclusion	
Comments	Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014 and by Community Partnerships and Planning in an email dated 5 August 2014.
Recommend Sale	Yes.
10. Figures (see following page)	



Lot 100 DP734527

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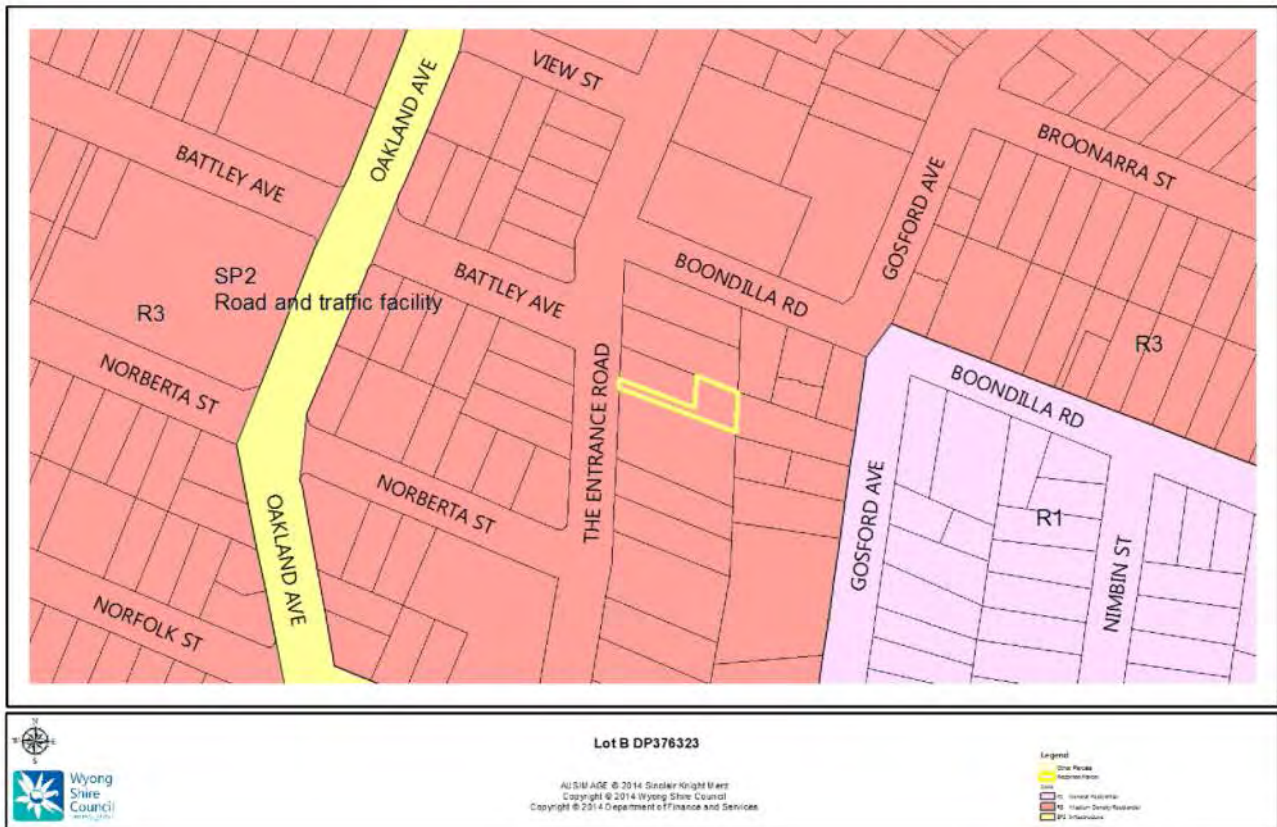
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Legend

- One Parcel
- Reserve Parcel
- Zone
- B1 - Mixed Use
- B2 - Light Industrial
- R1 - General Residential
- R2 - Medium Density Residential
- R3 - Public Reserve
- SP2 Infrastructure

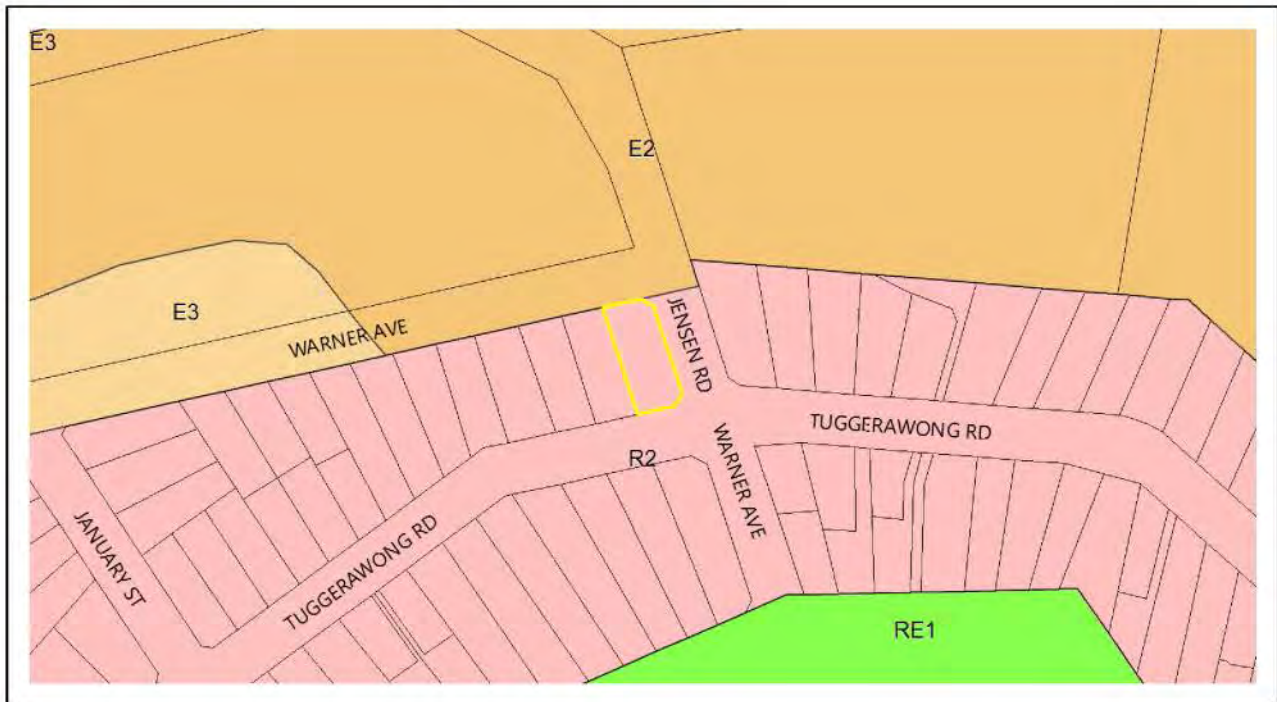


1. Parcel Information for Stand Alone Property 11	
Address	160A THE ENTRANCE ROAD THE ENTRANCE 2261
Known As	Reservoir
Parcel Description	Lot B DP 376323
2. Area	
SQM	454.5m2
3. Location	
e.g. Access to town centres	300m to The Entrance CBD.
4. Acquisition Details	
S.94 Dedication	1950 - No.
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown
5. Current Use	
Current Use / Potential Conflicts	Vacant land. Sewer infrastructure.
6. Constraints/Opportunities	
Zoning	R3 Medium Density Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	No
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
Mine Subsidence District	No
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Water & Sewer
9. Conclusion	
Comments	Battleaxe allotment at the rear of a single dwelling. Known as "Reservoir Site" in Council's property system however there is no record of a reservoir on this site. Site identified as surplus to requirements by Water & Sewer Unit.
Recommend Sale	Yes.
10. Figures (see following page)	



No photograph available.

1. Parcel Information for Stand Alone Property 12	
Address	307 TUGGERAWONG ROAD TUGGERAWONG 2259
Known As	
Parcel Description	Lot 65 DP 13019
2. Area	
SQM	808.95m2
3. Location	
e.g. Access to town centres	Tuggerawong residential area.
4. Acquisition Details	
S.94 Dedication	1924 - No.
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Vacant land.
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	Yes - 1% AEP
Bushfire Prone Land	Yes
Mine Subsidence District	No
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Roads & Drainage
9. Conclusion	
Comments	Vacant land that appears to be used as an open watercourse that flows into the drainage line across the road. There is no evidence of any utilities located on this site. Site is approximately 19m wide, and therefore there is a possibility that the site could be utilised for residential development, provided the open watercourse issue can be resolved. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes.
10. Figures (see following page)	



Lot 65 DP13019

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Legend:
- Drive/Pavement
- Separated Pavement
- E3: Environmental Conservation
- E2: Environmental Management
- R2: Low Density Residential
- RE1: Public Recreation



1. Parcel Information for Stand Alone Property 13	
Address	1W LUCCA ROAD WYONG 2259
Known As	
Parcel Description	Lot 21 DP 243037
2. Area	
SQM	13539.29m2
3. Location	
e.g. Access to town centres	North Wyong Industrial area.
4. Acquisition Details	
S.94 Dedication	1972 - No.
Agreements over the land	Marked as public reserve on DP.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Public Reserve
5. Current Use	
Current Use / Potential Conflicts	Public Reserve
6. Constraints/Opportunities	
Zoning	B6 Enterprise Corridor
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Water - Yes Sewer - No
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
MIne Subsidence District	No
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land)
8. Funding	
Asset Owner	Open Space & Recreation
9. Conclusion	
Comments	Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes.
10. Figures (see following page)	



Lot 21 DP243037

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Legend

- Blue: Local Roads
- Yellow: Regional Roads
- Green: State
- Light Blue: Strategic Corridor
- Orange: Metropolitan Conservation
- Light Green: Metropolitan Management
- Dark Green: Public Reserve
- Light Yellow: SP1 Infrastructure

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1. Parcel Information for Stand Alone Property 14	
Address	2W LUCCA ROAD WYONG 2259
Known As	
Parcel Description	Lot 1 DP 243037
2. Area	
SQM	6325.67m2
3. Location	
e.g. Access to town centres	North Wyong Industrial area.
4. Acquisition Details	
S.94 Dedication	1972 - No.
Agreements over the land	Marked as public reserve on DP.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Public Reserve
5. Current Use	
Current Use / Potential Conflicts	Public Reserve
6. Constraints/Opportunities	
Zoning	B6 Enterprise Corridor
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Water - Yes Sewer - No
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
MIne Subsidence District	No
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land)
8. Funding	
Asset Owner	Open Space & Recreation
9. Conclusion	
Comments	Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes.
10. Figures (see following page)	



Lot 1 DP243037

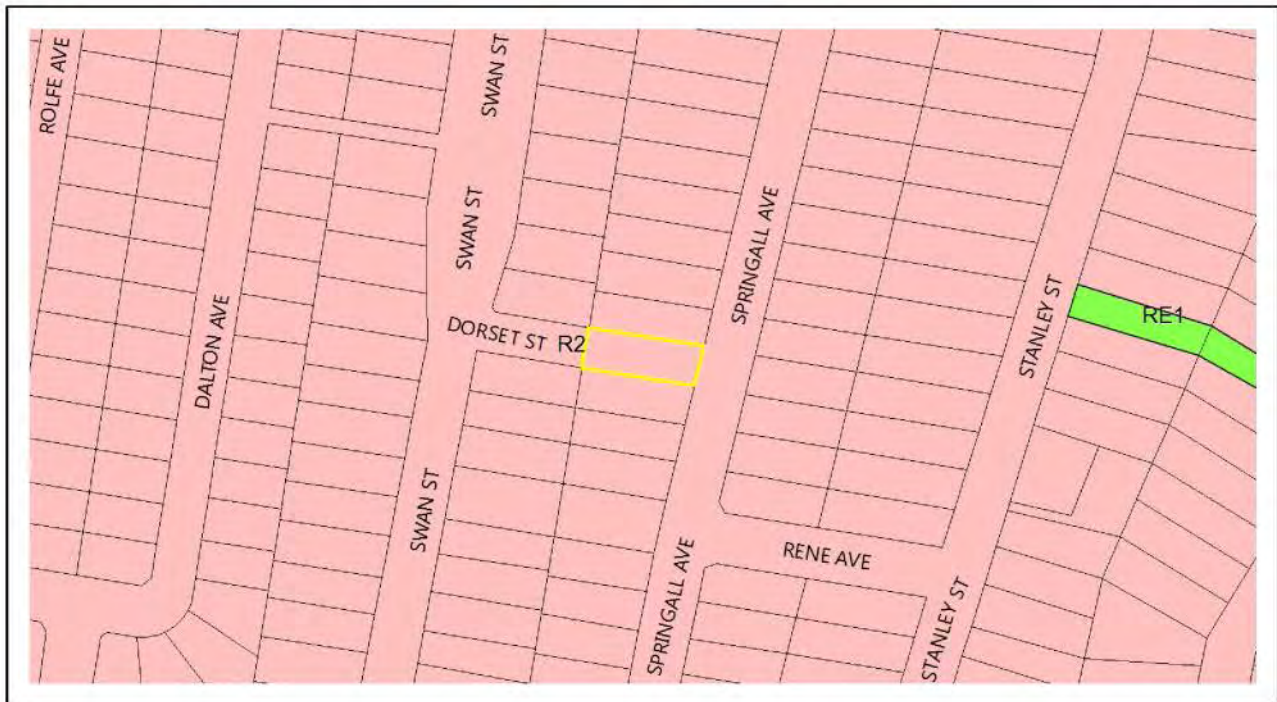
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Legend

- Dark Purple
- Light Purple
- Blue
- Light Blue
- Light Green
- Green
- Yellow
- Orange



1. Parcel Information for Stand Alone Property 15	
Address	44W SPRINGALL AVENUE WYONGAH 2259
Known As	
Parcel Description	Lot 210 DP 26178
2. Area	
SQM	716.61m2
3. Location	
e.g. Access to town centres	Wyongah residential area.
4. Acquisition Details	
S.94 Dedication	1955 - No.
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Vacant land with footpath to Dorset Street.
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
Mine Subsidence District	Yes
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Property.
9. Conclusion	
Comments	Land is currently utilised as a footpath from Springall Avenue to Dorset Street which links to Swan Street. However, it is recommended that this site is sold, as the distance to cross streets for pedestrians is the same as surrounding streets (not taking this pedestrian pathway into account). Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes.
10. Figures (see following page)	



Lot 210 DP26178

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Legend
- State Permit
- Approved Permit
- R1 Low Density Residential
- R2 Public Recreation

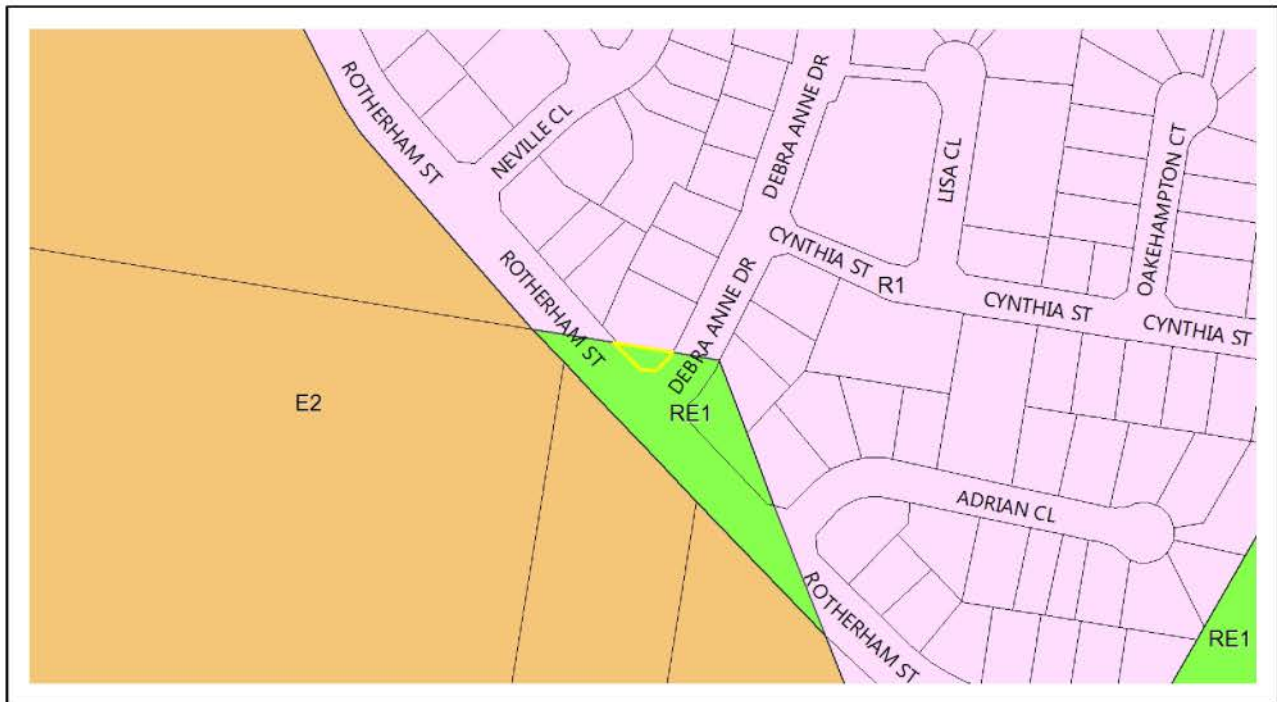


1. Parcel Information for Stand Alone Property 16	
Address	48W BERNE STREET BATEAU BAY 2261
Known As	
Parcel Description	Lot 4 DP 717462
2. Area	
SQM	189.76m2
3. Location	
e.g. Access to town centres	Bateau Bay residential area. Small site at rear of reservoir.
4. Acquisition Details	
S.94 Dedication	1985
Agreements over the land	Marked as public reserve on DP.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Water & Sewer infrastructure
5. Current Use	
Current Use / Potential Conflicts	Vacant site at the rear of the reservoir site.
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential.
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Water - Yes Sewer - No
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
MIne Subsidence District	No
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land)
8. Funding	
Asset Owner	Water & Sewer
9. Conclusion	
Comments	Marked as public reserve on DP - In reality this is a landlocked parcel of land that is only reached by walking past reservoir site. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014. The water supply easement associated with a water trunk main must remain.
Recommend Sale	Yes
10. Figures (see following page)	



No photograph available.

1. Parcel Information for Stand Alone Property 17	
Address	48W DEBRA ANNE DR BATEAU BAY 2261
Known As	
Parcel Description	Lot 284 DP 875780
2. Area	
SQM	128.01m2
3. Location	
e.g. Access to town centres	Bateau Bay residential area.
4. Acquisition Details	
S.94 Dedication	1998
Agreements over the land	May be marked as drainage on DP - Unclear.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Drainage.
5. Current Use	
Current Use / Potential Conflicts	Vacant land.
6. Constraints/Opportunities	
Zoning	RE1 Public Recreation
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Water - Yes Sewer - No
Heritage	No
Flood Prone Land	Yes
Bushfire Prone Land	Yes
MIne Subsidence District	No
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Roads & Drainage
9. Conclusion	
Comments	Adjacent to vacant Housing NSW land. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 284 DP875780

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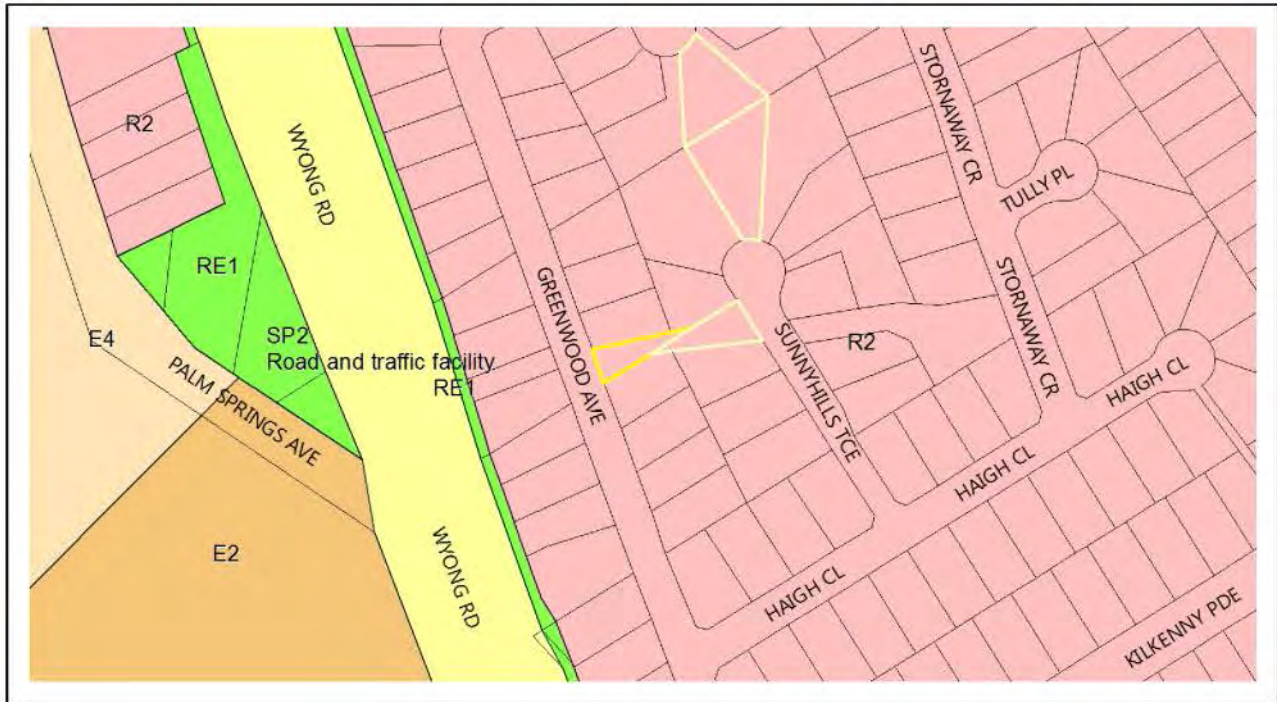
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Legend

- Orange: Other Parks
- Yellow: Recreation
- Green: Parks
- Light Green: Institutional/Community
- Dark Green: General Residential
- Light Blue: Public Recreation



1. Parcel Information for Stand Alone Property 18	
Address	9W GREENWOOD AVENUE BERKELEY VALE 2261
Known As	
Parcel Description	Lot 19 DP 262327
2. Area	
SQM	275.88m2
3. Location	
e.g. Access to town centres	Berkeley Vale residential area
4. Acquisition Details	
S.94 Dedication	1981
Agreements over the land	Marked as public reserve on DP.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Public Reserve
5. Current Use	
Current Use / Potential Conflicts	Public Reserve
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential.
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
Mine Subsidence District	No
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land)
8. Funding	
Asset Owner	Open Space & Recreation
9. Conclusion	
Comments	Oddly shaped public reserve (triangle). Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 19 DP262327

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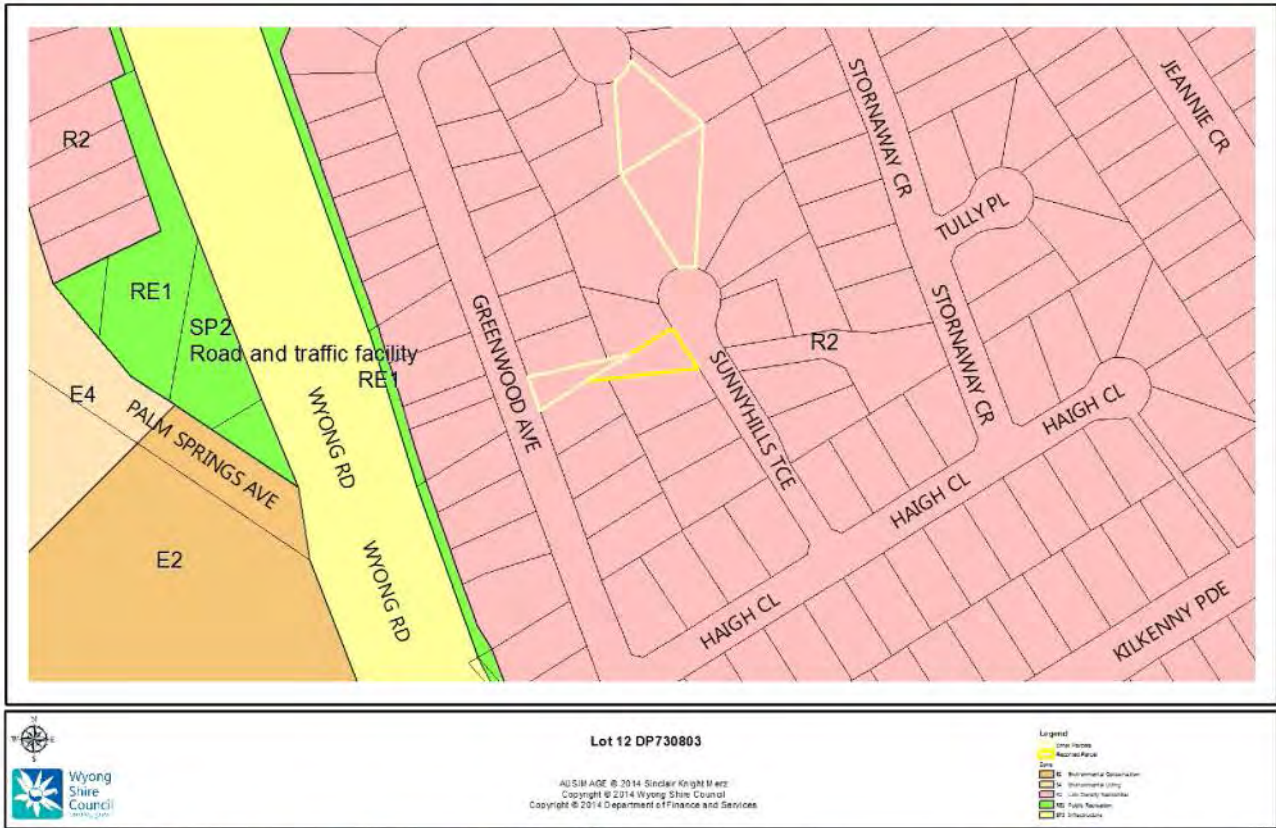
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Legend

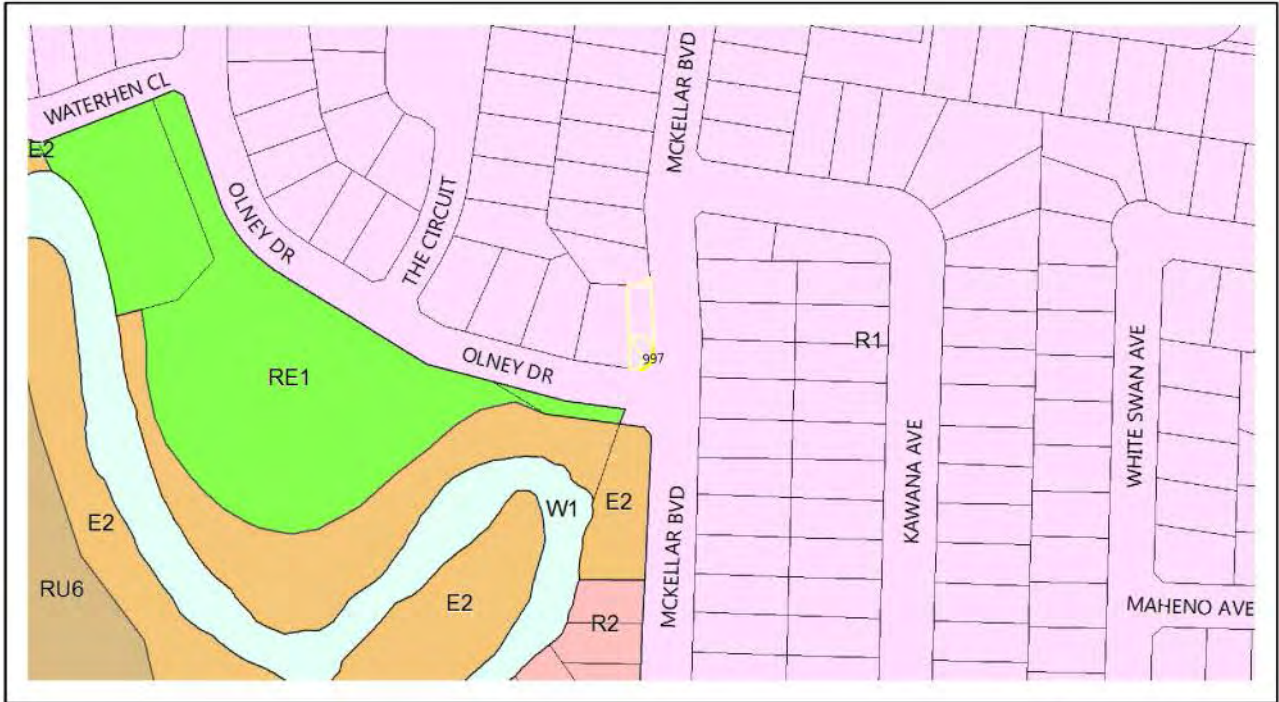
- Local Roads
- Regional Roads
- Zone
- Environmental Conservation
- Strata
- Local Councils
- Public Reserves
- Infrastructure



1. Parcel Information for Stand Alone Property 19	
Address	5 SUNNYHILLS TERRACE BERKELEY VALE 2261
Known As	
Parcel Description	Lot 12 DP 730803
2. Area	
SQM	367.4m2
3. Location	
e.g. Access to town centres	Berkeley Vale residential area
4. Acquisition Details	
S.94 Dedication	1985
Agreements over the land	Marked as public reserve on DP.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Public Reserve
5. Current Use	
Current Use / Potential Conflicts	Public Reserve
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential.
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
Mine Subsidence District	No
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land)
8. Funding	
Asset Owner	Open Space & Recreation
9. Conclusion	
Comments	Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



1. Parcel Information for Stand Alone Property 20	
Address	44W MCKELLAR BOULEVARD BLUE HAVEN 2262
Known As	
Parcel Description	Lot 997 DP 1035659
2. Area	
SQM	66.9m2
3. Location	
e.g. Access to town centres	Blue Haven residential area.
4. Acquisition Details	
S.94 Dedication	2002
Agreements over the land	Nil
Acquisition Details (e.g. fee simple)	Unknown
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Vacant land - Sewer infrastructure.
6. Constraints/Opportunities	
Zoning	R1 General Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	Yes
Mine Subsidence District	Yes
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Property.
9. Conclusion	
Comments	Offer for sale in conjunction with Lots 997 and 998. May need to be amalgamated prior to sale. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 997 DP1036659

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Legend

- Site Points
- Measurements
- Zone
- Environmental Contamination
- RE - General Residential
- E2 - Low Density Residential
- W1 - Water Use
- R1 - Single Residential
- R2 - Medium Density Residential
- RU6 - Rural Use
- Water
- Other



1. Parcel Information for Stand Alone Property 21	
Address	44W MCKELLAR BOULEVARD BLUE HAVEN 2262
Known As	
Parcel Description	Lot 999 DP 1035659
2. Area	
SQM	198.59m2
3. Location	
e.g. Access to town centres	Blue Haven residential area.
4. Acquisition Details	
S.94 Dedication	2002
Agreements over the land	Nil
Acquisition Details (e.g. fee simple)	Unknown
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Vacant land - Sewer infrastructure.
6. Constraints/Opportunities	
Zoning	R1 General Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	Yes
Mine Subsidence District	Yes
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Property.
9. Conclusion	
Comments	Offer for sale in conjunction with Lots 997 and 998. May need to be amalgamated prior to sale. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 999 DP1035659

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Legend

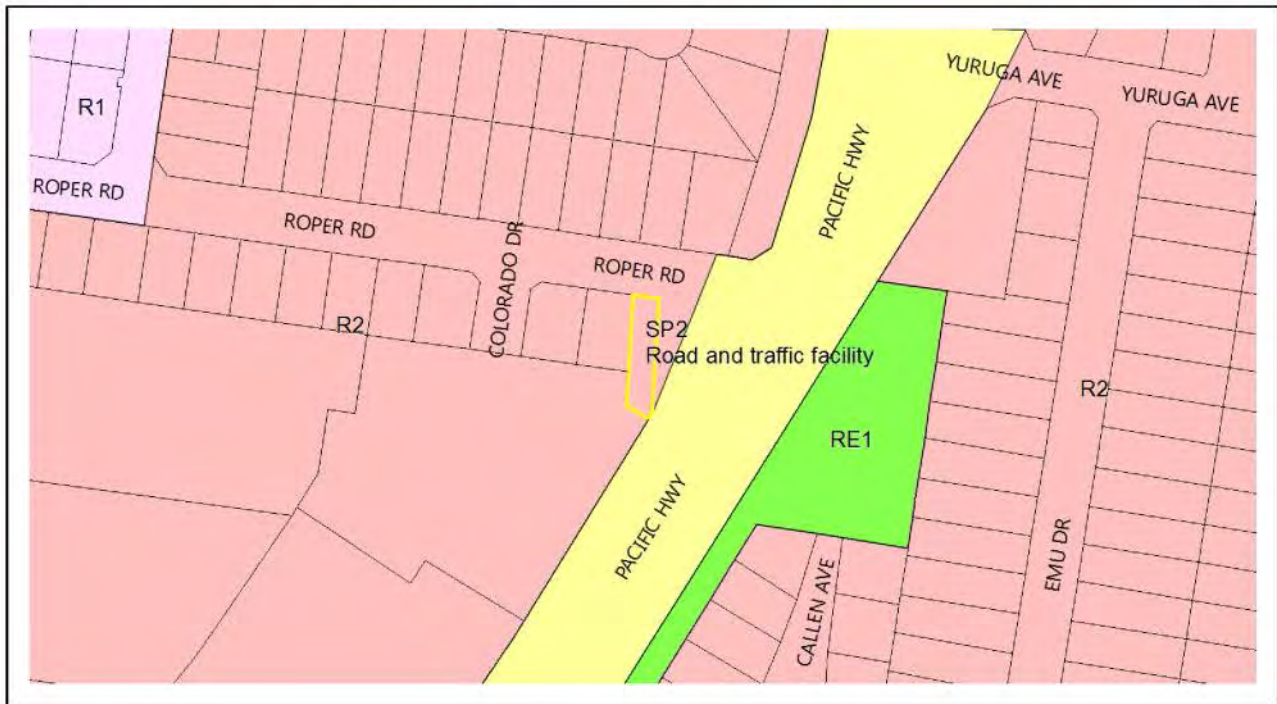
- Site Points
- Natural Water
- Zone
- Residential Development
- R1 General Residential
- R2 Low Density Residential
- E2 Medium Density Residential
- W1 Water Protection
- RU6 Rural Residential
- RE1 Natural Waterways



1. Parcel Information for Stand Alone Property 22	
Address	46W OLNEY DR BLUE HAVEN 2262
Known As	
Parcel Description	Lot 998 DP 1035659
2. Area	
SQM	43m2
3. Location	
e.g. Access to town centres	Blue Haven residential area.
4. Acquisition Details	
S.94 Dedication	2002
Agreements over the land	Nil
Acquisition Details (e.g. fee simple)	Unknown
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Vacant land.
6. Constraints/Opportunities	
Zoning	R1 General Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	Yes
Mine Subsidence District	Yes
Minimum Lot Size	
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Property.
9. Conclusion	
Comments	Offer for sale in conjunction with Lots 997 and 998. May need to be amalgamated prior to sale. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



1. Parcel Information for Stand Alone Property 23	
Address	198 ROPER ROAD BLUE HAVEN 2262
Known As	Roadway
Parcel Description	Lot 15 DP 1184211
2. Area	
SQM	452.26m2
3. Location	
e.g. Access to town centres	Blue Haven residential area.
4. Acquisition Details	
S.94 Dedication	2013
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Vacant land - road buffer.
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Water - Yes Sewer - No
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	Yes
MIne Subsidence District	Yes
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Roads & Drainage
9. Conclusion	
Comments	Appears to be road buffer to Pacific Highway. Not required for road widening by the RMS. Adjacent to a large area of land owned by Darkinjung Local Aboriginal Land Council. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 16 DP1184211

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Legend:
- Green: Green Fields
- Yellow: Road and Traffic Facility
- Pink: R1 - General Residential
- Light Pink: R2 - Low Density Residential
- Green: RE1 - Single Residential
- Purple: R15 - Intensive Residential

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1. Parcel Information for Stand Alone Property 24	
Address	10 WALLARAH ROAD GOROKAN 2263
Known As	
Parcel Description	Lot 342 DP 778683
2. Area	
SQM	664.83m2
3. Location	
e.g. Access to town centres	Gorokan residential area.
4. Acquisition Details	
S.94 Dedication	1988
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Vacant land - likely recreation function.
6. Constraints/Opportunities	
Zoning	R1 General Residential
Endangered Ecological Communities	No
Water Servicing	No
Water / Sewer Servicing	Sewer - Yes Water - No
Heritage	No
Flood Prone Land	Yes - 1% AEP
Bushfire Prone Land	No
MIne Subsidence District	Yes
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Open Space & Recreation
9. Conclusion	
Comments	Dedicated as part of DA as part of lake foreshore public land strategy. Waterfront reserve at rear of Strata Plan development. No access to public - Not suitable for development. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



No photograph available.

1. Parcel Information for Stand Alone Property 25	
Address	67 GILBERT STREET LONG JETTY 2261
Known As	Reservoir
Parcel Description	Lot 72 DP 20749
2. Area	
SQM	683.34m2
3. Location	
e.g. Access to town centres	Long Jetty residential area
4. Acquisition Details	
S.94 Dedication	1946 - No.
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Vacant land.
6. Constraints/Opportunities	
Zoning	R3 Medium Density Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes.
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
Mine Subsidence District	No
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Water & Sewer
9. Conclusion	
Comments	Adjacent to The Entrance Reservoir but not part of the reservoir. No major water infrastructure items present on this site. Surplus to requirements and suitable for sale. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 72 DP20749

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Legend
• One Parcel
• Boundary Lines
• Data
• One Parcel Boundary
• RE - Residential (General)
• R3 - Residential (General)
• RE1 - Public Recreation



1. Parcel Information for Stand Alone Property 26	
Address	15W WILLOW STREET LONG JETTY 2261
Known As	
Parcel Description	Lot 2 DP 403459
2. Area	
SQM	87.21m2
3. Location	
e.g. Access to town centres	Long Jetty residential area
4. Acquisition Details	
S.94 Dedication	1957 - No.
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Vacant land.
6. Constraints/Opportunities	
Zoning	R3 Medium Density Residential
Endangered Ecological Communities	Yes
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
Mine Subsidence District	No
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Property.
9. Conclusion	
Comments	Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 2 DP403469

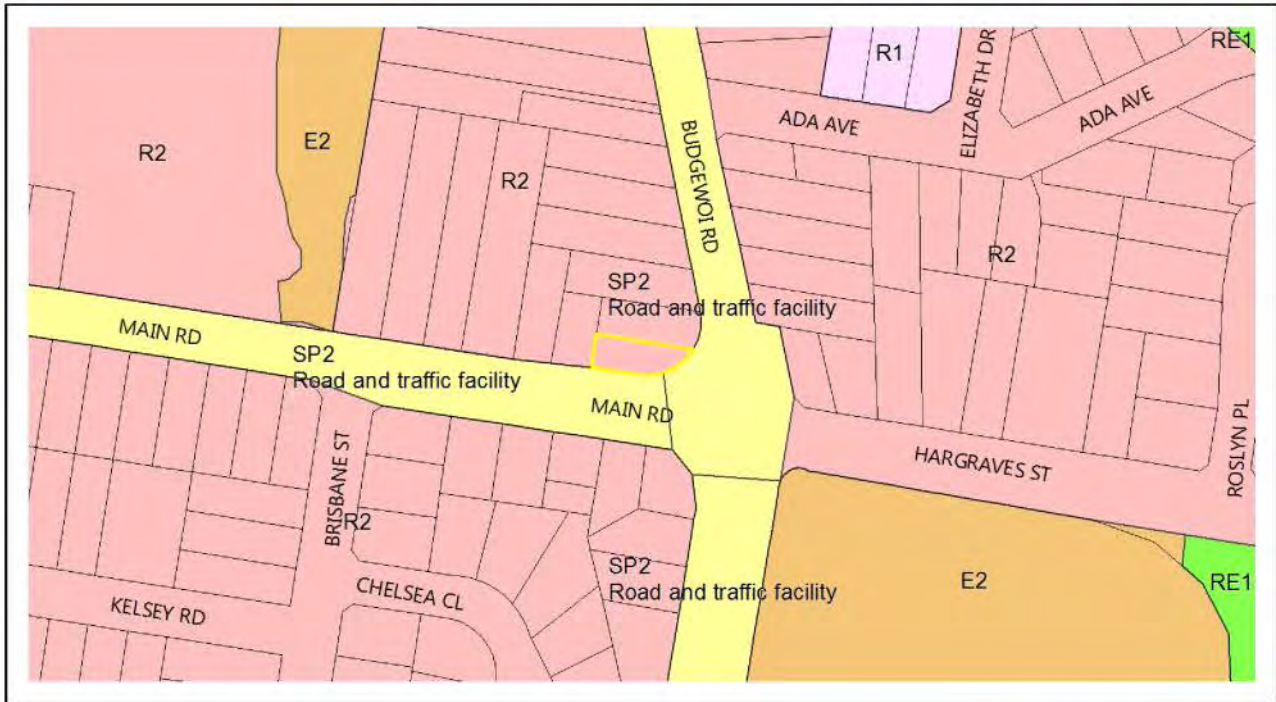
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Legend

- One Parcel
- Reserve Parcel
- W2
- RE1
- E3
- R2
- R3
- SP2
- B4
- IN2
- R1
- W2
- RE1
- E3
- R2
- R3
- SP2
- B4
- IN2
- R1



1. Parcel Information for Stand Alone Property 27	
Address	2 BUDGEWOI ROAD NORAVILLE 2263
Known As	
Parcel Description	Lot 4C DP 24617
2. Area	
SQM	422.68m2
3. Location	
e.g. Access to town centres	1km to East Toukley local centre.
4. Acquisition Details	
S.94 Dedication	1953 - No.
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Vacant land.
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential
Endangered Ecological Communities	n/a
Water Servicing	Yes
Water / Sewer Servicing	Yes.
Heritage	No.
Flood Prone Land	No.
Bushfire Prone Land	Yes
Mine Subsidence District	Yes
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Roads & Drainage
9. Conclusion	
Comments	Located on the corner of busy roundabout on Main Road/Budgewoi Road, but may have potential for a dwelling. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 4C DP24617

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Legend:
R1 Residential Single-Dwelling
R2 Residential Medium Density
RE1 Residential Medium Density - Single-Dwelling
E2 Employment Neighbourhood Centre
SP2 Special Use Zone - Road and Traffic Facility



1. Parcel Information for Stand Alone Property 28	
Address	444W MAIN ROAD NORAVILLE 2263
Known As	
Parcel Description	Lot 22 DP 717325
2. Area	
SQM	123.4m2
3. Location	
e.g. Access to town centres	Noraville residential area.
4. Acquisition Details	
S.94 Dedication	1985
Agreements over the land	Marked as lane on DP.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Roads.
5. Current Use	
Current Use / Potential Conflicts	Laneway.
6. Constraints/Opportunities	
Zoning	B1 Neighbourhood Centre
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
Mine Subsidence District	Yes
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land)
8. Funding	
Asset Owner	Roads & Drainage
9. Conclusion	
Comments	Laneway at rear of Noraville Neighbourhood Centre. Wyong Retail Centres Strategy recommends that these sites are downzoned to R2 Low Density Residential zone, as a result this site will no longer have status as a retail centre. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 22 DP717325

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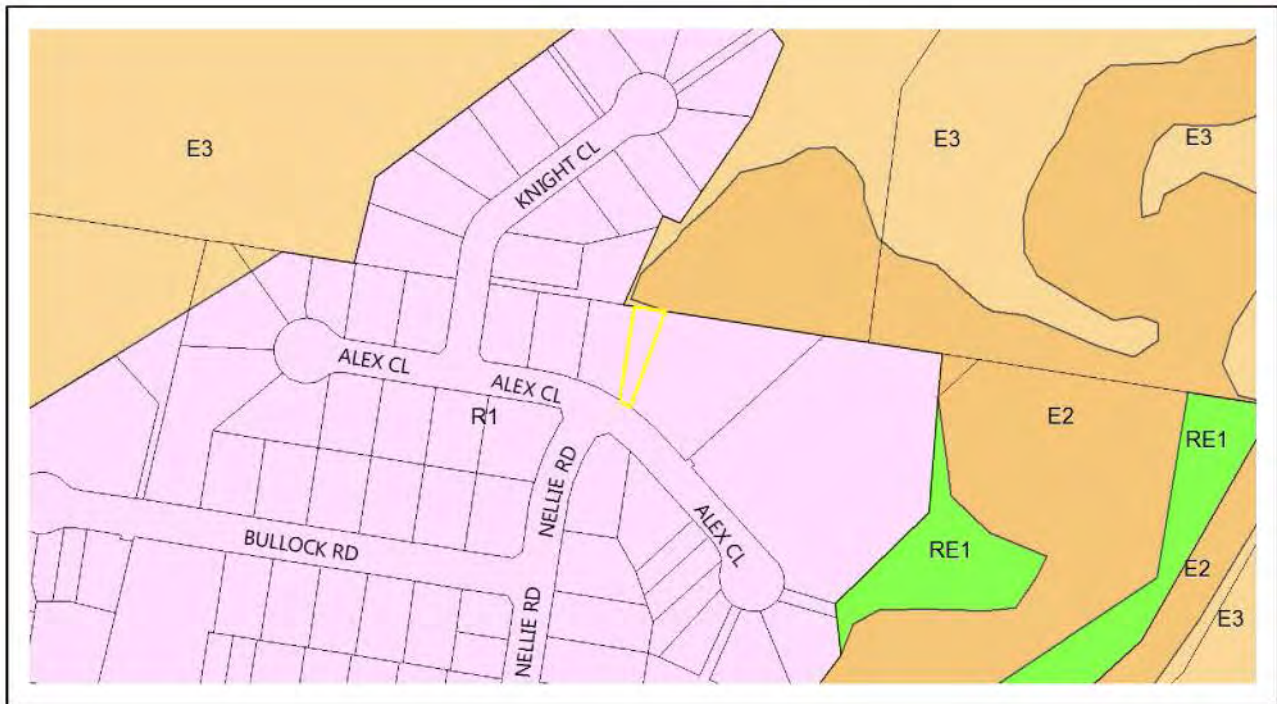
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Legend

- City Centre
- Residential
- Business
- Neighbourhood Centre
- Municipal Government
- Community
- Local Density
- Public Reserve
- Infrastructure



1. Parcel Information for Stand Alone Property 29	
Address	13W ALEX CLOSE OURIMBAH 2258
Known As	
Parcel Description	Lot 38 DP 787730
2. Area	
SQM	320.31m2
3. Location	
e.g. Access to town centres	Ourimbah residential area
4. Acquisition Details	
S.94 Dedication	1989
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Drainage.
5. Current Use	
Current Use / Potential Conflicts	Vacant land.
6. Constraints/Opportunities	
Zoning	R1 General Residential
Endangered Ecological Communities	Heavily vegetated.No EEC.
Water Servicing	Yes
Water / Sewer Servicing	Yes.
Heritage	No.
Flood Prone Land	Yes - 1% AEP
Bushfire Prone Land	No
Mine Subsidence District	No
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Roads & Drainage
9. Conclusion	
Comments	12.2m wide at rear, 4.5m wide at frontage.38m deep. Suitable for a narrow site project home towards rear of property. Has a drainage headwall at rear of property. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014. Drainage easement required for drainage line - will result in very limited building envelope.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 38 DP787730

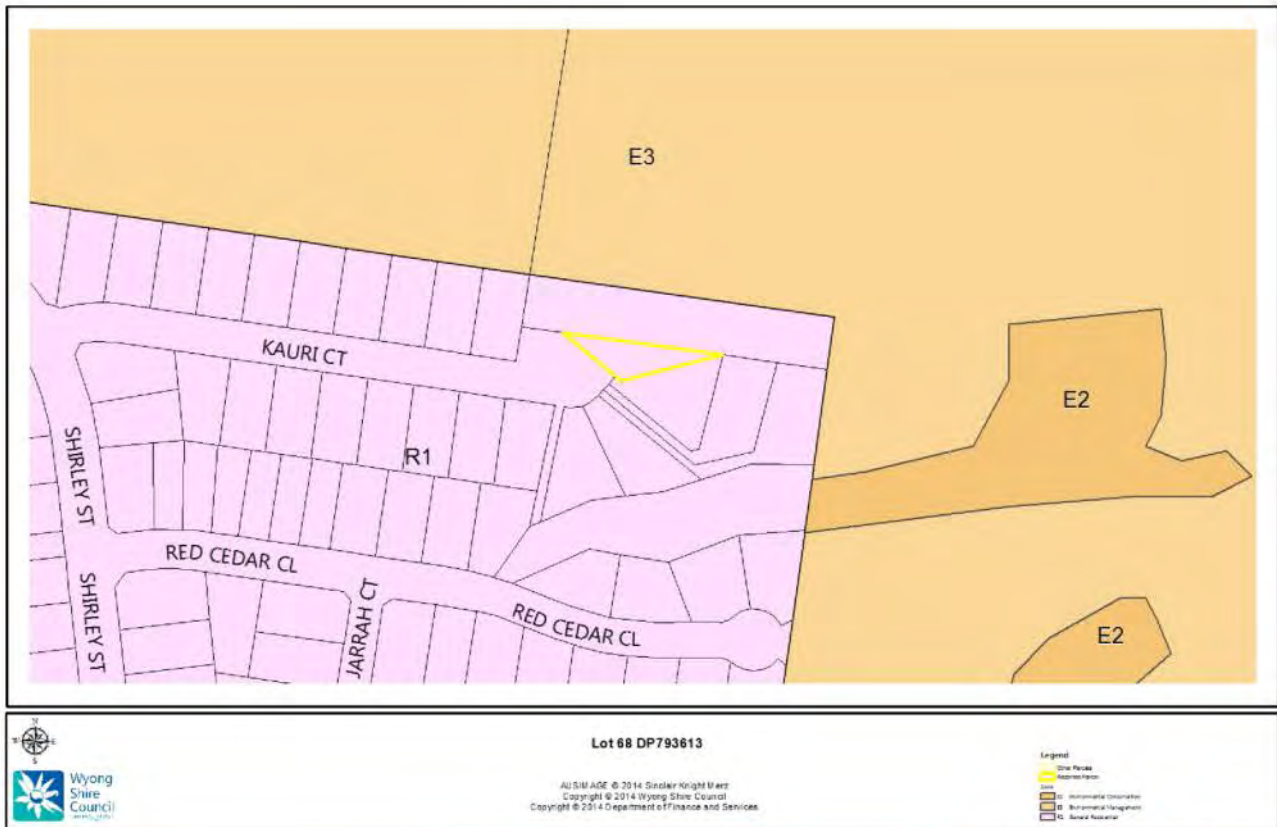
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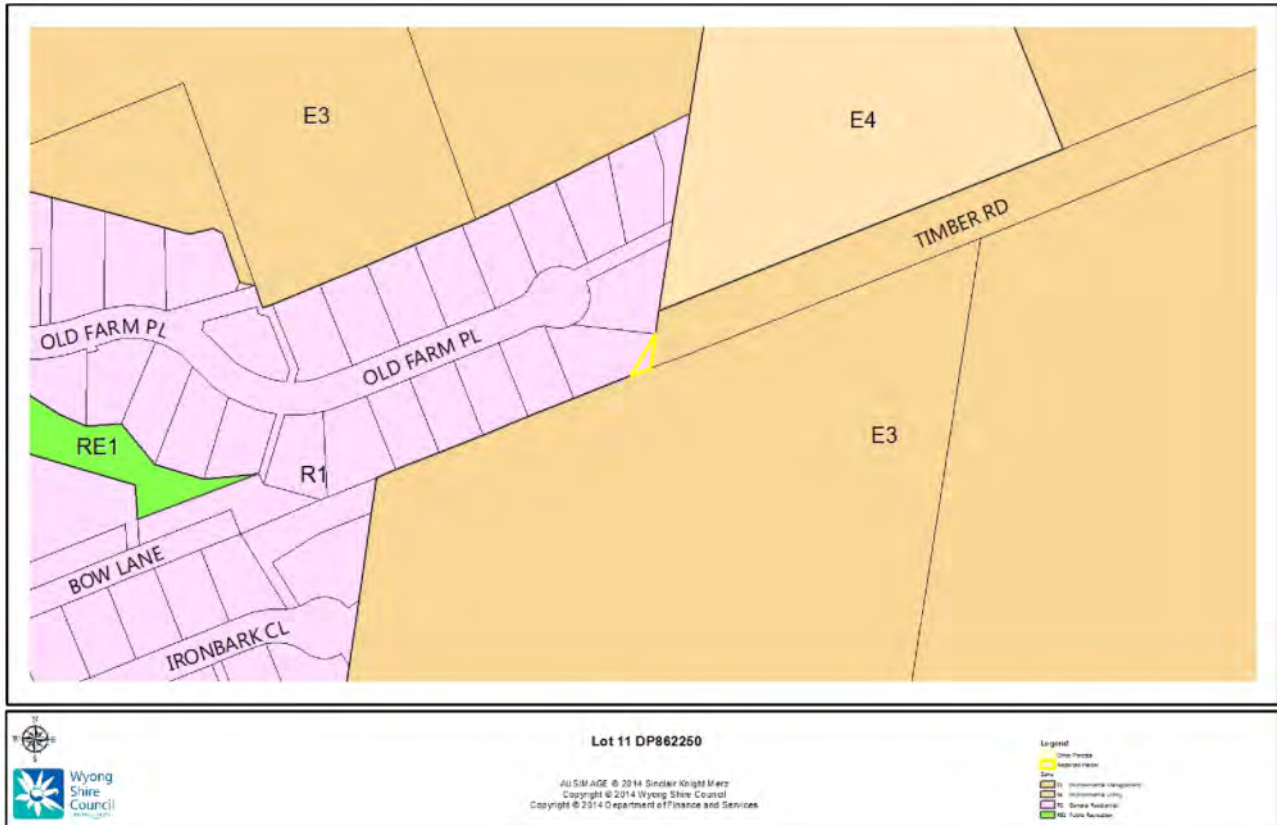
Legend
Overlaid Parcel
Separation Parcel
R1
E3
E2
RE1
E2
E3
Environmental Conservation
Public Recreation
Public Recreation



1. Parcel Information for Stand Alone Property 30	
Address	24W KAURI COURT OURIMBAH 2258
Known As	
Parcel Description	Lot 68 DP 793613
2. Area	
SQM	483.9m2
3. Location	
e.g. Access to town centres	2km to Ourimbah TC.
4. Acquisition Details	
S.94 Dedication	1989
Agreements over the land	Marked as drainage reserve on DP.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Drainage.
5. Current Use	
Current Use / Potential Conflicts	Vacant land.
6. Constraints/Opportunities	
Zoning	R1 General Residential
Endangered Ecological Communities	Heavily vegetated. No EEC.
Water Servicing	Yes
Water / Sewer Servicing	Yes.
Heritage	No.
Flood Prone Land	No.
Bushfire Prone Land	Yes
MIne Subsidence District	No
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land)
8. Funding	
Asset Owner	Roads & Drainage
9. Conclusion	
Comments	Small, triangular allotment adjacent to residential area. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	

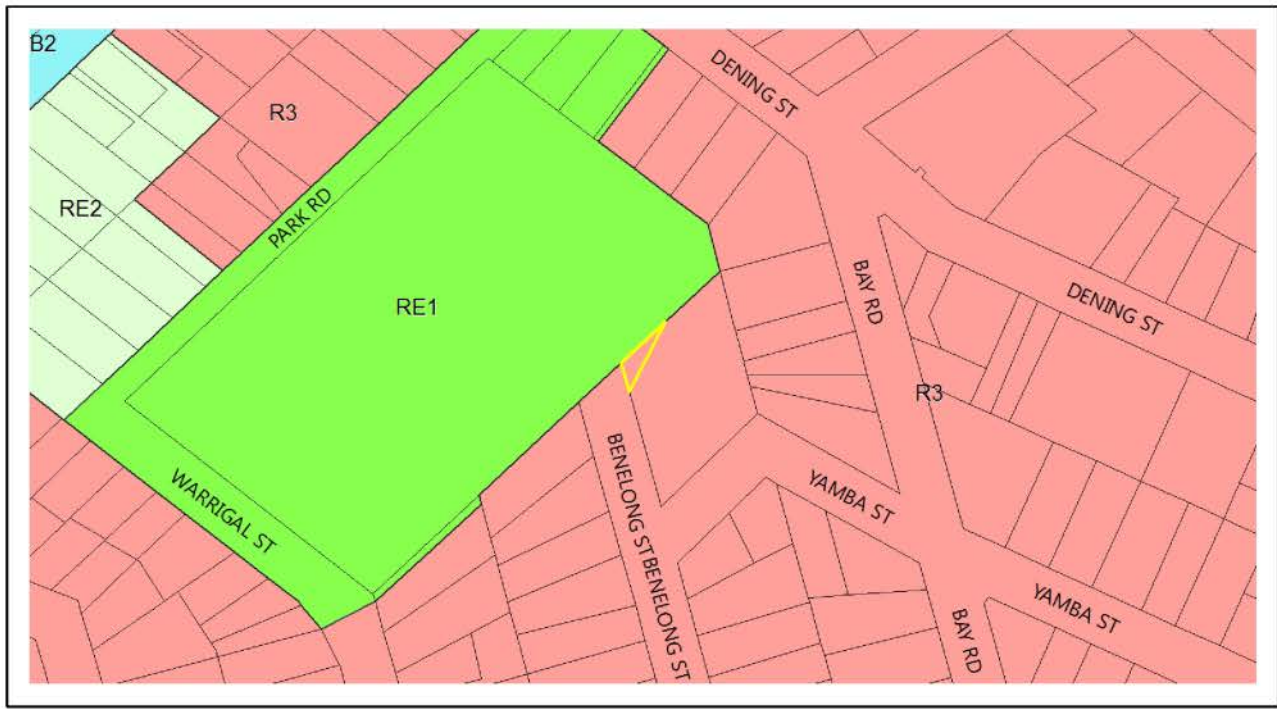


1. Parcel Information for Stand Alone Property 31	
Address	23W OLD FARM PLACE OURIMBAH 2258
Known As	
Parcel Description	Lot 11 DP 862250
2. Area	
SQM	47m2
3. Location	
e.g. Access to town centres	Ourimbah residential area
4. Acquisition Details	
S.94 Dedication	1996
Agreements over the land	Marked as drainage reserve on DP.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Drainage.
5. Current Use	
Current Use / Potential Conflicts	Vacant land.
6. Constraints/Opportunities	
Zoning	R1 General Residential
Endangered Ecological Communities	Heavily vegetated. No EEC.
Water Servicing	Yes
Water / Sewer Servicing	Yes.
Heritage	No.
Flood Prone Land	No.
Bushfire Prone Land	Yes
MIne Subsidence District	No
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land)
8. Funding	
Asset Owner	Roads & Drainage
9. Conclusion	
Comments	Very small triangular parcel of land at rear of residential property. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



No photograph available.

1. Parcel Information for Stand Alone Property 32	
Address	2W BENELONG STREET THE ENTRANCE 2261
Known As	
Parcel Description	Lot 2 DP 614907
2. Area	
SQM	118.25m2
3. Location	
e.g. Access to town centres	The Entrance residential area.
4. Acquisition Details	
S.94 Dedication	1980
Agreements over the land	Marked as public reserve on DP.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Public Reserve
5. Current Use	
Current Use / Potential Conflicts	Vacant land.
6. Constraints/Opportunities	
Zoning	R3 Medium Density Residential
Endangered Ecological Communities	No
Water Servicing	No
Water / Sewer Servicing	No.
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
Mine Subsidence District	No
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Number 6 - Taylor and Shore Parks, The Entrance (applied previously)
8. Funding	
Asset Owner	Open Space & Recreation
9. Conclusion	
Comments	Very small, triangular shaped allotment that is adjacent to Taylor Park. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 2 DP614907

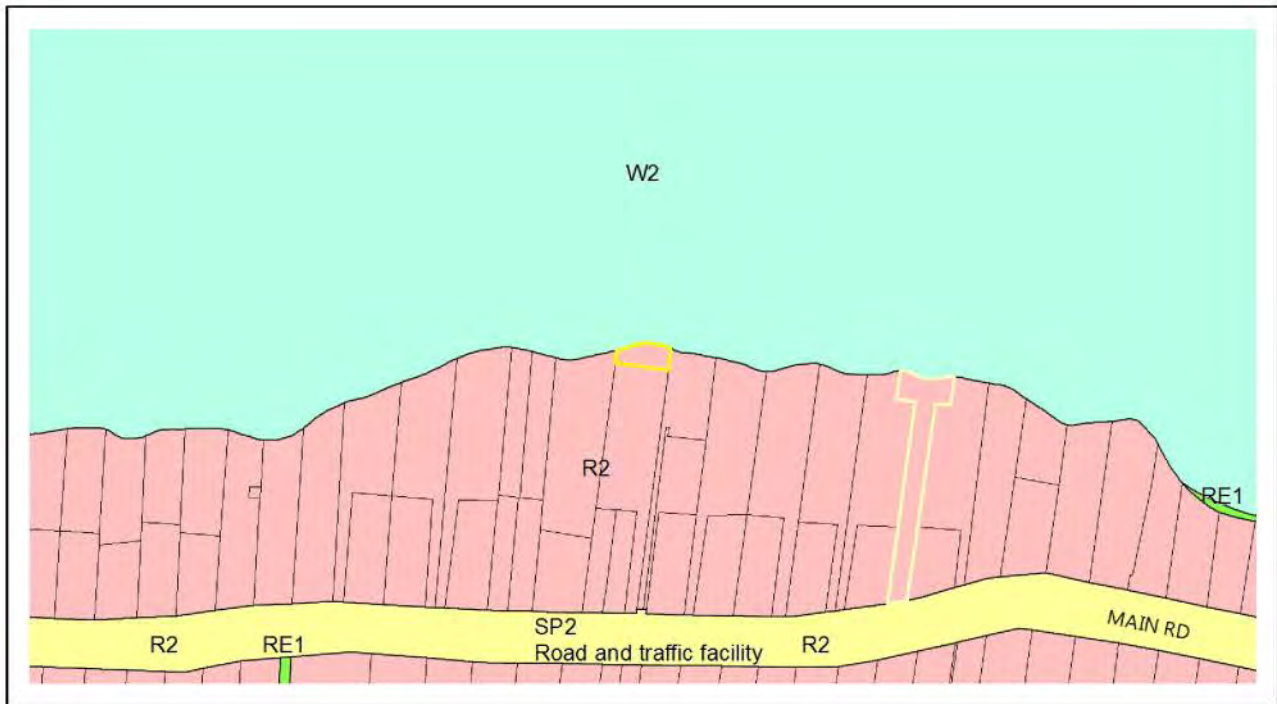
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Legend
Overlaid Parcel
Original Parcel
Zone
Local Centre
Medium Density Residential
Public Reserve
Price Number



1. Parcel Information for Stand Alone Property 33	
Address	78W MAIN ROAD TOUKLEY 2263
Known As	
Parcel Description	Lot 370 DP 815190
2. Area	
SQM	173.86m2
3. Location	
e.g. Access to town centres	Toukley residential area.
4. Acquisition Details	
S.94 Dedication	1992
Agreements over the land	Marked as public reserve on DP.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Public Reserve
5. Current Use	
Current Use / Potential Conflicts	Public Reserve.
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential.
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	Yes - 1% AEP
Bushfire Prone Land	No
Mine Subsidence District	Yes
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land)
8. Funding	
Asset Owner	Open Space & Recreation
9. Conclusion	
Comments	Dedicated as part of DA as part of lake foreshore public land strategy. Site is accessible to the public but not signposted and therefore it is likely that it is not used by the public. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 370 DP815190

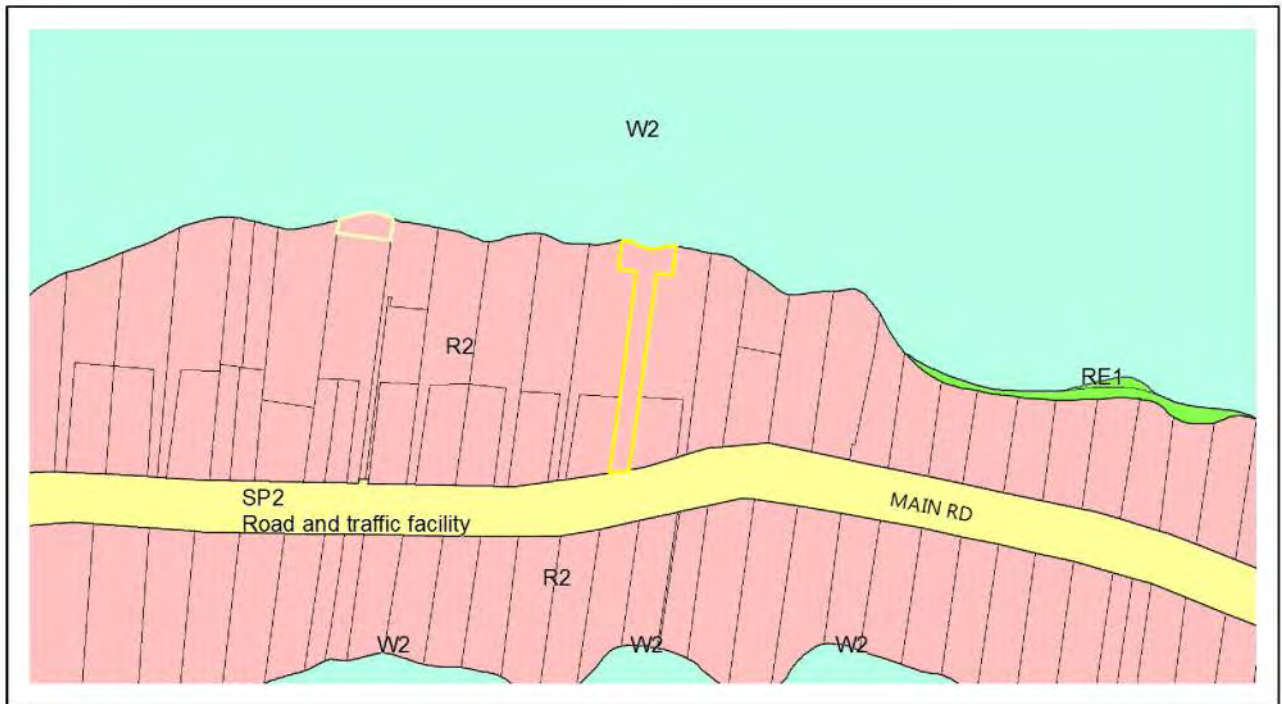
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Legend
Open Space
Road
R2 - Low Density Residential
RE1 - Public Recreation
SP2 - Shopping
W2 - Recreation (Outlook)

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1. Parcel Information for Stand Alone Property 34	
Address	98W MAIN ROAD TOUKLEY 2263
Known As	
Parcel Description	Lot 97 DP 14731
2. Area	
SQM	814.77m2
3. Location	
e.g. Access to town centres	Toukley residential area.
4. Acquisition Details	
S.94 Dedication	1927 - No.
Agreements over the land	Marked as reserve for access and drainage on DP.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Drainage.
5. Current Use	
Current Use / Potential Conflicts	Vacant land. Drainage infrastructure.
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	Yes - 1% AEP
Bushfire Prone Land	No
Mine Subsidence District	Yes
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Roads & Drainage
9. Conclusion	
Comments	Site is accessible to the public but not signposted and therefore it is likely that it is not used by the public. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 97 DP14731

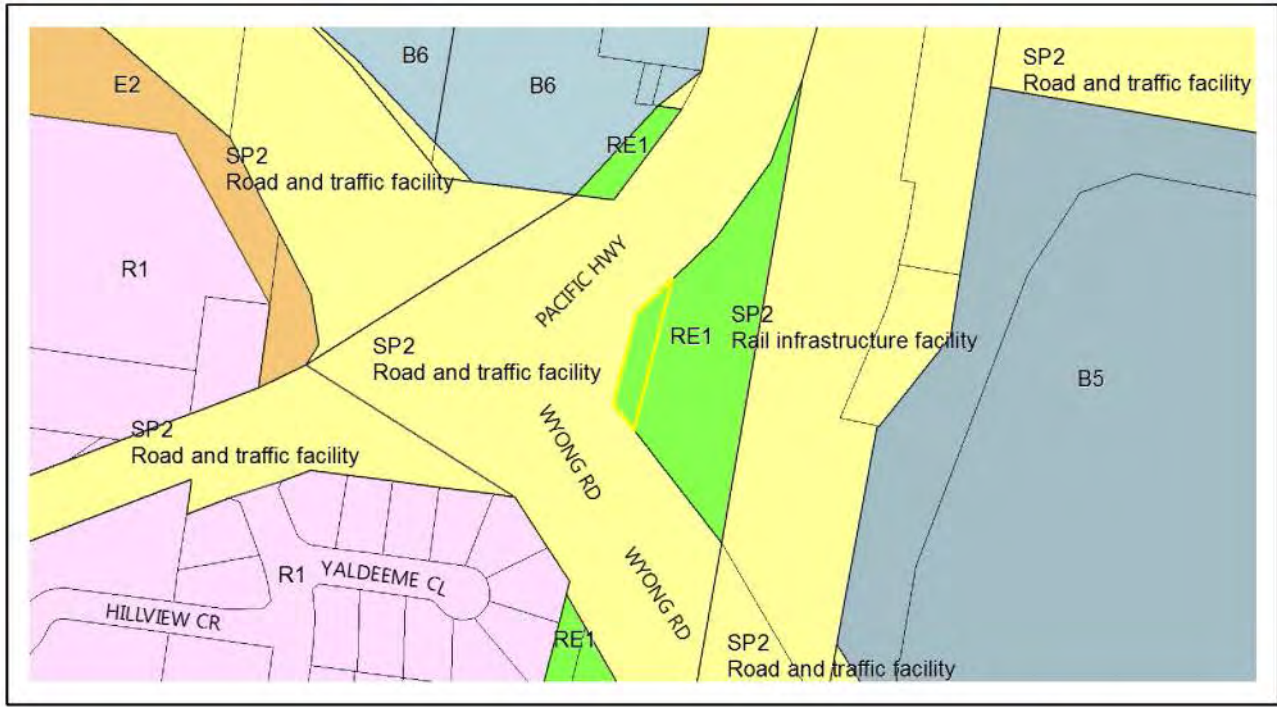
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Legend:
- Green: Open Space
- Yellow: Road and Traffic Facility
- Pink: Residential Medium Density
- Light Blue: Water Conservation
- Green: Public Reserve
- Green: Water Conservation
- Green: Residential Medium Density

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1. Parcel Information for Stand Alone Property 35	
Address	45W PACIFIC HIGHWAY TUGGERAH 2259
Known As	
Parcel Description	Lot 1 DP 605627
2. Area	
SQM	497.15m2
3. Location	
e.g. Access to town centres	Adjacent to Tuggerah Railway Station
4. Acquisition Details	
S.94 Dedication	1979 - No.
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Unknown
Acquisition Conditions	Nil.
Reason for Acquisition	Unknown.
5. Current Use	
Current Use / Potential Conflicts	Vacant land.
6. Constraints/Opportunities	
Zoning	RE1 Public Recreation
Endangered Ecological Communities	No
Water Servicing	No
Water / Sewer Servicing	No.
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
Mine Subsidence District	No
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Roads & Drainage
9. Conclusion	
Comments	Likely to be part of road buffer between Tuggerah Railway Station and Wyong Rd/Pacific Hwy interesection. RMS do not have acquisition plans for this site, however the adjoining parcel (Lot 1 DP 714296) is in RMS ownership. It is recommended that the site be offered for sale. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Pt Lot 1 DP605627

Legend

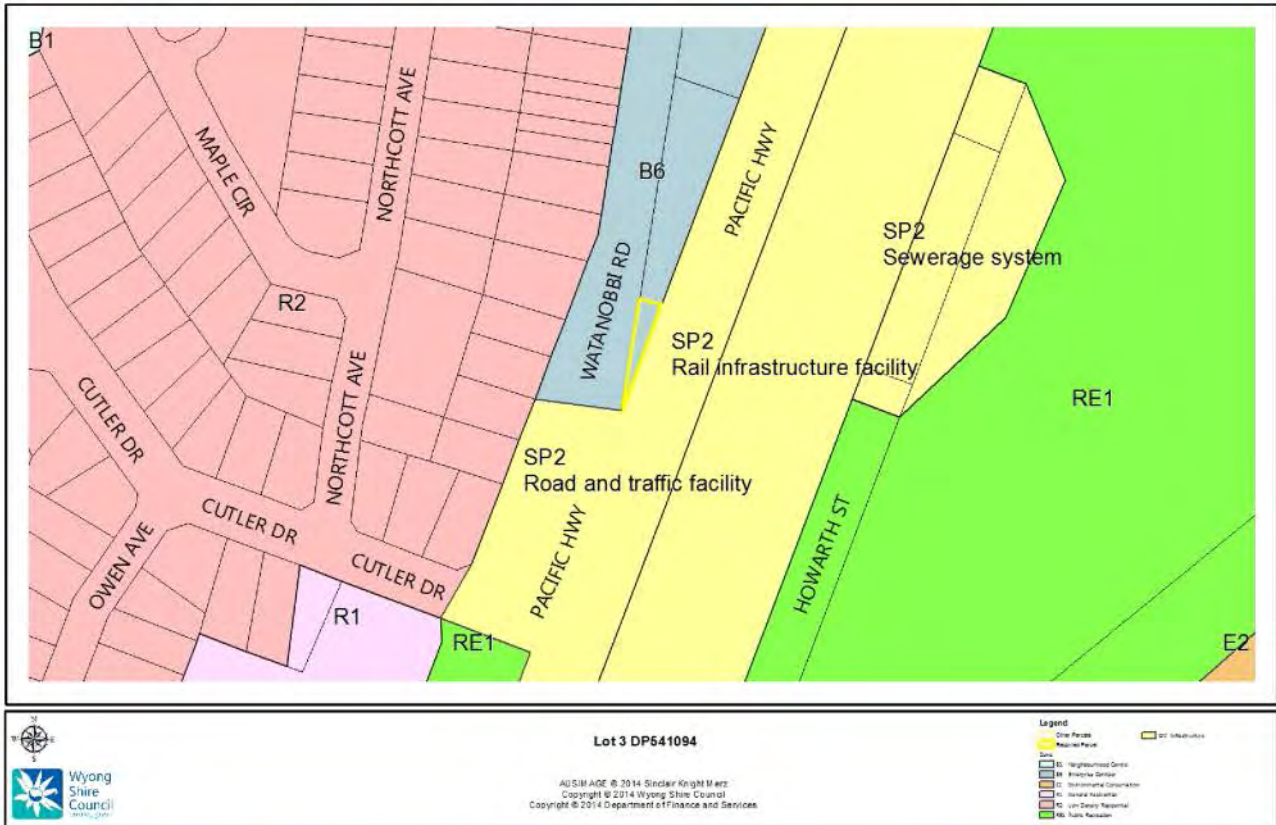
- City Parks
- Residential Parks
- Other
- B6 Business Development
- B5 Regional Centre
- R1 Residential Conservation
- RE1 Residential Medium Density
- SP2 Public Reserve
- SP2 Infrastructure

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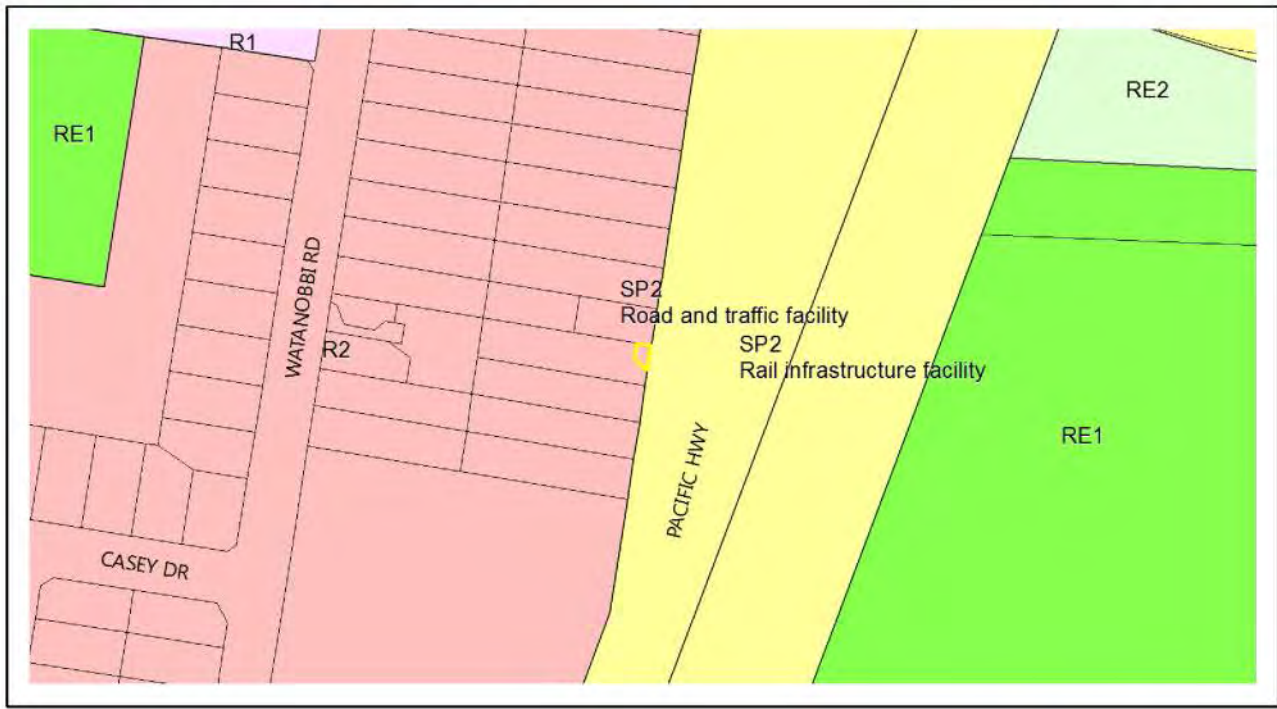
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1. Parcel Information for Stand Alone Property 36	
Address	152W PACIFIC HIGHWAY WATANOBBI 2259
Known As	
Parcel Description	Lot 3 DP 541094
2. Area	
SQM	195m2
3. Location	
e.g. Access to town centres	Adjacent to Bill Hunter Motors.
4. Acquisition Details	
S.94 Dedication	1969 - No.
Agreements over the land	Marked as public reserve on DP.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Public Reserve
5. Current Use	
Current Use / Potential Conflicts	Unused vacant land.
6. Constraints/Opportunities	
Zoning	B6 Enterprise Corridor
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
Mine Subsidence District	No
Minimum Lot Size	No
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land)
8. Funding	
Asset Owner	Open Space & Recreation
9. Conclusion	
Comments	Small, triangular site adjacent to Bill Hunter Motors at Watanobbi. Site not used for recreation. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August
	2014.
Recommend Sale	Yes
10. Figures (see following page)	



1. Parcel Information for Stand Alone Property 37	
Address	222W PACIFIC HIGHWAY WATANOBBI 2259
Known As	Sewer pump station - Disused.
Parcel Description	Lot 1 DP 562779
2. Area	
SQM	44.28m2
3. Location	
e.g. Access to town centres	Watanobbi residential area.
4. Acquisition Details	
S.94 Dedication	1973 - No.
Agreements over the land	Nil.
Acquisition Details (e.g. fee simple)	Transfer - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Water & Sewer infrastructure
5. Current Use	
Current Use / Potential Conflicts	Sewer pump station - Disused.
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential.
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes
Heritage	No
Flood Prone Land	No
Bushfire Prone Land	No
Mine Subsidence District	No
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Nil
8. Funding	
Asset Owner	Water & Sewer
9. Conclusion	
Comments	Disused Sewer Pump Station. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 1 DP562779

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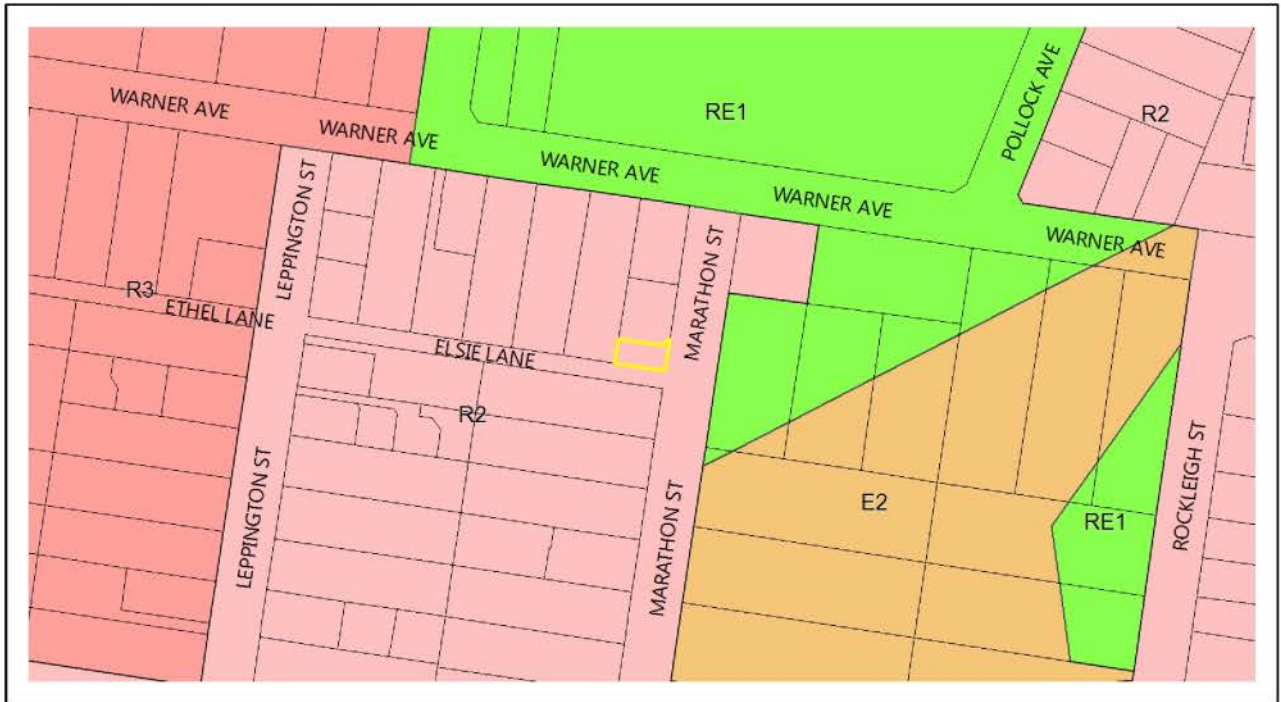
Legend

- Local Roads
- Regional Roads
- State
- State - General Residential
- State - Low Density Residential
- State - Public Recreation
- State - Private Recreation
- State - Infrastructure

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1. Parcel Information for Stand Alone Property 38	
Address	28W MARATHON STREET WYONG 2259
Known As	
Parcel Description	Lot 3 DP 582389
2. Area	
SQM	193.14m2
3. Location	
e.g. Access to town centres	Wyong residential area.
4. Acquisition Details	
S.94 Dedication	1975 - No.
Agreements over the land	Marked as public reserve on DP.
Acquisition Details (e.g. fee simple)	Dedicated from a plan of subdivision - Fee simple.
Acquisition Conditions	Nil.
Reason for Acquisition	Public Reserve
5. Current Use	
Current Use / Potential Conflicts	Vacant land.
6. Constraints/Opportunities	
Zoning	R2 Low Density Residential.
Endangered Ecological Communities	No
Water Servicing	Yes
Water / Sewer Servicing	Yes.
Heritage	No
Flood Prone Land	Yes - 1% AEP
Bushfire Prone Land	No
Mine Subsidence District	No
Minimum Lot Size	Yes
7. PoM Reference	
Plan of Management	Plan Of Management Number 5 for Sportsgrounds, Parks and General Community Use (applied previously whilst community land)
8. Funding	
Asset Owner	Open Space & Recreation
9. Conclusion	
Comments	Site is vacant and is not used as a public reserve. Endorsed for sale by asset owner and internal stakeholders at meeting on 5 August 2014.
Recommend Sale	Yes
10. Figures (see following page)	



Lot 3 DP582389

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Legend:
Green: Public Reserve
Yellow: Open Space
Pink: Residential (R2)
Light Pink: Residential (R3)
Orange: Employment (E2)
Green: Residential (RE1)

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6.3 Lakes Beach Access Ramp

TRIM REFERENCE: F2004/06214 - D11726604
MANAGER: Brett Sherar, Manager
AUTHOR: Alan Cibilic; Section Manager Natural Areas

SUMMARY

The Northern Lakes Disability Tourism Precinct Committee has constructed a beach access ramp at Lakes Beach which, when completed, will be compliant for use as a disability ramp. Council has provided financial and in-kind support to the group to help this project happen. Stage 1 of the project, the beach ramp and part of the viewing deck, has been completed with the exception of a number of items that will make it fully disability accessible. Council has been asked to take ownership of and maintain the Lakes Beach access ramp. This report describes the implications if Council agree.

RECOMMENDATION

That Council agree to take ownership of and maintain the Lakes Beach disability access ramp Stage 1 which is located on Council controlled land.

BACKGROUND

Council, at its meeting held 24 September 2014;

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

- 1089/14 *That Council recognise the tremendous efforts of the volunteers of the Lakes Beach United Dune Care and Coast Care in volunteering to build the beach access facility at Lakes Beach.*
- 1090/14 *That Council note that this group has indicated it would like the access ramp to be handed over to Council to maintain as a Council asset.*
- 1091/14 *That Council request the General Manager to provide a report to Council on this matter.”*

6.3 Lakes Beach Access Ramp (contd)

Construction of the disabled access ramp at Lakes Beach has been a project driven by the Northern Lakes Disability Tourism Precinct Committee since it was first proposed in 2010. Following this proposal, at the Ordinary Meeting of Council on 11 August 2010, Council unanimously resolved on 8 items (listed below) to provide support for the installation of disabled beach access facilities at Lakes Beach:

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

- 1 That Council receive the status report on the proposed installation of disabled beach access facilities at the Lakes Beach Surf Club.*
- 2 That Council support in principle the installation of disabled beach access facilities at the Lakes Beach Surf Club with the provision that the project meets the Standards established under the Disability Discrimination Act 1992.*
- 3 That the matter be considered as part of the initiatives to be funded in the four year delivery plan.*
- 4 That Council acknowledge potential growth opportunities identified in the Central Coast Destination Management Plan for Tourism in the areas of disability / accessible tourism.*
- 5 That Council give in principle support to the formation of the Northern Lakes Disability Tourism Steering Committee.*
- 6 That Council facilitate a disability access audit of the Northern Lakes Disability Tourism Precinct by the Disability Tourism Precinct Steering Committee.*
- 7 That Council report on the progress made by both the Lakes Disability Beach Access Steering Committee and the Northern Lakes Disability Tourism Steering Committee.*
- 8 That Council delegates to the General Manager to give owners consent to any development applications relating to the proposed access.”*

Subsequent to this Resolution, staff assisted in completing documentation, including the Development Application for the project to proceed in March 2011.

Further assistance was provided as follows:

- Council prepared the Statement of Environmental Effects and the Development Application
- Council lodged the DA as the applicant on behalf of the owner, Trustees Lakes Surf Club, as the entire project is not predominantly on Council land
- Waiving the fees for the Development Application in the sum of \$1,277.00
- Provision of a cash grant in the sum of \$16,485.00 through Council’s Matching Fund
- The Manager of Open Space and Recreation provided a recommendation to Delta Electricity to assist with funding for this venture. Delta Electricity subsequently assisted the Committee with a cash sum of \$8,000.00
- Council has recently made modifications to the car park at Lakes Beach to provide suitable parking for disabled visitors

6.3 Lakes Beach Access Ramp (contd)

The Development Application for the project was submitted by Council on behalf of the applicant, the Northern Lakes Disability Tourism Precinct Committee. Owner's approval was granted by Trustees Lakes Surf Club and Crown Land.

Stage 1 of the project has been completed and a building certificate issued.

Stages 2 and 3 will include making stage 1 fully disability compliant, as well as installing a wheelchair friendly BBQ, constructing a covered deck, an open viewing deck and a connection to the Lakes Beach Surf Club building.

CURRENT STATUS

Council has undertaken a survey of the land and can confirm that the main access to the beach and the existing ramp to the viewing deck are located on reserve trust land under the care and control of Council (Budgewoi Tourist Park (R88683) Reserve Trust). The existing viewing deck and all of future stages 2 and 3, are located on Crown land leased directly by the Trustees Lakes Beach Surf Club. (See Attachment 1)

The observation deck and ramp as constructed is not fully compliant with the accessible provisions of the relevant Australian Standards with regard to handrails and tactile ground surface indicators. As a result, the access ramp and associated structure may be identified as a beach access ramp and observation deck, not a disabled access. The constructors have advised that due to a lack of funding, the handrails and tactile ground surface indicators are to be provided at a later stage during Stage 2 and 3 works.

The current access ramp (Stage 1), is constructed of treated pine. In the harsh coastal environment has an estimated lifespan of 10 to 15 years and possibly up to 20 years with annual maintenance.

THE PROPOSAL

Council has been requested to take ownership of and maintain the access ramp. Council already owns and maintains approximately 80 accesses to Shire beaches. Prior to the construction of this ramp there was a standard beach access maintained by Council on the same site. This timber access ramp provides better access to the beach for beach wheelchairs as well as viewing of the beach, than any other beach access in Wyong Shire.

The maintenance costs will be marginally higher than for the previous board-and-chain access, however Council will obtain a very useful structure which will better meet the needs of disabled residents and visitors. The considerable efforts of volunteers through labour, donations, and grant funding, will result in provision of a valuable public asset at little cost to Council. Maintenance costs can be managed within current operational budgets.

Proposed future stages of the project, previously outlined in this report, could cost in excess of \$200,000 based on cost-estimates in the Development Application. It is not proposed that Council agree to fund or own any of these stages which will be located on land controlled by the Lakes Beach Surf Club.

OPTIONS

Option 1

Reject the offer to take ownership of and maintain the access ramp. (Not recommended as the ramp is on Council controlled land and any public liability due to asset deterioration will become an issue for Council).

Option 2

Accept the offer to take ownership of and maintain that part of the Lakes Beach disability access ramp Stage 1 which is located on Council-controlled land, in its present state as a general access. (Recommended).

Option 3

Accept the offer to take ownership of and maintain that part of the Lakes Beach disability access ramp Stage 1 which is located on Council-controlled land and complete the disability compliant handrails and warning tactiles. (Not recommended).

Option 4

Accept the offer to take control of, complete, and maintain the access ramp Stage 1 as well as stages 2 and 3. (Not recommended due to the proposed stages 2 and 3 being constructed on Crown Land, leased directly to the Lakes Beach Surf Lifesaving Club)

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>
1. Community and Education 2. Community Recreation	Natural areas	3. Facilities and Services	CRS.31 (Beach access renewal program) and beach maintenance operational funds	Reduce the risk to the community while accessing the Shire's beaches

Contribution of Proposal to the Principal Activity

Council ownership and maintenance of the existing access ramp Stage 1 will ensure all members of the public, including those with a disability, have a suitable access to view the beach and ocean, and provide easier access for existing beach wheelchairs to reach the beach.

Long Term Financial Strategy

Open Space and Recreation's Natural Areas Section has available an existing operational budget to maintain beach accesses which can be used to maintain this structure (Stage 1) for its life.

Asset Management Strategy

Council ownership and maintenance of this access ramp Stage 1 is aligned with the asset-based action: 'a healthy, active and connected community' and key commitment for asset management planning and decision making; 'upgrades and new projects that have external funding sources (e.g. grant funding) are given higher priority within the upgrade and new works annual budget allocations, in conjunction with an assessment of affordability for future life cycle costs'.

Workforce Management Strategy

Not applicable.

Link to Community Strategic Plan (2030)

"Communities will have access to a diverse range of affordable and coordinated facilities, programs and services".

We will have 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, financially sustainable and maximise use of the facilities.

This will be achieved through:

3a - Providing and maintaining local and regional community facilities for recreation, culture, health and education.

3e - Balancing the varying provision of facilities and amenities between towns/suburbs to enhance the quality of life in the Shire.

3f - Maximising the access to, and potential for, new and existing facilities/infrastructure to support growth.

3g - Supporting people in the community to lead healthy, active lifestyles.

Budget Impact

Ongoing maintenance can be managed within the beach maintenance operational budget.

CONSULTATION

The Building Services Unit has provided advice regarding maintenance of timber structures in harsh coastal environments which has informed this proposal. The Open Space and Recreation Unit were consulted and their advice incorporated.

GOVERNANCE AND POLICY IMPLICATIONS

Disability compliant access implications have been considered and incorporated into the proposal.

MATERIAL RISKS AND ISSUES

Public liability claims against Council if the beach access on Council controlled land is not maintained and causes injury to members of the public.

CONCLUSION

Stage 1 of the Lakes Beach disability access ramp has been completed to allow general access. This access ramp (but not the viewing deck) is located on a Council reserve and is a useful facility to allow general access to the beach for residents and visitors.

Stage 1 has been constructed at minimal cost to Council due to the considerable efforts of the community through volunteer labour, donations, and grant funding. Maintenance costs for Stage 1 can be managed within current budgets.

Future stages will be located on Crown Land leased directly to Lakes Beach Surf Club and it is not proposed that Council take control of, or commit funds towards these.

ATTACHMENTS

- 1 Survey sketch displaying existing location of ramp at Lakes Beach D11734482

6.4 Councillor Attendance - LGNSW's Inaugural Mayor's Weekend Seminar

TRIM REFERENCE: F2004/07994 - D11727269

MANAGER: Lesley Crawley, Manager Corporate Governance

AUTHOR: Jacque Elvidge; Councillor Services Officer

SUMMARY

LGNSW's Inaugural Mayor's Weekend Seminar is being held 29-30 November 2014 at the Stamford Plaza, Sydney NSW.

RECOMMENDATION

- 1** *That Council authorise interested Councillors to attend LGNSW's Inaugural Mayor's Weekend Seminar in accordance with the Council's Facilities and Expenses Policy for Councillors.*
- 2** *That Council authorise the reimbursement of expenses for Councillors in accordance with the Council's Facilities and Expenses Policy for Councillors.*

BACKGROUND

Local Government in NSW is facing challenges that require fresh thinking. The final report from the Independent Local Government Review Panel (ILGRP) highlighted the important role of mayors and the need to ensure they have the skills and support required to undertake their responsibilities.

Mayors are the face of Local Government, and it is an important and demanding role. Communities expect mayors to provide sound leadership and often turn to them in times of crisis.

THE PROPOSAL

LGNSW's Inaugural Mayor's Weekend Seminar will be held at the Stamford Plaza in Sydney NSW from 29 to 30 November 2014.

The Seminar is open to NSW mayors, deputy mayors and aspiring mayors to work through the particular demands of the mayoral role.

The Mayors' Weekend Seminar will explore four aspects of their work in today's Local Government environment:

- The mayor as community leader
- The mayor as council leader
- The mayor and general manager
- The mayor and Integrated Planning and Reporting (IPR).

STRATEGIC LINKS

Wyong Shire Council Strategic / Annual Plan

Nil impact

Budget Impact

The table below indicates the approximate cost for attendance at the seminar and associated travel expenses per Councillor:

LGNSW's Inaugural Mayor's Weekend Seminar	Councillor Fees
Registration	\$ 1,320.00
Accommodation	\$ 190.00
Travel	\$ 160.00
Sustenance	\$ 300.00
Total (estimate)	\$ 1,970.00

CONSULTATION

- Council's Facilities and Expenses Policy for Councillors
- LGNSW's Website: <http://www.lgnsw.org.au>

GOVERNANCE AND POLICY IMPLICATIONS

In accordance with the provisions of Council's Facilities and Expenses Policy for Councillors, Councillors are encouraged to attend external training sessions that will support their professional development as a Councillor. Reasonable expenses incurred in Councillors attending external training are met in accordance with that policy.

Part of clause D11 and D12 are relevant in this instance:

“Attendance at Conferences, Workshops, Seminars, Professional Development and Training Courses

D11 Council will reimburse expenses for attendance at conferences, workshops and seminars as follows:

- *Each event must be authorised by Council resolution.*
- *Each event must relate to the business of the Council*
- *A combined total of six attendances, per Councillor, per year.*
- *The limit of six will only include those events occurring over one or more consecutive days unless otherwise approved by Council.*
- *Total reimbursement of attendance cost per conference, per Councillor is limited to \$5,000 with a maximum total cost for conferences per year of \$12,000, subject to a total expenditure limit for all Councillors of \$100,000 per year.*

6.4 Councillor Attendance - LGNSW's Inaugural Mayor's Weekend Seminar (contd)

- *The maximum number of Councillors authorised to attend an event is 3 with the exception of the Local Government NSW annual conference and National General Assembly of Local Government or as resolved by Council. These conferences are not included in the cost threshold.*
- *Where Council has incurred costs and a replacement is not nominated by the Mayor/Deputy Mayor and the elected member's non-attendance is not a family or employment or medical emergency, all costs incurred by Council will be charged to the elected member.*
- *Before requesting attendance Councillors must satisfy themselves:*
 1. *that the program is likely of benefit to Council, the Community and/or to his/her professional development as an elected member*
 2. *that he/she is able to commit the time necessary to attend the conference sessions in the terms of this policy*

With respect to Professional Development and Training Courses:

- *Each event must be authorised by Council resolution.*
- *Each event must be aligned with a Councillor's professional development plan.*
- *A combined total of four professional development or training courses per Councillor, per year.*
- *The monetary limit does not apply to the AICD Company Director's Course or the LGMA Executive Certificate for Elected Members Course*
- *No spouse or partner costs will be reimbursed under this section.*

D12 The attendance costs that will be paid up front to the event organiser or reimbursed to the Councillor under this section are identified as follows:

- *Registration costs – costs charged by organisers including official luncheons dinners and tours which are relevant to the interests of this Council.*
- *Travel costs (actual costs as detailed in the travel section of this policy)*
- *Accommodation (actual costs for accommodation as detailed in the accommodation section of this policy)*
- *Sustenance (food and beverage) limit of \$150.00 per day per Councillor and verified by receipts*
- *Out of pocket expenses such as Internet and phone access, laundry limit of \$50.00 per day per Councillor and verified by receipts.*
- *Cost of mandatory textbooks or other supporting documentation if separate to course fees limit \$500 per course*
- *Spouse and Partner Costs (as detailed in the Spouse and Partner Section of this Policy)."*

CONCLUSION

Attendance at this seminar will be in accordance with Council's Facilities and Expenses Policy for Councillors.

ATTACHMENTS

- | | | |
|---|---|-----------|
| 1 | LGNSW - Inaugural Mayor's Weekend Seminar Flyer - 29-30 November 2014 | D11727244 |
|---|---|-----------|



INAUGURAL MAYORS' WEEKEND SEMINAR

29-30 November 2014
Stamford Plaza,
Sydney Airport

A two-day program of specialised professional development for mayors, deputy mayors and aspiring mayors.

LGNSW.GOV.AU

MAYORS WEEKEND SEMINAR

Overview

Local Government in NSW is facing challenges that require fresh thinking. In response, LGNSW Learning Solutions is devising innovative programs to support the sector.

The final report from the Independent Local Government Review Panel (ILGRP) highlighted the important role of mayors and the need to ensure they have the skills and support required to undertake their responsibilities.

Mayors are the face of Local Government, and it is an important and demanding role. Communities expect mayors to provide sound leadership and often turn to them in times of crisis. LGNSW is offering this specialised professional development program to help mayors address complex leadership challenges.

Program

This program provides a new opportunity for NSW mayors, deputy mayors and aspiring mayors to work through the particular demands of the mayoral role.

The Mayors' Weekend Seminar will explore four aspects of their work in today's Local Government environment:

- The mayor as community leader
- The mayor as council leader
- The mayor and general manager
- The mayor and Integrated Planning and Reporting (IPR).

The content is based on real-world experiences. It draws on recent reviews in NSW, South Australia and New Zealand, interviews with mayors carried out by the Australian Centre of Excellence for Local Government, and lessons emerging through the LGNSW Mayoral Mentoring Program.

The program will include short presentations, expert panellists and ample time for roundtable discussion amongst participants.

Presenters

Presenters and panellists will include:

- Cr Keith Rhoades AFSM: President of LGNSW
- Felicity-Ann Lewis: President of ALGA and Mayor of Marion City, South Australia
- Professor Graham Sansom: Former ILGRP Chair and former ALGA CEO
- Genia McCaffery: LGNSW Mayoral Mentor and former Mayor of North Sydney
- Glenn Inglis: Former General Manager of Tamworth Regional Council and Panel Member, ILGRP
- Mike Reid: Principal Policy Advisor, Local Government New Zealand
- Sarah Artist: Manager, LGNSW Learning Solutions and former Assistant Director, UTS Centre for Local Government
- Martin Bass: LGNSW Presenter – Integrated Planning and Reporting
- Narayan van de Graaff: LGNSW Presenter – Governance and Leadership.

PROGRAM OUTLINE

Day One: Saturday 29 November

10am	Welcome and introductions
Session 1	Future challenges for NSW councils and communities: What critical issues are mayors likely to face in coming years, and what will communities expect of them?
Session 2	The changing role of Mayors: What do recent NSW, interstate and international experiences tell us about the role mayors need to play in contemporary Local Government?
Session 3	The Mayor as community leader: How can mayors put new thinking about 'place shaping', 'place-based leadership' and strategic partnerships into practice? What role should they play in regional cooperation and working relations with state and federal governments?
Pre-dinner debate	How does the State Government view Local Government? A panel discussion with leading State Government politicians and senior officials

Day Two: Sunday 30 November

Session 1	The Mayor as council leader: How should mayors go about ensuring good governance and the effective performance of the political arm of their council?
Session 2	The Mayor and General Manager: What are the essential ingredients in making this important relationship a successful one?
Session 3	The Mayor and Integrated Planning and Reporting: IPR is now widely accepted as a cornerstone of better Local Government – do mayors have a special role in driving the planning process and implementation?
Session 4	Workshop on key themes and issues: What are the most important elements of the role of mayors and what additional knowledge, skills and support do mayors need to do their job effectively?
4:15 pm	Conclusion

Registration and Payment

The cost of this program is \$1290. This includes all meals and pre-dinner drinks. Participants should book accommodation at the Stamford Plaza Sydney Airport, or a nearby hotel.

More information and the registration form can be found online at: lgnsw.org.au/learning

If you have any questions, contact the LGNSW Learning Solutions team on either:

02 9242 4181

02 9242 4081

learning@lgnsw.org.au

OTHER MAYOR AND COUNCILLOR PROFESSIONAL DEVELOPMENT PROGRAMS

In-house Programs

If you are interested in any of the following topics, please send an email with your details and the topic of your choice to LGNSW Learning Solutions who will put you on the reserve list. Once there is sufficient interest, LGNSW Learning Solutions will advertise the course.

- Advanced Media Skills
- Asset Management
- Community Leadership
- Climate Risk for Councillors
- Councillors as Change Initiators
- Dynamic Presentation Skills
- Good Governance
- Handling Difficult People for Councillors
- iPad Coaching
- Long Term Strategic and Financial Planning
- Managing Time and Stress
- Pitching for Success
- Managing Information
- Powerfully for Councillors
- Preventing Bullying and Harassment for Councillors
- Development Approvals - the Heritage perspective
- Understanding Sustainability
- Writing Skills for Councillors

Mayors and general managers should note that any of the above programs can be arranged in-house at your council, with significant savings. If you want a training proposal on a topic not mentioned in the above list, please call LGNSW Learning Solutions. Our team of training consultants are experienced in all aspects of Local Government and will work with you to satisfy your training needs.

Contact LGNSW Learning Solutions for a quote on 02 9242 4181 or learning@lgnsw.org.au

Executive Certificate for Elected Members

This five-day accredited program gives elected members a pathway to a Graduate Certificate in Local Government Leadership or a Master of Local Government.

The program was developed by LGNSW in partnership with the Centre for Local Government at UTS, and TAFE NSW.

The next public program will be held in Sydney from Friday 31 October – Sunday 2 November and Saturday 5 – Sunday 6 December 2014.

Conducted over three stages, the five-day course includes:

- A focus on good governance, local democracy and credibility for NSW Elected Members
- Access to high level and well respected Local Government practitioners and researchers sharing their insights and experiences
- High level theory and analysis regarding leadership, governance and the role of the councillor
- Information regarding common practice and good practice on a diverse range of topics
- Common issues being faced by mayors.

Mayoral Mentoring

The Mayoral Mentoring service is available to mayors of all NSW member councils, chairs of member county councils and the chairperson of the NSWALC.

The service is free and confidential. Mentors are Genia McCaffery, former LGA President, ALGA President and Mayor of North Sydney; and Mike Montgomery AM, former Shires Association President, ALGA President and Mayor of Moree Shire Council.

For further information please email: mayoral.mentor@lgnsw.org.au

6.5 Presentation of 2013/14 Annual Financial Statements

TRIM REFERENCE: F2014/00083 - D11728313
MANAGER: Stephen Naven, Chief Financial Officer
AUTHOR: Kim Fitcher, Financial Controller

SUMMARY

This report presents the final Wyong Shire Council 2013/14 Financial Statements, including external audit reports.

RECOMMENDATION

- 1 That Council present the Audited 2013/14 Financial Statements in accordance with the Local Government Act 1993.**
- 2 That Council invite the External Auditor, Mr Dennis Banicevic (representing PricewaterhouseCoopers) to formally present the Auditor's report on Council's 2013/14 Financial Statements.**

BACKGROUND

Council at its meeting held on 8 October 2014 resolved as follows:

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

- 1146/14 That Council adopt the draft Wyong Shire Council financial statements for 2013/14 as presented.*
- 1147/14 That Council refer the draft Wyong Shire Council financial statements for 2013/14 (as presented) to external audit.*
- 1148/14 That Council authorise the Mayor, Deputy Mayor, General Manager and Responsible Accounting Officer to execute all documents related to the draft 2013/14 financial statements as required by legislation.*
- 1149/14 That Council fix 22 October 2014 as the date for the presentation of the audited 2013/14 financial statements and external audit report in accordance with section 419(1) of the Local Government Act 1993."*

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 Dennis Banicevic of PricewaterhouseCoopers will present the audited 2013/14 Financial Statements and External Audit Report.

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 2013/14 Financial Reports | D11739355 |
| 2 | Wyong Shire Council Water Supply Authority 2013/14 Financial Reports | D11740030 |



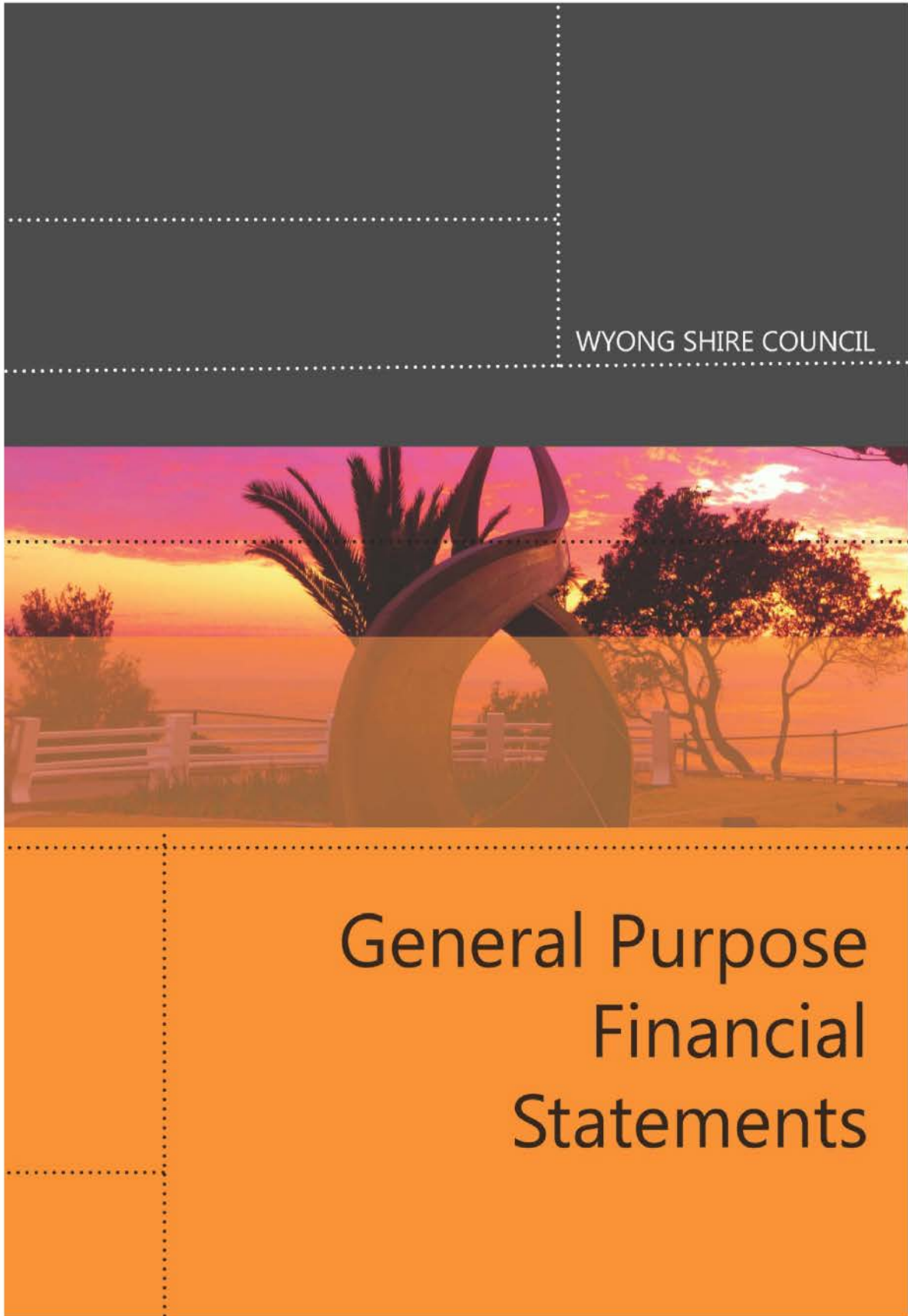
FINANCIAL REPORTS 2013/14

WYONG SHIRE COUNCIL

Edith Ring Rest is a significant landmark on the Coast to Lake Walk



Wyong
Shire
Council
CENTRAL COAST



Wyong Shire Council

General Purpose Financial Statements for the financial year ended 30 June 2014

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- On the Conduct of the Audit (Sect 417 [3])	105

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 & facilities, and to carry out activities appropriate to the current & 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 8 October 2014. Council has the power to amend and reissue these financial statements.

Wyong Shire Council

Financial Statements

for the financial year ended 30 June 2014

General Manager's Report

It is with great pleasure that I present the 2014 financial statements for Wyong Shire Council.

Financial Performance

The 2014 financial year has seen our operations again in the black and our history of multi-million dollar operational deficits are well and truly behind us. The modest surplus of \$5 million in 2014, our second surplus in a row after ten years of deficits, signifies our commitment to fiscal responsibility, reducing costs and working smarter. Compared to 2010, our costs have fallen by approximately 13% in real terms. This is a fantastic feat given a large portion of our cost base is subject to annual cost increases. It is credit to the hard work and dedication of Councillors and Staff that we have been able to achieve this result.

Other challenges to our operations that make this result more pleasing is the pricing determination set by the Independent Pricing and Regulatory Tribunal (IPaRT) which see our Water and Sewer operations remain in deficit and offset by the surplus from General fund operations. During 2014 we invested in the replacement of over 12,000 water meters. This project not only ensures our meters remain within standards, it also allows us to more accurately measure, charge and predict water usage and maintain charging equity between our customers. This and other business reviews will improve the financial performance of the water and sewer operations and we believe we will continue to deliver consolidated operational surpluses through continued financial prudence and improved yields from our assets and operating units.

The past two years of operating surpluses is entrenching a culture for continual operational improvement which will allow us to deliver on the key projects and other job creating initiatives that the community need and deserve.

Financial Position/Assets

Council is responsible for managing \$3 billion in infrastructure and other assets that belong to the community. It was the clear request of our community that we focus on getting back to basics by addressing asset maintenance and the asset backlog. In 2014 we spent \$76.5 million on capital expenditure, of which \$10 million was specifically allocated to address the asset backlog. To assist funding the increased investment in community assets an extra \$2 million in rates receipts was collected via the Special Rate Variation (SRV).

In 2014 we spent \$58.5 million on roads including \$33.9 million on upgrades and renewals, delivering our target of 13.8km. The two biggest upgrades were Minnesota Road and Warnervale Road, costing almost \$5 million combined in 2013/14 alone, these works have made a huge impact for the residents who live in these areas. The \$1 million Tumbi Creek Bridge is now operational and is a vital link in our shared pathway network now spanning over 100km of our Shire.

We have also continued to invest in our water and sewer infrastructure with further improvements in water quality at Mardi Water Treatment Plant, installation of a new inlet screen at Gwandalan Sewage Treatment Plant and continued relining and rehabilitation of our sewerage network. Over the next few years we will continue to invest in renewing aging sewage pumping stations and improving water quality.

Our 2014/15 strategic plan outlines one of the State's largest capital works programs of \$100m to help create jobs in our local area, bring our \$3 billion of assets to a satisfactory condition and to invest in our infrastructure to deliver essential services for the forecasted population increase within our Shire. This will be funded from operational revenue, prudent fiscal management and the sale of surplus assets to invest in strategic assets for the community with a key focus on job creation.

Wyong Shire Council

Financial Statements

for the financial year ended 30 June 2014

General Manager's Report (continued)

It is a huge challenge for an essential service organisation to deliver a wide range of best value services with a 2014/15 budget of \$340 million to everyone in our community but I do believe Wyong Shire Council has the ideas, plans and people to deliver the services and infrastructure that our current and future residents need and deserve. Our operating results over the past two years after years of operational deficits are evidence of this ability.

I want to thank the Mayor, Councillors, 1200 Staff and many community volunteers for their efforts over the last year to achieve this result and look forward to working with them into the future to make Wyong Shire a better place to live and work.

Michael Whittaker
General Manager



Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

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 2014.

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 five 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 specialise 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.

Wyong Shire Council

General Purpose Financial Statements
for the financial year ended 30 June 2014

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.
- 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.

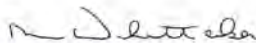
Signed in accordance with a resolution of Council made on 8 October 2014.



Doug Eaton
MAYOR



Lynne Webster
DEPUTY MAYOR



Michael Whittaker
GENERAL MANAGER



Stephen Naven
RESPONSIBLE ACCOUNTING OFFICER

Wyong Shire Council

Income Statement

for the financial year ended 30 June 2014

Budget 2014	\$ '000	Notes	Actual 2014	Actual 2013
Income from Continuing Operations				
Revenue:				
142,171	Rates & Annual Charges	3a	142,129	135,676
60,569	User Charges & Fees	3b	56,743	57,503
8,677	Interest & Investment Revenue	3c	7,479	9,272
4,124	Other Revenues	3d	5,483	4,084
14,431	Grants & Contributions provided for Operating Purposes	3e,f	15,616	25,953
14,644	Grants & Contributions provided for Capital Purposes	3e,f	15,765	15,114
Other Income:				
490	Net gains from the disposal of assets	6	-	-
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	-	-
<u>245,106</u>	Total Income from Continuing Operations		<u>243,215</u>	<u>247,602</u>
Expenses from Continuing Operations				
79,473	Employee Benefits & On-Costs	4a	74,076	75,224
16,071	Borrowing Costs	4b	15,084	16,742
43,382	Materials & Contracts	4c	41,598	44,674
55,078	Depreciation & Amortisation	4d	55,511	52,651
-	Impairment	4d	-	26
38,802	Other Expenses	4e	34,727	34,010
-	Net Losses from the Disposal of Assets	5	981	1,855
<u>232,806</u>	Total Expenses from Continuing Operations		<u>221,977</u>	<u>225,182</u>
<u>12,300</u>	Operating Result from Continuing Operations		<u>21,238</u>	<u>22,420</u>
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
<u>12,300</u>	Net Operating Result for the Year		<u>21,238</u>	<u>22,420</u>
12,300	Net Operating Result attributable to Council		21,238	22,420
-	Net Operating Result attributable to Non-controlling Interests		-	-
<u>(2,344)</u>	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		<u>5,473</u>	<u>7,306</u>

Original Budget as approved by Council - (refer Note 16)

Financial Assistance Grants for 2014 are lower, reflecting a timing difference due to a change in how the grant is paid - (refer Note 10)

Wyong Shire Council

Statement of Comprehensive Income
for the financial year ended 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
Net Operating Result for the year (as per Income statement)		21,238	22,420
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	34,359	145,569
Adjustment to correct prior period errors		-	69,791
Impairment (loss) reversal relating to I,PP&E	20b (ii)	(1,324)	-
Total Items which will not be reclassified subsequently to the Operating Result		33,035	215,360
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
Total Other Comprehensive Income for the year		33,035	215,360
Total Comprehensive Income for the Year		54,273	237,780
Total Comprehensive Income attributable to Council		54,273	237,780
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Wyong Shire Council

Statement of Financial Position

as at 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	19,357	28,667
Investments	6b	102,913	116,000
Receivables	7	31,738	31,569
Inventories	8	1,442	1,947
Other	8	720	537
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		156,170	178,720
Non-Current Assets			
Investments	6b	25,000	16,573
Receivables	7	480	512
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	2,576,048	2,523,472
Investments accounted for using the equity method	19	250	250
Investment Property	14	-	-
Intangible Assets	25	340	711
Total Non-Current Assets		2,602,118	2,541,518
TOTAL ASSETS		2,758,288	2,720,238
LIABILITIES			
Current Liabilities			
Payables	10	34,103	36,931
Borrowings	10	11,368	10,755
Provisions	10	23,424	27,530
Total Current Liabilities		68,895	75,216
Non-Current Liabilities			
Payables	10	12,290	14,210
Borrowings	10	172,672	181,132
Provisions	10	54,532	54,054
Total Non-Current Liabilities		239,494	249,396
TOTAL LIABILITIES		308,389	324,612
Net Assets		2,449,899	2,395,626
EQUITY			
Retained Earnings	20	1,364,702	1,343,464
Revaluation Reserves	20	1,085,197	1,052,162
Council Equity Interest		2,449,899	2,395,626
Non-controlling Interests		-	-
Total Equity		2,449,899	2,395,626

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 2014

\$ '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 Rsve	20b (ii)	-	34,359	34,359	-	34,359
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	(1,324)	(1,324)	-	(1,324)
Other Comprehensive Income		-	33,035	33,035	-	33,035
Total Comprehensive Income (c&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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2013						
Opening Balance (as per Last Year's Audited Accounts)		1,251,253	906,593	2,157,846	-	2,157,846
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/12)		1,251,253	906,593	2,157,846	-	2,157,846
c. Net Operating Result for the Year		22,420	-	22,420	-	22,420
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	145,569	145,569	-	145,569
- Other Movements	20b	69,791	-	69,791	-	69,791
Other Comprehensive Income		69,791	145,569	215,360	-	215,360
Total Comprehensive Income (c&d)		92,211	145,569	237,780	-	237,780
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		1,343,464	1,052,162	2,395,626	-	2,395,626

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 2014

Budget 2014	\$ '000	Notes	Actual 2014	Actual 2013
Cash Flows from Operating Activities				
Receipts:				
141,814	Rates & Annual Charges		142,570	135,469
60,233	User Charges & Fees		57,699	58,551
9,028	Investment & Interest Revenue Received		7,307	8,436
29,010	Grants & Contributions		23,862	38,242
-	Bonds, Deposits & Retention amounts received		474	622
3,953	Other		11,811	13,043
Payments:				
(79,056)	Employee Benefits & On-Costs		(75,378)	(75,447)
(50,719)	Materials & Contracts		(52,160)	(45,009)
(13,566)	Borrowing Costs		(14,834)	(10,727)
-	Bonds, Deposits & Retention amounts refunded		(435)	(581)
(39,464)	Other		(36,728)	(46,000)
61,233	Net Cash provided (or used in) Operating Activities	11b	64,188	76,599
Cash Flows from Investing Activities				
Receipts:				
16,006	Sale of Investment Securities		94,827	136,931
1,937	Sale of Infrastructure, Property, Plant & Equipment		1,695	2,689
Payments:				
-	Purchase of Investment Securities		(90,364)	(145,856)
(83,827)	Purchase of Infrastructure, Property, Plant & Equipment		(71,809)	(68,011)
-	Contributions Paid to Joint Ventures & Associates		-	(125)
(65,884)	Net Cash provided (or used in) Investing Activities		(65,651)	(74,372)
Cash Flows from Financing Activities				
Receipts:				
-	Proceeds from Borrowings & Advances		3,000	7,130
Payments:				
(11,691)	Repayment of Borrowings & Advances		(10,847)	(12,818)
(11,691)	Net Cash Flow provided (used in) Financing Activities		(7,847)	(5,688)
(16,342)	Net Increase/(Decrease) in Cash & Cash Equivalents		(9,310)	(3,461)
28,667	plus: Cash & Cash Equivalents - beginning of year	11a	28,667	32,128
12,325	Cash & Cash Equivalents - end of the year	11a	19,357	28,667
Additional Information:				
	plus: Investments on hand - end of year	6b	127,913	132,573
Total Cash, Cash Equivalents & Investments			147,270	161,240

Please refer to Note 11 for additional cash flow information

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

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 13 Fair Value Measurement
- AASB 119 Employee Benefits

AASB 13 Fair Value Measurement has not affected the assets or liabilities which are to be measured at fair value; however it provides detailed guidance on how to measure fair value in accordance with the accounting standards.

It introduces the concept of highest and best use for non-financial assets and has caused the Council to review their valuation methodology.

The level of disclosures regarding fair value has increased significantly and has been included in the financial statements at Note 27.

AASB 119 Employee Benefits has changed the basis for determining the income or expense related to defined benefit plans and introduces revised definitions for short-term employee benefits.

Whilst Council has reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period, there has been no effect on the amounts disclosed as leave liabilities since Council's existing valuation policy was to discount annual leave payable more than 12 months after the end of the reporting period to present values.

Early adoption of standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2013.

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.

Critical 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 entity 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 investment properties.
- (ii) Estimated fair values of infrastructure, property, plant and equipment.
- (iii) Estimated tip remediation provisions.

Critical judgements in applying the entity'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.

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(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 entity 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.

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 consolidated fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

- General purpose operations
- Wyong Shire Council Water Supply Authority, 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 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.

Associates

Associates are all entities over which the Council has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint ventures

Jointly controlled assets

The proportionate interests in the assets, liabilities and expenses of a joint venture activity have been incorporated in the financial statements under the appropriate headings. Details of the activity are set out in Note 19.

Joint venture entities

The interest in a joint venture partnership is accounted for using the equity method after initially

being recognised at cost. Under the equity method, the share of the profits or losses of the partnership is recognised in profit or loss, and the share of post-acquisition movements in reserves is recognised in other comprehensive income. Details relating to the partnership are set out in note 19.

Profits or losses on transactions establishing the joint venture partnership and transactions with the joint venture are eliminated to the extent of the Council's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

Central Coast Water Corporation

The project by Gosford and Wyong Councils to implement the Central Coast Water Corporation (CCWC) and Joint Services Business was aimed at achieving a co-ordinated regional management approach to water and sewerage services and decision-making, and reducing costs through the development of common administrative systems and pooled resources.

The project is currently suspended.

(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. Wyong Shire 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 on a straight-line basis over the period of the lease.

Lease income from operating leases where Council is a lessor is recognised in income on a straight-line basis over the lease term.

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(e) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) 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 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.

(g) Cash and cash equivalents

For Statement of cashflow 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) 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.

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(i) 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.

Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

(j) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property

that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the Income statement.

(k) 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.

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(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. Loans and receivables are included in other receivables (note 8) and 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.

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 Council's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security (note Council's obligations under Section 625 of the Local Government Act and Section 212 of the Local Government (General) Regulation 2005). The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

classified as available-for-sale are recognised in equity.

Details on how the fair value of financial instruments is determined are disclosed in note 1(l).

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.

Investment Policy

Council 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 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.

(l) 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 statement of financial position 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.

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

Initial Recognition

On initial recognition, an assets cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

financial statements at their fair value at acquisition date - being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

Asset Revaluations (including indexation)

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, bridges and footpaths (External Valuation)
- Drainage assets – (External Valuation)
- Bulk earthworks – (as approximated by depreciated historical cost)
- Community land – (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, 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.

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 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 is 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 (on the next page):

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Buildings	8 to 100 years
Vehicles	3 to 10 years
Heavy Plant	6 to 28 years
Other plant and equipment	4 to 35 years
Office Equipment	2 to 10 years
Office Furniture	1 to 20 years
Computer Equipment	2 to 10 years
Playground Equipment	20 years
Benches, seats etc	25 years
Dams	5 to 150 years
Water Mains	50 to 100 years
Water & Sewerage Treatment Plants - Civil	15 to 100 years
Water & Sewerage Treatment Plants - Other	15 to 100 years
Sewerage Pipelines and Mains	25 to 100 years
Drainage Assets	30 to 120 years
Concrete Bridges	80 to 100 years
Road Surface:	
* Asphalt surface	25 to 33 years
* Spray Seal surface	12 to 32 years
* Slurry Seal surface	12 years
* Open Graded AC	12 years
* Concrete surface	50 years
* Gravel	5 years
* Earth	30 years
* Other	2 to 33 years
Road Structure:	
* Gravel Base and Sub Base	63 to 80 years
* Other	10 to 80 years
Kerb, Gutter and Paths	20 to 100 years

Items of IPPE, except for land and construction of buildings, are capitalised in accordance with thresholds set in Council's *Manual on Infrastructure Capitalisation*.

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).

(n) Investment property

In the period ended 30 June 2014, Council had no investment properties.

(o) 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.

(p) 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

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

of the liability for at least 12 months after the reporting date.

(q) 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.

(r) 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.

(s) 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 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,

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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 it becomes payable (see below).

Council 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 AASB119 Employee Benefits.

Sufficient information is not available to account for the Scheme as a defined benefit plan in accordance with AASB119, because the assets to the Scheme are pooled together for all Councils.

As such no liability for the deficiency has been recognised in Council's accounts. 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.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense at Note 4(a) for the year ending 30 June 2014 was \$2,634,256. The Scheme's most recent full actuarial review was performed by Richard Boyfield of Mercer Consulting (Australia) Pty Ltd and covers the period ended 30 June 2014.

However the position is monitored annually and the Actuary has estimated that as at 30 June 2014 a deficit still exists. Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit. The share of this deficit that is broadly attributed to Wyong Shire Council is estimated to be in the order of \$4,218,188 as at 30 June 2014.

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.

(t) Rounding of amounts

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

(u) 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.

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.

(v) 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).

(w) 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, Council has incurred a number of costs including system build costs, software and hardware licences, as well as direct costs of materials and labour. Council'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.

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(x) 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.

(y) Rural Fire Service assets

Under section 119 of the Rural Fire Services Act 1997, "all fire fighting 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 fire fighting 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.

(z) 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.

(aa) 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 2014.

Council has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

(i) **AASB 9 Financial Instruments, AASB 2009 11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures and AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments** (effective from 1 January 2017)

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Council has not yet fully assessed the impact on the reporting financial position and performance on adoption of AASB 9.

(ii) AASB 2013-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets (effective for Council's 30 June 2015 Financial Statements)

There are no changes to reported financial position or performance from AASB 2013-3, however additional disclosures may be required.

(iii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective for 1 January 2014 for not-for-profit entities)

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are

accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules. As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. Council is still assessing the impact of these amendments.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(ab) 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.

(ac) 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 2014

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			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2014	2014	2013	2014	2014	2013	2014	2014	2013	2014	2013	2014	2013
Governance	6	2	1	1,586	1,577	393	(1,581)	(1,576)	(391)	0	0	-	(0)
Community and Education	6,318	7,115	6,179	16,612	17,058	14,992	(10,294)	(9,942)	(8,812)	2,100	1,186	53,703	50,230
Community and Recreation	1,302	845	1,185	19,663	17,457	16,534	(18,362)	(16,613)	(15,349)	313	679	76,968	79,501
Economic & Property Development	3,431	2,958	2,232	11,705	10,884	10,166	(8,274)	(7,926)	(7,935)	371	309	418,454	381,014
Council Enterprises	10,175	10,591	10,318	9,542	9,224	9,686	633	1,367	632	2	3	53,705	30,891
Regulatory	4,452	4,671	4,968	11,069	10,095	11,986	(6,617)	(5,424)	(7,017)	46	293	537	583
Environment and Land Use	3,471	3,287	7,055	12,742	8,827	13,969	(9,271)	(5,540)	(6,915)	1,425	5,151	16,876	10,100
Waste Management	42,281	39,647	40,929	35,949	26,962	28,029	6,332	12,685	12,900	1,342	1,751	13,055	7,368
Roads	5,372	7,069	6,215	32,916	35,238	31,137	(27,545)	(28,169)	(24,923)	3,004	1,546	380,676	367,403
Stormwater	7,776	7,413	7,012	5,118	4,802	5,183	2,658	2,611	1,829	-	-	249,378	242,121
Sewerage Services	31,247	31,652	31,337	29,773	35,822	35,416	1,475	(4,169)	(4,079)	677	666	746,792	732,571
Water Supply	40,921	41,100	38,570	46,661	44,505	46,391	(5,740)	(3,404)	(7,821)	1,774	1,372	641,912	641,412
Administration	929	1,220	588	(354)	(354)	596	1,283	1,574	(8)	28	27	105,976	176,565
Corporate Income and Expense	6,807	6,004	8,341	(176)	(120)	704	6,985	6,124	7,637	146	1,765	6	229
Total Functions & Activities	164,488	163,574	164,930	232,806	221,977	225,182	(68,318)	(58,403)	(60,253)	11,228	14,748	2,758,038	2,719,988
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	250	250
General Purpose Income ¹	80,618	79,641	82,672	-	-	-	80,618	79,641	82,672	7,719	13,069	-	-
Operating Result from Continuing Operations	245,106	243,215	247,602	232,806	221,977	225,182	12,300	21,238	22,420	18,947	27,817	2,758,288	2,720,238

1. Includes: Rates & Annual Charges (incl. Ex-Gratia), Untied General Purpose Grants & Unrestricted Interest & Investment Income.

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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.

COMMUNITY AND EDUCATION

Community and Education provides information, places and spaces for people to participate learn and contribute to their local neighbourhood to improve their quality of life.

We do this by connecting residents through the delivery of programs and services including library services, community and cultural development, community education, learning partnerships and customer contact.

COMMUNITY AND RECREATION

To support community recreation Council works to plan, promote and operate sporting and recreation facilities and services to encourage an active and healthy lifestyle. It also maintains natural areas and open spaces such as beaches, lake foreshores and parks for community use and environmental protection.

We do this by connecting residents through the delivery of programs and services.

ECONOMIC AND PROPERTY DEVELOPMENT

Responsibilities for this activity include strengthening the economic base of the Shire by promoting economic development as well as the creation of employment opportunities. It identifies and develops sustainable income strategies for Council. In addition, it provides property related services for the organisation and is responsible for Council's property portfolio which varies over time, but at present includes a variety of landholdings and houses.

COUNCIL ENTERPRISES

Council Enterprises includes the operation of care and education services and the operation of holiday parks.

With large numbers of children in the Shire, these long day care centres provide quality education and care for 0-6 year olds.

Our holiday park facilities are a significant contributor to the local tourism industry and provide a funding stream for works on Crown Reserves in close proximity to the parks.

REGULATORY

This activity works to ensure compliance with statutory requirements in a professional manner across a wide range of regulatory responsibilities including public health and safety, development assessment, building certification, compliance and regulation auditing, land use compliance, ranger services, animal care facility and noxious weeds.

ENVIRONMENT AND LAND USE

The Environment and Land Use activity enhances the natural and built environment on both private and public land. This is done through strategic planning and policies, as well as controls over land use to maintain a high quality of life. Through this activity Council seeks to promote and plan for the sustainable use of natural resources on the Central Coast. Other responsibilities include the implementation of the Estuary Management Plan, sustainability within Council and natural resource management.

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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:

WASTE MANAGEMENT

This activity includes domestic and commercial waste. It involves processing and disposal operations as well as landfill remediation. Waste management is about providing a safe, reliable and environmentally responsible waste collection and disposal services. It also aims to help reduce the Shire's environmental footprint.

ROADS

This activity includes roads (excluding RMS roads), bridges and traffic management in the Shire along with associated infrastructure to help ensure ease of travel and environmental responsibility, including footpaths and shared pathways and off-street car parks.

It aims to provide and maintain quality roads infrastructure to support a growing population in a cost effective and sustainable manner.

STORMWATER

Stormwater provides safe and reliable collection, transmission, treatment and discharge facilities for stormwater in a cost-effective and sustainable manner.

SEWERAGE SERVICES

Sewerage Services provides safe and reliable storage collection, treatment and disposal facilities for sewerage 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.

ADMINISTRATION

Administration provides corporate-wide internal services. Administration is accountable for the governance and statutory compliance of the organisation's finance, human resources and corporate information. Administration also includes asset management, effective high level contract and project management to ensure fiscal responsibility and providing plant, fleet and depot services including emergency service responses.

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2014	Actual 2013
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		54,749	51,112
Farmland		318	304
Mining		878	823
Business		8,498	7,942
Total Ordinary Rates		64,443	60,181
Special Rates			
Stormwater		1,720	1,706
Town Improvement		1,072	1,013
Total Special Rates		2,792	2,719
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		28,555	26,985
Water Supply Services		10,029	10,278
Sewerage Services		27,435	27,404
Drainage		6,426	5,763
Waste Management Services (non-domestic)		2,173	2,080
Liquid Trade Waste		228	222
Section 611 Charges		48	44
Total Annual Charges		74,894	72,776
TOTAL RATES & ANNUAL CHARGES		142,129	135,676

Council has used 2011 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 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Domestic Waste Additional Services		6	6
Water Supply Services		26,940	25,394
Sewerage Services		467	760
Waste Management Services (non-domestic)		44	36
Liquid Trade Waste		611	546
Total User Charges		28,068	26,742
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Development Applications		1,394	1,161
Building Certification		446	409
Regulatory/ Statutory Fees		81	56
Building Inspection		490	386
Inspection Services		135	103
Regulatory/Statutory Certificates		191	153
Registration Fees		39	37
Rezoning Fees		148	209
Section 149 Certificates (EPA Act)		423	344
Section 355 Committees		424	398
Section 603 Certificates		396	305
Shop Inspection Fees		303	300
Other		103	69
Total Fees & Charges - Statutory/Regulatory		4,573	3,930
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Child Care		3,770	3,934
Community Centres		728	589
Companion Animals		253	201
Engineering Design Fees		486	243
Holiday Parks		9,179	8,921
On Site Sewer Management (OSSM) Fees		178	185
RMS (formerly RTA) Charges (State Roads not controlled by Council)		1,959	2,349
Tipping Fees		6,974	9,731
Other		575	678
Total Fees & Charges - Other		24,102	26,831
TOTAL USER CHARGES & FEES		56,743	57,503

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		868	931
- Interest earned on Investments (interest & coupon payment income)		6,722	7,568
- Interest & Dividend Income (Other)		22	19
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		(197)	679
Amortisation of Premiums & Discounts			
- Interest Free (& Interest Reduced) Loans provided		(10)	3
Other		74	72
TOTAL INTEREST & INVESTMENT REVENUE		<u>7,479</u>	<u>9,272</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		868	931
General Council Cash & Investments		2,710	4,192
Restricted Investments/Funds - External:			
Development Contributions			
- Section 64		707	835
- Section 93F - General		42	20
- Section 93F: Drainage		16	2
- Section 93F: Water		18	1
- Section 93F: Sewer		6	1
- Section 94 - General		648	725
- Section 94 - Drainage		301	360
- Section 94A		19	11
Water Fund Operations		630	289
Sewerage Fund Operations		1,514	1,905
Total Interest & Investment Revenue Recognised		<u>7,479</u>	<u>9,272</u>
(d) Other Revenues			
Fines - Parking		280	420
Fines - Other		166	214
Legal Fees Recovery - Other		171	31
Cemetery Income		203	175
Commissions & Agency Fees		10	10
Diesel Rebate		67	81
External Works		245	353
Insurance Claim Recoveries		80	111
Landfill Gas Royalty Payment		437	249
Property Rents		1,971	1,612
Restoration from Utility Providers		806	76
Sale of Scrap Metal		116	90
Sales - General		106	99
Sewerage Connections		198	92
Water Connections		263	198
Other		364	273
TOTAL OTHER REVENUE		<u>5,483</u>	<u>4,084</u>

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance - General Component	5,465	9,814	-	-
Financial Assistance - Local Roads Component	1,009	2,033	-	-
Pensioners' Rates Subsidies - General Component	1,245	1,222	-	-
Total General Purpose	7,719	13,069	-	-

The Financial Assistance Grant for 13/14 reflects a one off reduction due to the fact that this grant is no longer being paid in advance by up to 50% as has occurred in previous years - it does not represent a loss of income but is instead a timing difference.

Specific Purpose

Pensioners' Rates Subsidies:				
- Water	703	719	-	-
- Sewerage	672	666	-	-
- Domestic Waste Management	747	745	-	-
Water Supplies	-	-	950	600
Aged and Disabled	34	81	-	-
Bushfire & Emergency Services	787	918	491	320
Child Care	379	400	-	-
Employment & Training Programs	100	91	-	-
Environmental Protection	833	5,462	80	26
Fire Protection	-	132	-	-
Health Services	41	42	-	-
Library	356	351	46	29
Local Infrastructure Renewal Scheme (LIRS)	305	118	-	-
Recreational Facilities	-	-	308	856
Roads and Bridges	68	52	1,499	30
Storm Damage	40	171	32	-
Street Lighting	235	235	-	-
Transport	13	11	-	-
Transport (Roads to Recovery)	-	-	1,150	875
Youth Services	54	-	1,000	1,705
Other	305	113	-	-
Total Specific Purpose	5,672	10,307	5,556	4,441
Total Grants	13,391	23,376	5,556	4,441

Grant Revenue is attributable to:

- Commonwealth Funding	-	3,890	2,230	2,575
- State Funding	13,343	19,439	3,326	1,866
- Other Funding	48	47	-	-
	13,391	23,376	5,556	4,441

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 93F - Contributions using Planning Agreements	-	-	298	1,213
S 94A - Fixed Development Consent Levies	-	-	534	295
S 64 - Water Supply Contributions	-	-	1,330	799
S 64 - Sewerage Service Contributions	-	-	1,247	632
S 94 - Stormwater Contributions	-	-	763	784
S 94 - Roadworks	-	-	968	809
S 94 - Open Space	-	-	1,459	1,770
S 94 - Community Facilities	-	-	1,276	1,324
Other Developer Contributions	-	-	40	43
Total Developer Contributions	-	-	7,915	7,669
Other Contributions:				
Bushfire Services	-	-	-	33
Dedications (other than by S94)	-	-	2,048	2,679
Kerb & Gutter	-	-	97	86
Paving	-	-	-	102
Roads	-	-	-	3
RMS Contributions (Regional Roads, Block Grant)	794	881	-	-
Town Planning	150	261	-	-
Vehicle Contributions by Employees	1,001	1,037	-	-
Other Environmental Protection	60	147	-	45
Other	220	251	149	56
Total Other Contributions	2,225	2,577	2,294	3,004
Total Contributions	2,225	2,577	10,209	10,673
TOTAL GRANTS & CONTRIBUTIONS	15,616	25,953	15,765	15,114

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2014	Actual 2013
(g) Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	42,614	46,058
add: Grants & contributions recognised in the current period but not yet spent:	15,374	6,762
less: Grants & contributions recognised in a previous reporting period now spent:	(12,614)	(10,206)
Net Increase (Decrease) in Restricted Assets during the Period	2,760	(3,444)
Unexpended and held as Restricted Assets	45,374	42,614
Comprising:		
- Specific Purpose Unexpended Grants	3,727	4,770
- Developer Contributions	40,814	37,148
- Other Contributions	832	696
	45,374	42,614

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2014	Actual 2013
(a) Employee Benefits & On-Costs			
Salaries and Wages		56,596	57,745
Travelling		19	22
Employee Leave Entitlements (ELE)		12,870	13,261
Superannuation		7,669	7,482
Workers' Compensation Insurance		968	558
Fringe Benefit Tax (FBT)		163	171
Payroll Tax		1,010	1,201
Training Costs (other than Salaries & Wages)		868	762
Other		1,387	1,098
Total Employee Costs		81,550	82,300
less: Capitalised Costs		(7,474)	(7,076)
TOTAL EMPLOYEE COSTS EXPENSED		74,076	75,224
Number of "Equivalent Full Time" Employees at year end		927	972
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Overdraft		-	6
Interest on Loans		13,270	13,946
Other Debts		237	186
Total Interest Bearing Liability Costs Expensed		13,507	14,138
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities		1,576	2,590
- Financial Instruments		1	14
Total Other Borrowing Costs		1,577	2,604
TOTAL BORROWING COSTS EXPENSED		15,084	16,742

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Materials & Contracts			
Raw Materials & Consumables		10,229	9,765
Contractor & Consultancy Costs		15,417	19,739
- Contractor & Consultancy Costs Garbage Collection		10,556	10,156
- Contractor & Consultancy Costs Capping		1,844	1,837
- Contractor & Consultancy Costs Green Waste Processing		1,854	1,710
Auditors Remuneration ⁽¹⁾		189	182
Legal Expenses:			
- Legal Expenses: Planning & Development		4	2
- Legal Expenses: Debt Recovery		225	10
- Legal Expenses: Other		599	300
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽²⁾		681	973
TOTAL MATERIALS & CONTRACTS		41,598	44,674

1. Auditor Remuneration

During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):

(i) Audit and Other Assurance Services

- Audit & review of financial statements: Council's Auditor	189	182
Remuneration for audit and other assurance services	189	182
Total Auditor Remuneration	189	182

2. Operating Lease Payments are attributable to:

Buildings	65	122
Computers	568	776
Other	48	75
	681	973

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2014	Actual 2013	Actual 2014	Actual 2013
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	4,547	1,736
Office Equipment		-	-	709	442
Furniture & Fittings		-	-	207	184
Land Improvements (depreciable)		-	-	1,544	2,144
Buildings - Non Specialised		-	-	73	85
Buildings - Specialised		1,324	26	3,285	4,436
Other Structures		-	-	817	1,178
Infrastructure:					
- Roads		-	-	12,402	11,520
- Bridges		-	-	187	-
- Footpaths		-	-	407	-
- Stormwater Drainage		-	-	2,619	2,504
- Water Supply Network		-	-	13,618	13,831
- Sewerage Network		-	-	12,508	12,087
- Swimming Pools		-	-	30	-
- Other Open Space/Recreational Assets		-	-	1,116	-
Other Assets					
- Heritage Collections		-	-	1	1
- Library Books		-	-	489	488
- Other		-	-	1	-
Tip Asset	9 & 26	-	-	565	1,112
Intangible Assets	25	-	-	386	903
Total Depreciation & Impairment Costs		1,324	26	55,511	52,651
less: Impairments (to)/from ARR (Equity)	3a	(1,324)	-	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	26	55,511	52,651

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		651	812
Bad & Doubtful Debts		85	337
Bank Charges		456	442
Commissions		1,996	2,117
Computer Software Charges		1,639	1,475
Contributions/Levies to Other Levels of Government			
- Caravan Park Levy		404	396
- Department of Planning Levy		167	170
- NSW Fire Brigade Levy		1,192	1,167
- NSW Rural Fire Service Levy		581	540
- State Emergency Services		199	181
- Waste Minimisation Levy		9,067	9,227
- Other Contributions/Levies		107	258
Councillor Expenses - Mayoral Fee		58	57
Councillor Expenses - Councillors' Fees		233	226
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		62	81
Donations, Contributions & Assistance to other organisations (Section 356)			
- Central Coast Business Mentors Services Inc		28	112
- Central Coast Mariners FC Pty Ltd		-	75
- Central Coast Tourism Inc		150	150
- Community Groups Tipping Fees		148	229
- The Entrance Town Centre		1,528	1,413
- Toukley Town Centre		152	147
- Wyong Town Centre		73	66
- Other Contributions and Donations		894	897
Election Expenses		-	574
Electricity & Heating		6,389	6,675
Gas Charges		164	146
Insurance		1,710	1,797
Licences		227	309
Planning NSW DA Fees		222	143
Postage		370	341
Printing & Stationery		450	400
Street Lighting		3,308	3,225
Subscriptions & Publications		387	238
Telephone & Communications		705	662
Tip Rehabilitation Provision Adjustment		(1,115)	(2,905)
Valuation Fees		9	35
Valuer General Fees		348	335
Vehicle Registrations		341	326
Other		1,342	1,134
TOTAL OTHER EXPENSES		34,727	34,010

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2014	Actual 2013
Property (excl. Investment Property)			
Proceeds from Disposal - Property		58	703
less: Carrying Amount of Property Assets Sold / Written Off		(139)	(668)
Net Gain/(Loss) on Disposal		(81)	35
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		1,637	1,986
less: Carrying Amount of P&E Assets Sold / Written Off		(2,285)	(1,886)
Net Gain/(Loss) on Disposal		(648)	100
Infrastructure			
Proceeds from Disposal - Infrastructure		-	-
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(252)	(1,990)
Net Gain/(Loss) on Disposal		(252)	(1,990)
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		94,827	136,931
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(94,827)	(136,931)
Net Gain/(Loss) on Disposal		-	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(981)	(1,855)

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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

\$ '000	Notes	2014	2014	2013	2013
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		1,876	-	6,248	-
Cash-Equivalent Assets ¹					
- Deposits at Call		17,481	-	22,419	-
Total Cash & Cash Equivalents		19,357	-	28,667	-
Investments (Note 6b)					
- Managed Funds		-	-	-	4,703
- Long Term Deposits		102,913	15,000	116,000	1,870
- Bank Bonds		-	10,000	-	10,000
Total Investments		102,913	25,000	116,000	16,573
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		122,270	25,000	144,667	16,573

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

**Cash, Cash Equivalents & Investments were
classified at year end in accordance with
AASB 139 as follows:**

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"		<u>19,357</u>	<u>-</u>	<u>28,667</u>	<u>-</u>
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Investments

a. "At Fair Value through the Profit & Loss"					
- "Designated at Fair Value on Initial Recognition" 6(b)(i)		-	-	-	4,703
b. "Held to Maturity" 6(b)(ii)		102,913	25,000	116,000	11,870
Investments		102,913	25,000	116,000	16,573

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of investments held.

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 6b. Investments (continued)

\$ '000	2014		2013	
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Balance at the Beginning of the Year	-	4,703	-	5,955
Revaluations (through the Income Statement)	(197)	-	-	679
Additions	321	-	-	-
Disposals (sales & redemptions)	(4,827)	-	-	(1,931)
Transfers between Current/Non Current	4,703	(4,703)	-	-
Balance at End of Year	-	-	-	4,703
Comprising:				
- Managed Funds	-	-	-	4,703
Total	-	-	-	4,703
Note 6(b-ii)				
Reconciliation of Investments classified as "Held to Maturity"				
Balance at the Beginning of the Year	116,000	11,870	103,014	14,000
Additions	75,043	15,000	137,986	7,870
Disposals (sales & redemptions)	(90,000)	-	(135,000)	-
Transfers between Current/Non Current	1,870	(1,870)	10,000	(10,000)
Balance at End of Year	102,913	25,000	116,000	11,870
Comprising:				
- Long Term Deposits	71,043	15,000	116,000	1,870
- Bank Bonds	-	10,000	-	10,000
- Other Long Term Financial Assets	31,870	-	-	-
Total	102,913	25,000	116,000	11,870
Note 6(b-iii)				
Reconciliation of Investments classified as "Loans & Receivables"				
Nil				
Note 6(b-iv)				
Reconciliation of Investments classified as "Available for Sale"				
Nil				

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details

\$ '000	2014	2014	2013	2013
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investments	122,270	25,000	144,667	16,573
attributable to:				
External Restrictions (refer below)	91,181	25,000	90,859	16,573
Internal Restrictions (refer below)	28,688	-	41,773	-
Unrestricted	2,400	-	12,036	-
	122,270	25,000	144,667	16,573

2014	Opening	Transfers to	Transfers from	Closing
\$ '000	Balance	Restrictions	Restrictions	Balance

Details of Restrictions

External Restrictions - Included in Liabilities

Specific Purpose Unexpended Loans-General (A)	21	976	-	998
Specific Purpose Unexpended Loans-Water (A)	3,037	-	(3,037)	-
RMS (formerly RTA) Advances (B)	190	-	(110)	80
External Restrictions - Included in Liabilities	3,248	976	(3,147)	1,078

External Restrictions - Other

Developer Contributions - General (D)	1,518	6,436	(3,106)	4,847
Developer Contributions - Water Fund (D)	9,780	203	-	9,983
Developer Contributions - Sewer Fund (D)	13,587	-	(587)	13,000
Developer Contributions - Drainage (D)	10,660	-	(3,352)	7,308
Developer Contributions - VPA -General	906	1,504	-	2,410
Developer Contributions - S94a	504	556	-	1,060
Developer Contributions - VPA - Water	140	1,701	-	1,842
Developer Contributions - VPA - Sewer	49	315	-	364
Specific Purpose Unexpended Grants (E)	4,134	-	(1,943)	2,192
Specific Purpose Unexpended Grants-Water Fund (E)	639	896	-	1,535
Water Supplies (F)	6,305	-	(5,932)	373
Prepaid Contributions - Water Supplies (F)	-	1,008	-	1,008
Sewerage Services (F)	22,097	3,390	-	25,487
Domestic Waste Management (F)	22,560	6,033	-	28,593
Stormwater Management (F)	3,620	1,534	-	5,154
RMS Contributions to Works - General (G)	566	138	-	703
RMS Contributions to Works - Water (D)	129	0	-	129
Holiday parks	5,837	2,174	-	8,011
Cemeteries	280	92	-	372
Employees Leave Entitlement - Water	419	-	(78)	342
Employees Leave Entitlement - Sewer	444	-	(70)	375
Public Liability Insurance - Water	6	9	-	15
External Restrictions - Other	104,184	25,988	(15,067)	115,104
Total External Restrictions	107,432	26,964	(18,214)	116,181

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details (continued)

2014 \$ '000		Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions					
	Self Insurance Claims - General (C)	5,837	-	(5,837)	-
	Self Insurance Claims - Water (C)	271	-	(271)	-
	Self Insurance Claims - Sewer (C)	294	-	(294)	-
	Employees Leave Entitlement - General	3,784	-	(142)	3,643
	Contributions - Bonus Provisions	4,503	23	-	4,526
	Prepaid Contributions - General	-	1,361	-	1,361
	Tip Replacement/Rehabilitation	21,744	-	(7,688)	14,056
	Land Development	3,998	-	(374)	3,624
	Expenditure Carried Forward	441	10	-	451
	Public Liability Insurance - General	256	18	-	274
	Section 355/Advances/Deposits	645	44	-	689
	Lifeguard Contract	-	64	-	64
	Total Internal Restrictions	41,773	1,521	(14,605)	28,688
	TOTAL RESTRICTIONS	149,204	28,485	(32,819)	144,870

- 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.
- C Self Insurance liability resulting from reported claims or incurred claims not yet reported.
- D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- E Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- F Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.
- G 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 2014

Note 7. Receivables

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		3,057	12	3,497	13
Domestic Waste Mgt Annual Charges		1,621	9	1,755	9
Drainage Annual Charges		302	-	324	-
Sewerage Annual Charges		1,615	10	1,867	13
Water Annual Charges		522	3	609	4
Interest & Extra Charges		779	-	775	-
User Charges & Fees		13,721	-	13,975	-
Accrued Revenues					
- Interest on Investments		2,553	-	2,188	-
- Other Income Accruals		640	-	1,847	-
Government Grants & Subsidies		3,195	-	755	-
Net GST Receivable		1,707	-	1,966	-
Liquid Trade Waste		260	-	257	-
Toukley Golf Club Limited		-	420	-	447
Wyong Community Recreation Assoc.		-	794	-	794
Other Debtors		2,374	26	2,307	26
Total		32,346	1,274	32,122	1,306
less: Provision for Impairment					
User Charges & Fees		(300)	-	(245)	-
WYCRA Loan (Wyong Community Recreation Association)		-	(794)	-	(794)
Other Debtors		(308)	-	(308)	-
Total Provision for Impairment - Receivables		(608)	(794)	(553)	(794)
TOTAL NET RECEIVABLES		31,738	480	31,569	512
Externally Restricted Receivables					
Water Supply					
- Specific Purpose Grants		1,027	-	-	-
- Rates & Availability Charges		823	3	640	4
- Other		13,412	420	14,590	447
Sewerage Services					
- Rates & Availability Charges		1,615	10	1,862	13
- Other		1,661	-	1,931	-
Domestic Waste Management		1,621	9	1,755	9
Total External Restrictions		20,159	442	20,778	473
Internally Restricted Receivables - Nil					
Unrestricted Receivables		11,579	38	10,791	39
TOTAL NET RECEIVABLES		31,738	480	31,569	512

Notes on Debtors above:

- (i) Rates & 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 & charges at 9.00% (2013 10.00%).
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 2014

Note 8. Inventories & Other Assets

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		-	-	469	-
Stores & Materials		926	-	975	-
Water Treatment Supplies		503	-	490	-
Other		13	-	13	-
Total Inventories		1,442	-	1,947	-
Other Assets					
Prepayments		720	-	537	-
Total Other Assets		720	-	537	-
TOTAL INVENTORIES / OTHER ASSETS		2,162	-	2,484	-
Externally Restricted Assets					
Water					
Water Treatment Supplies		503	-	490	-
Total Water		503	-	490	-
Sewerage					
Nil					
Domestic Waste Management					
Nil					
Other					
Nil					
Total Externally Restricted Assets		503	-	490	-
Total Internally Restricted Assets		-	-	-	-
Total Unrestricted Assets		1,659	-	1,994	-
TOTAL INVENTORIES & OTHER ASSETS		2,162	-	2,484	-

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 8. Inventories & Other Assets (continued)

\$ '000	2014		2013	
	Current	Non Current	Current	Non Current
Other Disclosures				
(a) Details for Real Estate Development				
Industrial/Commercial	-	-	461	-
Other Properties	-	-	8	-
Total Real Estate for Resale	-	-	469	-
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition Costs	-	-	469	-
Total Costs	-	-	469	-
Total Real Estate for Resale	-	-	469	-
Movements:				
Real Estate assets at beginning of the year	469	-	469	-
- Transfers in from (out to) Note 9	(469)	-	-	-
Total Real Estate for Resale	-	-	469	-

(b) Current Assets not anticipated to be settled within the next 12 months

The following Inventories & Other Assets, even though classified as current are not expected to be recovered in the next 12 months;

	2014	2013
Real Estate for Resale	-	469
	-	469

(c) Inventory Write Downs

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

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of other assets held.

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 9a. Infrastructure, Property, Plant & Equipment

	as at 30/6/2013					Asset Movements during the Reporting Period									as at 30/6/2014				
	At	At	Accumulated	Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Impairment Loss (recognised in Equity)	W/F Transfers	Adjustments & Transfers	Other Movements	This from/(to) Real Estate Assets (Note 8)	Revaluation Increments to Equity (ARR)	At	At	Accumulated	Carrying		
	Cost	Fair Value	Dep'n	Impairment										Value	Cost	Fair Value	Dep'n	Impairment	Value
\$ '000																			
Capital Work in Progress	40,717	-	-	-	40,717	76,511	-	-	-	(62,648)	-	(2,699)	-	51,881	-	-	-	51,881	
Plant & Equipment	-	42,525	19,125	-	23,400	-	(2,259)	(4,547)	-	4,254	(32)	-	-	-	41,200	20,384	-	20,816	
Office Equipment	-	7,724	6,364	-	1,360	-	(14)	(709)	-	1,950	-	1	-	-	6,000	3,412	-	2,588	
Furniture & Fittings	-	3,844	2,668	-	1,176	-	(12)	(207)	-	303	32	(1)	-	-	2,839	1,548	-	1,291	
Land:																			
- Operational Land	-	310,172	-	-	310,172	470	(49)	-	-	122	729	-	469	-	311,913	-	-	311,913	
- Community Land	-	125,410	-	-	125,410	87	-	-	-	-	(747)	-	-	-	124,750	-	-	124,750	
- Land under Roads (post 30/6/08)	-	471	-	-	471	24	-	-	-	-	-	-	16	-	511	-	-	511	
Land Improvements - non depreciable	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	
Land Improvements - depreciable	-	32,981	14,538	-	18,443	-	-	(1,544)	-	3,072	(404)	(3)	-	-	32,894	13,330	-	19,564	
Buildings - Non Specialised	-	4,505	3,955	-	550	-	-	(73)	-	-	-	(2)	-	-	4,506	4,031	-	475	
Buildings - Specialised	-	168,191	18,521	-	149,670	-	-	(3,285)	(1,324)	3,935	-	4	-	-	172,108	21,758	1,350	149,000	
Other Structures	-	20,618	6,909	-	13,709	-	(90)	(817)	-	1,793	(1,049)	-	-	-	20,159	6,612	-	13,547	
Infrastructure:																			
- Roads	-	572,354	260,129	-	312,225	259	-	(12,402)	-	27,739	(8)	(551)	-	-	601,614	274,352	-	327,262	
- Bridges	-	12,884	6,370	-	6,514	-	-	(187)	-	26	-	282	-	-	13,192	6,557	-	6,635	
- Footpaths	-	37,146	5,756	-	31,390	8	-	(407)	-	1,045	-	269	-	-	38,469	6,164	-	32,305	
- Bulk Earthworks (non-depressable)	-	2,815	-	-	2,815	-	-	-	-	404	-	-	-	-	3,219	-	-	3,219	
- Stormwater Drainage	-	302,714	71,183	-	231,531	1,232	-	(2,619)	-	6,547	-	5	459	-	310,951	73,797	-	237,154	
- Water Supply Network	-	905,695	353,931	-	551,764	314	(252)	(13,618)	-	4,318	-	(11)	15,624	-	934,711	376,572	-	558,139	
- Sewerage Network	-	962,232	305,967	-	656,265	675	-	(12,508)	-	6,642	-	(1)	18,261	-	996,537	327,202	-	669,334	
- Swimming Pools	-	5,891	3,564	-	2,327	-	-	(30)	-	-	(7)	-	-	-	5,943	3,653	-	2,290	
- Other Open Space/Recreational Assets	-	56,836	15,337	-	41,498	-	-	(1,116)	-	-	1,486	-	-	-	57,384	15,516	-	41,868	
Other Assets:																			
- Heritage Collections	-	245	75	-	170	-	-	(1)	-	-	-	-	-	-	205	36	-	169	
- Library Books	-	9,301	8,186	-	1,115	-	-	(489)	-	497	-	(1)	-	-	4,188	3,066	-	1,122	
- Other	-	38	-	-	38	-	-	(1)	-	-	-	-	-	-	38	1	-	37	
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26):																			
- Tip Assets	-	4,765	4,023	-	742	-	-	(565)	-	-	-	-	-	-	4,765	4,588	-	177	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	40,717	3,589,357	1,106,602	-	2,523,472	79,580	(2,676)	(55,125)	(1,324)	-	-	(2,708)	469	34,359	51,881	3,688,096	1,162,579	1,350	2,576,048

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$47,946) and New Assets (\$8,156). 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 & Equipment.

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 9b. Externally Restricted Infrastructure, Property, Plant & Equipment

\$ '000	Actual 2014				Actual 2013			
	At Cost	At Fair Value	A/Dep & Impair'm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impair'm't	Carrying Value
Water Supply								
WIP	14,720	-	-	14,720	9,786	-	-	9,786
Plant & Equipment	-	411	270	141	-	408	230	178
Office Equipment	-	290	204	86	-	362	244	118
Furniture & Fittings	-	117	104	13	-	117	94	23
Land								
- Operational Land	-	34,631	-	34,631	-	34,578	-	34,578
- Community Land	-	1,113	-	1,113	-	1,168	-	1,168
Buildings	-	6,405	724	5,681	-	6,405	554	5,851
Other Structures	-	1,176	81	1,095	-	1,148	46	1,102
Infrastructure - Water Supply	-	934,711	376,572	558,139	-	905,695	353,931	551,764
Infrastructure - Stormwater	-	310,951	73,797	237,154	-	302,715	71,184	231,531
Total Water Supply	14,720	1,289,805	451,752	852,773	9,786	1,252,596	426,283	836,099
Sewerage Services								
WIP	4,719	-	-	4,719	5,525	-	-	5,525
Plant & Equipment	-	819	482	337	-	794	356	438
Office Equipment	-	222	150	72	-	366	270	96
Furniture & Fittings	-	32	27	5	-	45	38	7
Land								
- Operational Land	-	23,021	-	23,021	-	23,021	-	23,021
Buildings	-	7,556	1,149	6,407	-	7,556	1,014	6,542
Other Structures	-	350	32	318	-	350	21	329
Infrastructure	-	996,537	327,202	669,335	-	962,232	305,967	656,265
Total Sewerage Services	4,719	1,028,537	329,042	704,214	5,525	994,364	307,666	692,223
TOTAL RESTRICTED I,PP&E	19,439	2,318,342	780,794	1,556,987	15,311	2,246,960	733,949	1,528,322

Note 9c. Infrastructure, Property, Plant & Equipment - Current Year Impairments

\$ '000	Notes	Actual 2014	Actual 2013
(i) Impairment Losses recognised in the Income Statement:			
Impairment of public toilet block to be demolished		-	(26)
Total Impairment Losses		-	(26)
IMPAIRMENT of ASSETS - GAINS/(LOSSES) in P/L	4(d)	-	(26)
(ii) 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 2014

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		7,939	-	14,377	-
Payments Received In Advance		3,966	12,290	3,432	14,210
Accrued Expenses:					
- Borrowings		1,323	-	1,396	-
- Salaries & Wages		2,481	-	1,513	-
- Other Expenditure Accruals		13,584	-	11,708	-
Security Bonds, Deposits & Retentions		773	-	734	-
Developer Bonds		930	-	1,054	-
Other		3,107	-	2,717	-
Total Payables		34,103	12,290	36,931	14,210
Borrowings					
Loans - Secured ¹		11,368	172,672	10,755	181,132
Total Borrowings		11,368	172,672	10,755	181,132
Provisions					
Employee Benefits;					
Annual Leave		6,180	-	6,418	-
Sick Leave		4,374	-	5,551	-
Long Service Leave		9,095	861	10,367	334
Other Leave		262	-	275	-
Sub Total - Aggregate Employee Benefits		19,911	861	22,611	334
Self Insurance - Workers Compensation		719	3,459	1,357	3,884
Self Insurance - Public Liability		220	-	182	-
Self Insurance - Other		69	-	80	-
Asset Remediation/Restoration (Future Works) ²⁶		2,315	50,207	3,066	49,834
Payroll Tax		190	5	234	2
Total Provisions		23,424	54,532	27,530	54,054
Total Payables, Borrowings & Provisions		68,895	239,494	75,216	249,396

Refer to the 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 & Security can be found in Note 15.

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 10a. Payables, Borrowings & Provisions (continued)

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
(i) Liabilities relating to Restricted Assets					
Externally Restricted Assets					
Water		22,081	162,431	16,909	172,200
Sewer		5,268	23,055	6,619	23,158
Domestic Waste Management		1,737	-	1,946	-
Self Insurance Water Fund		29	64	65	176
Self Insurance Sewer Fund		1	9	59	162
Other Insurance Water Fund		15	-	6	-
Developer Contributions in advance General		2,395	9,397	2,402	9,397
Developer Contributions in advance Water		485	1,941	158	3,932
Developer Contributions in advance Sewer		156	881	205	881
Liabilities relating to externally restricted assets		<u>32,167</u>	<u>197,778</u>	<u>28,369</u>	<u>209,906</u>
Internally Restricted Assets					
Self Insurance General Fund		689	3,386	1,232	3,546
Other Insurance General Fund		274	-	256	-
Liabilities relating to internally restricted assets		<u>963</u>	<u>3,386</u>	<u>1,488</u>	<u>3,546</u>
Total Liabilities relating to restricted assets		33,130	201,164	29,856	213,452
Total Liabilities relating to Unrestricted Assets		35,765	38,330	45,360	35,945
TOTAL PAYABLES, BORROWINGS & PROVISIONS		<u>68,895</u>	<u>239,494</u>	<u>75,216</u>	<u>249,396</u>

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 10a. Payables, Borrowings & Provisions (continued)

\$ '000	Actual 2014	Actual 2013
(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	10,294	13,380
	<u>10,294</u>	<u>13,380</u>

Note 10b. Description of and movements in Provisions

Class of Provision	2013		2014			Closing Balance as at 30/6/14
	Opening Balance as at 1/7/13	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	6,418	5,026	(5,264)	-	-	6,180
Sick Leave	5,551	2,799	(3,976)	-	-	4,374
Long Service Leave	10,701	2,181	(2,926)	-	-	9,956
Other Leave	275	818	(831)	-	-	262
Self Insurance	5,503	1,145	(2,181)	-	-	4,467
Asset Remediation	52,900	(1)	(838)	323	138	52,522
Other	236	1,010	(1,051)	-	-	195
TOTAL	81,584	12,977	(17,066)	323	138	77,956

- a. Employees Leave Entitlements & 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.
- b. Self Insurance Provisions represent both (i) Claims Incurred but Not reported and (ii) Claims Reported & Estimated as per the actuarial assessment.
- c. Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2014	Actual 2013
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6c	19,357	28,667
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		19,357	28,667
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		21,236	22,420
Adjust for non cash items:			
Depreciation & Amortisation		55,511	52,651
Net Losses/(Gains) on Disposal of Assets		981	1,855
Non Cash Capital Grants and Contributions		(5,079)	(3,483)
Impairment Losses Recognition - I,PP&E		-	26
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "At Fair Value" or "Held for Trading"		197	(679)
- Other		(10)	3
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- Interest on all fair value adjusted Interest Free Advances made by Council		10	(3)
Unwinding of Discount Rates on Reinstatement Provisions		323	6,051
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(5,942)	(3,038)
Increase/(Decrease) in Provision for Doubtful Debts		55	336
Decrease/(Increase) in Inventories		36	107
Decrease/(Increase) in Other Assets		(183)	70
Increase/(Decrease) in Payables		(6,438)	4,090
Increase/(Decrease) in accrued Interest Payable		(73)	(36)
Increase/(Decrease) in other accrued Expenses Payable		8,594	3,385
Increase/(Decrease) in Other Liabilities		(1,081)	1,660
Increase/(Decrease) in Employee Leave Entitlements		(2,173)	(238)
Increase/(Decrease) in Other Provisions		(1,778)	(8,578)
NET CASH PROVIDED FROM/(USED IN)			
OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		64,188	76,599

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 11. Statement of Cash Flows - Additional Information (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Non-Cash Investing & Financing Activities			
S94 Contributions "in kind"		3,031	804
Other Dedications		2,048	2,679
Total Non-Cash Investing & Financing Activities		5,079	3,483
(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		5,043	8,272
Total Financing Arrangements		8,293	11,522
Amounts utilised as at Balance Date:			
- Credit Cards / Purchase Cards		80	96
- Lease Facilities		570	490
- Standby Credit Facilities		5,043	8,272
Total Financing Arrangements Utilised		5,693	8,858

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 & 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

Bank Guarantee \$5,043k provided to WorkCover NSW for self insurance purposes

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2014	Actual 2013
(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 & Equipment			
Buildings		596	908
Plant & Equipment		16	653
Total Commitments		612	1,561
These expenditures are payable as follows:			
Within the next year		612	1,561
Total Payable		612	1,561
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		108	1,561
Future Grants & Contributions		1	-
Internally Restricted Reserves		503	-
Total Sources of Funding		612	1,561

Details of Capital Commitments

Construction of an administration building and an office extension at Buttonderry Waste Management Facility comprises the majority of the capital commitments at \$500k. The remaining building commitments include the design of an Arts Centre and general upgrades across various buildings. Plant & Equipment commitments are for various workshop tools.

(b) 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	403	437
Later than one year and not later than 5 years	474	556
Later than 5 years	1,149	1,123
Total Non Cancellable Operating Lease Commitments	2,026	2,116

b. Non Cancellable Operating Leases include the following assets:

Computer Equipment - PC's, monitors & laptops: Lease terms were all originally for 60 months. The most recent leases have 57 months remaining.

Printers: Lease terms were originally for 60 months. The most recent lease has 56 months remaining.

Northlakes Childcare Centre Premises: Expiry date of the lease is 31/12/2051.

Office Rental at 29 Hely St: This is a monthly lease. The lessor can end the monthly tenancy by giving, at any time, 3 months written notice.

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.

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 13a(i). Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts 2014	Indicator 2014	Prior Periods 2013
Local Government Industry Indicators - Consolidated			
1. Operating Performance Ratio			
Total continuing operating revenue ⁽¹⁾			
<u>(excl. Capital Grants & Contributions) - Operating Expenses</u>	<u>6,651</u>	2.92%	3.66%
Total continuing operating revenue ⁽¹⁾	227,647		
(excl. Capital Grants & Contributions)			
2. Own Source Operating Revenue Ratio			
Total continuing operating revenue ⁽¹⁾			
<u>(less ALL Grants & Contributions)</u>	<u>212,031</u>	87.11%	83.37%
Total continuing operating revenue ⁽¹⁾	243,412		
3. Unrestricted Current Ratio			
<u>Current Assets less all External Restrictions ⁽²⁾</u>	<u>44,327</u>	1.56 : 1	1.98
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	28,381		
4. Debt Service Cover Ratio			
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation (EBITDA)	<u>77,246</u>	3.17	2.89
Principal Repayments (from the Statement of Cash Flows)	24,355		
+ Borrowing Interest Costs (from the Income Statement)			
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
<u>Rates, Annual and Extra Charges Outstanding</u>	<u>7,930</u>	5.22%	6.10%
Rates, Annual and Extra Charges Collectible	151,863		
6. Cash Expense Cover Ratio			
Current Year's Cash and Cash Equivalents including All Term Deposits	<u>137,270</u>	8.65	9.23
Payments from cash flow of operating and financing activities	15,865		

Notes

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

⁽²⁾ Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

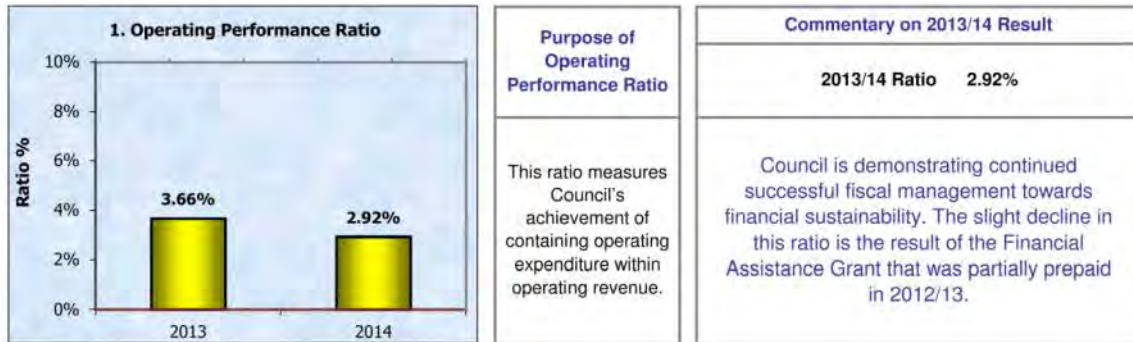
⁽³⁾ Refer to Note 10(a).

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

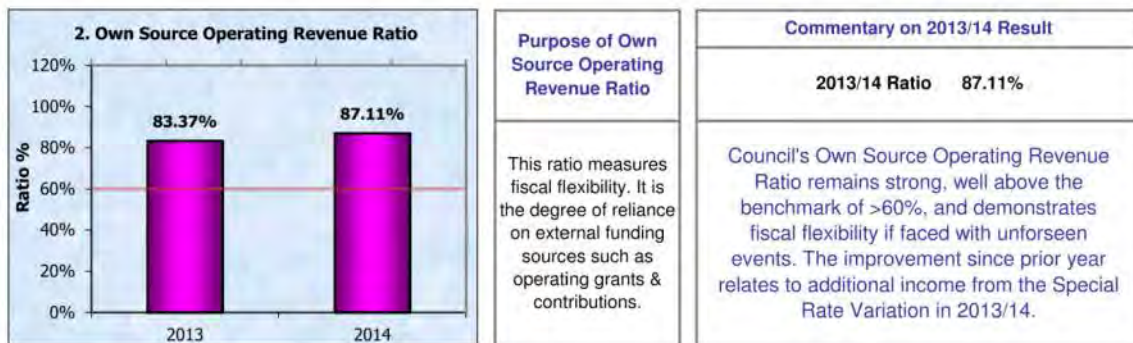
Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

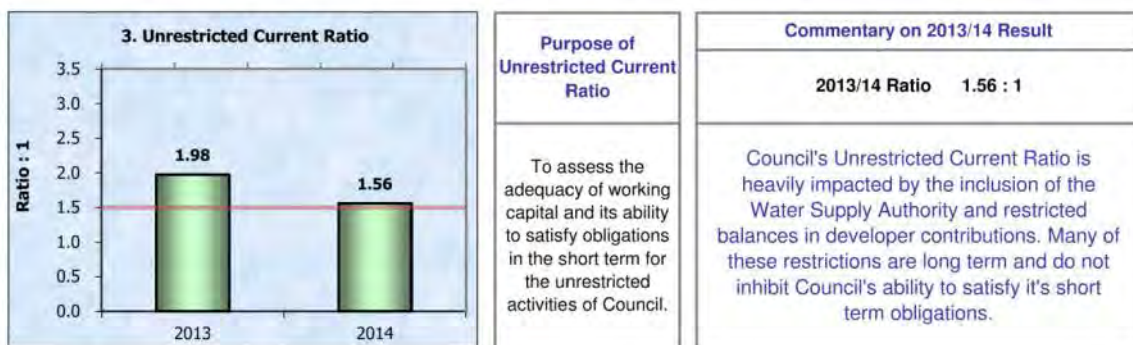
Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)



Source for Benchmark: Code of Accounting Practice and Financial Reporting



Source for Benchmark: Code of Accounting Practice and Financial Reporting

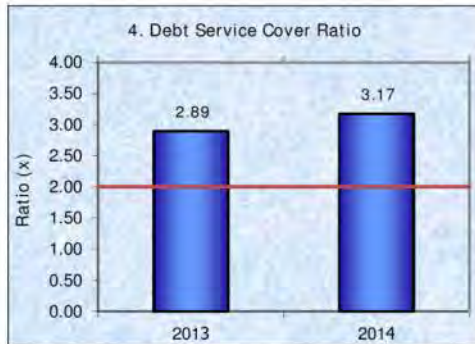


Source for Benchmark: Code of Accounting Practice and Financial Reporting

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)



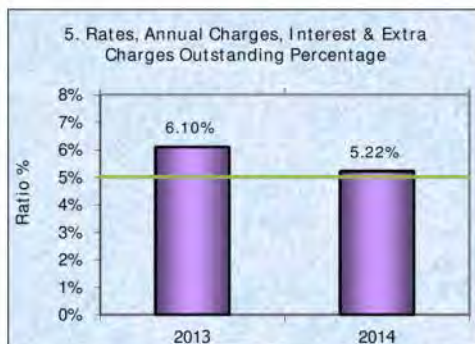
Minimum 2.00

Source for Benchmark: NSW Treasury Corporation

Purpose of Debt Service Cover Ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2013/14 Result	
2013/14 Ratio	3.17
Council's Debt Service Cover Ratio continues to strengthen as the operating result improves and debt is repaid.	



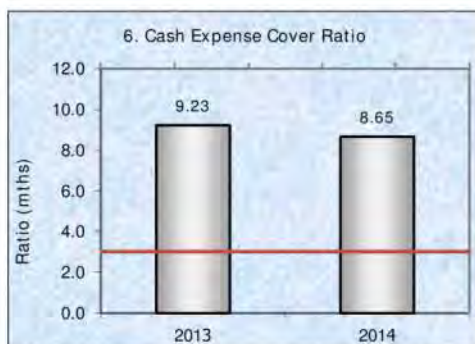
Minimum 5.00%

Source for Benchmark: Office of Local Govt - Comparative Information (10/11)

Purpose of Rates & Annual Charges Outstanding Ratio

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2013/14 Result	
2013/14 Ratio	5.22%
This ratio shows a significant shift towards the benchmark of 5%. Council continues to implement strategies to reduce long term outstanding debts.	



Minimum 3.00

Source for Benchmark: Code of Accounting Practice and Financial Reporting

Purpose of Cash Expense Cover Ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on Result	
2013/14 Ratio	8.65
Council's Cash Expense Cover Ratio remains strong despite cash levels reducing in 2013/14 due to increased capital expenditure, reduced grants receipts and the continued repayment of borrowings.	

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 13b. Statement of Performance Measurement - Indicators (by Fund)

\$ '000	Water 2014	Sewer 2014	General ⁵ 2014
Local Government Industry Indicators - by Fund			
1. Operating Performance Ratio			
Total continuing operating revenue ⁽¹⁾			
<u>(excl. Capital Grants & Contributions) - Operating Expenses</u>	-11.78%	-12.93%	10.63%
Total continuing operating revenue ⁽¹⁾			
(excl. Capital Grants & Contributions)			
2. Own Source Operating Revenue Ratio			
Total continuing operating revenue ⁽¹⁾			
<u>(less ALL Grants & Contributions)</u>	90.21%	92.64%	85.33%
Total continuing operating revenue ⁽¹⁾			
(excl. Capital Grants & Contributions)			
3. Unrestricted Current Ratio			
<u>Current Assets less all External Restrictions⁽²⁾</u>	0.80 : 1	6.91 : 1	1.53 : 1
Current Liabilities less Specific Purpose Liabilities ^(3, 4)			
4. Debt Service Cover Ratio			
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation (EBITDA)			
<u>Principal Repayments (from the Statement of Cash Flows)</u>	1.06	3.95	45.92
+ Borrowing Interest Costs (from the Income Statement)			
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
<u>Rates, Annual and Extra Charges Outstanding</u>	5.59%	5.85%	4.98%
Rates, Annual and Extra Charges Collectible			
6. Cash Expense Cover Ratio			
Current Year's Cash and Cash Equivalents including All Term Deposits			
<u>Payments from cash flow of operating and financing activities</u> x12	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 & Sewer activities which are listed separately.

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

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 & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2014	2013	2014	2013
Financial Assets				
Cash and Cash Equivalents	19,357	28,667	19,357	28,667
Investments				
- "Designated At Fair Value on Initial Recognition"	-	4,703	-	4,703
- "Held to Maturity"	127,913	127,870	127,913	127,870
Receivables	32,218	32,081	32,218	32,081
Total Financial Assets	179,488	193,321	179,488	193,321
Financial Liabilities				
Payables	46,393	51,141	46,393	51,141
Loans / Advances	184,040	191,887	185,960	194,804
Total Financial Liabilities	230,433	243,028	232,353	245,945

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) "**at fair value through profit & 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.

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of financial assets & liabilities.

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

\$ '000

(a) Cash & Cash Equivalents, Financial assets 'at fair value through the profit & loss' "Available-for-sale" financial assets and "Held-to-maturity" Investments

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

Council's Finance area manages the Cash & Investments portfolio with the assistance of independent advisors.

Council has an Investment Policy which complies with the Local Government Act & 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 & Investments.

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
2014				
Possible impact of a 10% movement in Market Values	-	-	-	-
Possible impact of a 1% movement in Interest Rates	1,473	1,473	(1,473)	(1,473)
2013				
Possible impact of a 10% movement in Market Values	470	470	(470)	(470)
Possible impact of a 1% movement in Interest Rates	1,565	1,565	(1,565)	(1,565)

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

Council's major receivables comprise (i) Rates & Annual charges and (ii) User Charges & 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 & 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 balance date follows:

	2014 Rates & Annual Charges	2014 Other Receivables	2013 Rates & Annual Charges	2013 Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	0%	82%	0%	85%
Overdue	100%	18%	100%	15%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

(ii) Ageing of Receivables - value

Current (not yet overdue)	-	20,636		20,901
Past due by up to 30 days	3,173	2,413	3,553	1,381
Past due between 31 and 60 days	1,456	638	1,630	223
Past due between 61 and 90 days	976	70	1,092	230
Past due by more than 90 days	2,325	1,933	2,591	1,827
	<u>7,930</u>	<u>25,690</u>	<u>8,866</u>	<u>24,562</u>

(iii) Movement in Provision for Impairment of Receivables

	2014	2013
Balance at the beginning of the year	1,347	1,011
+ new provisions recognised during the year	55	336
Balance at the end of the year	<u>1,402</u>	<u>1,347</u>

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

Payables & 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 & overdraft facilities utilised as required.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & 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		
2014									
Trade/Other Payables	773	33,330	12,290	-	-	-	-	46,393	46,393
Loans & Advances	-	23,079	23,559	23,256	22,873	22,639	149,627	265,033	184,040
Total Financial Liabilities	773	56,409	35,849	23,256	22,873	22,639	149,627	311,426	230,433
2013									
Trade/Other Payables	734	36,197	14,210	-	-	-	-	51,141	51,141
Loans & Advances	-	24,288	23,627	23,159	22,595	22,555	169,040	285,264	191,887
Total Financial Liabilities	734	60,485	37,837	23,159	22,595	22,555	169,040	336,405	243,028

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

The following interest rates were applicable to Council's Borrowings at balance date:

	2014		2013	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Commercial Banks	183,331	7.0%	190,688	7.0%
NSW Government Agencies	709	4.4%	1,199	5.2%
	<u>184,040</u>		<u>191,887</u>	

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 13/14 was adopted by the Council on 10 April 2013.

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	2014 Budget	2014 Actual	2014 Variance*		
REVENUES					
Rates & Annual Charges	142,171	142,129	(42)	(0%)	U
User Charges & Fees	60,569	56,743	(3,826)	(6%)	U
Interest & Investment Revenue	8,677	7,479	(1,198)	(14%)	U
This variance is due to lower than anticipated interest rates of \$1.0m as well as fair value adjustments on maturity of managed funds of \$0.2m. Investment returns have reduced from 5.2% in 2012/13 to 4.2% in 2013/14.					
Other Revenues	4,124	5,483	1,359	33%	F
This variance is due to road reinstatements for the National Broadband Network (NBN) as well as higher than expected royalty payments (as a result of positive spot rates) for gas extraction at Buttonderry Waste Management Facility.					
Operating Grants & Contributions	14,431	15,616	1,185	8%	F
Capital Grants & Contributions	14,644	15,765	1,121	8%	F
Net Gains from Disposal of Assets	490	-	(490)	(100%)	U
The net gains and losses on disposal of assets have been combined as a net loss in operating expenses.					

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 16. Material Budget Variations (continued)

\$ '000	2014 Budget	2014 Actual	2014 ----- Variance* -----		
EXPENSES					
Employee Benefits & On-Costs	79,473	74,076	5,397	7%	F
Borrowing Costs	16,071	15,084	987	6%	F
Materials & Contracts	43,382	41,598	1,784	4%	F
Depreciation & Amortisation	55,078	55,511	(433)	(1%)	U
Other Expenses	38,802	34,727	4,075	11%	F
This variation is primarily driven by lower than anticipated EPA Waste Levy payments of \$3.4m due to a significant drop in tonnages received at Buttonderry Waste Management Facility, as well as adjustments to the contaminated lands provision (refer Note 26).					
Net Losses from Disposal of Assets	-	981	(981)	100%	U
This variance is principally due to net loss on sale of commercial and passenger vehicles, trucks, and retirement of water meters.					
Budget Variations relating to Council's Cash Flow Statement include:					
Cash Flows from Operating Activities	61,233	64,188	2,955	5%	F
Cash Flows from Investing Activities	(65,884)	(65,651)	233	(0%)	F
Cash Flows from Financing Activities	(11,691)	(7,847)	3,844	(33%)	F
This variance is a result of new loans being drawn for infrastructure works whereby the interest payments are subsidised through the Local Infrastructure Renewal Scheme (LIRS).					

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions

\$ '000

The 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 & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	10,659	221	542	301	(2,465)	(1,950)	7,308	18,454	(34,590)	(8,828)	5,590
Roads	296	436	532	150	(958)	554	1,010	45,924	(44,624)	2,310	(4,029)
Parking	8	-	-	6	-	(2)	12	-	(3,138)	(3,126)	341
Open Space	187	467	1,019	156	(1,303)	431	957	67,715	(51,652)	17,020	(11,971)
Community Facilities	1,002	558	696	335	(904)	1,026	2,713	47,805	(61,531)	(11,014)	10,157
Other	26	32	3	1	152	(59)	155	5,312	(1,830)	3,638	(88)
S94 Contributions - under a Plan	12,178	1,714	2,792	949	(5,478)	0	12,155	185,210	(197,365)	(0)	0
S94A Levies - under a Plan	504	534	-	19	3	-	1,060				-
Total S94 Revenue Under Plans	12,682	2,248	2,792	968	(5,475)	0	13,215				0
S93F Planning Agreements	1,096	298	-	82	3,139	-	4,615				
S64 Contributions	23,370	2,338	239	704	(3,667)	-	22,984				
Total Contributions	37,148	4,884	3,031	1,754	(6,003)	0	40,814	185,210	(197,365)	(0)	0

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Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 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 (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	968	-	-	33	-	-	1,001	713	(5,442)	(3,729)	841
Roads	71	19	-	47	-	1	138	2,949	(4,976)	(1,889)	832
Parking	6	-	-	5	-	(2)	9	-	(3,060)	(3,051)	258
Open Space	-	95	-	43	3	17	158	2,585	-	2,742	1,975
Community Facilities	70	156	-	39	93	-	358	3,508	(3,657)	209	1,757
Other	0	-	-	2	-	1	3	7	-	10	45
s94 Total	1,115	270	-	168	96	17	1,666	9,761	(17,135)	(5,708)	5,708
s64 - Water	2,031	85	-	73	(51)	-	2,138				-
s64 - Sewer	3,526	279	-	61	(384)	-	3,482				-
s64 Total	5,558	364	-	133	(435)	-	5,620				-
Total	6,673	634	-	301	(339)	17	7,286	9,761	(17,135)	(5,708)	5,708

CONTRIBUTION PLAN NUMBER 2 - SOUTHERN LAKES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	907	91	-	19	73	-	1,090	268	(906)	452	-
Roads	17	1	-	14	-	-	32	159	(1,395)	(1,203)	788
Open Space	39	41	-	22	-	-	102	1,998	(2,534)	(434)	1,094
Community Facilities	32	34	-	18	10	93	187	1,669	(2,834)	(978)	797
Other	1	5	-	-	2	-	8	246	(764)	(511)	(6)
s94 Total	996	172	-	73	85	93	1,419	4,340	(8,432)	(2,674)	2,674
s64 - Water	1,242	196	-	63	-	-	1,500				-
s64 - Sewer	2,213	169	-	42	-	-	2,424				-
s64 Total	3,455	365	-	105	-	-	3,925				-
Total	4,451	537	-	177	85	93	5,343	4,340	(8,432)	(2,674)	2,674

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Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 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 (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	3	-	-	0	-	(1)	2	-	(110)	(108)	2
Roads	(0)	245	-	39	93	-	377	4,299	(6,591)	(1,915)	1,778
Parking	2	-	-	1	-	-	3	-	(78)	(76)	77
Open Space	4	117	-	15	(110)	-	25	1,035	-	1,060	747
Community Facilities	61	179	-	15	(233)	(4)	18	1,590	(1,229)	379	(1,945)
s94 Total	70	541	-	70	(250)	(5)	426	6,924	(8,008)	(659)	659
s93F - General	-	-	-	6	343	-	349				-
s93F - Water	-	-	-	7	395	-	402				-
s93F Total	-	-	-	13	738	-	751				-
s64 - Water	757	134	-	54	(392)	-	553				-
s64 - Sewer	899	81	-	16	(98)	-	898				2
s64 Total	1,656	215	-	70	(490)	-	1,451				2
Total	1,727	756	-	152	(2)	(5)	2,627	6,924	(8,008)	(659)	661

CONTRIBUTION PLAN NUMBER 5 - OURIMBAH

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	5	-	-	4	-	-	9	55	-	64	221
Open Space	(1)	-	-	3	-	-	2	34	(166)	(130)	83
Community Facilities	45	-	-	32	83	-	160	28	(2,011)	(1,823)	1,630
Other	0	-	-	0	-	-	0	4	(50)	(46)	-
s94 Total	49	-	-	39	83	-	171	121	(2,227)	(1,935)	1,935
s64 - Water	543	106	-	17	-	-	666				-
s64 - Sewer	530	171	-	15	-	(389)	327				389
s64 Total	1,073	277	-	32	-	(389)	993				389
Total	1,122	277	-	71	83	(389)	1,164	121	(2,227)	(1,935)	2,324

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Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 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 (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	(0)	-	-	0	-	-	(0)	1,638	-	1,638	4
Roads	-	-	-	-	-	-	-	-	(135)	(135)	14
Parking	0	-	-	0	-	-	0	-	-	0	6
Open Space	24	22	4	10	17	(1)	76	6,062	(4,400)	1,738	456
Community Facilities	35	23	5	24	69	-	156	6,293	(11,163)	(4,714)	1,068
Other	-	-	-	-	-	-	-	-	(76)	(76)	-
s94 Total	59	45	9	34	86	(1)	233	13,993	(15,774)	(1,548)	1,548
s64 - Water	431	21	2	17	(3)	-	468				-
s64 - Sewer	498	14	1	8	(909)	390	2				(389)
s64 Total	930	35	3	25	(912)	390	470				(389)
Total	989	80	12	59	(826)	389	703	13,993	(15,774)	(1,548)	1,159

CONTRIBUTION PLAN NUMBER 7 - GOROKAN

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	18	-	-	13	(137)	134	27,933	-	(1,259)	(1,231)	(24)
Open Space	33	32	-	12	83	-	160	2,279	(591)	1,848	499
Community Facilities	20	28	-	2	-	-	49	1,903	(3,400)	(1,448)	50
Other	-	4	-	-	(6)	7	5	309	-	314	(7)
s94 Total	71	64	-	27	(60)	141	242	4,490	(5,250)	(518)	518
s93F - Water	-	21	-	1	-	-	22				-
s93F - Sewer	-	15	-	-	-	-	15				-
s93F Total	-	36	-	1	-	-	37				-
s64 - Water	2	109	-	37	-	-	148				(2,323)
s64 - Sewer	1,175	77	-	23	-	(1)	1,274				-
s64 Total	1,178	186	-	60	-	(1)	1,422				(2,323)
Total	1,248	286	-	87	(60)	140	1,701	4,490	(5,250)	(518)	(1,805)

Financial Statements 2014

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 7a - WADALBA, WOONGARRAH & HAMLYN TERRACE

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	8,718	130	542	248	(2,538)	(1,949)	5,151	9,244	(17,004)	(2,610)	4,742
Roads	(2)	167	532	11	(948)	463	223	13,950	(3,665)	10,508	(8,106)
Open Space	(0)	46	1,006	18	(1,484)	414	(0)	11,625	(9,156)	2,469	(16,569)
Community Facilities	618	38	684	144	(116)		1,367	6,913	(5,710)	2,570	6,005
Other	10	6	2	0	(6)	(7)	6	1,111	(138)	979	13
s94 Total	9,344	387	2,766	421	(5,092)	(1,079)	6,747	42,843	(35,674)	13,916	(13,916)
s93F - General	373	103	-	29	1,134	-	1,639				-
s93F - Drainage	78	41	-	16	761	-	896				-
s93F - Water	63	62	-	10	388	-	523				-
s93F - Sewer	49	55	-	6	239	-	349				-
s93F Total	563	261	-	61	2,522	-	3,407				-
s64 - Water	2,283	384	118	72	(1,052)	-	1,805				2,323
s64 - Sewer	2,946	289	67	68	(316)	-	3,054				766
s64 Total	5,230	673	185	140	(1,368)	-	4,859				3,089
Total	15,136	1,321	2,951	621	(3,938)	(1,079)	15,013	42,843	(35,674)	13,916	(10,827)

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 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 (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	63	-	-	1	-	-	64	137	-	202	1
Roads	48	4	-	11	-	(13)	49	312	(510)	(149)	(124)
Open Space	83	2	-	20	83	1	188	854	(1,655)	(612)	484
Community Facilities	52	0	-	1	-	(34)	19	714	-	734	(596)
Other	0	0	-	0	11	-	11	110	(50)	72	(11)
s94 Total	246	6	-	34	94	(46)	333	2,128	(2,215)	246	(246)
s64 - Water	997	63	43	41	(43)	-	1,101				(1)
s64 - Sewer	97	44	8	26	(8)	-	167				1
s64 Total	1,094	107	51	67	(51)	-	1,268				-
Total	1,340	113	51	101	43	(46)	1,601	2,128	(2,215)	246	(246)

CONTRIBUTION PLAN NUMBER 9 - BUDGEWOI

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	2	-	-	1	-	1	4	894	(1,869)	(971)	81
Open Space	5	18	-	3	-	(1)	24	961	(48)	937	116
Community Facilities	33	15	-	32	83	-	163	803	(2,500)	(1,534)	1,512
Other	(0)	2	-	0	8	-	10	124	(265)	(131)	(10)
s94 Total	40	35	-	36	91	0	202	2,781	(4,682)	(1,699)	1,699
s64 - Water	486	12	-	10	-	(1)	507				-
s64 - Sewer	1	10	-	1	(411)	401	2				(1,166)
s64 Total	487	22	-	11	(411)	400	509				(1,166)
Total	527	57	-	47	(320)	400	710	2,781	(4,682)	(1,699)	533

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 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 (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	-	47	9	1	(9)	21	69	9,305	(9,694)	(320)	(861)
Community Facilities	3	45	7	2	(1,024)	971	5	7,058	(5,520)	1,543	(1,282)
Other	12	9	1	(1)	152	(60)	113	1,355	(436)	1,031	(111)
s94 Total	15	101	17	2	(881)	932	186	17,719	(15,650)	2,255	(2,255)
s93F - General	7	1	-	-	-	-	8				-
s93F Total	7	1	-	-	-	-	8				-
Total	22	102	17	2	(881)	932	194	17,719	(15,650)	2,255	(2,255)

CONTRIBUTION PLAN NUMBER 15 - NORTHERN DISTRICTS

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	137	-	-	10	1	1	149	13,057	(18,332)	(5,126)	478
Open Space	(0)	47	-	11	114	(20)	151	14,865	(14,543)	474	4
Community Facilities	33	40	-	26	131	-	230	12,574	(11,497)	1,307	1,161
Other	3	6	-	-	(9)	-	0	1,751	(50)	1,702	-
s94 Total	173	93	-	47	237	(19)	531	42,249	(44,422)	(1,643)	1,643
s93F - General	526	-	-	7	(121)	-	412				-
s93F Total	526	-	-	7	(121)	-	412				-
s64 - Water	1,007	58	-	31	-	-	1,096				(2)
s64 - Sewer	1,703	36	-	32	-	(400)	1,371				401
s64 Total	2,710	94	-	63	-	(400)	2,467				399
Total	3,409	187	-	117	116	(419)	3,410	42,249	(44,422)	(1,643)	2,042

Financial Statements 2014

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 16 WTC - WARNERVALE TOWN CENTRE

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	-	-	-	-	-	-	-	6,455	(11,127)	(4,673)	-
Roads	-	-	-	1	33	(33)	1	10,250	(5,892)	4,358	33
Open Space	-	-	-	-	-	-	-	16,112	(8,865)	7,247	-
Community Facilities	-	-	-	-	-	-	-	4,752	(12,011)	(7,259)	-
Other	-	-	-	-	-	-	-	294	-	294	-
s94 Total	-	-	-	1	33	(33)	1	37,862	(37,896)	(33)	33
Total	-	-	-	1	33	(33)	1	37,862	(37,896)	(33)	33

S94A LEVIES - UNDER A PLAN

CONTRIBUTION PLAN NUMBER

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Other	504	534	-	19	3	-	1,060				-
Total	504	534	-	19	3	-	1,060				-

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 18. Contingencies & 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. 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 Scheme's most recent full actuarial review was performed by Richard Boyfield of Mercer Consulting (Australia) Pty Ltd and covers the period ended 30 June 2014. This review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Scheme's Defined Benefit member category with member Councils required to make significantly higher contributions in future years.

The Scheme is unable to provide Council with 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 Wyong Shire Council is estimated to be \$1,054,547 until 30 June 2018 (or \$4,218,188).

Further contributions made to the Scheme to rectify the net deficit position will be recognised as an expense when they become payable. The amount of the employer contributions made to the Scheme and recognised as an expense for the year ending 30 June 2014 was \$2,634,256.

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

2. Bank Guarantee

Council provides a bank guarantee to the value of \$5,043,000 to secure its self-insurance license for

Workers Compensation. The guarantee is provided to WorkCover NSW.

3. 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 of the reporting date, but represent Councils intention to spend funds in the manner and timing set out in those Plans (Refer Note 17).

4. Closed Landfill Sites

Council is required by law to remediate its closed landfill sites. The projected costs of this remediation are provided for within the financial statements at Note 26. However 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 \$1.9m until 2030. This estimate is based on the Closed Landfill budget of \$118k for 2014-15 multiplied by the remaining 16 years.

5. Central Coast Water Corporation

The Central Coast Water Corporation (CCWC) was created under legislation by the NSW Government and came into existence in February 2011.

Under the legislation Gosford and Wyong Councils are equal (50%) shareholders in the CCWC and shares cannot be sold or transferred. The CCWC is governed by an independent Board of Directors according to a set of principal objectives outlined in the CCWC legislation.

There is a possibility that following the transfer of staff and functions, shared services and assets, that some financial or legal liabilities may remain with Council. At the time of preparing the financial statements the timing and likelihood of this impact being realised cannot be determined.

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

6. United Services Union

There are two separate proceedings involving the United Services Union. One before the Industrial Relations Commission and the other before the Industrial Court of NSW. Both involve the same employee. Information involving estimates on contingent liabilities usually required by AASB137 Provisions, Contingent Liabilities and Contingent Assets is not disclosed on the grounds that it may prejudice the outcome of the litigation.

7. Strathavon Resort

There is a Class 4 proceeding before the Land and Environment Court in which Council seeks declaratory and injunctive orders in respect to a certain structure on the premises at 31 Boyce Avenue, Wyong. Information involving estimates on contingent liabilities usually required by AASB137 Provisions, Contingent Liabilities and Contingent Assets is not disclosed on the grounds that it may prejudice the outcome of the litigation.

8. Warnervale Airport

Council is party to three proceedings before the Land and Environment Court of NSW concerning the use of Councils Airport at Warnervale and the Reserve Trust for Pioneer Dairy. The four parties involved are Wyong Shire Council, Central Coast Aero Club, Australia Skydive Pty Ltd and the Reserve Trust for the Pioneer Dairy. Information involving estimates on contingent liabilities usually required by AASB137 Provisions, Contingent Liabilities and Contingent Assets is not disclosed on the grounds that it may prejudice the outcome of the litigation.

ASSETS NOT RECOGNISED

1. Land Under Roads

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

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '000

The 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:

Associated Entities & Joint Venture Entities

Note 19(a) (i)&(ii)

Arrangements in the form of a Separate Entity that deploys the resources of the operation itself. Under Associated Entities, Council significantly influences the operations (but does not control them, whilst for JV Entities, Council Jointly Controls the Operations with other parties.

Joint Venture Operations

Note 19(b)

Arrangements that do not comprise an actual individual entity which can deploy the resources of the individual participants. Under JV Operations, Council Jointly Controls the operations with the Other Parties involved.

Accounting Recognition:

(i) **Subsidiaries disclosed under Note 19(a), and Joint Venture 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) **Associated Entities and Joint Venture Entities as per Notes 19(b)(i) & (ii) are accounted for using the Equity Accounting Method - and are disclosed as a 1 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 2014	Actual 2013	Actual 2014	Actual 2013
Associated Entities	-	-	-	-
Joint Venture Entities	-	-	250	250
Total	-	-	250	250

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '000

(a) Associated Entities & Joint Venture Entities

(i) ASSOCIATED ENTITIES

Council has no interest in any Associated Entities.

(ii) JOINT VENTURE ENTITIES

(a) Carrying Amounts

Name of Entity	Principal Activity	2014	2013
Central Coast Water Corporation	Strategic decisions about the Central Coast water supply	250	250
Total Carrying Amounts - Joint Venture Entities		250	250

(b) Relevant Interests

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2014	2013	2014	2013	2014	2013
Central Coast Water Corporation	50%	50%	50%	50%	50%	50%

(c) Movement in Carrying Amounts

	Central Coast Water Corporation	
	2014	2013
Opening Balance	250	125
New Capital Contributions	-	125
Council's Equity Share in the Joint Venture Entity	250	250

(d) Share of Joint Ventures Assets & Liabilities

	Assets		Liabilities		Net Assets
	Current	Non Current	Current	Non Current	
2014					
Central Coast Water Corporation	-	250	-	-	250
Totals	-	250	-	-	250
2013					
Central Coast Water Corporation	-	250	-	-	250
Totals	-	250	-	-	250

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '000

(b) Joint Venture Operations

(a) The Council is involved in the following Joint Venture Operations (JVO)

Name of Operation	Principal Activity	Councils Interests in Outputs of JVO's
Joint Water Supply Authority	Water Supply Headworks	48.87%

(b) Council Assets employed in the Joint Venture Operations

Council's own assets employed in the Operations

Current Assets:

	2014	2013
Property, Plant & Equipment	315,412	311,246
Total Assets - Council Owned	315,412	311,246
Total Net Assets Employed - Council & Jointly Owned	315,412	311,246

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2014	Actual 2013
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		1,343,464	1,251,253
a. Other Comprehensive Income (excl. direct to Reserves transactions)		-	69,791
b. Net Operating Result for the Year		21,238	22,420
Balance at End of the Reporting Period		<u>1,364,702</u>	<u>1,343,464</u>
(b) Reserves			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		1,085,197	1,052,162
Total		<u>1,085,197</u>	<u>1,052,162</u>
(ii) Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		1,052,162	906,593
- Revaluations for the year	B(a)	34,359	145,569
- (Impairment of revalued assets) / Impairment reversals	B(a), (c)	(1,324)	-
- Balance at End of Year		<u>1,085,197</u>	<u>1,052,162</u>
TOTAL VALUE OF RESERVES		<u>1,085,197</u>	<u>1,052,162</u>
(iii) Nature & Purpose of Reserves			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- The Infrastructure, Property, Plant & 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 as disclosed in last year's financial statements:			
Adjustment for prior year depreciation on recognition of residual values for plant and equipment			1,758
Correction of prior period land depreciation			45
Adjustment for prior year depreciation on recognition of residual values for buildings			67,988
			<u>69,791</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 2014

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2014	Actual 2014	Actual 2014
Continuing Operations	Water	Sewer	General¹
Income from Continuing Operations			
Rates & Annual Charges	16,470	27,521	98,238
User Charges & Fees	27,582	1,447	28,336
Interest & Investment Revenue	1,380	1,812	4,287
Other Revenues	338	299	4,846
Grants & Contributions provided for Operating Purposes	1,036	677	13,995
Grants & Contributions provided for Capital Purposes	3,935	1,795	10,035
Other Income			
Net Gains from Disposal of Assets	-	-	-
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-
Total Income from Continuing Operations	50,741	33,551	159,737
Expenses from Continuing Operations			
Employee Benefits & on-costs	6,697	7,240	60,139
Borrowing Costs	13,184	1,679	221
Materials & Contracts	3,908	3,744	17,959
Depreciation & Amortisation	16,593	12,848	26,070
Impairment	-	-	-
Other Expenses	11,979	10,398	29,151
Net Losses from the Disposal of Assets	291	-	690
Total Expenses from Continuing Operations	52,652	35,909	134,230
Operating Result from Continuing Operations	(1,911)	(2,358)	25,507
Discontinued Operations			
Net Profit/(Loss) from Discontinued Operations	-	-	-
Net Operating Result for the Year	(1,911)	(2,358)	25,507
Net Operating Result attributable to each Council Fund	(1,911)	(2,358)	25,507
Net Operating Result attributable to Non-controlling Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	(5,846)	(4,153)	15,472

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

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

Wyong Shire Council

Notes to the Financial Statements

as at 30 June 2014

Note 21. Financial Result & Financial Position by Fund (continued)

Statement of Financial Position by Fund \$ '000	Actual 2014	Actual 2014	Actual 2014
ASSETS	Water	Sewer	General¹
Current Assets			
Cash & Cash Equivalents	2,299	12,970	4,088
Investments	3,236	18,256	81,421
Receivables	15,262	3,276	13,613
Inventories	503	-	939
Other	-	-	720
Non-current assets classified as 'held for sale'	-	-	-
Total Current Assets	21,300	34,502	100,781
Non-Current Assets			
Investments	17,000	8,000	-
Receivables	423	10	19,257
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	852,774	704,215	1,019,059
Investments Accounted for using the equity method	-	-	250
Investment Property	-	-	-
Intangible Assets	56	33	251
Total Non-Current Assets	870,253	712,258	1,038,817
TOTAL ASSETS	891,553	746,760	1,139,598
LIABILITIES			
Current Liabilities			
Payables	11,018	2,477	20,608
Borrowings	9,801	1,017	963
Provisions	1,791	1,930	19,703
Total Current Liabilities	22,610	5,424	41,274
Non-Current Liabilities			
Payables	1,941	882	9,467
Borrowings	162,377	23,009	6,496
Provisions	118	55	54,359
Total Non-Current Liabilities	164,436	23,946	70,322
TOTAL LIABILITIES	187,046	29,370	111,596
Net Assets	704,507	717,390	1,028,002
EQUITY			
Retained Earnings	352,913	247,834	763,955
Revaluation Reserves	351,594	469,556	264,047
Total Equity	704,507	717,390	1,028,002

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

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

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 22. "Held for Sale" Non Current Assets & 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 2014) 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 08/10/14.

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 2014.

(ii) Events that provide evidence of conditions that arose after the Reporting Period

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2014 and which are only indicative of conditions that arose after 30 June 2014.

Council is unaware of any material or significant "non-adjusting events" that should be disclosed.

Note 24. Discontinued Operations

Council has not classified any of its Operations as "Discontinued".

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 25. Intangible Assets

\$ '000	Actual 2014	Actual 2013
Intangible Assets represent identifiable non-monetary assets without physical substance.		
Intangible Assets are as follows:		
Opening Values:		
Gross Book Value (1/7)	9,011	9,011
Accumulated Amortisation (1/7)	(8,300)	(7,397)
Accumulated Impairment (1/7)	-	-
Net Book Value - Opening Balance	711	1,614
Movements for the year		
- Purchases	15	-
- Amortisation charges	(386)	(903)
Closing Values:		
Gross Book Value (30/6)	9,026	9,011
Accumulated Amortisation (30/6)	(8,686)	(8,300)
Accumulated Impairment (30/6)	-	-
TOTAL INTANGIBLE ASSETS - NET BOOK VALUE	340	711

1. The Net Book Value of Intangible Assets represent:

- Software	340	711
	340	711

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

\$ '000

Council is required by law to restore the present tip sites at Bateau Bay, Mardi, Gwandalan, Tumbi, 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 \$52.5 million based on engineering estimates and has been discounted to its present value at risk free cost of borrowing to Council.

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2014	2013
Contaminated lands	Various	52,522	52,900
Balance at End of the Reporting Period		52,522	52,900

Under AASB 116 - Property, Plant & 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 risk free borrowing rate applicable to Council.

Reconciliation of movement in Provision for year:	2014	2013
Balance at beginning of year	52,900	53,961
Amounts capitalised to new or existing assets:		
Effect of a change in discount rates used in PV calculations	(1,253)	3,461
Effect of a change in other calculation estimates used	138	(6,366)
Amortisation of discount (expensed to borrowing costs)	1,576	2,590
Expenditure incurred attributable to Provisions	(839)	(746)
Total - Reinstatement, rehabilitation and restoration provision	52,522	52,900

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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 & recognised at fair values:

2014	Date of latest Valuation	Fair Value Measurement Hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring Fair Value Measurements					
Infrastructure, Property, Plant & Equipment					
Plant & Equipment	30/6/13	-	-	20,816	20,816
Office Equipment	30/6/13	-	-	2,588	2,588
Furniture & Fittings	30/6/13	-	-	1,291	1,291
Operational Land	30/6/13	-	-	311,913	311,913
Community Land	30/6/11	-	-	124,750	124,750
Land under Roads (post 30/06/2008)	30/6/14	-	-	511	511
Land Improvements - non depreciable	30/6/11	-	-	-	-
Land Improvements - depreciable	30/6/11	-	-	19,564	19,564
Buildings - non specialised	30/6/13	-	-	475	475
Buildings - specialised	30/6/13	-	-	149,000	149,000
Other Structures	30/6/11	-	-	13,547	13,547
Roads	30/6/10	-	-	327,262	327,262
Bridges	30/6/10	-	-	6,635	6,635
Footpaths	30/6/10	-	-	32,305	32,305
Bulk Earthworks (non depreciable)	30/6/10	-	-	3,219	3,219
Stormwater Drainage	30/6/10	-	-	237,154	237,154
Water Supply Network	30/6/12	-	-	558,139	558,139
Sewerage Network	30/6/12	-	-	669,334	669,334
Swimming Pools	30/6/11	-	-	2,290	2,290
Other Open Space/Recreational Assets	30/6/11	-	-	41,868	41,868
Heritage Collections	30/6/11	-	-	169	169
Library Books	30/6/11	-	-	1,122	1,122
Other Assets	30/6/11	-	-	37	37
Tip Assets	30/6/11	-	-	177	177
Total Infrastructure, Property, Plant & Equipment		-	-	2,524,166	2,524,166

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

(2) Transfers between Level 1 & 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 Council is unable to derive Fair Valuations using quoted market prices of identical assets (i.e. 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 & Equipment

Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & 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 & Fleet
 - 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 & 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 30 June 2013 by APV Valuers & Asset Management.

The valuation of the freehold land has been carried out on a market value basis - 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.

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

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 with a new asset having similar service potential and includes allowances for preliminaries and professional fees.

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 in 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.

As we have and are using unimproved land values provided by the Valuer General this is not considered to be an observable input based on market evidence and therefore contains Level 3 unobservable inputs.

There has been no change in 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.

Values were determined 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 in the valuation process during the reporting period.

Land Improvements

This asset class is comprised of landscaping, cycle ways, 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 contractor information. Other significant inputs considered in the valuation of these assets are asset components, residual values, 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.

This asset class is classified as level 3 as significant inputs used in the valuation are unobservable. There has been no change in the valuation process during the reporting period.

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Buildings – Non Specialised and Specialised

Council engaged APV Valuers & Asset Management to value all buildings. The valuation methodology applied is dependent on whether a market exists to substantiate the value of the asset.

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 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 has been 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 etc). 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 in 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 holiday park 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 residual value, useful life, asset condition and pattern of consumption.

There has been no change in the valuation process during the reporting period.

Roads

This asset class is comprised of the Road Carriageway, Car Parks, Kerb & Gutter, Street Furniture, Signage and Traffic Facilities. The road carriageway is defined as the trafficable portion of a road, between but not including the kerb and gutter.

Council's roads are componentised into the pavement, surface and base and further separated into segments for inspection and valuation. The last valuation was completed by GHD a professional services organisation. The cost approach was adopted to value Council roads. The replacement cost (based on unit rates), useful lives and conditions were determined by extracting technical information contained in Council's pavement management system (SMEC). Replacement cost is assessed using the Modern Engineering Equivalent Replacement Asset (MEERA).

Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components, residual value and type of road. A pavement condition index (PCI) is used in SMEC and determined by field inspections. This PCI is converted into road technical ratings 1 (Excellent) to 5 (Very Poor).

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

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. There has been no change in the valuation process during the reporting period.

Bridges

This asset class is comprised of all pedestrian and vehicle access bridges. The bridges were inspected and valued using the cost approach by GHD a professional services organisation. The significant inputs used in valuing bridges useful life, residual value, pattern of consumption, asset condition and gross replacement cost.

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 in the valuation process during the reporting period.

Footpaths

This asset class is comprised of pedestrian walkways and cycle ways. Footpaths are valued using the cost approach by GHD a professional services organisation. Replacement costs (unit rates) and useful lives were determined using technical knowledge. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components, asset condition and residual value.

Footpaths were segmented to match the adjacent road segment and no further componentisation was undertaken. Footpaths are assessed by physical inspection. Condition information is updated as changes in the network are observed through regular inspections.

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 in the valuation process during the reporting period.

Bulk Earthworks (non-depreciable)

This asset class contains the formation costs for roads, buildings and sporting facilities and 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.

Bulk earthworks are non-depreciable as it is not expected that the bulk earthworks will need to be renewed during the normal operational use of the assets.

There has been no change in the valuation process during the reporting period.

Stormwater Drainage

The Stormwater Drainage asset class consists of Council's pits, pipes, open channels, culverts, wetlands, headwalls and gross pollutant traps. GHD a professional services organisation completed the valuation of these assets using the replacement cost approach. Replacement cost is assessed using the Modern Engineering Equivalent Replacement Asset (MEERA).

Replacement costs (unit rates) and useful lives for stormwater drainage assets were determined through a combination of historic data and technical knowledge, 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, pattern of consumption and residual value. The asset condition of 1 (Excellent) to 5 (Very Poor) was determined by assumptions based on age and CCTV investigation undertaken across a representative selection of Council's

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

drainage network. Additionally due to the limitations in the historical records of very long lived assets there is some uncertainty on the specifications and dimensions of some assets.

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 in the valuation process during the reporting period.

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 Modern Engineering Equivalent Replacement Asset (MEERA) techniques and equipment that would yield an asset to serve the same function as the existing asset, rather than replicate the existing asset. Valuations are undertaken by Council 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. Assets have been componentised as per AASB 116. 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 are very long lived assets there is some uncertainty on the specifications and dimensions of some assets however the Water & Sewer Planning section undertook data validation processes to reduce this risk.

There has been no change in 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 Modern Engineering Equivalent Replacement Asset (MEERA) techniques and equipment that would yield an asset to serve the same function as the existing asset, rather than replicate the existing asset. Valuations are undertaken by Council 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. Assets have been componentised as per AASB 116. 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 are very long lived assets there is some uncertainty on the specifications and dimensions of some assets however the Water & Sewer Planning section undertook data validation processes to reduce this risk.

There has been no change in 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 Modern Engineering Equivalent Replacement Asset (MEERA). Valuations are undertaken by Council staff based on the technical knowledge and experience of engineers and asset

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

management staff. Significant unobservable inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components, asset condition and residual value.

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 in the valuation process during the reporting period.

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.

The gross replacement cost approach has been utilised to value this asset class. This approach estimates the gross replacement cost based on Modern Engineering Equivalent Replacement Asset (MEERA). 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, components, asset condition and residual value. 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 in 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, pattern of consumption, asset condition and residual value. 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 category 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. Therefore 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, asset condition and residual values) are unobservable and therefore categorised as level 3.

There has been no change in the valuation process during the reporting period.

Other Assets

Other assets includes the Mayoral chains 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, asset condition and residual value and therefore categorised as level 3.

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

There has been no change in the valuation process during the reporting period.

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, pattern of consumption, asset condition and residual value and therefore categorised as level 3.

There has been no change in the valuation process during the reporting period.

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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 & Equipment	Office Equipment	Furniture & 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 & 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

	Community Land	Land under Roads	Land Improvements	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 & Impairment	-	-	(1,544)	(73)	(1,617)
Revaluation Increments to Equity (ARR)	-	16	-	-	16
Other Movements	-	-	(3)	(2)	(5)
Closing Balance - 30/6/14	124,750	511	19,564	475	145,300

	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 & Impairment	(4,609)	(817)	(12,402)	(187)	(18,015)
Other Movements	4	-	-	-	4
Closing Balance - 30/6/14	149,000	13,547	327,262	6,635	496,444

	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 & Impairment	(407)	-	(2,619)	(13,618)	(16,644)
Revaluation Increments to Equity (ARR)	-	-	459	15,624	16,083
Other Movements	-	-	5	(11)	(7)
Closing Balance - 30/6/14	32,305	3,219	237,154	558,139	830,817

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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	Other 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 & Impairment	(12,508)	(30)	(1,116)	(1)	(13,655)
Revaluation Increments to Equity (ARR)	18,261	-	-	-	18,261
Other Movements	(1)	-	-	-	(1)
Closing Balance - 30/6/14	669,334	2,290	41,868	169	713,661

	Library Books	Other Assets	Tip Assets	Total
Adoption of AASB 13	1,115	38	742	1,895
Purchases (GBV)	497	-	-	497
Depreciation & Impairment	(489)	(1)	(565)	(1,055)
Other Movements	(1)	-	-	(1)
Closing Balance - 30/6/14	1,122	37	177	1,336

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

(4). Fair value measurements using significant unobservable inputs (Level 3)

b. Significant unobservable valuation inputs used (for Level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various Level 3 Asset Class fair values.

I,PP&E

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Plant & Equipment	20,816	Cost Approach	Replacement Cost	Cost varies from asset to asset	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset
			Useful Life	Useful life: 1 – 42 years	
			Residual Value	Residual Value: 0% - 70%	
Office Equipment	2,588	Cost Approach	Replacement Cost	Cost varies from asset to asset	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset
			Useful Life	Useful life: 2 – 10 years	
			Residual Value	Residual Value: 0%	

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Furniture & Fittings	1,291	Cost Approach	Replacement Cost Useful Life Residual Value	Cost varies from asset to asset Useful life: 1 – 10 years Residual Value: 0%	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset
Operational Land	311,913	Market Value and Cost Approach	Rate per square metre	Unit Rates: \$1 - \$1,054 per sqm	Significant changes in the rate per square metre would result in a significant change to the fair value of the asset
Community Land	124,750	Cost Approach	Unimproved Capital Value by Valuer General Rate per square metre	Unit Rates: \$1 - \$2,532 per sqm	Significant changes in the rate per square metre would result in a significant change to the fair value of the asset
Land under Roads (post 30/06/2008)	511	Cost Approach / Englobo Valuation basis	Total Area: 807,656,352 sqm Total Land Value: \$19,968,970,951 Total Area LUR: 206,497 sqm	Unit Rates: \$2.47 per sqm	Significant changes in the rate per square metre would result in a significant change to the fair value of the asset

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Land Improvements - depreciable	19,564	Cost Approach	Replacement Cost Useful Life Residual Value	Cost varies from asset to asset Useful life: 4 – 100 years Residual Value: 0%	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset
Buildings - non specialised	475	Market Value	Market Value Useful Life Residual Value	Cost varies from asset to asset Useful Life: 8 – 100 yrs Residual Value: 0%	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Buildings - specialised	149,000	Cost Approach	Replacement Cost Asset Condition rating Useful Life Residual Value	Cost varies from asset to asset Assessed as 1 – 5: Excellent to Very poor Useful Life: 8 – 100 yrs Residual Value: 0% - 70%	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset
Other Structures	13,547	Cost Approach	Replacement Cost Useful Life Residual Value	Cost varies from asset to asset Useful life: 5 – 100 years Residual Value: 0%	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Roads	327,262	Cost Approach	Replacement Cost	Unit Rates Surface: \$10 - \$41 Pavement: \$21 - \$66 Formation: \$278 (Unit rates vary from asset to asset)	Movement in cost of the asset will result in the same movement in fair value
			Asset Condition rating	Asset Condition - Surface - Pavement - Formation Assessed as 1 – 5: Excellent to Very poor	Asset condition rating and pattern of consumption impact the remaining useful life of the asset
			Useful Life	Useful Life - Surface: 22-32 yrs - Pavement: 63 yrs - Formation: 100 yrs	
			Residual Value	Residual Value: 0%	Changes in the residual value impacts the depreciation and fair value of the asset
Bridges	6,635	Cost Approach	Replacement Cost	Unit Rates – vary from asset to asset	Movement in cost of the asset will result in the same movement in fair value
			Asset Condition rating	Assessed as 1 – 5: Excellent to Very poor	Asset condition rating and pattern of consumption impact the remaining useful life of the asset
			Useful Life	Useful Life: 80 yrs	

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Footpaths	32,305	Cost Approach	Replacement Cost Asset Condition rating Useful Life	Unit Rates: \$55 - \$273 Assessed as 1 - 5: Excellent to Very poor Useful Life: 22 - 60 yrs	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset
Bulk Earthworks (non depreciable)	3,219	Cost Approach	Replacement Cost	Unit Rates – vary from asset to asset	Movement in cost of the asset will result in the same movement in fair value
Stormwater Drainage	237,154	Cost Approach	Replacement Cost Asset Condition rating Useful Life	Unit Rates – vary from asset to asset Assessed as 1 - 5: Excellent to Very poor Useful Life: 30 - 120 yrs	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Water Supply Network	558,139	Cost Approach	Replacement Cost	Unit Rates are based on the NSW Reference Rates Manual issued by the NSW Office of Water	Movement in cost of the asset will result in the same movement in fair value
			Asset Condition rating	Assessed as 1 – 5: Excellent to Very poor	Asset condition rating and pattern of consumption impact the remaining useful life of the asset
			Useful Life	Useful Life: 15 – 100 yrs	
			Residual Value	Residual Value: 0%	Changes in the residual value impacts the depreciation and fair value of the asset
Sewerage Network	669,334	Cost Approach	Replacement Cost	Unit Rates are based on the NSW Reference Rates Manual issued by the NSW Office of Water	Movement in cost of the asset will result in the same movement in fair value
			Asset Condition rating	Assessed as 1 – 5: Excellent to Very poor	Asset condition rating and pattern of consumption impact the remaining useful life of the asset
			Useful Life	Useful Life: 15 – 100 yrs	
			Residual Value	Residual Value: 0% - 38%	Changes in the residual value impacts the depreciation and fair value of the asset

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Swimming Pools	2,290	Cost Approach	Replacement Cost Useful Life Residual Value	Cost varies from asset to asset Useful life: 10 – 100 years Residual Value: 0%	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset
Other Open Space/Recreational Assets	41,868	Cost Approach	Replacement Cost Useful Life Residual Value	Cost varies from asset to asset Useful life: 5 – 100 years Residual Value: 0%	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Heritage Collections	169	Cost Approach	Replacement Cost	Cost varies from asset to asset	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset
			Useful Life	Useful life: 10 – 100 years	
			Residual Value	Residual Value: 0%	
Library Books	1,122	Cost Approach	Replacement Cost	Cost varies from asset to asset	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset
			Useful Life	Useful life: 5 – 10 years	
			Residual Value	Residual Value: 0%	

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Other Assets	37	Cost Approach	Replacement Cost Useful Life Residual Value	Cost varies from asset to asset Useful life: 50 years Residual Value: 0%	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset
Tip Assets	177	Cost Approach	Replacement Cost Useful Life Residual Value	Cost varies from asset to asset Useful life: 4 years (current active cell) Residual Value: 0%	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset

(5). Highest and best use

All of Council's non-financial assets are considered to being utilised for their highest and best use.



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 accompany financial statements of the Wyong Shire Council, which comprise the statement of financial position as at 30 June 2014 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 of 30 June 2014 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
15 October 2014



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 2014 – Section 417(3)

We have completed our audit of the financial reports of Wyong Shire Council for the year ended 30 June 2014, 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 declined from a \$22 million surplus to \$21 million during the period under review. The operating result before capital declined from a \$7m surplus to a \$5m surplus.

Cash Position

Council's overall cash position declined from \$161 million to \$147 million during the period under review.

The following table highlights the composition of cash.

	June 2013 \$m	June 2014 \$m
Externally restricted	107	116
Internally restricted	42	29
Unrestricted	12	2
Total	161	147

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Working Capital

Council's net current assets declined from \$104 million to \$87 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 2013 \$m	June 2014 \$m
Net current assets	104	87
Less:		
External restrictions	(112)	(111)
Internal restrictions	(42)	(29)
	<u>(50)</u>	<u>(53)</u>
Add:		
Current Liabilities to be funded from other sources	61	63
Available Working Capital	<u>11</u>	<u>10</u>

The effective unrestricted or available working capital upon which Council could build its 2015 budget was \$10 million.

Performance Indicators

The financial reports disclose a number of indicators in Note 13 and these are detailed below:

	June 2013 %	June 2014 %
Operating performance ratio	3.7	2.9
Own source operating revenue ratio	83	87
Unrestricted current ratio	198	156
Debt service cover ratio	289	317
Rates outstanding ratio	6.1	5.2
Cash expense cover ratio	9	9

The Operating Performance Ratio declined but remained above the industry benchmark of 0%.

The Own Source Operating Revenue Ratio improved and remained above the industry benchmark of 60%.

The Unrestricted Current Ratio declined but remains above the accepted benchmark for the industry of 150%.

The Debt Service Cover Ratio improved and remained above the industry benchmark of 200%.

The Rates Outstanding Ratio improved but still remained above 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 General Manager and his staff for the co-operation and courtesy extended to us during the course of our audit.

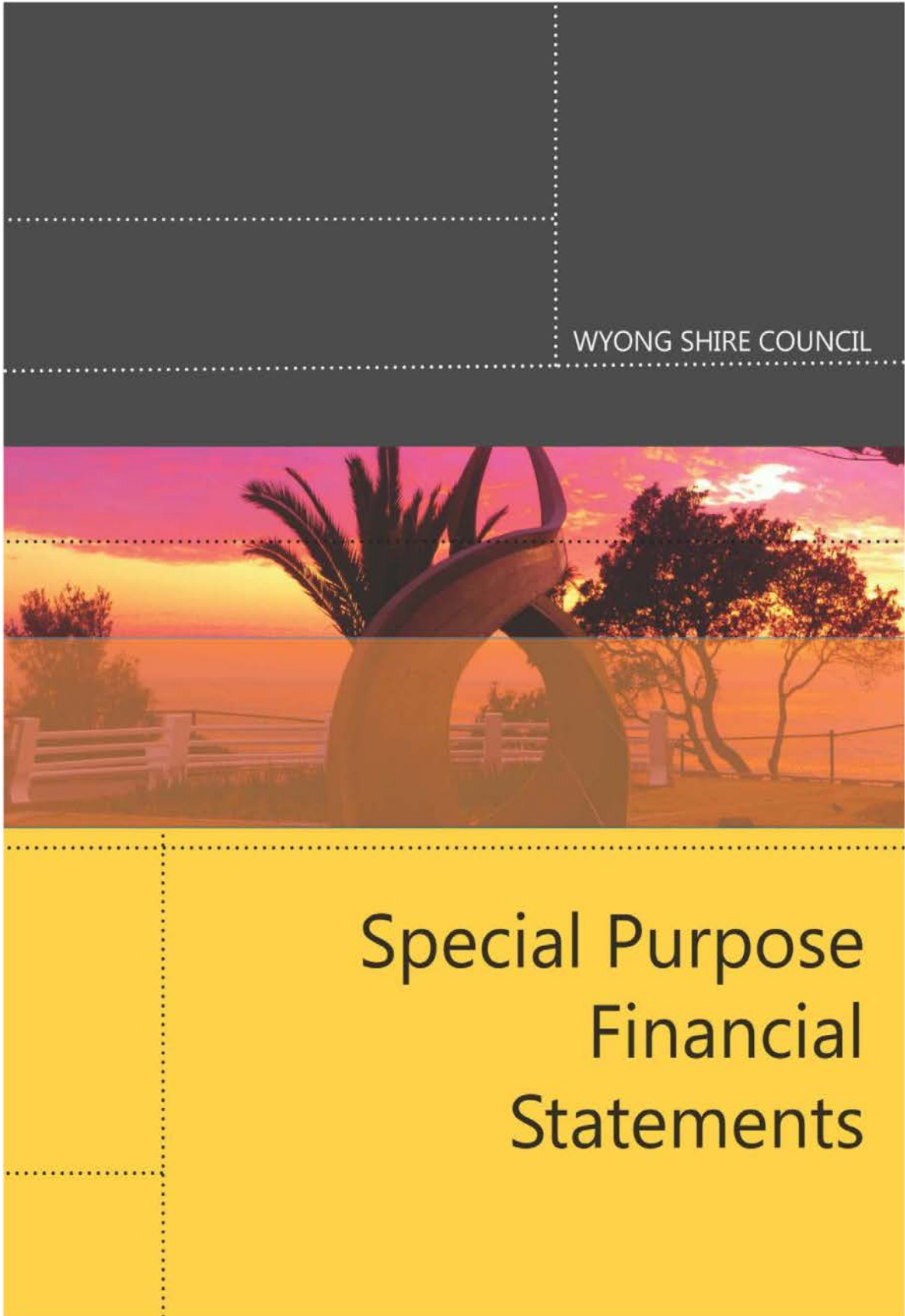
Yours faithfully

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'P L Buchholz', written in a cursive style.

P L Buchholz
Partner
15 October 2014



Wyong Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2014

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Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division 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 & 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 & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).
-

Wyong Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2014

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 & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and 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.

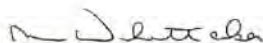
Signed in accordance with a resolution of Council made on 8 October 2014.



Doug Eaton
MAYOR



Lynne Webster
DEPUTY MAYOR



Michael Whittaker
GENERAL MANAGER



Stephen Naven
RESPONSIBLE ACCOUNTING OFFICER

SPFS 2014

Wyong Shire Council

Income Statement of Council's Water Supply Business Activity
for the financial year ended 30 June 2014

\$ '000	Actual 2014	Actual 2013
Income from continuing operations		
Access charges	16,470	16,066
User charges	27,525	25,818
Fees	57	53
Interest	1,380	1,149
Grants and contributions provided for non capital purposes	1,036	1,019
Profit from the sale of assets	-	-
Other income	338	209
Total income from continuing operations	46,806	44,314
Expenses from continuing operations		
Employee benefits and on-costs	6,697	6,822
Borrowing costs	13,184	11,894
Materials and contracts	3,908	3,750
Depreciation and impairment	16,593	16,632
Water purchase charges	95	17
Loss on sale of assets	291	1,432
Calculated taxation equivalents	367	380
Debt guarantee fee (if applicable)	-	-
Other expenses	11,884	12,265
Total expenses from continuing operations	53,019	53,192
Surplus (deficit) from Continuing Operations before capital amounts	(6,213)	(8,878)
Grants and contributions provided for capital purposes	3,935	3,121
Surplus (deficit) from Continuing Operations after capital amounts	(2,278)	(5,757)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	(2,278)	(5,757)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	(2,278)	(5,757)
plus Opening Retained Profits	354,824	360,201
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	367	380
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	352,913	354,824
Return on Capital %	0.8%	0.4%
Subsidy from Council	24,582	28,505
Calculation of dividend payable:		
Surplus (deficit) after tax	(2,278)	(5,757)
less: Capital grants and contributions (excluding developer contributions)	(1,717)	(1,771)
Surplus for dividend calculation purposes	-	-
Potential Dividend calculated from surplus	-	-

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SPFS 2014

Wyong Shire Council

Income Statement of Council's Sewerage Business Activity
for the financial year ended 30 June 2014

\$ '000	Actual 2014	Actual 2013
Income from continuing operations		
Access charges	27,521	27,465
User charges	466	796
Liquid Trade Waste charges	841	774
Fees	140	102
Interest	1,812	2,244
Grants and contributions provided for non capital purposes	677	666
Profit from the sale of assets	-	-
Other income	299	130
Total income from continuing operations	31,756	32,177
Expenses from continuing operations		
Employee benefits and on-costs	7,240	7,217
Borrowing costs	1,679	1,897
Materials and contracts	3,744	3,954
Depreciation and impairment	12,848	12,485
Loss on sale of assets	-	571
Calculated taxation equivalents	252	255
Debt guarantee fee (if applicable)	-	-
Other expenses	10,398	9,403
Total expenses from continuing operations	36,161	35,782
Surplus (deficit) from Continuing Operations before capital amounts	(4,405)	(3,605)
Grants and contributions provided for capital purposes	1,795	1,514
Surplus (deficit) from Continuing Operations after capital amounts	(2,610)	(2,091)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	(2,610)	(2,091)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	(2,610)	(2,091)
plus Opening Retained Profits	250,194	252,029
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	252	255
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	247,836	250,194
Return on Capital %	-0.4%	-0.2%
Subsidy from Council	28,782	27,805
Calculation of dividend payable:		
Surplus (deficit) after tax	(2,610)	(2,091)
less: Capital grants and contributions (excluding developer contributions)	(479)	(885)
Surplus for dividend calculation purposes	-	-
Potential Dividend calculated from surplus	-	-

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SPFS 2014

Wyang Shire Council

Income Statement of Council's Other Business Activities
for the financial year ended 30 June 2014

\$ '000	Waste Management		Care and Education	
	Category 1		Category 1	
	Actual 2014	Actual 2013	Actual 2014	Actual 2013
Income from continuing operations				
Access charges	31,192	29,479	-	-
User charges	12,081	14,728	3,794	3,976
Fees	-	-	-	-
Interest	146	161	-	-
Grants and contributions provided for non capital purposes	1,342	793	431	457
Profit from the sale of assets	-	-	-	-
Other income	553	341	3	6
Total income from continuing operations	45,314	45,502	4,228	4,439
Expenses from continuing operations				
Employee benefits and on-costs	1,878	1,716	3,529	3,486
Borrowing costs	1,576	2,590	-	-
Materials and contracts	20,643	20,958	1,189	1,185
Depreciation and impairment	854	1,360	106	131
Loss on sale of assets	-	-	1	1
Calculated taxation equivalents	122	104	194	205
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	7,368	6,376	131	104
Total expenses from continuing operations	32,441	33,104	5,150	5,112
Surplus (deficit) from Continuing Operations before capital amounts	12,873	12,398	(922)	(673)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	12,873	12,398	(922)	(673)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	12,873	12,398	(922)	(673)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(3,862)	(3,719)	-	-
SURPLUS (DEFICIT) AFTER TAX	9,011	8,679	(922)	(673)
plus Opening Retained Profits	41,902	29,400	(7,808)	(7,340)
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	122	104	194	205
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	3,862	3,719	-	-
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	54,897	41,902	(8,536)	(7,808)
Return on Capital %	68.0%	96.1%	-17.4%	-12.6%
Subsidy from Council	-	-	1,118	875

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Wyong Shire Council

Income Statement of Council's Other Business Activities
for the financial year ended 30 June 2014

\$ '000	Holiday Parks	
	Category 1	
	Actual 2014	Actual 2013
Income from continuing operations		
Access charges	-	-
User charges	9,179	8,921
Fees	-	-
Interest	-	-
Grants and contributions provided for non capital purposes	-	3
Profit from the sale of assets	-	-
Other income	-	-
Total income from continuing operations	9,179	8,924
Expenses from continuing operations		
Employee benefits and on-costs	200	217
Borrowing costs	44	66
Materials and contracts	3,795	3,458
Depreciation and impairment	718	1,154
Loss on sale of assets	-	3
Calculated taxation equivalents	442	228
Debt guarantee fee (if applicable)	-	-
Other expenses	3,153	3,444
Total expenses from continuing operations	8,352	8,570
Surplus (deficit) from Continuing Operations before capital amounts	827	354
Grants and contributions provided for capital purposes	40	-
Surplus (deficit) from Continuing Operations after capital amounts	867	354
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	867	354
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(248)	(106)
SURPLUS (DEFICIT) AFTER TAX	619	248
plus Opening Retained Profits	12,144	11,562
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	442	228
- Debt guarantee fees	-	-
- Corporate taxation equivalent	248	106
add:		
- Subsidy Paid/Contribution To Operations	-	-
less:		
- TER dividend paid	-	-
- Dividend paid	-	-
Closing Retained Profits	13,453	12,144
Return on Capital %	3.1%	1.5%
Subsidy from Council	182	658

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Wyong Shire Council

Statement of Financial Position - Council's Water Supply Business Activity
as at 30 June 2014

\$ '000	Actual 2014	Actual 2013
ASSETS		
Current Assets		
Cash and cash equivalents	2,299	12,360
Investments	3,236	15,774
Receivables	15,262	15,230
Inventories	503	490
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	21,300	43,854
Non-Current Assets		
Investments	17,000	3,253
Receivables	423	451
Inventories	-	-
Infrastructure, property, plant and equipment	852,774	836,099
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	56	122
Other	-	-
Total non-Current Assets	870,253	839,925
TOTAL ASSETS	891,553	883,779
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	11,018	5,518
Interest bearing liabilities	9,801	9,359
Provisions	1,791	2,262
Total Current Liabilities	22,610	17,139
Non-Current Liabilities		
Payables	1,941	3,932
Interest bearing liabilities	162,377	172,177
Provisions	118	198
Total Non-Current Liabilities	164,436	176,307
TOTAL LIABILITIES	187,046	193,446
NET ASSETS	704,507	690,333
EQUITY		
Retained earnings	352,913	354,824
Revaluation reserves	351,594	335,509
Council equity interest	704,507	690,333
Non-controlling equity interest	-	-
TOTAL EQUITY	704,507	690,333

SPFS 2014

Wyong Shire Council

Statement of Financial Position - Council's Sewerage Business Activity
as at 30 June 2014

\$ '000	Actual 2014	Actual 2013
ASSETS		
Current Assets		
Cash and cash equivalents	12,970	14,394
Investments	18,256	18,290
Receivables	3,276	3,792
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	34,502	36,476
Non-Current Assets		
Investments	8,000	3,788
Receivables	10	13
Inventories	-	-
Infrastructure, property, plant and equipment	704,215	692,223
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	33	74
Other	-	-
Total non-Current Assets	712,258	696,098
TOTAL ASSETS	746,760	732,574
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	2,477	2,658
Interest bearing liabilities	1,017	954
Provisions	1,930	2,389
Total Current Liabilities	5,424	6,001
Non-Current Liabilities		
Payables	882	881
Interest bearing liabilities	23,009	24,026
Provisions	55	175
Total Non-Current Liabilities	23,946	25,082
TOTAL LIABILITIES	29,370	31,083
NET ASSETS	717,390	701,491
EQUITY		
Retained earnings	247,834	250,194
Revaluation reserves	469,556	451,297
Council equity interest	717,390	701,491
Non-controlling equity interest	-	-
TOTAL EQUITY	717,390	701,491

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Wyong Shire Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2014

\$ '000	Waste Management		Care and Education	
	Category 1		Category 1	
	Actual 2014	Actual 2013	Actual 2014	Actual 2013
ASSETS				
Current Assets				
Cash and cash equivalents	-	-	-	-
Investments	96,904	88,430	-	-
Receivables	2,302	2,596	68	71
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	99,206	91,026	68	71
Non-Current Assets				
Investments	-	-	-	-
Receivables	9	9	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	21,238	15,590	5,301	5,362
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	21,247	15,599	5,301	5,362
TOTAL ASSETS	120,453	106,625	5,369	5,433
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	5,086	4,206	280	278
Interest bearing liabilities	-	-	8,873	7,865
Provisions	3,407	3,456	938	1,264
Total Current Liabilities	8,493	7,662	10,091	9,407
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	49,911	49,909	224	244
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	49,911	49,909	224	244
TOTAL LIABILITIES	58,404	57,571	10,315	9,651
NET ASSETS	62,049	49,054	(4,946)	(4,218)
EQUITY				
Retained earnings	54,897	41,902	(8,536)	(7,808)
Revaluation reserves	7,152	7,152	3,590	3,590
Council equity interest	62,049	49,054	(4,946)	(4,218)
Non-controlling equity interest	-	-	-	-
TOTAL EQUITY	62,049	49,054	(4,946)	(4,218)

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SPFS 2014

Wyong Shire Council

Statement of Financial Position - Council's Other Business Activities
as at 30 June 2014

\$ '000	Holiday Parks	
	Actual 2014	Actual 2013
	Category 1	
ASSETS		
Current Assets		
Cash and cash equivalents	-	-
Investments	8,011	5,837
Receivables	221	237
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	8,232	6,074
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	28,457	28,583
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total Non-Current Assets	28,457	28,583
TOTAL ASSETS	36,689	34,657
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	900	986
Interest bearing liabilities	5,104	4,291
Provisions	48	53
Total Current Liabilities	6,052	5,330
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	11	10
Other Liabilities	-	-
Total Non-Current Liabilities	11	10
TOTAL LIABILITIES	6,063	5,340
NET ASSETS	30,626	29,317
EQUITY		
Retained earnings	13,453	12,144
Revaluation reserves	17,173	17,173
Council equity interest	30,626	29,317
Non-controlling equity interest	-	-
TOTAL EQUITY	30,626	29,317

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SPFS 2014

Wyong Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2014

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
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2	Water Supply Business Best Practice Management disclosure requirements	15
3	Sewerage Business Best Practice Management disclosure requirements	17

Wyong Shire Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2014

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) &
- 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 also 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 & 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 & 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 six child care centres

e. Holiday Parks

Provision of four 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 A513) 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 2014

Note 1. Significant Accounting Policies

A514). 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 **\$412,000** of combined land values attracts **0%**. From \$412,001 to \$2,519,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,519,000, 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 positive gain/(loss) 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 Council's General 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 & 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 & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face "true" commercial

Wyong Shire Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2014

Note 1. Significant Accounting Policies

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.

(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.

Accordingly, Subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.

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 3.7% at 30 June 2014.

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 2014 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.

Wyong Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2014Note 2. Water Supply Business
Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2014

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i) Calculated Tax Equivalents	367,000
(ii) No of assessments multiplied by \$3/assessment	187,509
(iii) Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	187,509
(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	1,687,581												
(iii) Cumulative surplus before Dividends for the 3 years to 30 June 2014, less the cumulative dividends paid for the 2 years to 30 June 2013 & 30 June 2012	(25,978,382)												
<table> <tr> <td>2014 Surplus</td> <td style="text-align: right;">(3,994,960)</td> <td>2013 Surplus</td> <td style="text-align: right;">(7,527,616)</td> <td>2012 Surplus</td> <td style="text-align: right;">(14,455,806)</td> </tr> <tr> <td></td> <td></td> <td>2013 Dividend</td> <td style="text-align: right;">-</td> <td>2012 Dividend</td> <td style="text-align: right;">-</td> </tr> </table>	2014 Surplus	(3,994,960)	2013 Surplus	(7,527,616)	2012 Surplus	(14,455,806)			2013 Dividend	-	2012 Dividend	-	
2014 Surplus	(3,994,960)	2013 Surplus	(7,527,616)	2012 Surplus	(14,455,806)								
		2013 Dividend	-	2012 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

Wyong Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2014Note 2. Water Supply Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2014

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 W&S Program Income (w10a)	\$'000	48,411
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)]	%	62.56%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	852,534
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	19,592
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	19,827
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 & Equipment (w33b)]	%	1.43%
NWI F26	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	950

- Notes:
1. References to w (eg. w12) refer to item numbers within Special Schedules No. 3 & 4 of Council's Annual Financial Statements.
 2. The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

Wyong Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2014Note 3. Sewerage Business
Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2014

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i) Calculated Tax Equivalents	252,000
(ii) No of assessments multiplied by \$3/assessment	182,772
(iii) Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	182,772
(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)	1,644,948
(iii) Cumulative surplus before dividends for the 3 years to 30 June 2014, less the cumulative dividends paid for the 2 years to 30 June 2013 & 30 June 2012	(8,873,192)

2014 Surplus	(3,089,421)	2013 Surplus	(2,976,005)	2012 Surplus	(2,807,766)
		2013 Dividend	-	2012 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 & 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

Wyong Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2014Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2014

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 W&S Program Income (w10a)	\$'000	31,739
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	703,801
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	21,382
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	6,532
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 & Equipment (s34b)]	%	-0.35%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	-

**National Water Initiative (NWI) Financial Performance Indicators
Water & Sewer (combined)**

NWI F3	Total Income (Water & 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	79,859
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.72%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	26,359
NWI F19	Economic Real Rate of Return (Water & 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 & equipment (w33b + s34b)]	%	0.63%
NWI F20	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
NWI F21	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%

Wyong Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2014Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2014

National Water Initiative (NWI) Financial Performance Indicators
Water & Sewer (combined)

NWI F22	Net Debt to Equity (Water & Sewerage) Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [(Total Assets (w35 + s36) - Total Liabilities (w40 + s41))]	%	9.46%
NWI F23	Interest Cover (Water & Sewerage) Earnings before Interest & Tax (EBIT) divided by Net Interest Earnings before Interest & Tax (EBIT): 9,735 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: 11,671 Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		1
NWI F24	Net Profit After Tax (Water & Sewerage) Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))	\$'000	(5,219)
NWI F25	Community Service Obligations (Water & Sewerage) Grants for Pensioner Rebates (w11b + s12b)	\$'000	1,375

- Notes:
1. References to w (eg. s12) refer to item numbers within Special Schedules No. 5 & 6 of Council's Annual Financial Statements.
 2. The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.



The Wyong Shire Council

Independent auditor's report
Report on the special purpose financial report

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of the Wyong Shire Council (the Council), which comprises the Statement of Financial Position by Business Activity for the year ended 30 June 2014, the Income Statements by Business Activity for the year then ended, Notes to the financial report for the business activities identified by Council and the Statement by Councillors and Management for Council for the year ended 30 June 2014.

Councillors' responsibility for the financial report

The Councillors of the Council are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in note 1 to the financial statements which form part of the financial report, 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 report that is free from material misstatement, whether due to error or fraud.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report 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 report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, 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 report 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 report.

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 report presents fairly, in all material respects, the financial position by Business Activities of The Wyong Shire Council as of 30 June 2014 and its financial performance by Business Activities for the year then ended in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 to the financial report, 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 report, which describes the basis of accounting. The financial report has 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 report may not be suitable for another purpose. Our report is intended solely for the Council.

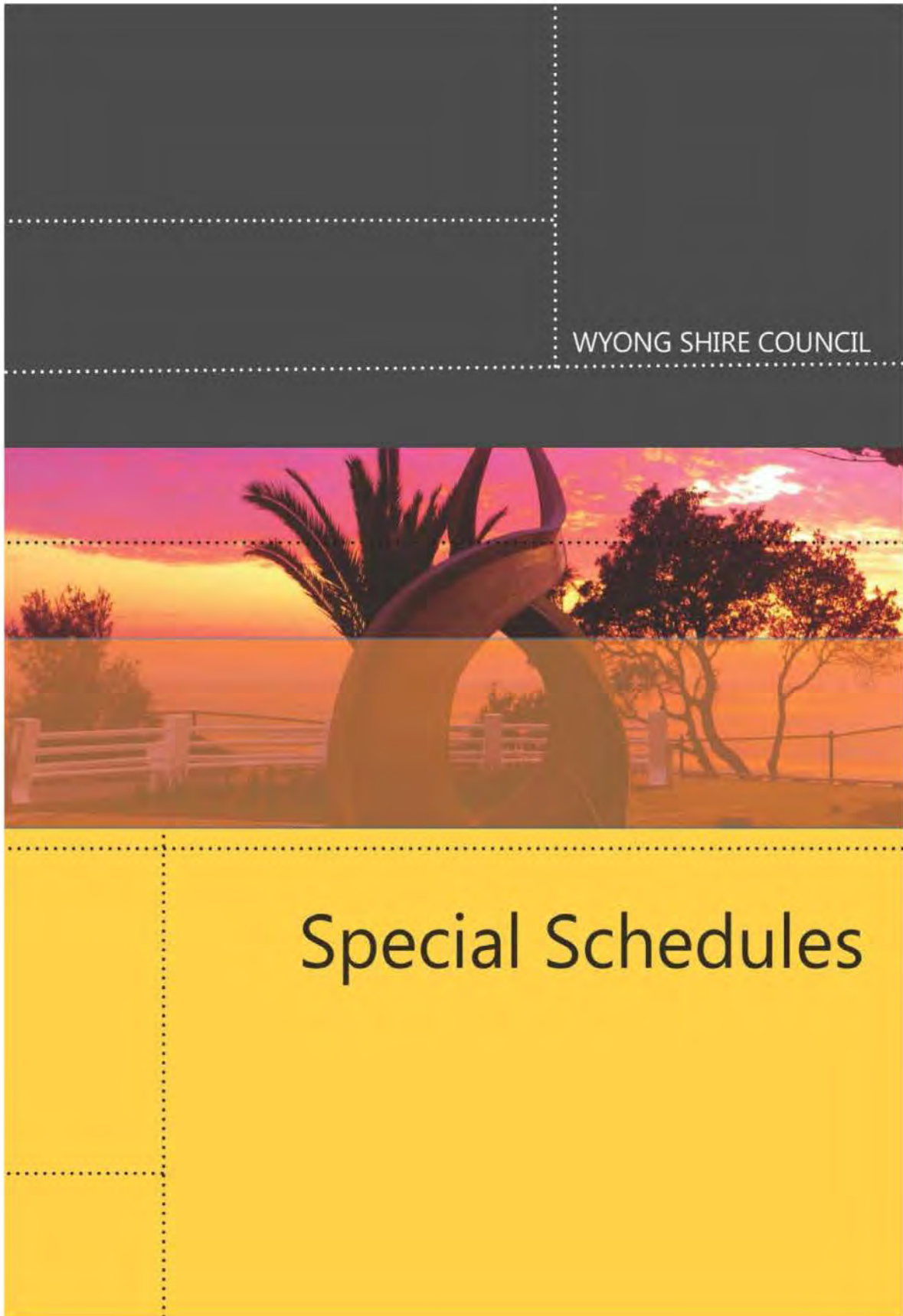
A handwritten signature in blue ink, appearing to read 'Peter Buchholz'.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz'.

Peter Buchholz
Partner

Sydney
15 October 2014



Wyong Shire Council

Special Schedules

for the financial year ended 30 June 2014

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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 2014

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	1,579	4	-	(1,575)
Administration	2,174	5,828	4,381	8,035
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	4,919	1,170	495	(3,254)
Beach Control	1,513	14	-	(1,499)
Enforcement of Local Govt. Regulations	1,647	458	-	(1,189)
Animal Control	501	282	-	(219)
Other	-	-	-	-
Total Public Order & Safety	8,580	1,924	495	(6,161)
Health	35	557	-	522
Environment				
Noxious Plants and Insect/Vermin Control	162	50	-	(112)
Other Environmental Protection	2,127	70	80	(1,977)
Solid Waste Management	26,962	39,647	-	12,685
Street Cleaning	-	-	-	-
Drainage	6,750	6,546	946	742
Stormwater Management	162	1,757	-	1,595
Total Environment	36,163	48,070	1,026	12,933
Community Services and Education				
Administration & Education	1,744	148	-	(1,596)
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	186	34	-	(152)
Children's Services	5,042	4,284	-	(758)
Total Community Services & Education	6,972	4,466	-	(2,506)
Housing and Community Amenities				
Public Cemeteries	144	203	-	59
Public Conveniences	1,393	-	-	(1,393)
Street Lighting	3,817	235	-	(3,582)
Town Planning	7,267	2,157	-	(5,110)
Other Community Amenities	-	-	-	-
Total Housing and Community Amenities	12,621	2,595	-	(10,026)
Water Supplies	46,292	38,152	2,989	(5,151)
Sewerage Services	35,822	29,857	1,795	(4,170)

Wyong Shire Council

Special Schedule No. 1 - Net Cost of Services (continued)
for the financial year ended 30 June 2014

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
\$'000				
Recreation and Culture				
Public Libraries	4,898	437	46	(4,415)
Museums	-	-	-	-
Art Galleries	15	-	-	(15)
Community Centres and Halls	4,057	1,071	-	(2,986)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	796	104	-	(692)
Sporting Grounds and Venues	4,592	285	175	(4,132)
Swimming Pools	1,020	4	-	(1,016)
Parks & Gardens (Lakes)	8,389	46	-	(8,343)
Other Sport and Recreation	2,285	-	1,190	(1,095)
Total Recreation and Culture	26,052	1,947	1,411	(22,694)
Mining, Manufacturing and Construction				
Building Control	1,642	1,111	-	(531)
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	1,642	1,111	-	(531)
Transport and Communication				
Urban Roads (UR) - Local	22,089	2,050	1,449	(18,590)
Urban Roads - Regional	735	483	1,499	1,247
Sealed Rural Roads (SRR) - Local	-	-	-	-
Sealed Rural Roads (SRR) - Regional	-	-	-	-
Unsealed Rural Roads (URR) - Local	1,274	-	-	(1,274)
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	461	-	-	(461)
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	701	-	-	(701)
Footpaths	1,423	-	-	(1,423)
Aerodromes	78	10	-	(68)
Other Transport & Communication	5,170	1,317	146	(3,707)
Total Transport and Communication	31,931	3,860	3,094	(24,977)
Economic Affairs				
Camping Areas & Caravan Parks	7,911	9,179	40	1,308
Other Economic Affairs	5,990	2,046	534	(3,410)
Total Economic Affairs	13,901	11,225	574	(2,102)
Totals – Functions	223,764	149,596	15,765	(58,403)
General Purpose Revenues ⁽²⁾		79,641		79,641
Share of interests - joint ventures & associates using the equity method				
NET OPERATING RESULT ⁽¹⁾	223,764	229,237	15,765	21,238

(1) As reported in the Income Statement

(2) Includes: Rates & Annual Charges (incl. Ex Gratia, excl. Water & Sewer), Non Capital General Purpose Grants, Interest on Investments (excl. Ext. Restricted Assets) & Interest on overdue Rates & Annual Charges

Wyong Shire Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)
for the financial year ended 30 June 2014

\$'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	484	709	1,193	-	484	-	-	44	370	339	709
Public Subscription	6	-	6	-	6	-	-	-	-	-	-
Financial Institutions	10,265	180,423	190,688	3,000	10,357	-	-	13,226	10,998	172,333	183,331
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	10,755	181,132	191,887	3,000	10,847	-	-	13,270	11,368	172,672	184,040
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	10,755	181,132	191,887	3,000	10,847	-	-	13,270	11,368	172,672	184,040

Notes: Excludes (i) Internal Loans & (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 GPFS).

Wyong Shire Council

Special Schedule No. 2(b) - Statement of Internal Loans [Section 410(3) LGA 1993]
for the financial year ended 30 June 2014

\$'000

Summary of Internal Loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (Principal & Interest)	Principal Outstanding at end of year
General			
Water	20,000	2,165	19,622
Sewer			
Domestic Waste Management			
Gas			
Other			
Totals	20,000	2,165	19,622

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. & Int.)	Principal Outstanding at end of year
Water	General	Not required	30/06/13	20	30/06/33	9.00%	20,000	2,165	19,622
Totals							20,000	2,165	19,622

Special Schedules 2014

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 2014

\$'000	Actuals 2014	Actuals 2013
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	3,524	2,499
b. Engineering and Supervision	2,310	2,364
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	422	632
b. Maintenance expenses	78	108
- Mains		
c. Operation expenses	2,468	2,389
d. Maintenance expenses	4,224	4,247
- Reservoirs		
e. Operation expenses	202	248
f. Maintenance expenses	336	338
- Pumping Stations		
g. Operation expenses (excluding energy costs)	578	634
h. Energy costs	946	1,141
i. Maintenance expenses	504	557
- Treatment		
j. Operation expenses (excluding chemical costs)	2,562	2,445
k. Chemical costs	638	608
l. Maintenance expenses	333	384
- Other		
m. Operation expenses	223	429
n. Maintenance expenses	149	328
o. Purchase of water	95	17
3. Depreciation expenses		
a. System assets	16,233	16,335
b. Plant and equipment	360	297
4. Miscellaneous expenses		
a. Interest expenses	13,184	11,894
b. Revaluation Decrements	-	-
c. Other expenses	2,992	3,485
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	52,361	51,379

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 2014

\$'000	Actuals 2014	Actuals 2013
Income		
6. Residential charges		
a. Access (including rates)	16,470	16,066
b. Usage charges	27,525	25,797
7. Non-residential charges		
a. Access (including rates)	-	-
b. Usage charges	-	-
8. Extra charges	-	-
9. Interest income	1,380	1,149
10. Other income	395	283
10a. Aboriginal Communities Water and Sewerage Program	-	-
11. Grants		
a. Grants for acquisition of assets	950	610
b. Grants for pensioner rebates	703	719
c. Other grants	231	212
12. Contributions		
a. Developer charges	1,513	1,531
b. Developer provided assets	1,472	980
c. Other contributions	102	88
13. Total income	<u>50,741</u>	<u>47,435</u>
14. Gain (or loss) on disposal of assets	(291)	(1,432)
15. Operating Result	<u>(1,911)</u>	<u>(5,376)</u>
15a. Operating Result (less grants for acquisition of assets)	(2,861)	(5,986)

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 2014

\$'000	Actuals 2014	Actuals 2013
B Capital transactions		
Non-operating expenditures		
16. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	2,339	5,128
c. Renewals	17,211	4,552
d. Plant and equipment	277	3,917
17. Repayment of debt		
a. Loans	9,358	9,649
b. Advances	-	-
c. Finance leases	-	-
18. Transfer to sinking fund	-	-
19. Totals	<u>29,185</u>	<u>23,246</u>
Non-operating funds employed		
20. Proceeds from disposal of assets	-	-
21. Borrowing utilised		
a. Loans	-	23,200
b. Advances	-	-
c. Finance leases	-	-
22. Transfer from sinking fund	-	-
23. Totals	<u>-</u>	<u>23,200</u>
C Rates and charges		
24. Number of assessments		
a. Residential (occupied)	59,068	58,392
b. Residential (unoccupied, ie. vacant lot)	763	1,352
c. Non-residential (occupied)	2,483	2,514
d. Non-residential (unoccupied, ie. vacant lot)	189	17
25. Number of ETs for which developer charges were received	- ET	- ET
26. Total amount of pensioner rebates (actual dollars)	\$ 1,250,754	\$ 1,258,363

Wyong Shire Council

Special Schedule No. 3 - Water Supply Cross Subsidies
for the financial year ended 30 June 2014

\$'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)?			
	<input type="checkbox"/>	<input type="checkbox"/>	
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"/>

* Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above.

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.

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 2014.

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
30. Cash and investments			
a. Developer charges	4,091	16,050	20,141
b. Special purpose grants	585	950	1,535
c. Accrued leave	342	-	342
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	517	-	517
31. Receivables			
a. Specific purpose grants	1,027	-	1,027
b. Rates and Annual Charges	823	-	823
c. User Charges	12,607	3	12,610
d. Other	805	420	1,225
32. Inventories	503	-	503
33. Property, plant and equipment			
a. System assets	-	852,534	852,534
b. Plant and equipment	-	240	240
34. Other assets	-	56	56
35. Total assets	<u>21,300</u>	<u>870,253</u>	<u>891,553</u>
LIABILITIES			
36. Bank overdraft	-	-	-
37. Creditors	11,018	1,941	12,959
38. Borrowings			
a. Loans	9,801	162,377	172,178
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	1,791	118	1,909
40. Total liabilities	<u>22,610</u>	<u>164,436</u>	<u>187,046</u>
41. NET ASSETS COMMITTED	<u>(1,310)</u>	<u>705,817</u>	<u>704,507</u>
EQUITY			
42. Accumulated surplus			352,913
43. Asset revaluation reserve			351,594
44. TOTAL EQUITY			<u>704,507</u>
Note to system assets:			
45. Current replacement cost of system assets			1,303,708
46. Accumulated current cost depreciation of system assets			(451,174)
47. Written down current cost of system assets			852,534

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 2014

\$'000	Actuals 2014	Actuals 2013
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	3,250	3,296
b. Engineering and Supervision	-	-
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	1,703	1,411
b. Maintenance expenses	1,720	1,666
- Pumping Stations		
c. Operation expenses (excluding energy costs)	2,995	2,992
d. Energy costs	970	900
e. Maintenance expenses	2,511	2,443
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	4,552	4,113
g. Chemical costs	145	122
h. Energy costs	1,550	1,406
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	1,629	1,905
- Other		
l. Operation expenses	241	281
m. Maintenance expenses	116	39
3. Depreciation expenses		
a. System assets	12,510	12,082
b. Plant and equipment	338	403
4. Miscellaneous expenses		
a. Interest expenses	1,679	1,897
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	35,909	34,956

Wyong Shire Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

\$'000	Actuals 2014	Actuals 2013
Income		
6. Residential charges (including rates)	25,260	25,141
7. Non-residential charges		
a. Access (including rates)	2,261	2,322
b. Usage charges	466	796
8. Trade Waste Charges		
a. Annual Fees	230	235
b. Usage charges	611	539
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	-	-
10. Interest income	1,812	2,244
11. Other income	439	235
11a. Aboriginal Communities Water & Sewerage Program	-	-
12. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	672	666
c. Other grants	5	-
13. Contributions		
a. Developer charges	1,239	677
b. Developer provided assets	556	837
c. Other contributions	-	-
14. Total income	<u>33,551</u>	<u>33,692</u>
15. Gain (or loss) on disposal of assets	-	(571)
16. Operating Result	<u>(2,358)</u>	<u>(1,835)</u>
16a. Operating Result (less grants for acquisition of assets)	(2,358)	(1,835)

Wyong Shire Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

\$'000	Actuals 2014	Actuals 2013
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	776	2,483
c. Renewals	5,210	7,533
d. Plant and equipment	546	2,063
18. Repayment of debt		
a. Loans	955	2,115
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	<u>7,487</u>	<u>14,194</u>
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	<u>-</u>	<u>-</u>
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	57,633	57,704
b. Residential (unoccupied, ie. vacant lot)	826	1,053
c. Non-residential (occupied)	2,304	2,551
d. Non-residential (unoccupied, ie. vacant lot)	161	167
26. Number of ETs for which developer charges were received	- ET	- ET
27. Total amount of pensioner rebates (actual dollars)	\$ 1,221,615	\$ 1,211,792

Wyong Shire Council

Special Schedule No. 5 - Sewerage Cross Subsidies
for the financial year ended 30 June 2014

\$'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 & 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"/>	<input type="checkbox"/>	
NB: Such charges for both residential customers and non-residential customers comply with section 4.2 & 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="-"/>
* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.			
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.			

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 2014

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	5,364	8,000	13,364
b. Special purpose grants	-	-	-
c. Accrued leave	375	-	375
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	25,487	-	25,487
32. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Annual Charges	1,615	10	1,625
c. User Charges	316	-	316
d. Other	1,345	-	1,345
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	703,801	703,801
b. Plant and equipment	-	414	414
35. Other assets	-	33	33
36. Total Assets	<u>34,502</u>	<u>712,258</u>	<u>746,760</u>
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	2,477	882	3,359
39. Borrowings			
a. Loans	1,018	23,008	24,026
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	1,930	55	1,985
41. Total Liabilities	<u>5,425</u>	<u>23,945</u>	<u>29,370</u>
42. NET ASSETS COMMITTED	<u>29,077</u>	<u>688,313</u>	<u>717,390</u>
EQUITY			
42. Accumulated surplus			247,834
44. Asset revaluation reserve			469,556
45. TOTAL EQUITY			<u>717,390</u>
Note to system assets:			
46. Current replacement cost of system assets			1,032,185
47. Accumulated current cost depreciation of system assets			(328,384)
48. Written down current cost of system assets			<u>703,801</u>

Wyong Shire Council

Notes to Special Schedule No.'s 3 & 5
for the financial year ended 30 June 2014**Administration** ⁽¹⁾

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- 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:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Other technical and supervision staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.

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,PP&E decreases in FV.

Impairment Losses (item 4d & 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 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard ⁽¹⁾	Required Annual Maintenance ⁽²⁾	Actual Maintenance 2013/14 ⁽³⁾	Gross Replacement Cost (GRC) ⁽⁴⁾	Assets in Condition as a % of GRC ^{(4), (5)}				
						1	2	3	4	5
Buildings	Council Offices / Administration Centres	-	488	343	26,737	52.1%	27.8%	20.1%	0.0%	0.0%
	Council Works Depot	6	162	109	8,517	21.5%	18.6%	59.5%	0.4%	0.0%
	Council Public Halls	61	214	573	11,875	27.8%	45.5%	11.2%	15.5%	0.0%
	Libraries	-	99	95	5,527	36.6%	63.4%	0.0%	0.0%	0.0%
	Cultural Facilities	594	10	10	1,206	36.4%	9.1%	0.0%	5.9%	48.6%
	Other Buildings (Holiday Parks)	-	235	185	18,755	27.0%	73.0%	0.0%	0.0%	0.0%
	Specialised Buildings	203	1,723	1,350	84,407	50.2%	27.2%	16.6%	5.5%	0.5%
	Non Specialised	466	61	14	5,647	30.3%	3.2%	3.6%	36.4%	26.5%
	Water Supply	2	8	38	6,397	45.9%	45.7%	8.1%	0.3%	0.0%
	Sewerage Supply	49	12	41	7,546	13.6%	38.1%	44.0%	4.3%	0.0%
	sub total	1,381	3,012	2,758	176,614	42.3%	34.3%	16.9%	5.1%	1.4%
Other Structures	Other Structures	2,396	200	133	20,159	44.8%	48.9%	0.3%	0.0%	6.0%
	sub total	2,396	200	133	20,159	44.8%	48.9%	0.3%	0.0%	6.0%
Roads	Sealed Roads Surface	9,635	1,375	1,780	114,550	45.6%	29.0%	11.0%	12.1%	2.3%
	Sealed Roads Structure	22,637	5,312	4,289	354,131	0.2%	38.3%	48.8%	12.7%	0.0%
	Unsealed Roads	-	40	1,123	2,634	25.0%	25.0%	25.0%	25.0%	0.0%
	Bridges	600	198	306	13,192	2.3%	78.1%	14.6%	4.9%	0.1%
	Footpaths	2,034	567	503	35,935	4.9%	82.3%	6.9%	0.6%	5.3%
	Cycle ways	-	82	77	2,534	21.1%	78.9%	0.0%	0.0%	0.0%
	Kerb and Gutter	2,394	836	500	69,703	4.3%	25.3%	64.9%	4.0%	1.5%
	Car Parks	800	207	102	17,217	9.8%	80.9%	9.3%	0.0%	0.0%
	Other	40	-	-	43,379	16.9%	62.9%	19.8%	0.3%	0.1%
		sub total	38,140	8,617	8,680	653,275	10.4%	41.4%	37.6%	9.7%

Special Schedules 2014

Wyong Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
as at 30 June 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard ⁽¹⁾	Required Annual Maintenance ⁽²⁾	Actual Maintenance 2013/14 ⁽³⁾	Gross Replacement Cost (GRC) ⁽⁴⁾	Assets in Condition as a % of GRC ^{(4), (5)}				
						1	2	3	4	5
Water Supply Network	Dams/Weirs	-	-	-	-					
	Mains	-	3,791	3,989	400,009	5.4%	92.9%	1.7%	0.0%	0.0%
	Reservoirs	20	384	414	37,868	3.3%	86.8%	9.8%	0.1%	0.0%
	Pumping Station/s	-	609	607	10,688	63.2%	23.9%	12.9%	0.0%	0.0%
	Treatment	15	590	333	8,269	95.6%	0.0%	0.0%	4.4%	0.0%
	Water Meters	1,330	-	-	8,682	9.8%	59.6%	0.0%	30.6%	0.0%
	Other - Joint Water Supply Assets	-	-	-	469,195	20.4%	77.0%	2.6%	0.0%	0.0%
sub total		1,365	5,374	5,343	934,711	14.3%	82.8%	2.6%	0.3%	0.0%
Sewerage Network	Mains	-	1,650	1,656	725,858	11.5%	88.4%	0.1%	0.0%	0.0%
	Pumping Station/s	3,903	2,084	2,490	131,251	6.6%	74.9%	8.0%	10.5%	0.0%
	Treatment	-	1,085	1,742	133,076	3.6%	80.5%	15.9%	0.0%	0.0%
	Vacuum Systems	1,725	-	-	6,352	5.0%	0.0%	53.0%	42.0%	0.0%
	sub total		5,628	4,819	5,888	996,537	9.8%	85.0%	3.6%	1.7%

Wyong Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
as at 30 June 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard ⁽¹⁾	Required Annual Maintenance ⁽²⁾	Actual Maintenance 2013/14 ⁽³⁾	Gross Replacement Cost (GRC) ⁽⁴⁾	Assets in Condition as a % of GRC ^{(4), (5)}				
						1	2	3	4	5
Stormwater	Retarding Basins	-	334	361	33,445	100.0%	0.0%	0.0%	0.0%	0.0%
	Stormwater Conduits	5,262	1,106	849	110,598	49.0%	19.0%	22.0%	1.0%	9.0%
	Inlet and Junction Pits	3,698	674	548	61,298	49.0%	19.0%	22.0%	1.0%	9.0%
	Head Walls	99	18	13	1,815	49.0%	19.0%	22.0%	1.0%	9.0%
	Other	4,305	1,038	694	103,795	49.0%	19.0%	22.0%	1.0%	9.0%
	sub total	13,364	3,170	2,465	310,951	54.5%	17.0%	19.6%	0.9%	8.0%
Open Space/ Recreational	Swimming Pools	94	100	96	5,943	3.4%	86.0%	0.0%	10.6%	0.0%
	Other	841	3,023	3,018	57,384	34.8%	44.3%	17.0%	2.5%	1.4%
	sub total	935	3,123	3,114	63,327	31.9%	48.2%	15.4%	3.3%	1.3%
Other Infrastructure Assets	Land Improvements	428	3,093	3,089	32,894	25.2%	39.5%	30.1%	3.6%	1.6%
	sub total	428	3,093	3,089	32,894	25.2%	39.5%	30.1%	3.6%	1.6%
	TOTAL - ALL ASSETS	63,637	31,408	31,470	3,188,468	18.2%	64.5%	13.1%	3.1%	1.1%

BY FUND:

TOTAL	GENERAL FUND	43,229	18,025	17,695	932,326	18.9%	40.6%	31.3%	8.0%	1.2%
TOTAL	WATER SUPPLY AUTHORITY	20,408	13,383	13,775	2,256,142	17.9%	74.5%	5.5%	1.0%	1.1%

Wyong Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
as at 30 June 2014**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). 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 2014

\$ '000	Amounts 2014	Indicator 2014	Prior Periods	
			2013	2012
Infrastructure Asset Performance Indicators Consolidated				
1. Building and Infrastructure Renewals Ratio				
Asset Renewals (Building and Infrastructure) ⁽¹⁾	47,946	100.33%	71.91%	74.35%
Depreciation, Amortisation & Impairment	47,789			
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	63,637	0.02	0.05	0.06
Total value ⁽²⁾ of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	3,188,468			
3. Asset Maintenance Ratio				
Actual Asset Maintenance	31,470	1.00	0.91	0.84
Required Asset Maintenance	31,408			
4. Capital Expenditure Ratio				
Annual Capital Expenditure	79,580	1.43	1.36	1.14
Annual Depreciation	55,511			

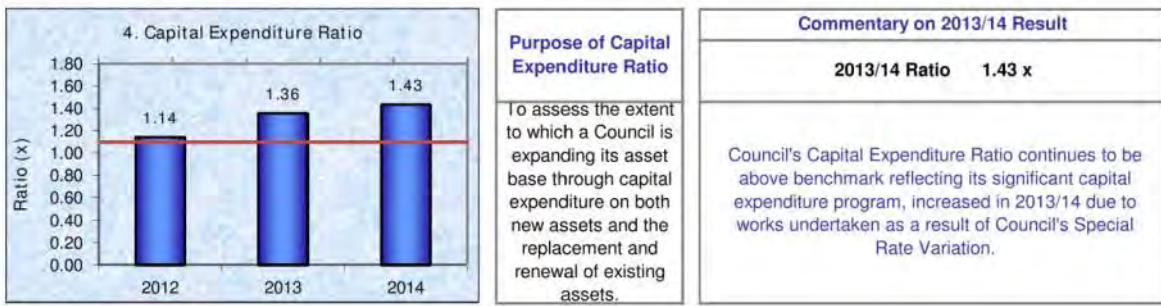
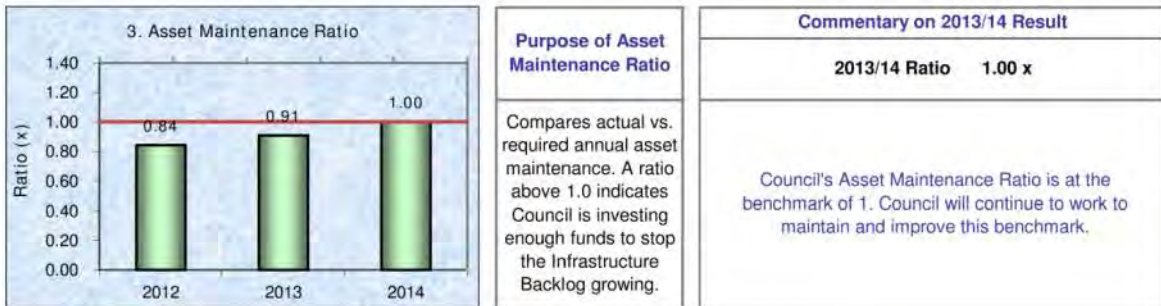
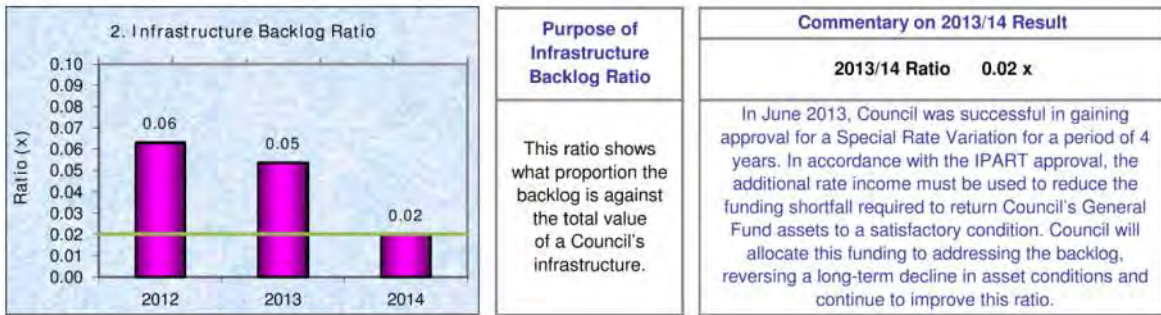
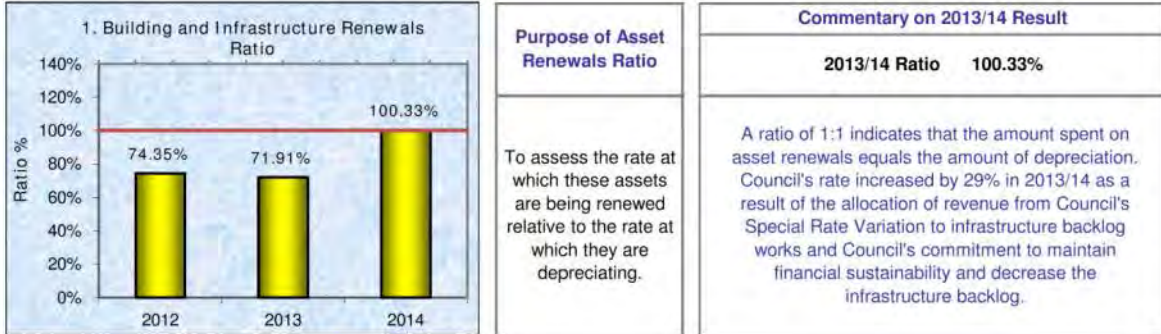
Notes

⁽¹⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets.
Asset Renewals include building and infrastructure assets only.

⁽²⁾ Gross Replacement Cost

Wyong Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
for the financial year ended 30 June 2014



Wyong Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
for the financial year ended 30 June 2014

\$ '000	Water 2014	Sewer 2014	General ⁽¹⁾ 2014
Infrastructure Asset Performance Indicators By Fund			
1. Building and Infrastructure Renewals Ratio			
Asset Renewals (Building and Infrastructure) ⁽²⁾	107.70%	46.02%	129.71%
Depreciation, Amortisation & Impairment	prior period: 27.87%	62.32%	123.91%
2. Infrastructure Backlog Ratio			
Estimated Cost to bring Assets to a Satisfactory Condition	0.01	0.01	0.05
Total value ⁽³⁾ of Infrastructure, Building, Other Structures & Depreciable Land Improvement Assets	prior period: 0.03	0.01	0.11
3. Asset Maintenance Ratio			
Actual Asset Maintenance	0.92	1.23	0.98
Required Asset Maintenance	prior period: 0.94	1.14	0.88
4. Capital Expenditure Ratio			
Annual Capital Expenditure	1.19	0.51	2.04
Annual Depreciation	prior period: 0.82	0.97	1.95

Notes

⁽¹⁾ General Fund refers to all of Council's activities except for its Water & Sewer activities which are listed separately.

⁽²⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets.
Asset Renewals include building and infrastructure assets only.

⁽³⁾ Gross Replacement Cost

Wyong Shire Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2014

\$'000	Actual ⁽¹⁾ 13/14	Forecast ⁽³⁾ 14/15	Forecast ⁽³⁾ 15/16	Forecast ⁽³⁾ 16/17	Forecast ⁽³⁾ 17/18	Forecast ⁽³⁾ 18/19	Forecast ⁽³⁾ 19/20	Forecast ⁽³⁾ 20/21	Forecast ⁽³⁾ 21/22	Forecast ⁽³⁾ 22/23	Forecast ⁽³⁾ 23/24
(i) OPERATING BUDGET											
Income from continuing operations	243,215	257,429	265,637	276,943	287,218	298,618	309,275	320,405	332,341	345,741	360,336
Expenses from continuing operations	221,977	242,109	249,845	257,605	264,041	270,715	277,404	284,518	290,689	296,035	301,920
Operating Result from Continuing Operations	21,238	15,320	15,792	19,338	23,177	27,903	31,871	35,887	41,652	49,706	58,416
(ii) CAPITAL BUDGET											
New Capital Works ⁽²⁾	17,681	30,721	31,934	59,989	26,161	22,596	36,100	27,893	26,026	19,032	10,724
Replacement/Refurbishment of Existing Assets	58,830	69,372	68,945	50,492	48,435	49,913	59,121	48,195	44,516	43,021	40,347
Total Capital Budget	76,511	100,093	100,879	110,481	74,596	72,509	95,221	76,088	70,542	62,053	51,071
Funded by:											
- Loans	1,483	-	-	-	-	-	-	-	-	-	-
- Asset sales	-	-	-	-	-	-	-	-	-	-	-
- Reserves	13,049	25,269	15,559	32,117	14,338	16,234	21,583	7,286	6,830	8,012	5,848
- Grants/Contributions	6,500	4,417	3,134	2,340	2,100	2,091	2,091	2,111	2,111	2,131	1,631
- Recurrent revenue	54,177	67,940	80,463	73,846	56,952	51,846	67,476	59,282	57,831	51,315	42,897
- Other	1,302	2,467	1,723	2,178	1,206	2,338	4,071	7,409	3,770	595	695
	76,511	100,093	100,879	110,481	74,596	72,509	95,221	76,088	70,542	62,053	51,071

Notes:

(1) From 13/14 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg tip cells, Central Coast Youth Skills Centre and Commercial Vehicles etc.

(3) Financial projections should be in accordance with Council's Integrated Planning and Reporting framework.

Wyong Shire Council

Special Schedule No. 9 - Permissible Income Calculation

for the financial year ended 30 June 2015

\$'000		Calculation 2013/14	Calculation 2014/15
Notional General Income Calculation ⁽¹⁾			
Last Year Notional General Income Yield	a	63,558	67,907
Plus or minus Adjustments ⁽²⁾	b	99	29
Notional General Income	c	63,657	67,936
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	$h = d \times g$	4,392.33	4,687.58
or plus Rate peg amount	$i = e \times g$	-	-
or plus Crown land adjustment and rate peg amount	$j = f \times g$	-	-
sub-total	$k = (h + i + j + g)$	68,049	72,624
plus (or minus) last year's Carry Forward Total	l	-	15
less Valuation Objections claimed in the previous year	m	(147)	(20)
sub-total	$n = (k + l - m)$	(147)	(5)
Total Permissible income	$o = n + c$	67,902	72,619
less Notional General Income Yield	p	67,907	72,629
Catch-up or (excess) result	$q = o - p$	(5)	(10)
plus Income lost due to valuation objections claimed ⁽⁴⁾	r	20	11
less Unused catch-up ⁽⁵⁾	s	-	-
Carry forward to next year	$t = q + r - s$	15	1

Notes

- ¹ 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.
- ² 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.
- ³ The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- ⁴ 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.
- ⁵ 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.



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 Wyong Shire Council ("the Council") for the year ended 30 June 2014.

Responsibility of Council for Special Schedule No. 9

The Council is 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. 22. 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
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T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

**Audit Opinion**

In our opinion, Special Schedule No. 9 of Wyong Shire Council for the year ended 30 June 2014 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 Council's 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 Division of Local Government.

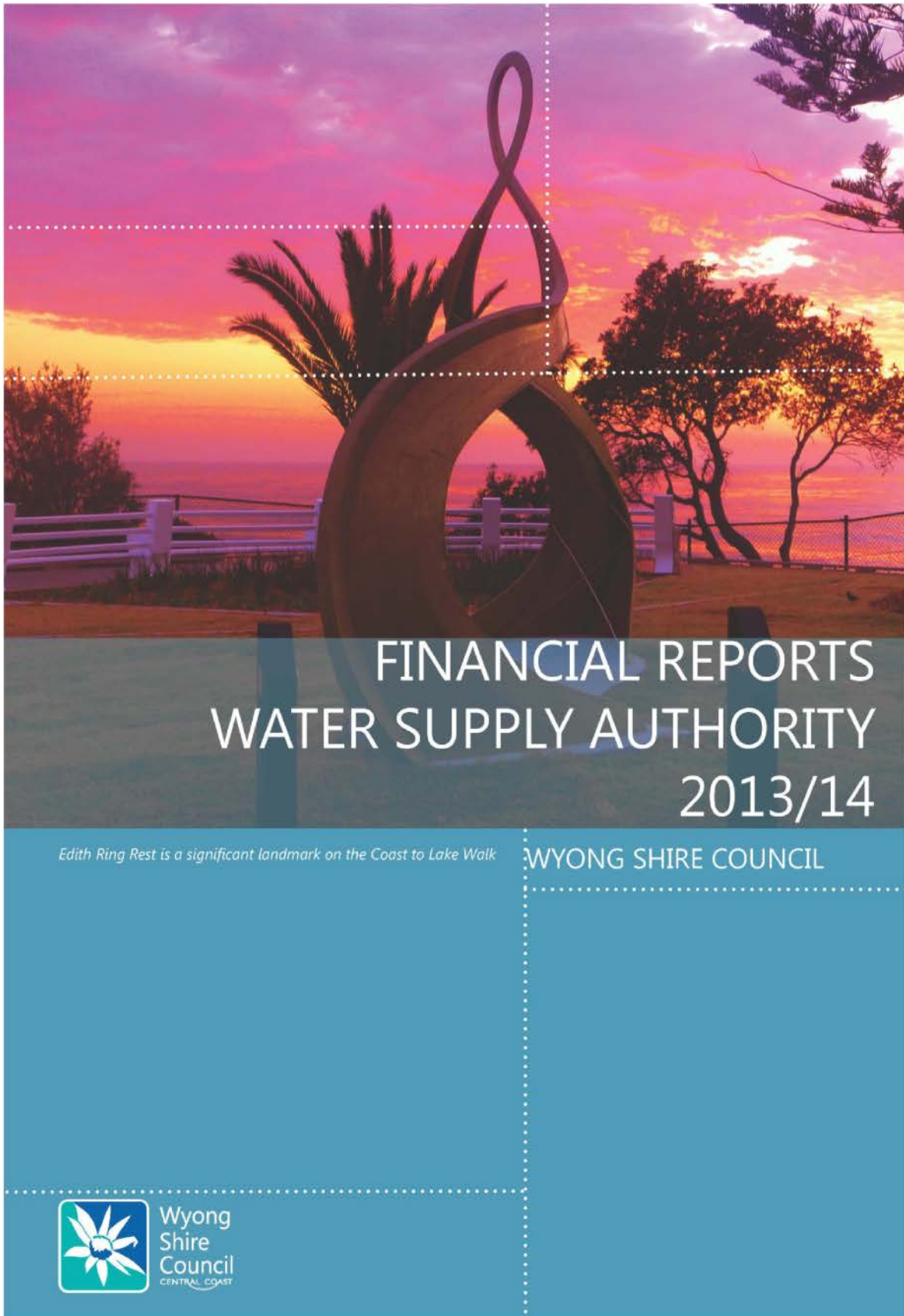
A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', is written above the company name.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz', is written above the name.

Peter Buchholz
Partner

Sydney
15 October 2014



Wyong Shire Council Water Supply Authority

Financial Statements

for the financial year ended 30 June 2014

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Overview

- (i) These financial statements cover the consolidated operations for Wyong Shire Council Water Supply Authority.
- (ii) Wyong Shire Council 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.

These financial statements relate to Wyong Shire Council's exercise of these functions.

- (iii) All figures presented in these financial statements are presented in Australian Currency.
- (iv) The Water Supply Authority has the power to amend and reissue these financial statements.

These financial statements were authorised for issue by the Water Supply Authority on 08 October 2014.

Wyong Shire Council Water Supply Authority

Financial Statements

for the financial year ended 30 June 2014

Chief Executive Officer's Report

I am pleased to present the 2014 financial statements for the Wyong Shire Council Water Supply Authority.

This year has been another challenging year for the Water Supply Authority. A new pricing determination came into effect in 2014 providing for a reduction in typical customer water and sewerage bills in real terms. Whilst this is good news for our customers, it creates difficulties in returning the Water Supply Authority to a positive financial result.

The Water Supply Authority is still feeling the impacts of the recent drought even though the completion of the Mardi to Mangrove Link Project has aided water security and has enabled water restrictions to be lifted. The extent of the drought has changed the water usage behaviour of our customers with water usage below pre-drought levels. As such sales income remains constrained. Demand is trending upwards slowly and remains in accordance with pricing determination forecasts.

The regulatory pricing model itself also poses challenges. In particular there remains a significant disparity between the income allowed by the Independent Pricing and Regulatory Tribunal (IPaRT) for regulatory depreciation and the actual depreciation arising from the carrying value of our assets. While Wyong Water was recently identified as the second lowest priced water utility in Australia for utilities with greater than 100,000 customers, the reality is that the prices set by IPaRT while beneficial to our customers are not sustainable and will lead to the eventual decline of the assets and services provided. This issue will be ongoing until at least 2018.

Wyong also faces a unique reporting conundrum where as a local government authority it is required to report to the Office of Local Government and the NSW Office of Water but as one of only two local government water utilities in NSW that are listed as Water Supply Authorities in the Water Management Act it is additionally subjected to reporting to IPaRT, placing yet further administrative burden on the operations of the utility.

Now for the good news. During 2014 we invested in the replacement of over 12,000 water meters. This project not only ensures our meters remain within standards, it also allows us to more accurately measure, charge and predict water usage and maintain charging equity between our customers.

Other notable projects undertaken in 2014 included further improvements in water quality at Mardi Water Treatment Plant, installation of a new inlet screen at Gwandalan Sewage Treatment Plant and continued relining and rehabilitation of our sewerage network. Over the next few years we will continue to invest in renewing aging sewage pumping stations and improving water quality.

In 2015 we will also be implementing the results of a business review in order to reduce the deficit in the operating result. We will ensure that we are operating efficiently and effectively and are ready for any changes that may result from the Office of Local Government's Fit for the Future requirements. I look forward to working with Councillors and staff on this journey.

Michael Whittaker
Chief Executive Officer



page 2

Wyong Shire Council Water Supply Authority

Financial Statements

for the financial year ended 30 June 2014

Statement by Councillors

made pursuant to Section 41c(1b) & (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 2010.
- 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 a true and fair financial position and financial performance of the Water Supply Authority.

We are not aware of any matter that would render any particulars included in the financial statements to be misleading or inaccurate

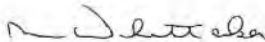
Signed in accordance with a resolution of Council made on 8 October 2014.



Doug Eaton
MAYOR



Lynne Webster
DEPUTY MAYOR



Michael Whittaker
GENERAL MANAGER



Stephen Naven
RESPONSIBLE ACCOUNTING OFFICER

Wyong Shire Council Water Supply Authority

Income Statement

for the financial year ended 30 June 2014

Budget 2014	\$ '000	Notes	Actual 2014	Actual 2013
Income from Continuing Operations				
Revenue:				
43,935	Rates & Annual Charges	2a	44,220	43,804
30,382	User Charges & Fees	2b	29,260	27,561
3,759	Interest & Investment Revenue	2c	3,192	3,392
41	Other Revenues	2d	177	48
1,942	Grants & Contributions provided for Operating Purposes	2e,f	1,713	1,685
4,050	Grants & Contributions provided for Capital Purposes	2e,f	5,730	4,635
84,109	Total Income from Continuing Operations		84,292	81,125
Expenses from Continuing Operations				
13,389	Employee Benefits & On-Costs	3a	13,937	14,039
12,864	Borrowing Costs	3b	14,863	13,791
7,142	Materials & Contracts	3c	7,747	7,719
29,047	Depreciation & Amortisation	3d	29,441	29,117
-	Impairment	3e	-	-
20,152	Other Expenses	3e	22,282	21,670
-	Net Losses from the Disposal of Assets	4	291	2,003
82,594	Total Expenses from Continuing Operations		88,561	88,339
1,515	Operating Result from Continuing Operations		(4,269)	(7,214)
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	23	-	-
1,515	Net Operating Result for the Year		(4,269)	(7,214)
1,515	Net Operating Result attributable to Water Supply Authority		(4,269)	(7,214)
-	Net Operating Result attributable to Non-controlling Interests		-	-
(2,535)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(9,999)	(11,849)

Original Budget as approved by Council - refer Note 15

Wyong Shire Council Water Supply Authority

Statement of Comprehensive Income

for the financial year ended 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
Net Operating Result for the year (as per Income statement)		(4,269)	(7,214)
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	19b (ij)	34,344	73,838
Total Items which will not be reclassified subsequently to the Operating Result		34,344	73,838
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
Total Other Comprehensive Income for the year		34,344	73,838
Total Comprehensive Income for the Year		30,075	66,624
Total Comprehensive Income attributable to the Water Supply Authority		30,075	66,624
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Wyong Shire Council Water Supply Authority

Statement of Financial Position

as at 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
ASSETS			
Current Assets			
Cash & Cash Equivalents	5a	15,269	26,405
Investments	5b	21,492	34,414
Receivables	6	18,538	19,022
Inventories	7	503	490
Other	7	-	-
Non-current assets classified as "held for sale"	21	-	-
Total Current Assets		55,802	80,331
Non-Current Assets			
Investments	5b	25,000	7,041
Receivables	6	433	464
Inventories	7	-	-
Infrastructure, Property, Plant & Equipment	8	1,556,989	1,528,322
Investments accounted for using the equity method	18	-	-
Investment Property	13	-	-
Intangible Assets	24	89	195
Total Non-Current Assets		1,582,511	1,536,022
TOTAL ASSETS		1,638,313	1,616,353
LIABILITIES			
Current Liabilities			
Payables	9	13,497	8,176
Borrowings	9	10,819	10,315
Provisions	9	3,720	4,651
Total Current Liabilities		28,036	23,142
Non-Current Liabilities			
Payables	9	2,821	4,813
Borrowings	9	185,386	196,203
Provisions	9	173	373
Total Non-Current Liabilities		188,380	201,389
TOTAL LIABILITIES		216,416	224,531
Net Assets		1,421,897	1,391,822
EQUITY			
Retained Earnings	19	600,747	605,016
Revaluation Reserves	19	821,150	786,806
Water Supply Authority Equity Interest		1,421,897	1,391,822
Non-controlling Interests		-	-
Total Equity		1,421,897	1,391,822

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

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Wyong Shire Council Water Supply Authority

Statement of Changes in Equity
for the financial year ended 30 June 2014

\$ '000	Notes	Retained Earnings	Reserves (Refer 19b)	Council controlling Interest	Non- controlling 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	19 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	19 (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	19b (ii)	-	34,344	34,344	-	34,344
Other Comprehensive Income		-	34,344	34,344	-	34,344
Total Comprehensive Income (c&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

\$ '000	Notes	Retained Earnings	Reserves (Refer 19b)	Council controlling Interest	Non- controlling Interest	Total Equity
2013						
Opening Balance (as per Last Year's Audited Accounts)		612,230	712,968	1,325,198	-	1,325,198
a. Correction of Prior Period Errors	19 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	19 (ii)	-	-	-	-	-
Revised Opening Balance (as at 1/7/12)		612,230	712,968	1,325,198	-	1,325,198
c. Net Operating Result for the Year		(7,214)	-	(7,214)	-	(7,214)
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Reserve	19b (ii)	-	73,838	73,838	-	73,838
Other Comprehensive Income		-	73,838	73,838	-	73,838
Total Comprehensive Income (c&d)		(7,214)	73,838	66,624	-	66,624
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		605,016	786,806	1,391,822	-	1,391,822

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

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Wyong Shire Council Water Supply Authority

Statement of Cash Flows

for the financial year ended 30 June 2014

Budget 2014	\$ '000	Notes	Actual 2014	Actual 2013
Cash Flows from Operating Activities				
Receipts:				
43,934	Rates & Annual Charges		44,220	43,849
28,832	User Charges & Fees		27,905	24,914
3,754	Investment & Interest Revenue Received		3,207	2,190
4,413	Grants & Contributions		4,388	4,540
-	Bonds, Deposits & Retention amounts received		19	3
610	Other		1,720	-
Payments:				
(13,405)	Employee Benefits & On-Costs		(14,555)	(14,442)
(10,021)	Materials & Contracts		(9,173)	(6,252)
(12,941)	Borrowing Costs		(14,863)	(13,850)
(20,073)	Other		(16,653)	(20,474)
<u>25,103</u>	Net Cash provided (or used in) Operating Activities	100	<u>26,215</u>	<u>20,478</u>
Cash Flows from Investing Activities				
Receipts:				
16,006	Sale of Investment Securities		49,422	88,324
-	Sale of Infrastructure, Property, Plant & Equipment		10	-
Payments:				
-	Purchase of Investment Securities		(54,539)	(97,844)
(26,998)	Purchase of Infrastructure, Property, Plant & Equipment		(21,931)	(23,874)
<u>(10,992)</u>	Net Cash provided (or used in) Investing Activities		<u>(27,038)</u>	<u>(33,394)</u>
Cash Flows from Financing Activities				
Receipts:				
-	Proceeds from Borrowings & Advances		-	23,200
Payments:				
(10,494)	Repayment of Borrowings & Advances		(10,313)	(11,762)
<u>(10,494)</u>	Net Cash Flow provided (used in) Financing Activities		<u>(10,313)</u>	<u>11,438</u>
3,617	Net Increase/(Decrease) in Cash & Cash Equivalents		(11,136)	(1,480)
26,405	plus: Cash & Cash Equivalents - beginning of year	10a	26,405	27,885
<u>30,022</u>	Cash & Cash Equivalents - end of the year	10b	<u>15,269</u>	<u>26,405</u>
Additional Information:				
	plus: Investments on hand - end of year	5b	46,492	41,455
	Total Cash, Cash Equivalents & Investments		<u>61,761</u>	<u>67,860</u>

Please refer to Note 10 for information on the following:

- Non Cash Financing & 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 Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

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Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

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.

Wyong 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 is at 2 Hely St Wyong NSW 2259. The Water Supply Authority 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 8 October 2014.

(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. The Water Supply Authority is a not-for-profit entity for the purpose of preparing the financial statements.

New and amended standards adopted by the Water Supply Authority

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

- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits

AASB 13 Fair Value Measurement has not affected the assets or liabilities which are to be measured at fair value, however it provides detailed guidance on how to measure fair value in accordance with the accounting standards.

It introduces the concept of highest and best use for non-financial assets and has caused the Water Supply Authority to review its valuation methodology.

The level of disclosures regarding fair value have increased significantly and have been included in the financial statements at Note 26.

AASB 119 Employee Benefits has changed the basis for determining the income or expenses related to defined benefit plans and introduces revised definitions for short-term employee benefits.

The Water Supply Authority has reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period.

Early adoption of standards

The Water Supply Authority has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2013.

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.

Critical 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 group'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 entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Water Supply Authority 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 investment properties.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

- (ii) Estimated fair values of infrastructure, property, plant and equipment.

Critical judgements in applying the entity's accounting policies

- (i) Impairment of Receivables – The Water Supply Authority has made a significant judgement about the impairment of a number of its receivables in Note 6.

(b) Revenue recognition

The Water Supply Authority 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 the Water Supply Authority's activities as described below. The Water Supply Authority 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 the Water Supply Authority obtains control over the assets comprising these receipts.

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 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 Water Supply Authority 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 Water Supply Authority and the amount of the contribution can be measured reliably.

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 (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 on a straight-line basis over the lease term.

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

Wyong Shire Council is legally required to maintain a Consolidated Fund under the Local Government Act 1993 s 409(1). The fund is to receive all Council cash and property income except for those assets specifically required to be held in a Trust Fund. The accounting for Water Supply Authority functions is maintained by keeping separate accounting funds, subordinate to the Consolidated fund, in the general ledger, for Water (including drainage) and for Sewerage.

These financial statements represent the consolidation of the Water and Sewerage funds.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

The notional cash and investment assets of the Water Supply Authority are represented in practice by an equity interest in the general cash and investment assets of the Wyong Shire Council as a whole, and all investment assets and bank accounts are held in the name of Wyong Shire Council.

Joint ventures – jointly controlled assets

The proportionate interests in the assets, liabilities and expenses of a joint venture activity have been incorporated in the financial statements under the appropriate headings. Details of the activity are set out in Note 18.

Joint venture entities

The Water Supply Authority is a joint venturer in the provision of core water supply infrastructure serving both Gosford and Wyong local government areas. The proportionate interests in the assets, liabilities and expenses of this joint venture activity have been incorporated in the financial statements under the appropriate headings. Details of the joint venture, including the Water Supply Authority's share in assets and expenses, are set out in note 18.

Central Coast Water Corporation

The project by Gosford and Wyong Councils to implement the Central Coast Water Corporation (CCWC) and Joint Services Business was aimed at achieving a co-ordinated regional management approach to water and sewerage services and decision-making, and reducing costs through the development of common administrative systems and pooled resources.

The project is currently suspended.

(d) Leases

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Water Supply Authority 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 the Water Supply Authority is a lessor is recognised in income on a straight-line basis over the lease term.

(e) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Water Supply Authority's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) 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 the Water Supply Authority 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.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(g) 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) 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 the Water Supply Authority 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.

(i) 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.

Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

(j) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the Income statement.

(k) Investments and other financial assets

Classification

The Water Supply Authority 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. Loans and receivables are included in other receivables and receivables (note 6) 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 the Water Supply Authority's management has the positive intention and ability to hold to maturity. If the Water Supply Authority 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.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Water Supply Authority 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 the Water Supply Authority, 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 the Water Supply Authority's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security (note the Water Supply Authority's obligations under Section 625 of the Local Government Act and Section 212 of the Local Government (General) Regulation 2005). The translation differences related to changes in the

amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Details on how the fair value of financial instruments is determined are disclosed in note 1(f).

Impairment

The Water Supply Authority 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.

Investment Policy

Council, on behalf of the Water Supply Authority, 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

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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 care, diligence and skill that a prudent person would exercise in investing the Water Supply Authority'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.

(l) 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 statement of financial position date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council, on behalf of the Water Supply Authority, 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 Water Supply Authority for similar financial instruments.

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

Initial Recognition

On initial recognition, an asset's cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial statements at their fair value at acquisition date - being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

Asset Revaluations (including Indexation)

The Water Supply Authority'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).
- Drainage assets – (External 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, the Water Supply Authority 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

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

asset were revalued at the reporting date. If any such indication exists, the Water Supply Authority 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 economic benefits associated with the item will flow to the Water Supply Authority 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 is 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:

Buildings	8 to 100 years
Vehicles	3 to 10 years
Heavy Plant	6 to 28 years
Other plant and equipment	4 to 35 years
Office Equipment	2 to 10 years
Office Furniture	1 to 20 years
Computer Equipment	2 to 10 years
Playground Equipment	20 years
Benches, seats etc	25 years
Dams	5 to 150 years
Water Mains	50 to 100 years
Water & Sewerage Treatment Plants - Civil	15 to 100 years
Water & Sewerage Treatment Plants - Other	15 to 100 years
Sewerage Pipelines and Mains	25 to 100 years
Drainage Assets	30 to 120 years

Items of IPPE, except for land and construction of buildings, are capitalised in accordance with thresholds set in Council's *Manual on Infrastructure Capitalisation*.

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 8(a).

(n) Investment property

In the period ended 30 June 2014, the Water Supply Authority had no investment properties.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(o) Payables

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

(p) 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 the Water Supply Authority has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(q) 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.

(r) Provisions

Provisions are recognised when the Water Supply Authority 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. Provisions are not recognised for future operating losses.

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 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.

(s) 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

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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 the Water Supply Authority are entitled to benefits on retirement, disability or death. The Water Supply Authority 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, the Water Supply Authority accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans i.e. as an expense when it becomes payable.

Council, on behalf of the Water Supply Authority, 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 *AASB119 Employee Benefits*. Sufficient information under AASB119 is not available to account for the Scheme as a defined benefit plan, in accordance with AASB119 because the assets to the Scheme are pooled together for all Councils. As such no liability for the deficiency has been recognised in the Water Supply Authority's accounts.

The Water Supply Authority has, however, disclosed a contingent liability in Note 17 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

The Scheme's most recent full actuarial review was performed by Richard Boyfield of Mercer Consulting (Australia) Pty Ltd and covers the period ended 30 June 2014. However the position is monitored annually and the Actuary has estimated that as at 30 June 2014 a deficit still exists. Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit. The Water Supply Authority's share of this deficiency cannot be accurately calculated.

(t) Rounding of amounts

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

(u) Self insurance

Council, on behalf of the Water Supply Authority, 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 9. The Water Supply Authority also maintains cash and investments to meet expected future claims and these are detailed in Note 5(c).

(v) Intangible assets

IT development and software

Council, on behalf of the Water Supply Authority, has acquired, under a managed service arrangement, a

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

licence to access information technology services. In conjunction with this contract, the Water Supply Authority has incurred a number of costs including system build costs, software and hardware licences, as well as direct costs of materials and labour. The Water Supply Authority'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.

(w) 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.

(x) 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 2014.

The Water Supply Authority has not adopted any of these standards early.

The Water Supply Authority's assessment of the impact of these new standards and interpretations is set out below.

- (i) **AASB 9 Financial Instruments, associated standards, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting**

Standards – Mandatory Effective Date of AASB 9 and transitional disclosures and AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2017)

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the Water Supply Authority's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

There will be no impact on the Water Supply Authority's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Water Supply Authority does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

The Water Supply Authority has not yet fully assessed the impact on the reporting financial position and performance on adoption of AASB 9.

- (ii) **AASB 2013-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets** (effective for 30 June 2015 Financial Statements)

There are no changes to reported financial position or performance from AASB 2013-3, however additional disclosures may be required.

- (iii) **AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint**

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective for 1 January 2014 for not-for-profit entities)

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. The Water Supply Authority does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

The Water Supply Authority's investment in the joint venture partnership will be classified as a joint venture under the new rules. As the Water Supply Authority already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards,

AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the Water Supply Authority will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Water Supply Authority's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The Water Supply Authority is still assessing the impact of these amendments.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(y) 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.

(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 Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 2. Income from Continuing Operations

\$ '000	Notes	Actual 2014	Actual 2013
(a) Rates & 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		10,044	10,296
Sewerage Services		27,521	27,500
Drainage		6,426	5,773
Liquid Trade Waste		229	235
Total Annual Charges		44,220	43,804
TOTAL RATES & ANNUAL CHARGES		44,220	43,804
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Water Supply Services		27,525	25,788
Sewerage Services		466	760
Liquid Trade Waste		611	546
Total User Charges		28,602	27,094
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Inspection Services		13	8
Regulatory/Statutory Certificates		22	22
Regulatory/Statutory Fees		4	4
Total Fees & Charges - Statutory/Regulatory		39	34
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Sewer application fees		198	92
Sewer Diagrams		103	69
Special Water Meter Reading Fees		17	14
Water Connection Fees		263	198
Water Carters Licence Fees		18	13
Other		20	47
Total Fees & Charges - Other		619	433
TOTAL USER CHARGES & FEES		29,260	27,561

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 2. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		411	426
- Interest earned on Investments (interest & coupon payment income)		2,839	2,708
- Interest & Dividend Income (Other)		22	19
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		(80)	239
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>3,192</u>	<u>3,392</u>
Interest Revenue is attributable to:			
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94: Drainage		301	360
- Section 64		704	835
- Section 93F: Drainage		17	2
- Section 93F: Water		18	1
- Section 93F: Sewer		6	1
Water Fund Operations		630	289
Sewerage Fund Operations		1,514	1,905
<u>Total Interest & Investment Revenue Recognised</u>		<u>3,192</u>	<u>3,392</u>
(d) Other Revenues			
External Works		150	-
Property Rents		22	-
Sales - General		-	2
Other		5	46
<u>TOTAL OTHER REVENUE</u>		<u>177</u>	<u>48</u>

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 2. Income from Continuing Operations (continued)

\$ '000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
(e) Grants				
General Purpose (Untied)				
Nil				
Specific Purpose				
Pensioners' Rates Subsidies:				
- Water	703	719	-	-
- Sewerage	672	666	-	-
Water Supplies	-	-	950	600
Employment & Training Programs	5	-	-	-
Environmental Protection	110	159	-	10
Local Infrastructure Renewal Scheme (LIRS)	121	53	-	-
Total Specific Purpose	1,611	1,597	950	610
Total Grants	1,611	1,597	950	610
Grant Revenue is attributable to:				
- State Funding	1,611	1,597	950	610
	1,611	1,597	950	610
(f) Contributions				
Developer Contributions:				
<i>(s93 & s94 - EP&A Act, s64 of the LGA):</i>				
S 93F - Contributions using Planning Agreements	-	-	193	229
S 64 - Water Supply Contributions	-	-	1,330	799
S 64 - Sewerage Service Contributions	-	-	1,247	632
S 94 - Stormwater Contributions	-	-	763	784
Total Developer Contributions	-	-	3,533	2,444
Other Contributions:				
Dedications (other than by S94)	-	-	1,247	1,581
Drainage	92	88	-	-
Other	10	-	-	-
Total Other Contributions	102	88	1,247	1,581
Total Contributions	102	88	4,780	4,025
TOTAL GRANTS & CONTRIBUTIONS	1,713	1,685	5,730	4,635

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 2. Income from Continuing Operations (continued)

\$ '000	Actual 2014	Actual 2013
(g) Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	34,985	39,512
add: Grants & contributions recognised in the current period but not yet spent:	5,531	866
less: Grants & contributions recognised in a previous reporting period now spent:	(6,354)	(5,393)
Net Increase (Decrease) in Restricted Assets during the Period	(823)	(4,527)
Unexpended and held as Restricted Assets	34,162	34,985
Comprising:		
- Specific Purpose Unexpended Grants	1,535	636
- Developer Contributions	32,498	34,219
- Other Contributions	129	130
	34,162	34,985

Note 3. Expenses from Continuing Operations

(a) Employee Benefits & On-Costs

Salaries and Wages	11,822	11,565
Employee Leave Entitlements (ELE)	3,002	2,413
Superannuation	1,711	1,345
Workers' Compensation Insurance	89	127
Payroll Tax	1,010	1,201
Training Costs (other than Salaries & Wages)	1	94
Other	49	61
Total Employee Costs	17,684	16,806
less: Capitalised Costs	(3,747)	(2,767)
TOTAL EMPLOYEE COSTS EXPENSED	13,937	14,039
Number of "Equivalent Full Time" Employees at year end	144	147

(b) Borrowing Costs

(i) Interest Bearing Liability Costs

Interest on Loans	14,710	13,718
Other Debts	153	73
Total Interest Bearing Liability Costs Expensed	14,863	13,791

(ii) Other Borrowing Costs

Nil

TOTAL BORROWING COSTS EXPENSED	14,863	13,791
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Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 3. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Materials & Contracts			
Raw Materials & Consumables		4,836	4,186
Contractor & Consultancy Costs		2,776	3,371
Auditors Remuneration ⁽¹⁾		83	77
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽²⁾		52	85
<u>TOTAL MATERIALS & CONTRACTS</u>		<u>7,747</u>	<u>7,719</u>
1. Auditor Remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):			
(i) Audit and Other Assurance Services			
- Audit & review of financial statements: Water Supply Authority's Auditor		83	77
Remuneration for audit and other assurance services		<u>83</u>	<u>77</u>
Total Auditor Remuneration		<u>83</u>	<u>77</u>
2. Operating Lease Payments are attributable to:			
Buildings		-	35
Computers		52	50
		<u>52</u>	<u>85</u>

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2014	Actual 2013	Actual 2014	Actual 2013
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	168	123
Office Equipment		-	-	58	66
Furniture & Fittings		-	-	12	13
Buildings - Specialised		-	-	307	216
Other Structures		-	-	47	29
Infrastructure:					
- Stormwater Drainage		-	-	2,616	2,504
- Water Supply Network		-	-	13,617	13,831
- Sewerage Network		-	-	12,510	12,087
Intangible Assets	24	-	-	106	248
<u>TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED</u>		<u>-</u>	<u>-</u>	<u>29,441</u>	<u>29,117</u>

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 3. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(e) Other Expenses			
Administration Support		11,717	10,927
Advertising		29	24
Bad & Doubtful Debts		84	-
Bank Charges		-	1
Computer Software Charges		132	89
Donations, Contributions & Assistance to other organisations (Section 356)			
- Other Contributions and Donations		-	11
Electricity & Heating		4,778	5,007
Gas Charges		43	54
Licences		263	269
Plant Hire		3,414	3,483
Printing & Stationery		53	53
Road opening permits		193	170
Subscriptions & Publications		1	6
Telephone & Communications		77	82
Tipping Fees		1,477	1,471
Other		21	23
<u>TOTAL OTHER EXPENSES</u>		<u>22,282</u>	<u>21,670</u>

Note 4. Gains or Losses from the Disposal of Assets

Property (excl. Investment Property)			
Proceeds from Disposal - Property		10	-
less: Carrying Amount of Property Assets Sold / Written Off		(49)	-
Net Gain/(Loss) on Disposal		(39)	-
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		-	-
less: Carrying Amount of P&E Assets Sold / Written Off		-	(13)
Net Gain/(Loss) on Disposal		-	(13)
Infrastructure			
Proceeds from Disposal - Infrastructure		-	-
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(252)	(1,990)
Net Gain/(Loss) on Disposal		(252)	(1,990)
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		49,422	88,324
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(49,422)	(88,324)
Net Gain/(Loss) on Disposal		-	-
<u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u>		<u>(291)</u>	<u>(2,003)</u>

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 5a. - Cash Assets and Note 5b. - Investments

\$ '000	Notes	2014	2014	2013	2013
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 5a)					
Cash on Hand and at Bank		339	-	2,010	-
Cash-Equivalent Assets ¹					
- Deposits at Call		14,930	-	24,395	-
Total Cash & Cash Equivalents		15,269	-	26,405	-
Investments (Note 5b)					
- Managed Funds		-	-	-	1,998
- Long Term Deposits		21,492	15,000	34,414	794
- Bank Bonds		-	10,000	-	4,249
Total Investments		21,492	25,000	34,414	7,041
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		36,761	25,000	60,819	7,041

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

Cash, Cash Equivalents & Investments were classified at year end in accordance with AASB 139 as follows:

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"		15,269	-	26,405	-
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Investments

a. "At Fair Value through the Profit & Loss"					
- "Designated at Fair Value on Initial Recognition" 6(b)(i)		-	-	-	1,998
b. "Held to Maturity" 6(b)(ii)		21,492	25,000	34,414	5,043
Investments		21,492	25,000	34,414	7,041

Refer to Note 26 - Fair Value Measurement for information regarding the fair value of investments held.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 5b. Investments (continued)

\$ '000	2014	2014	2013	2013
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Note 5(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Balance at the Beginning of the Year	-	1,998	-	2,287
Revaluations (through the Income Statement)	(80)	-	-	239
Additions	130	-	-	-
Disposals (sales & redemptions)	(2,048)	-	-	(528)
Transfers between Current/Non Current	1,998	(1,998)	-	-
Balance at End of Year	-	-	-	1,998
Comprising:				
- Managed Funds	-	-	-	1,998
Total	-	-	-	1,998

Note 5(b-ii)**Reconciliation of Investments
classified as "Held to Maturity"**

Balance at the Beginning of the Year	34,414	5,043	29,409	-
Additions	39,409	15,000	88,553	9,291
Disposals (sales & redemptions)	(47,374)	-	(87,796)	-
Transfers between Current/Non Current	(4,957)	4,957	4,248	(4,248)
Balance at End of Year	21,492	25,000	34,414	5,043
Comprising:				
- Long Term Deposits	-	-	34,414	794
- Bank Bonds	-	-	-	4,249
- Other Long Term Financial Assets	21,492	25,000	-	-
Total	21,492	25,000	34,414	5,043

Note 5(b-iii)**Reconciliation of Investments
classified as "Loans & Receivables"**

Nil

Note 5(b-iv)**Reconciliation of Investments
classified as "Available for Sale"**

Nil

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 5c. Restricted Cash, Cash Equivalents & Investments - Details

\$ '000	2014	2014	2013	2013
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investments	36,761	25,000	60,819	7,041
attributable to:				
External Restrictions (refer below)	9,164	25,000	30,984	7,041
Internal Restrictions (refer below)	1,740	-	1,434	-
Unrestricted	25,857	-	28,401	-
	36,761	25,000	60,819	7,041

2014	Opening	Transfers to	Transfers from	Closing
\$ '000	Balance	Restrictions	Restrictions	Balance

Details of Restrictions

External Restrictions - Included in Liabilities

Specific Purpose Unexpended Loans-Water (A)	3,037	-	(3,037)	-
External Restrictions - Included in Liabilities	3,037	-	(3,037)	-

External Restrictions - Other

Developer Contributions - General (D)	3	-	-	3
Developer Contributions - Water Fund (D)	9,780	-	204	9,984
Developer Contributions - Sewer Fund (D)	13,587	-	(587)	13,000
Developer Contributions - Drainage (D)	10,660	-	(3,352)	7,308
Developer Contributions - VPA - Water Fund (D)	189	1,653	-	1,842
Specific Purpose Unexpended Grants-Water Fund (F)	639	896	-	1,535
Developer Contributions - VPA - Sewer Fund (G)	-	364	-	364
Contributions to Works (H)	130	-	(1)	129
External Restrictions - Other	34,988	2,913	(3,737)	34,164
Total External Restrictions	38,025	2,913	(6,774)	34,164

Internal Restrictions

Employees Leave Entitlement- Water	419	-	(77)	342
Employees Leave Entitlement- Sewer	444	-	(69)	375
Self Insurance Claims - Water	271	-	(271)	-
Self Insurance Claims - Sewer	294	-	(294)	-
Prepaid Contributions - Water Supplies (G)	-	1,008	-	1,008
Public Liability Insurance - Water	6	9	-	15
Total Internal Restrictions	1,434	1,017	(712)	1,740
TOTAL RESTRICTIONS	39,459	3,930	(7,486)	35,904

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 16).

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) & 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 Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 6. Receivables

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Purpose					
Drainage Annual Charges		302	-	324	-
Sewerage Annual Charges		1,615	10	1,867	13
Water Annual Charges		522	3	609	4
Interest & Extra Charges		297	-	329	-
User Charges & Fees		13,018	-	13,082	-
Accrued Revenues					
- Interest on Investments		1,071	-	974	-
Government Grants & Subsidies		1,027	-	-	-
Liquid Trade Waste		260	-	257	-
Toukley Golf Club Limited		-	420	-	447
Net GST Receivable		310	-	524	-
Other Debtors		200	-	1,061	-
Total		18,622	433	19,027	464
less: Provision for Impairment					
Other Debtors		(84)	-	(5)	-
Total Provision for Impairment - Receivables		(84)	-	(5)	-
TOTAL NET RECEIVABLES		18,538	433	19,022	464
Restricted Receivables					
Nil					
Unrestricted Receivables		18,538	433	19,022	464
TOTAL NET RECEIVABLES		18,538	433	19,022	464

Notes on Debtors above:

- (i) Interest was charged on overdue rates & charges at 9.00% (2013 10.00%).
Generally all other receivables are non interest bearing.
- (ii) Please refer to Note 14 for issues concerning Credit Risk and Fair Value disclosures.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 7. Inventories & Other Assets

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Inventories					
Water Treatment Supplies		503	-	490	-
Total Inventories		503	-	490	-
Other Assets					
Nil					
TOTAL INVENTORIES / OTHER ASSETS		503	-	490	-
Externally Restricted Assets					
Water					
Water Treatment Supplies		503	-	490	-
Total Water		503	-	490	-
Sewerage					
Nil					
Domestic Waste Management					
Nil					
Other					
Nil					
Total Externally Restricted Assets		503	-	490	-
Total Internally Restricted Assets		-	-	-	-
Total Unrestricted Assets		-	-	-	-
TOTAL INVENTORIES & OTHER ASSETS		503	-	490	-

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 8a. Infrastructure, Property, Plant & Equipment

	as at 30/6/2013					Asset Movements during the Reporting Period							as at 30/6/2014				
	At	At	Accumulated	Carrying	Asset	WDV	Depreciation	WIP	Adjustments	Other	Revaluation	At	At	Accumulated	Carrying		
	Cost	Fair Value	Dep'n	Impairment								Value	Cost	Fair Value	Dep'n	Impairment	Value
\$ '000																	
Capital Work in Progress	15,311	-	-	-	15,311	24,127	-	-	(17,558)	-	(2,440)	-	19,440	-	-	19,440	
Plant & Equipment	-	1,202	586	-	616	-	-	(168)	23	5	2	-	-	1,230	752	478	
Office Equipment	-	728	514	-	214	-	-	(58)	-	1	1	-	-	511	353	158	
Furniture & Fittings	-	162	132	-	30	-	-	(12)	-	-	-	-	-	149	131	18	
Land:																	
- Operational Land	-	57,599	-	-	57,599	47	(49)	-	0	55	-	-	-	57,652	-	57,652	
- Community Land	-	1,168	-	-	1,168	-	-	-	-	(55)	-	-	-	1,113	-	1,113	
Buildings - Specialised	-	13,961	1,568	-	12,393	-	-	(307)	-	-	2	-	-	13,961	1,873	12,088	
Other Structures	-	1,498	67	-	1,431	-	-	(47)	28	-	1	-	-	1,526	113	1,413	
Infrastructure:																	
- Stormwater Drainage	-	302,715	71,184	-	231,531	1,232	-	(2,616)	6,547	-	2	459	-	310,951	73,797	237,154	
- Water Supply Network	-	905,695	353,931	-	551,764	314	(252)	(13,617)	4,318	-	(11)	15,625	-	934,712	376,572	558,140	
- Sewerage Network	-	962,232	305,967	-	656,265	675	-	(12,510)	6,642	-	2	18,260	-	996,537	327,202	669,335	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	15,311	2,246,960	733,949	-	1,528,322	26,395	(301)	(29,335)	-	6	(2,441)	34,344	19,440	2,318,342	780,793	1,556,989	

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$10,783) and New Assets (\$13,097).
Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Refer to Note 26 - Fair Value Measurement for information regarding the fair value of other infrastructure, Property, Plant & Equipment.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 8b. Externally Restricted Infrastructure, Property, Plant & Equipment

\$ '000	Actual 2014				Actual 2013			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Water Supply								
WIP	14,721	-	-	14,721	9,786	-	-	9,786
Plant & Equipment	-	411	270	141	-	408	230	178
Office Equipment	-	290	204	86	-	362	244	118
Furniture & Fittings	-	117	104	13	-	117	94	23
Land								
- Operational Land	-	34,631	-	34,631	-	34,578	-	34,578
- Community Land	-	1,113	-	1,113	-	1,168	-	1,168
Buildings	-	6,405	724	5,681	-	6,405	554	5,851
Other Structures	-	1,176	81	1,095	-	1,148	46	1,102
Infrastructure - Water Supply	-	934,711	376,572	558,139	-	905,695	353,931	551,764
Infrastructure - Stormwater	-	310,951	73,797	237,154	-	302,715	71,184	231,531
Total Water Supply	14,721	1,289,805	451,752	852,774	9,786	1,252,596	426,283	836,099
Sewerage Services								
WIP	4,719	-	-	4,719	5,525	-	-	5,525
Plant & Equipment	-	819	482	337	-	794	356	438
Office Equipment	-	222	150	72	-	366	270	96
Furniture & Fittings	-	32	27	5	-	45	38	7
Land								
- Operational Land	-	23,021	-	23,021	-	23,021	-	23,021
Buildings	-	7,556	1,149	6,407	-	7,556	1,014	6,542
Other Structures	-	350	32	318	-	350	21	329
Infrastructure	-	996,537	327,201	669,336	-	962,232	305,967	656,265
Total Sewerage Services	4,719	1,028,537	329,041	704,215	5,525	994,364	307,666	692,223
TOTAL RESTRICTED I,PP&E	19,440	2,318,342	780,793	1,556,989	15,311	2,246,960	733,949	1,528,322

Note 8c. Infrastructure, Property, Plant & Equipment - Current Year Impairments

The Water Supply Authority has recognised no impairment losses during the reporting period nor reversed any prior period losses.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 9a. Payables, Borrowings & Provisions

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		1,139	-	2,552	-
Payments Received In Advance		936	2,821	363	4,813
Accrued Expenses:					
- Interest on Bonds & Deposits		1,282	-	1,352	-
- Salaries & Wages		350	-	229	-
- Other Expenditure Accruals		9,553	-	3,462	-
Security Bonds, Deposits & Retentions		237	-	218	-
Total Payables		13,497	2,821	8,176	4,813
Borrowings					
Loans - Secured ¹		10,406	166,176	9,937	176,581
Loans - Unsecured		413	19,210	378	19,622
Total Borrowings		10,819	185,386	10,315	196,203
Provisions					
Employee Benefits:					
Annual Leave		969	-	987	-
Sick Leave		747	-	1,247	-
Long Service Leave		1,726	95	2,009	33
Other Leave		43	-	43	-
Sub Total - Aggregate Employee Benefits		3,485	95	4,286	33
Self Insurance - Workers Compensation		30	73	124	338
Self Insurance - Public Liability		2	-	-	-
Self Insurance - Other		13	-	7	-
Payroll Tax		190	5	234	2
Total Provisions		3,720	173	4,651	373
Total Payables, Borrowings & Provisions		28,036	188,380	23,142	201,389
(i) Liabilities relating to Restricted Assets					
		2014		2013	
		Current	Non Current	Current	Non Current
Externally Restricted Assets					
Other Insurance		15	-	7	-
Developer Contributions in advance		642	2,821	363	4,813
Sewer Charges in advance		294	-	-	-
Liabilities relating to externally restricted assets		951	2,821	370	4,813
Internally Restricted Assets					
Self Insurance		30	73	124	338
Liabilities relating to internally restricted assets		30	73	124	338
Total Liabilities relating to restricted assets		981	2,894	494	5,151
Total Liabilities relating to Unrestricted Assets		27,055	185,486	22,648	196,238
TOTAL PAYABLES, BORROWINGS & PROVISIONS		28,036	188,380	23,142	201,389

¹ Loans are secured over the General Income of the Water Supply Authority

Disclosures on Liability Interest Rate Risk Exposures, Fair Value Disclosures & Security can be found in Note 15.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 9a. Payables, Borrowings & Provisions (continued)

\$ '000	Actual 2014	Actual 2013
(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	1,948	2,548
	1,948	2,548

Note 9b. Description of and movements in Provisions

Class of Provision	2013		2014			Closing Balance as at 30/6/14
	Opening Balance as at 1/7/13	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	987	1,114	(1,132)	-	-	969
Sick Leave	1,247	139	(639)	-	-	747
Long Service Leave	2,042	293	(514)	-	-	1,821
Other Leave (enter deta	43	185	(185)	-	-	43
Self Insurance	469	(262)	(89)	-	-	118
Other	236	969	(1,010)	-	-	195
TOTAL	5,024	2,438	(3,569)	-	-	3,893

- a. Employees Leave Entitlements & 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.
- b. Self Insurance Provisions represent both (i) Claims Incurred but Not reported and (ii) Claims Reported & Estimated as per the actuarial assessment.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 10. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2014	Actual 2013
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	15,269	26,405
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		15,269	26,405
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		(4,269)	(7,214)
Adjust for non cash items:			
Depreciation & Amortisation		29,441	29,117
Net Losses/(Gains) on Disposal of Assets		291	2,003
Non Cash Capital Grants and Contributions		(2,028)	(1,817)
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "At Fair Value" or "Held for Trading"		80	(239)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		436	(4,790)
Increase/(Decrease) in Provision for Doubtful Debts		79	-
Decrease/(Increase) in Inventories		(13)	(42)
Decrease/(Increase) in Other Assets		-	45
Increase/(Decrease) in Payables		(1,413)	1,467
Increase/(Decrease) in other accrued Expenses Payable		6,212	3,243
Increase/(Decrease) in Other Liabilities		(1,470)	(858)
Increase/(Decrease) in Employee Leave Entitlements		(739)	356
Increase/(Decrease) in Other Provisions		(392)	(795)
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		26,215	20,478
(c) Non-Cash Investing & Financing Activities			
S94 Contributions "in kind"		781	236
Other Dedications		1,247	1,581
Total Non-Cash Investing & Financing Activities		2,028	1,817
(d) Financing Arrangements			
Nil			
(e) Bank Guarantees			
Council holds a bank guarantee on behalf of the Water Supply Authority for self insurance purposes.			

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 11. Commitments for Expenditure

\$ '000	Notes	Actual 2014	Actual 2013
(a) Capital Commitments (exclusive of GST)			
Nil			
(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		34	-
Later than one year and not later than 5 years		36	-
Later than 5 years		-	-
Total Non Cancellable Operating Lease Commitments		70	-

b. Non Cancellable Operating Leases include the following assets:

Computer Equipment - PC's, monitors & laptops: Lease terms were all originally for 60 months. The most recent leases have 57 months remaining.

Printers: Lease terms were originally for 60 months. The most recent lease has 56 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 the Water Supply Authority regarding future debt etc.

(d) Investment Property Commitments

Nil

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 12a(i). Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts 2014	Indicator 2014	Prior Period 2013
Local Government Industry Indicators - Consolidated			
1. Operating Performance Ratio			
Total continuing operating revenue ⁽¹⁾			
<u>(excl. Capital Grants & Contributions) - Operating Expenses</u>	<u>(9,628)</u>	-12.24%	-13.23%
Total continuing operating revenue ⁽¹⁾ (excl. Capital Grants & Contributions)	78,642		
2. Own Source Operating Revenue Ratio			
Total continuing operating revenue ⁽¹⁾			
<u>(less ALL Grants & Contributions)</u>	<u>76,929</u>	91.18%	92.19%
Total continuing operating revenue ⁽¹⁾	84,372		
3. Unrestricted Current Ratio			
<u>Current Assets less all External Restrictions ⁽²⁾</u>	<u>46,135</u>	1.84 : 1	2.42
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	25,137		
4. Debt Service Cover Ratio			
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation (EBITDA)	34,676	1.38	1.28
Principal Repayments (from the Statement of Cash Flows) + Borrowing Interest Costs (from the Income Statement)	25,176		
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
<u>Rates, Annual and Extra Charges Outstanding</u>	<u>2,749</u>	5.75%	6.54%
Rates, Annual and Extra Charges Collectible	47,777		
6. Cash Expense Cover Ratio			
Current Year's Cash and Cash Equivalents including All Term Deposits	51,761	9.47	11.07
Payments from cash flow of operating and financing activities	5,463		

Notes

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

⁽²⁾ Refer Notes 5-7 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

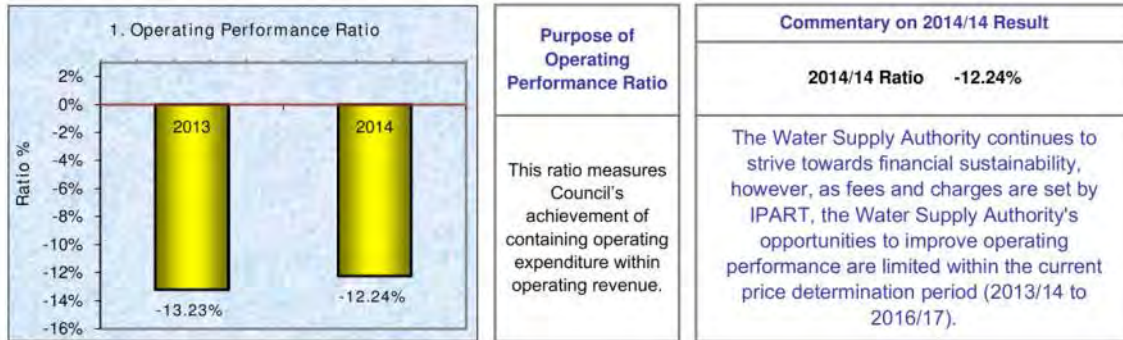
⁽³⁾ Refer to Note 9(a).

⁽⁴⁾ Refer to Note 9(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).

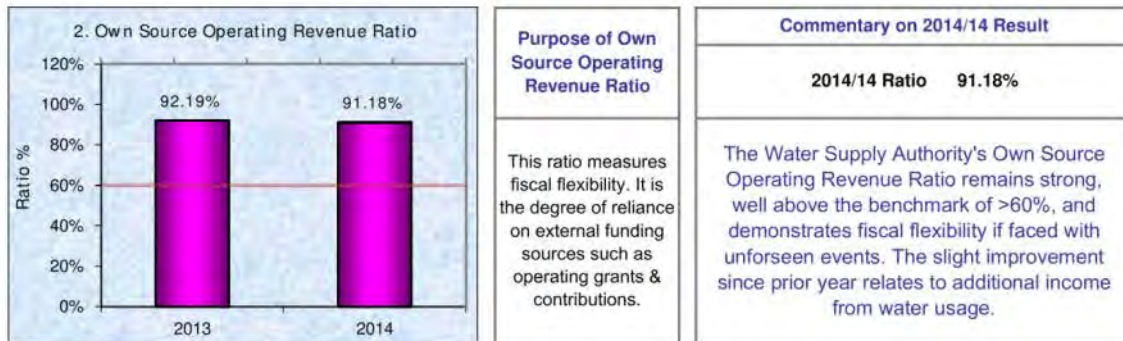
Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

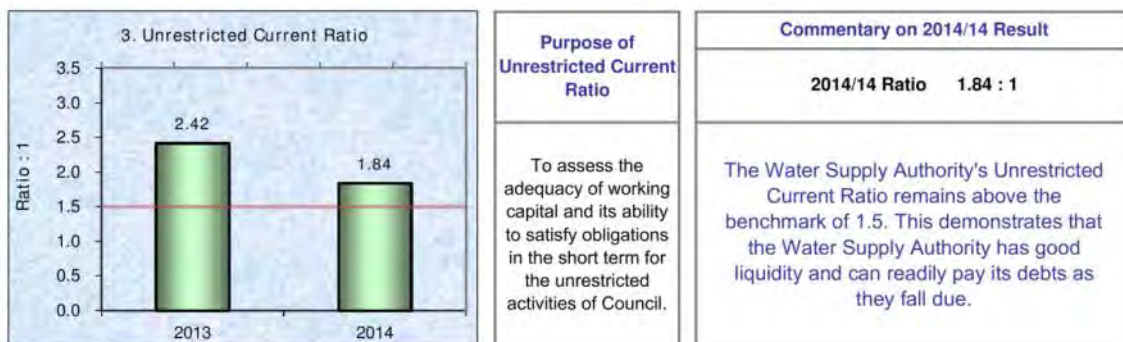
Note 12a(ii). Local Government Industry Indicators - Graphs (Consolidated)



Source for Benchmark: Code of Accounting Practice and Financial Reporting



Source for Benchmark: Code of Accounting Practice and Financial Reporting

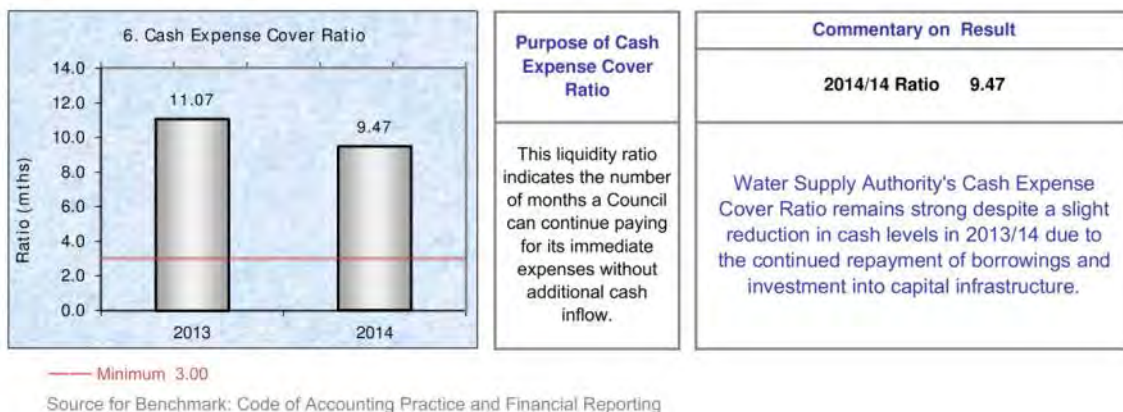
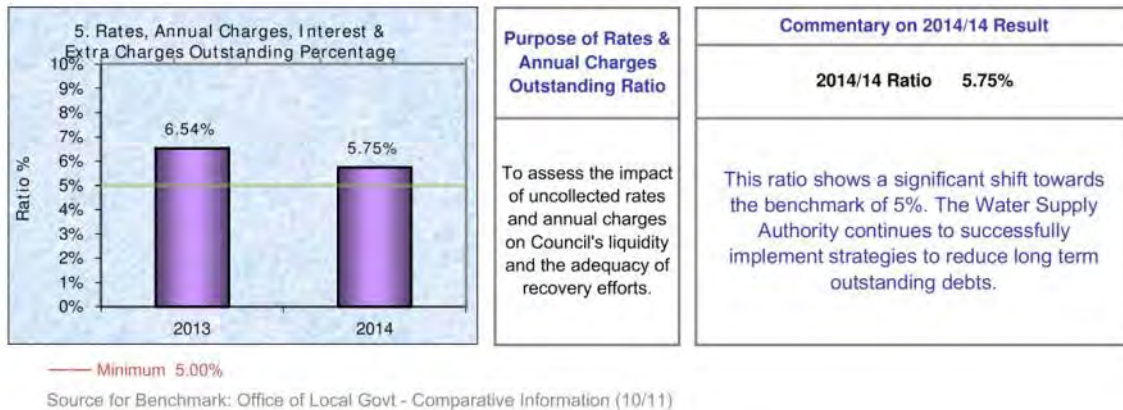
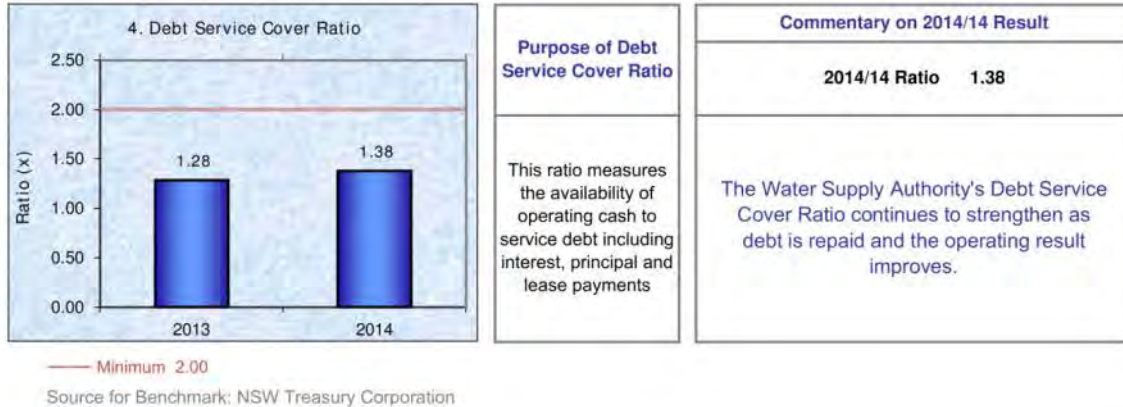


Source for Benchmark: Code of Accounting Practice and Financial Reporting

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 12a(ii). Local Government Industry Indicators - Graphs (Consolidated)



Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 12b. Statement of Performance Measurement - Indicators (by Fund)

\$ '000	Water 2014	Sewer 2014
Local Government Industry Indicators - by Fund		
1. Operating Performance Ratio		
Total continuing operating revenue ⁽¹⁾		
<u>(excl. Capital Grants & Contributions) - Operating Expenses</u>	-11.78%	-12.93%
Total continuing operating revenue ⁽¹⁾		
(excl. Capital Grants & Contributions)		
2. Own Source Operating Revenue Ratio		
Total continuing operating revenue ⁽¹⁾	90.21%	92.64%
(less ALL Grants & Contributions)		
Total continuing operating revenue ⁽¹⁾		
3. Unrestricted Current Ratio		
<u>Current Assets less all External Restrictions ⁽²⁾</u>	0.80 : 1	6.91 : 1
Current Liabilities less Specific Purpose Liabilities ^(3, 4)		
4. Debt Service Cover Ratio		
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation (EBITDA)	1.06	3.95
Principal Repayments (from the Statement of Cash Flows) + Borrowing Interest Costs (from the Income Statement)		
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage		
<u>Rates, Annual and Extra Charges Outstanding</u>	5.59%	5.85%
Rates, Annual and Extra Charges Collectible		
6. Cash Expense Cover Ratio		
Current Year's Cash and Cash Equivalents including All Term Deposits	5.46	15.60
<u>Payments from cash flow of operating and financing activities</u> x12		

Notes

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

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 13. Investment Properties

\$ '000

The Water Supply Authority has not classified any Land or Buildings as "Investment Properties"

Note 14. Financial Risk Management

Risk Management

The Water Supply Authority'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 Water Supply Authority'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 Authority.

The Water Supply Authority 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 the Water Supply Authority by Council's Finance Section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of the Water Supply Authority's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2014	2013	2014	2013
Financial Assets				
Cash and Cash Equivalents	15,269	26,405	15,269	26,405
Investments				
- "Designated At Fair Value on Initial Recognition"	-	1,998	-	1,998
- "Held to Maturity"	46,492	39,457	46,492	39,457
Receivables	18,971	19,486	18,971	19,486
Total Financial Assets	80,732	87,346	80,732	87,346
Financial Liabilities				
Payables	16,318	12,989	16,318	12,989
Loans / Advances	196,205	206,518	201,687	213,144
Total Financial Liabilities	212,523	219,507	218,005	226,133

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates market value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) "**at fair value through profit & 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.

Refer to Note 26 - Fair Value Measurement for information regarding the fair value of financial assets & liabilities

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 14. Financial Risk Management (continued)

\$ '000

(a) Cash & Cash Equivalents, Financial assets 'at fair value through the profit & Loss' "Available-for-sale" financial assets & "Held-to-maturity" Investments

The Water Supply Authority's objective is to maximise its return on cash & investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's Finance area manages the Cash & Investments portfolio with the assistance of independent advisors on behalf of the Water Supply Authority.

Council has an Investment Policy which complies with the Local Government Act & 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 the Water Supply Authority'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
2014				
Possible impact of a 10% movement in Market Values	-	-	-	-
Possible impact of a 1% movement in Interest Rates	618	618	(618)	(618)
2013				
Possible impact of a 10% movement in Market Values	200	200	(200)	(200)
Possible impact of a 1% movement in Interest Rates	659	659	(659)	(659)

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 14. Financial Risk Management (continued)

\$ '000

(b) Receivables

The Water Supply Authority's major receivables comprise (i) Rates & Annual charges and (ii) User Charges & 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 the Water Supply Authority 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 & 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 Water Supply Authority 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 the Water Supply Authority's receivables credit risk at balance date follows:

	2014 Annual Charges	2014 Other Receivables	2013 Annual Charges	2013 Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	0%	82%	0%	85%
Overdue	100%	18%	100%	15%
	100%	100%	100%	100%
(ii) Ageing of Receivables - value				
Current (not yet overdue)	-	13,614	-	14,173
Past due by up to 30 days	1,100	1,077	1,259	869
Past due between 31 and 60 days	506	495	579	399
Past due between 61 and 90 days	339	333	388	269
Past due by more than 90 days	804	787	920	635
	2,749	16,306	3,146	16,345
(iii) Movement in Provision for Impairment of Receivables				
			2014	2013
Balance at the beginning of the year			5	5
+ new provisions recognised during the year			79	-
Balance at the end of the year			84	5

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 14. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

Payables & 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 the Water Supply Authority by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

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

The contractual undiscounted cash outflows (ie. principal and interest) of the Water Supply Authority's Payables & 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		
2014									
Trade/Other Payables	237	13,259	2,822	-	-	-	-	16,318	16,318
Loans & Advances	-	21,634	22,418	22,170	21,922	21,674	145,745	255,563	196,205
Total Financial Liabilities	237	34,893	25,240	22,170	21,922	21,674	145,745	271,881	212,523
2013									
Trade/Other Payables	218	7,958	4,813	-	-	-	-	12,989	12,989
Loans & Advances	-	25,354	24,827	24,582	24,074	24,086	198,865	321,788	206,518
Total Financial Liabilities	218	33,312	29,640	24,582	24,074	24,086	198,865	334,777	219,507

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

The following interest rates were applicable to the Water Supply Authority's Borrowings at balance date:

	2014		2013	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Commercial Banks	176,583	7.0%	186,512	7.1%
NSW Government Agencies	-	-	6	5.8%
Wyong Shire Council	19,622	9.0%	20,000	9.0%
	<u>196,205</u>		<u>206,518</u>	

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. Material Budget Variations

\$ '000

The Water Supply Authority's Original Financial Budget for 13/14 was adopted by the Council on 22 May 2013.

While the Income Statement included in this General Purpose Financial Report must disclose the Original Budget adopted by the Council, the Local Government Act requires Council to review its Financial Budget on a Quarterly Basis including the Water Supply Authority, 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 the Water Supply Authority'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	2014 Budget	2014 Actual	2014 Variance*		
REVENUES					
Rates & Annual Charges	43,935	44,220	285	1%	F
User Charges & Fees	30,382	29,260	(1,122)	(4%)	U
Interest & Investment Revenue	3,759	3,192	(567)	(15%)	U
This variance is due to lower than anticipated interest rates as well as fair value adjustments on maturity of managed funds. Investment returns have reduced from 5.2% in 2012/13 to 4.2% in 2013/14.					
Other Revenues	41	177	136	332%	F
This variance is due to recovery of repairs/damages to assets partially related to National Broadband Network.					
Operating Grants & Contributions	1,942	1,713	(229)	(12%)	U
This variance is due to reduced catchment flood study grants.					
Capital Grants & Contributions	4,050	5,730	1,680	41%	F
This variance is a result of additional grants received for the Central Coast Water Savings Fund as well as higher than expected developer contributions in line with increased development.					

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 15. Material Budget Variations (continued)

\$ '000	2014 Budget	2014 Actual	2014 Variance*		
EXPENSES					
Employee Benefits & On-Costs	13,389	13,937	(548)	(4%)	U
Borrowing Costs	12,864	14,863	(1,999)	(16%)	U
This variance is due to interest on borrowings from Council's General Fund as at 30 June 2013, not included in the original budget.					
Materials & Contracts	7,142	7,747	(605)	(8%)	U
Depreciation & Amortisation	29,047	29,441	(394)	(1%)	U
Other Expenses	20,152	22,282	(2,130)	(11%)	U
This variance predominantly relates to various administration and electricity costs that were higher than allowed for in the IPART determination, upon which original budgets were based.					
Net Losses from Disposal of Assets	-	291	(291)	100%	U
This variance is associated with the retirements of the water meters as a result of the meter replacement program.					

Budget Variations relating to Council's Cash Flow Statement include:

Cash Flows from Operating Activities	25,103	26,215	1,112	4.4%	F
This variance is due to increased developer contributions and government grants combined with favourable material and contract costs.					
Cash Flows from Investing Activities	(10,992)	(27,038)	(16,046)	146.0%	U
This variance is a result of additional investments made during the year from prior year loan proceeds.					
Cash Flows from Financing Activities	(10,494)	(10,313)	181	(1.7%)	F

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 16. Statement of Developer Contributions

\$ '000

The Water Supply Authority recovers contributions, raises levies and enters into planning agreements on development works that are subject to a development consent issued by the Authority. 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 & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
s94 - Drainage	10,659	221	542	301	(2,465)	(1,950)	7,308	18,454	(34,590)	(8,828)	5,590
S93F Planning Agreements	190	193	-	41	1,782	-	2,206				
S64 Contributions	23,370	2,338	239	704	(3,667)	-	22,984				
Total Contributions	34,219	2,752	781	1,046	(4,350)	(1,950)	32,498	18,454	(34,590)	(8,828)	5,590

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 16. Statement of Developer Contributions (continued)

\$ '000

S94 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 (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
s94 - Drainage	968	-	-	33	-	-	1,001	713	(5,442)	(3,728)	841
s94 Total	968	-	-	33	-	-	1,001	713	(5,442)	(3,728)	841
s64 - Water	2,031	85	-	73	(51)	-	2,138				-
s64 - Sewer	3,526	279	-	61	(384)	-	3,482				-
s64 Total	5,558	364	-	133	(435)	-	5,620				-
Total	6,526	364	-	166	(435)	-	6,621	713	(5,442)	(3,728)	841

CONTRIBUTION PLAN NUMBER 2 - SOUTHERN LAKES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
s94 - Drainage	907	91	-	19	73	-	1,090	268	(906)	452	-
s94 Total	907	91	-	19	73	-	1,090	268	(906)	452	-
s64 - Water	1,242	196	-	63	-	-	1,501				-
s64 - Sewer	2,213	169	-	42	-	-	2,424				-
s64 Total	3,455	365	-	105	-	-	3,925				-
Total	4,362	456	-	124	73	-	5,015	268	(906)	452	-

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 16. Statement of Developer Contributions (continued)

\$ '000

S94 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 (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
s94 - Drainage	3	-	-	-	-	(1)	2	-	(110)	(108)	2
s94 Total	3	-	-	-	-	(1)	2	-	(110)	(108)	2
s93F - Water	-	-	-	7	394	-	401				-
s93F Total	-	-	-	7	394	-	401				-
s64 - Water	757	134	-	54	(391)	-	554				-
s64 - Sewer	899	81	-	16	(98)	-	898				2
s64 Total	1,656	215	-	70	(489)	-	1,451				2
Total	1,659	215	-	77	(96)	(1)	1,854	-	(110)	(108)	4

CONTRIBUTION PLAN NUMBER 5 - OURIMBAH

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
s64 - Water	543	106	-	17	-	-	666				-
s64 - Sewer	530	171	-	15	-	(389)	327				389
s64 Total	1,073	277	-	32	-	(389)	993				389
Total	1,073	277	-	32	-	(389)	993	-	-	-	389

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Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 16. Statement of Developer Contributions (continued)

\$ '000

S94 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 (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
s94 - Drainage	-	-	-	-	-	-	-	1,638	-	1,638	4
s94 Total	-	-	-	-	-	-	-	1,638	-	1,638	4
s64 - Water	431	21	2	17	(3)	-	468				-
s64 - Sewer	498	14	1	8	(909)	390	2				(389)
s64 Total	930	35	3	25	(912)	390	470				(389)
Total	930	35	3	25	(912)	390	470	1,638	-	1,638	(385)

CONTRIBUTION PLAN NUMBER 7 - GOROKAN

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
s93F - Water	-	21	-	1	-	-	22				-
s93F - Sewer	-	15	-	-	-	-	15				-
s93F Total	-	35	-	1	-	-	36				-
s64 - Water	2	109	-	37	-	-	148				(2,323)
s64 - Sewer	1,175	77	-	23	-	(1)	1,274				-
s64 Total	1,178	186	-	60	-	(1)	1,422				(2,323)
Total	1,178	221	-	61	-	(1)	1,458	-	-	-	(2,323)

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 16. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 7a - WARNERVALE

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
s94 - Drainage	8,718	130	542	248	(2,538)	(1,949)	5,151	9,244	(17,004)	(2,609)	4,742
s94 Total	8,718	130	542	248	(2,538)	(1,949)	5,151	9,244	(17,004)	(2,609)	4,742
s93F - Drainage	78	41	-	16	761	-	896				-
s93F - Water	63	62	-	10	388	-	523				-
s93F - Sewer	49	55	-	6	239	-	349				-
s93F Total	190	158	-	33	1,388	-	1,769				-
s64 - Water	2,283	384	118	72	(1,052)	-	1,805				2,323
s64 - Sewer	2,946	289	67	68	(317)	-	3,053				766
s64 Total	5,229	673	185	140	(1,369)	-	4,858				3,089
Total	14,137	961	727	421	(2,519)	(1,949)	11,778	9,244	(17,004)	(2,609)	7,831

CONTRIBUTION PLAN NUMBER 8 - SAN REMO

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
s94 - Drainage	63	-	-	1	-	-	64	137	-	201	1
s94 Total	63	-	-	1	-	-	64	137	-	201	1
s64 - Water	997	63	43	41	(43)	-	1,101				(1)
s64 - Sewer	97	44	8	26	(8)	-	167				1
s64 Total	1,094	107	51	67	(51)	-	1,268				-
Total	1,157	107	51	68	(51)	-	1,332	137	-	201	1

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Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 16. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 9 - BUDGEWOI

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
s64 - Water	486	12	-	10	-	(1)	507				-
s64 - Sewer	1	10	-	1	(411)	401	2				(1,166)
s64 Total	487	22	-	11	(411)	400	509				(1,166)
Total	487	22	-	11	(411)	400	509	-	-	-	(1,166)

CONTRIBUTION PLAN NUMBER 15 - NORTHERN DISTRICTS

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
s64 - Water	1,007	58	-	31	-	-	1,096				(2)
s64 - Sewer	1,703	36	-	32	-	(400)	1,371				401
s64 Total	2,710	94	-	63	-	(400)	2,467				399
Total	2,710	94	-	63	-	(400)	2,467	-	-	-	399

CONTRIBUTION PLAN NUMBER WTC - WARNERVALE TOWN CENTRE

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
s94 - Drainage	-	-	-	-	-	-	-	6,455	(11,127)	(4,673)	-
s94 Total	-	-	-	-	-	-	-	6,455	(11,127)	(4,673)	-
Total	-	-	-	-	-	-	-	6,455	(11,127)	(4,673)	-

Financial Statements 2014

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 17. Contingencies & Other Assets/Liabilities Not Recognised

LIABILITIES NOT RECOGNISED

1. Defined Benefit Superannuation

Council, on behalf of the Water Supply Authority 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. 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 Scheme's most recent full actuarial review was performed by Richard Boyfield of Mercer Consulting (Australia) Pty Ltd and covers the period ended 30 June 2014. This review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Scheme's Defined Benefit member category with member Councils required to make significantly higher contributions in future years.

The Scheme is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly the Water Supply Authority has not recorded any net liability from its Defined Benefits Scheme obligations.

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. Bank Guarantee

Council provides a bank guarantee on behalf of the Water Supply Authority to secure its self-insurance license for Workers Compensation. The guarantee is provided to WorkCover NSW.

3. Developer Contributions

The Water Supply Authority levies Section 64 Contributions upon various developments across the Local Government Area through the required Contributions Plans.

As part of these Plans, Council 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 the Authority, which will be funded by making levies and receiving funds in future years.

These future expenses do not yet qualify as liabilities as of the Reporting Date, but represent the Authority's intention to spend funds in the manner and timing set out in those Plans.

4. Central Coast Water Corporation

The Central Coast Water Corporation (CCWC) was created under legislation by the NSW Government and came into existence in February 2011.

Under the legislation Gosford and Wyong Councils are equal (50%) shareholders in the CCWC and shares cannot be sold or transferred. The CCWC is governed by an independent Board of Directors according to a set of principal objectives outlined in the CCWC legislation.

There is a possibility that following the transfer of staff and functions, shared services and assets, that some financial or legal liabilities may remain with Council. At the time of preparing the financial statements the timing and likelihood of this impact being realised cannot be determined.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 18. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '000

The Water Supply Authority'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 Authority's (i) interest and (ii) control and the type (form) of entity/operation, as follows:

Joint Venture Operations

Note 18(a)

Arrangements that do not comprise an actual individual entity which can deploy the resources of the individual participants. Under JV Operations, Council Jointly Controls the operations with the Other Parties involved.

Joint Venture Operations

(a) The Water Supply Authority is involved in the following Joint Venture Operations (JVO)

Name of Operation	Principal Activity	Councils Interests in Outputs of JVO's	
		2014	2013
Joint Water Supply Authority	Water Supply Headworks	46.95%	
(b) Water Supply Authority Assets employed in the Joint Venture Operations			
Council's own assets employed in the Operations			
Current Assets:			
Property, Plant & Equipment		315,412	311,246
Total Assets - Council Owned		315,412	311,246
Total Net Assets Employed - Council & Jointly Owned		315,412	311,246

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 19. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2014	Actual 2013
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		605,016	612,230
a. Net Operating Result for the Year		(4,269)	(7,214)
Balance at End of the Reporting Period		<u>600,747</u>	<u>605,016</u>

(b) Reserves**(i) Reserves are represented by:**

- Infrastructure, Property, Plant & Equipment Revaluation Reserve		821,149	786,806
Total		<u>821,149</u>	<u>786,806</u>

(ii) Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		786,806	712,968
- Revaluations for the year	8(a)	34,344	73,838
- Balance at End of Year		<u>821,149</u>	<u>786,806</u>
TOTAL VALUE OF RESERVES		<u>821,149</u>	<u>786,806</u>

(iii) Nature & Purpose of Reserves

Infrastructure, Property, Plant & Equipment Revaluation Reserve
- The Infrastructure, Property, Plant & 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

The Water Supply Authority made no correction of errors during the current reporting period.

(d) Voluntary Changes in Accounting Policies

The Water Supply Authority made no voluntary changes in any accounting policies during the year.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 20. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2014	Actual 2014	Actual 2014
	Water	Sewer	General ¹
Continuing Operations			
Income from Continuing Operations			
Rates & Annual Charges	16,470	27,521	-
User Charges & Fees	27,582	1,447	-
Interest & Investment Revenue	1,380	1,812	-
Other Revenues	338	299	-
Grants & Contributions provided for Operating Purposes	1,036	677	-
Grants & Contributions provided for Capital Purposes	3,935	1,795	-
Total Income from Continuing Operations	50,741	33,551	-
Expenses from Continuing Operations			
Employee Benefits & on-costs	6,697	7,240	-
Borrowing Costs	13,184	1,679	-
Materials & Contracts	3,908	3,744	3
Depreciation & Amortisation	16,593	12,848	-
Impairment	-	-	-
Other Expenses	11,979	10,398	-
Net Losses from the Disposal of Assets	291	-	-
Total Expenses from Continuing Operations	52,652	35,909	3
Operating Result from Continuing Operations	(1,911)	(2,358)	(3)
Discontinued Operations			
Net Profit/(Loss) from Discontinued Operations	-	-	-
Net Operating Result for the Year	(1,911)	(2,358)	(3)
Net Operating Result attributable to each Council Fund	(1,911)	(2,358)	(3)
Net Operating Result attributable to Non-controlling Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	(5,846)	(4,153)	(3)

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

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

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

as at 30 June 2014

Note 20. Financial Result & Financial Position by Fund (continued)

Statement of Financial Position by Fund \$ '000	Actual 2014	Actual 2014	Actual 2014
	Water	Sewer	General ¹
ASSETS			
Current Assets			
Cash & Cash Equivalents	2,299	12,970	-
Investments	3,236	18,256	-
Receivables	15,262	3,276	-
Inventories	503	-	-
Other	-	-	-
Non-current assets classified as 'held for sale'	-	-	-
Total Current Assets	21,300	34,502	-
Non-Current Assets			
Investments	17,000	8,000	-
Receivables	423	10	-
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	852,774	704,215	-
Investments Accounted for using the equity method	-	-	-
Investment Property	-	-	-
Intangible Assets	56	33	-
Total Non-Current Assets	870,253	712,258	-
TOTAL ASSETS	891,553	746,760	-
LIABILITIES			
Current Liabilities			
Payables	11,018	2,477	2
Borrowings	9,801	1,017	1
Provisions	1,791	1,930	(1)
Total Current Liabilities	22,610	5,424	2
Non-Current Liabilities			
Payables	1,941	882	(2)
Borrowings	162,377	23,009	-
Provisions	118	55	-
Total Non-Current Liabilities	164,436	23,946	(2)
TOTAL LIABILITIES	187,046	29,370	-
Net Assets	704,507	717,390	-
EQUITY			
Retained Earnings	352,913	247,834	-
Revaluation Reserves	351,594	469,556	(0)
Total Equity	704,507	717,390	(0)

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

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

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 21. "Held for Sale" Non Current Assets & Disposal Groups

\$ '000

Council did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

Note 22. Events occurring after the Reporting Date

Events that occur between the end of the reporting period (ending 30 June 2014) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

The Water Supply Authority 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 08/10/14.

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 2014.

(ii) Events that provide evidence of conditions that arose after the Reporting Period

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2014 and which are only indicative of conditions that arose after 30 June 2014.

The Water Supply Authority is unaware of any material or significant "non-adjusting events" that should be disclosed.

Note 23. Discontinued Operations

The Water Supply Authority has not classified any of its Operations as "Discontinued".

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 24. Intangible Assets

\$ '000	Actual 2014	Actual 2013
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)	(2,274)	(2,026)
Accumulated Impairment (1/7)	-	-
Net Book Value - Opening Balance	195	443
Movements for the year		
- Amortisation charges	(106)	(248)
Closing Values:		
Gross Book Value (30/6)	2,469	2,469
Accumulated Amortisation (30/6)	(2,380)	(2,274)
Accumulated Impairment (30/6)	-	-
TOTAL INTANGIBLE ASSETS - NET BOOK VALUE ¹	89	195

¹ The Net Book Value of Intangible Assets represent:

- Software	89	195
	89	195

Note 25. Reinstatement, Rehabilitation & Restoration Liabilities

The Water Supply Authority has no outstanding obligations to make, restore, rehabilitate or reinstate any of its assets/operations.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 26. 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 & recognised at fair values:

2014	Date of latest Valuation	Fair Value Measurement Hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring Fair Value Measurements					
Infrastructure, Property, Plant & Equipment					
Plant & Equipment	30/6/14			478	478
Office Equipment	30/6/14			158	158
Furniture & Fittings	30/6/14			18	18
Operational Land	30/6/14			57,652	57,652
Community Land	30/6/14			1,113	1,113
Buildings - specialised	30/6/14			12,088	12,088
Other Structures	30/6/14			1,413	1,413
Stormwater Drainage	30/6/14			237,154	237,154
Water Supply Network	30/6/14			558,140	558,140
Sewerage Network	30/6/14			669,335	669,335
Total Infrastructure, Property, Plant & Equipme		-	-	1,537,549	1,537,549

(2) Transfers between Level 1 & 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 Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 26. Fair Value Measurement

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Where the Water Supply Authority is unable to derive Fair Valuations using quoted market prices of identical assets (i.e. Level 1 inputs), the Water Supply Authority instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The Fair Valuation techniques the Water Supply Authority has employed while utilising Level 2 and Level 3 inputs are as follows:

Infrastructure, Property, Plant & Equipment

Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings assets are recognised and valued at cost. The Water Supply Authority 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 & Fleet - Minor Plant Items – generators, compressors, welders and power hand tools
- Office Equipment – computer hardware, communications equipment, digital cameras, photocopiers
- Furniture & Fittings – work stations, storage cabinets, CCTV, air conditioning units

The unobservable level 3 inputs used include:

- Pattern of consumption
- Useful life
- Residual value

The Water Supply Authority 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 the Water Supply Authority's land classified as Operational Land under the Local Government Act 1993. The last valuation was undertaken at 30 June 2013 by APV Valuers & Asset Management.

The valuation of the freehold land has been carried out on a market value basis - 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 with a new asset having similar service potential and includes allowances for preliminaries and professional fees.

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 in the valuation process during the reporting period.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 26. Fair Value Measurement

Community Land

Community land assets are comprised of the Water Supply Authority owned land classified as Community Land under the Local Government Act 1993 and land under the care and management of the Water Supply Authority on behalf of the Crown.

The Water Supply Authority 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.

As we have and are using unimproved land values provided by the Valuer General this is not considered to be an observable input based on market evidence and therefore contains Level 3 unobservable inputs.

There has been no change in the valuation process during the reporting period.

Buildings – Non Specialised and Specialised

The Water Supply Authority engaged APV Valuers & Asset Management to value all buildings. The valuation methodology applied is dependent on whether a market exists to substantiate the value of the asset.

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 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 has been 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 etc). 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 in the valuation process during the reporting period.

Other Structures

This asset class is comprised of telemetry structures and fencing which did not meet the definition of a building.

The cost approach has been utilised to value other structures. Valuations are undertaken by the Water Supply Authority staff based on the technical knowledge and experience of engineers and asset management staff. Unobservable level 3 inputs used include residual value, useful life, asset condition and pattern of consumption.

There has been no change in the valuation process during the reporting period.

Stormwater Drainage

The Stormwater Drainage asset class consists of the Water Supply Authority's pits, pipes, open channels, culverts, wetlands, headwalls and gross pollutant traps. GHD a professional services organisation completed

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 26. Fair Value Measurement

the valuation of these assets using the replacement cost approach. Replacement cost is assessed using the Modern Engineering Equivalent Replacement Asset (MEERA).

Replacement costs (unit rates) and useful lives for stormwater drainage assets were determined through a combination of historic data and technical knowledge, 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, pattern of consumption and residual value. The asset condition of 1 (Excellent) to 5 (Very Poor) was determined by assumptions based on age and CCTV investigation undertaken across a representative selection of the Water Supply Authority's drainage network. Additionally due to the limitations in the historical records of very long lived assets there is some uncertainty on the specifications and dimensions of some assets.

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 in the valuation process during the reporting period.

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 Modern Engineering Equivalent Replacement Asset (MEERA) techniques and equipment that would yield an asset to serve the same function as the existing asset, rather than replicate the existing asset. Valuations are undertaken by the Water Supply Authority 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. Assets have been componentised as per AASB 116. 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 are very long lived assets there is some uncertainty on the specifications and dimensions of some assets however the Water & Sewer Planning section undertook data validation processes to reduce this risk.

There has been no change in 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 Modern Engineering Equivalent Replacement Asset (MEERA) techniques and equipment that would yield an asset to serve the same function as the existing asset, rather than replicate the existing asset. Valuations are undertaken by the Water Supply Authority 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. Assets have been componentised as per AASB 116. 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 are very long lived assets there is some uncertainty on the specifications and dimensions of some assets however the Water & Sewer Planning section undertook data validation processes to reduce this risk.

There has been no change in the valuation process during the reporting period.

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 26. 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 & Equipment	Office Equipment	Furniture & 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 & Impairment	(168)	(58)	(12)	-	(238)
Other Movements	2	2	-	-	4
Closing Balance - 30/6/14	478	158	18	57,652	58,306

	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 & Impairment	-	(307)	(47)	(2,616)	(2,970)
Revaluation Increments to Equity (ARR)	-	-	-	459	459
Other Movements	-	2	1	2	5
Closing Balance - 30/6/14	1,113	12,088	1,413	237,154	251,768

	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 & Impairment	(13,617)	(12,510)	(26,127)
Revaluation Increments to Equity (ARR)	15,625	18,260	33,885
Other Movements	(11)	2	(9)
Closing Balance - 30/6/14	-	669,335	1,227,475

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 26. Fair Value Measurement

(4). Fair value measurements using significant unobservable inputs (Level 3)

b. Significant unobservable valuation inputs used (for Level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various Level 3 Asset Class fair values.

I,PP&E

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Plant & Equipment	20,816	Cost Approach	Replacement Cost	Cost varies from asset to asset	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset
			Useful Life	Useful life: 1 – 42 years	
			Residual Value	Residual Value: 0% - 70%	
Office Equipment	2,588	Cost Approach	Replacement Cost	Cost varies from asset to asset	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset
			Useful Life	Useful life: 2 – 10 years	
			Residual Value	Residual Value: 0%	

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 26. Fair Value Measurement

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Furniture & Fittings	1,291	Cost Approach	Replacement Cost Useful Life Residual Value	Cost varies from asset to asset Useful life: 1 – 10 years Residual Value: 0%	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset
Operational Land	311,913	Market Value and Cost Approach	Rate per square metre	Unit Rates: \$1 - \$1,054 per sqm	Significant changes in the rate per square metre would result in a significant change to the fair value of the asset
Community Land	124,750	Cost Approach	Unimproved Capital Value by Valuer General Rate per square metre	Unit Rates: \$1 - \$2,532 per sqm	Significant changes in the rate per square metre would result in a significant change to the fair value of the asset

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 26. Fair Value Measurement

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Buildings - specialised	149,000	Cost Approach	Replacement Cost Asset Condition rating Useful Life Residual Value	Cost varies from asset to asset Assessed as 1 – 5: Excellent to Very poor Useful Life: 8 – 100 yrs Residual Value: 0% - 70%	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset
Other Structures	13,547	Cost Approach	Replacement Cost Useful Life Residual Value	Cost varies from asset to asset Useful life: 5 – 100 years Residual Value: 0%	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset Changes in the residual value impacts the depreciation and fair value of the asset
Stormwater Drainage	237,154	Cost Approach	Replacement Cost Asset Condition rating Useful Life	Unit Rates – vary from asset to asset Assessed as 1 – 5: Excellent to Very poor Useful Life: 30 – 120 yrs	Movement in cost of the asset will result in the same movement in fair value Asset condition rating and pattern of consumption impact the remaining useful life of the asset

Wyong Shire Council Water Supply Authority

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 26. Fair Value Measurement

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Water Supply Network	558,139	Cost Approach	Replacement Cost	Unit Rates are based on the NSW Reference Rates Manual issued by the NSW Office of Water	Movement in cost of the asset will result in the same movement in fair value
			Asset Condition rating	Assessed as 1 – 5: Excellent to Very poor	Asset condition rating and pattern of consumption impact the remaining useful life of the asset
			Useful Life	Useful Life: 15 – 100 yrs	
			Residual Value	Residual Value: 0%	Changes in the residual value impacts the depreciation and fair value of the asset
Sewerage Network	669,334	Cost Approach	Replacement Cost	Unit Rates are based on the NSW Reference Rates Manual issued by the NSW Office of Water	Movement in cost of the asset will result in the same movement in fair value
			Asset Condition rating	Assessed as 1 – 5: Excellent to Very poor	Asset condition rating and pattern of consumption impact the remaining useful life of the asset
			Useful Life	Useful Life: 15 – 100 yrs	
			Residual Value	Residual Value: 0% - 38%	Changes in the residual value impacts the depreciation and fair value of the asset

(5). Highest and best use

All of the Water Supply Authority's non-financial assets are considered to being utilised for their highest and best use.



INDEPENDENT AUDITOR'S REPORT

Wyong Water Supply Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Wyong Water Supply Authority (the Authority), which comprise the statement of financial position as at 30 June 2014, the income statement, the 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 2014, 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

The Councillor's Responsibility for the Financial Statements

The Councillors of Wyong Shire Council are responsible for the preparation of the 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 of Wyong Shire Council determine is necessary to enable the preparation of financial statements that give a true and fair view and that 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 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 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 the Councillors of Wyong Shire Council, 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.

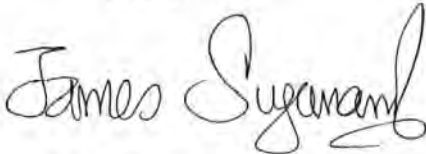
My opinion does *not* provide assurance:

- about the future viability of the Authority
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its 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

15 October 2014
SYDNEY

7.1 Information Concerning Rates and Charges Written Off 2013-14

TRIM REFERENCE: F2004/06141 - D11739447
MANAGER: Carlton Oldfield, Financial Controller
AUTHOR: Darryl Telfer; Revenue Accountant

SUMMARY

Rates and Charges written off under the General Manager's delegation during the 2013-14 financial year.

RECOMMENDATION

That Council receive the report on Information Concerning Rates and Charges Written Off 2013-14.

BACKGROUND

Clause 131 (6) of the Local Government (General) Regulation 2005 requires the General Manager to advise Council of rates and charges written off under the General Manager's delegation.

Below are details of rates and charges written off during 2013-14:

Small Balances

Rates and charges written off under the General Manager's delegation during 2013-14 in relation to small balances to maximum \$0.50 per assessment, was \$1,817.12. These amounts were deemed uneconomical to recover in view of the administrative costs associated with printing and posting of notices, handling enquiries and processing payments that would be incurred if collection was to have been pursued.

Other Rates and Charges Written off

Rates and charges written off under the General Manager's delegation during 2013-14 in relation to rates and charges adjustments after the issue of certificates under Section 603 of the Local Government Act 1993 and/or Section 360 of the Water Management Act 2000, on six different properties, was \$897.41.

ATTACHMENTS

Nil.

7.2 Investment Report for September 2014

TRIM REFERENCE: F2004/06604 - D11726599

MANAGER: Stephen Naven, Chief Financial Officer

AUTHOR: Devini Susindran; Financial Accountant

SUMMARY

This report details Council's investments as at 30 September 2014.

RECOMMENDATION

That Council receive the Investment Report for September 2014.

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 in September were managed through term deposit maturities, with a net inflow of \$3,340k predominantly from first quarter Rates instalments received in early September 2014.

Table 1 - Movement in Cash and Term deposits

Institution	Term (Approx. Months)	Interest Rate %	Maturity	Investment / (Redemption) \$'000
Movement in Term Deposits				
NAB	12	3.92%	Sep 2014	(\$5,000)
NAB	13	3.94%	Sep 2014	(\$5,000)
Bendigo Adelaide Bank	12.5	3.85%	Sep 2014	(\$5,000)
NAB	3	3.46%	Dec 2014	\$10,000
NAB	9.5	3.59%	Jun 2015	\$5,000
People's Choice Credit Union	4	3.53%	Jan 2015	\$3,000
People's Choice Credit Union	4	3.53%	Jan 2015	\$2,000
BOQ	24	3.70%	Sep 2016	\$5,000
Total Term Deposit Movement				\$10,000

Movement in cash at call				
AMP		3.15%		-
Westpac		2.60%		(\$6,700)
Interest earned on all call accounts				\$40
Total Cash at Call Movement				(\$6,660)
Total Cash & Term Deposit Movement				\$3,340

Total Portfolio

Total net return for September 2014 was \$502k in interest earnings.

Table 2 - Net Return

	Full Year 2013-14 \$'000	Jul 2014 \$'000	Aug 2014 \$'000	Sep 2014 \$'000	FY 2014-15 \$'000
Net Capital Gain/(Loss) Realised	(197)	-	-	-	-
Income Distribution on Managed Funds	321	-	-	-	-
Net Earnings From Managed Funds *	124	-	-	-	-
Interest Earnings on Call Deposits Received	402	34	39	40	113
Interest Earnings on Term Deposits received at Maturity	5,999	428	421	462	1,311
Total Interest Earnings	6,401	462	460	502	1,424
Total return for the period	6,525	462	460	502	1,424

* Until October 2013, Council's portfolio included investments in managed funds (Blackrock Care and Maintenance Fund) held under the "grandfather" provisions of the current Ministers Order when it was liquidated.

Full year returns to September of 3.93% is favourable compared to benchmark bank bill swap (BBSW) full year Bank Bill Index of 2.63% and Council guidelines of BBSW + 10 basis points.

Table 3 - Investment Portfolio by Risk Category

Investment Class	Sep 2014 Portfolio \$ '000	FY Return \$ '000	FY Return %
Cash at Call	12,554	113	2.84
Term Deposits	142,043	1,311	4.07
Total Investments	154,597	1,424	3.93

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	Value \$ '000
At Call	12,554
Term Deposits	
0 - 3 months	40,000
4 - 6 months	26,043
7 - 12 months	41,000
1 - 2 years	21,000
2 - 3 years	9,000
3 - 4 years	-
4 - 5 years	5,000
Total Term Deposits	142,043
Total Portfolio	154,597

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 but moving more into A2 within policy guidelines in order to obtain the best rates offered.

Table 5 - Portfolio Credit Framework

Investment Category Short Term	Target Maximum Allocation	Portfolio Allocation Sep 2014
A1	10.0%	47.60%
A2	75.0%	49.16%
A3	10.0%	2.59%
Unrated	15.0%	0.65%
TOTAL		100.00%

The Investment Guidelines allow the General Manager to approve a variation to the investment Strategy if the investment is to the Council's advantage. Although the General Manager has approved variations as they presented the best investment return relative to risk at the time of investment, movements in the portfolio have brought all investments within guidelines by the end of the month.

Investment transactions and earnings for September 2014 consisted of net investment of \$3.3m with movements for the month ending September 2014 shown in Table 6 - Portfolio Movements.

Table 6 - Portfolio Movements

	Full Year 2013-14 \$'000	July 2014 \$'000	August 2014 \$'000	September 2014 \$'000	FY 2014-15 \$'000
Movement in Assets					
Opening Balance	154,992	145,394	136,418	151,257	145,394
Net movement in Managed fund to Liquidation in Oct'13	(4,688)	-	-	-	-
Net Cash/Investments (Withdrawals)	(4,910)	(8,976)	14,839	3,340	9,203
Closing Balance	145,394	136,418	151,257	154,597	154,597

Portfolio Interest and Investment Returns

Year to date returns as at 30 September 2014 on Council's investment portfolio of deposit accounts, term deposits and managed funds, show a \$218k or 13.3% *unfavourable* variance when compared to the budget for the year to September 2014.

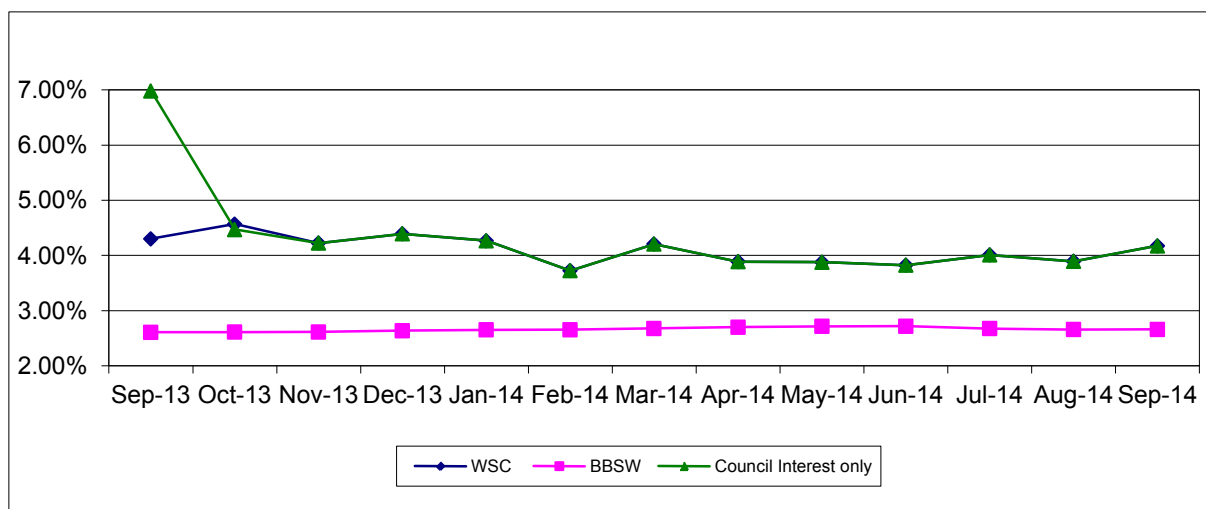
Table 7 - Annual Investment Portfolio Performance as at 30 September 2014

Investment Source	FY Actual Interest Income \$ '000	FY Adopted Budget \$ '000	FY Variance to Budget \$ '000
	A	B	C=A-B
General	870	935	(65)
Water	172	240	(68)
Sewerage	382	467	(85)
Total	1,424	1,642	(218)

Interest rates in the month, ranged from 3.40% to 5.20% with the exception of WorkCover deposit with ANZ at 3.30% and Heritage Bank at 7.25%, all of which exceeded the September Bank Bill Swap Rate (BBSW) benchmark of 2.63%.

Benchmark - Monthly Returns (Annualised)

Council's overall investment return compared to the benchmark BBSW Index on a 12 monthly basis is as follows:

Graph 1 - Annualised Monthly Return – Comparison to Benchmark

Note: The spike in yield for September 2013 is from an interest distribution received from the liquidated managed fund prior to its disposal. Overall WSC income was flat during September 2013 as a corresponding capital low on liquidating this investment transpired.

Comparison to Neighbouring Councils

Portfolio Valuation

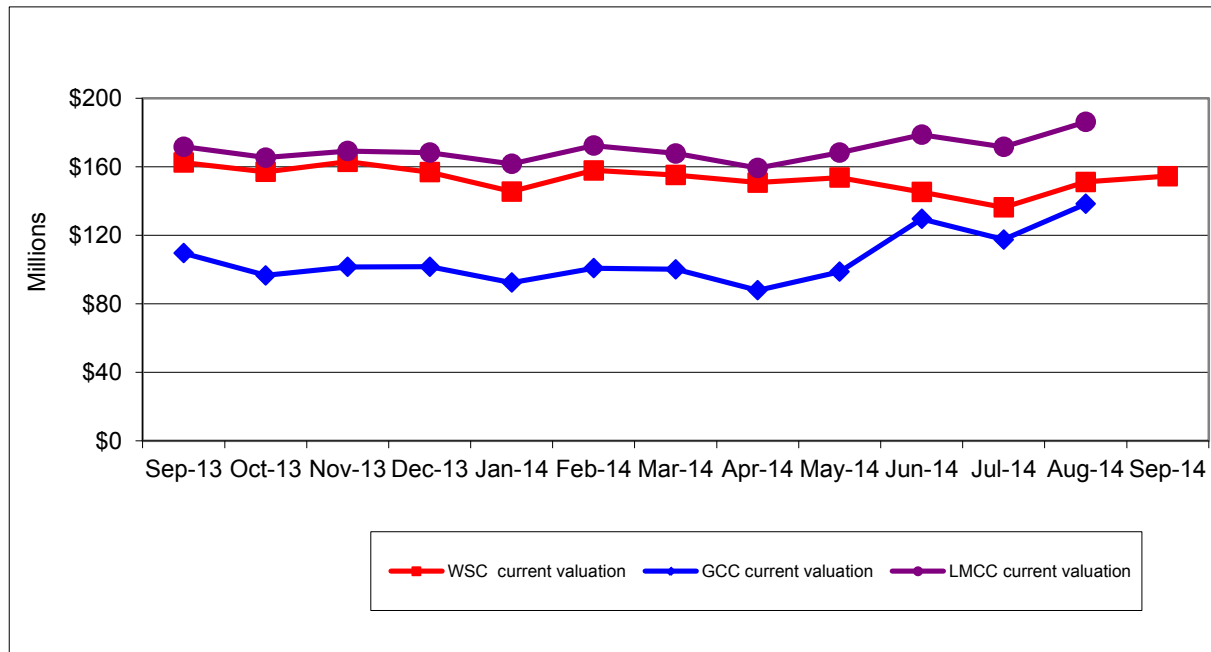
WSC's investment portfolio reflects our strong cash position which is comparable with Lake Macquarie City Council and Gosford City Council. Balances are summarised in table 8 below. Graph 2 shows the monthly portfolio balances over a 12 month period for all three Councils.

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
May 2014	\$153,752	\$98,816	\$168,356
June 2014	\$145,394	\$129,648	\$178,850
Jul 2014	\$136,418	\$117,560	\$171,687
Aug 2014	\$151,257	\$138,456	\$186,273
Sep 2014	\$154,597	Not available	Not available

Graph 2 – Portfolio Valuations – Comparison to Neighbouring Councils

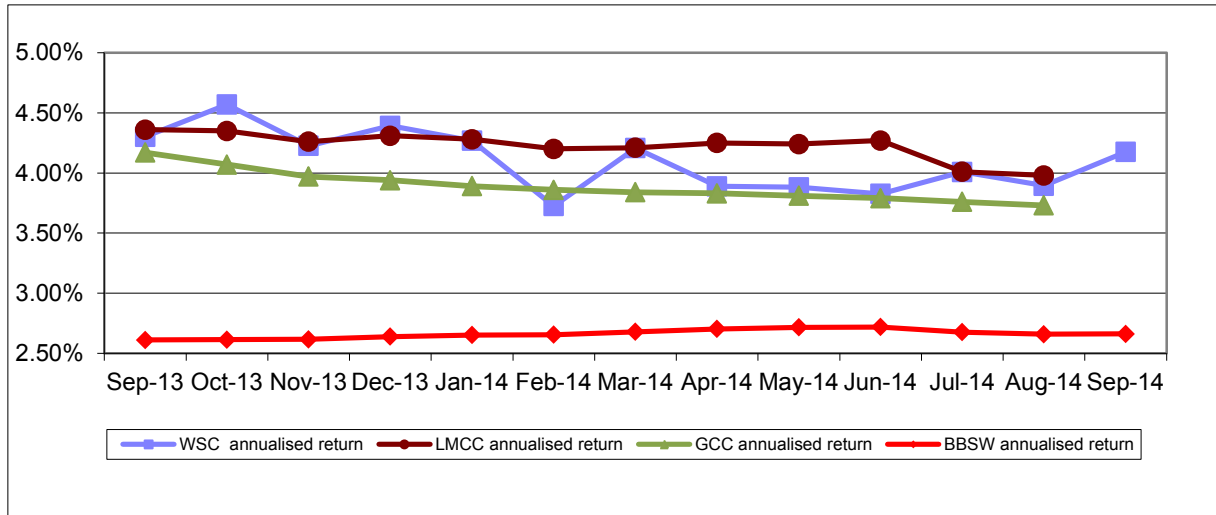


Portfolio Returns

WSC's investment yield compares favourably to neighbouring Councils as outlined in table 9 below. Graph 3 shows the monthly annualised portfolio returns over a 12 month period for all three Councils compared to BBSW.

Table 9 – Summary of Investment Portfolio Returns

Month / Council	BBSW	Wyong Shire Council	Gosford City Council	Lake Macquarie Council
May 2014	2.72%	3.88%	3.81%	4.24%
June 2014	2.72%	3.83%	3.79%	4.27%
July 2014	2.68%	4.01%	3.76%	4.01%
Aug 2014	2.66%	3.89%	3.73%	3.98%
Sep 2014	2.63%	4.18%	Not available	Not available

Graph 3 – 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 2014 have been made in accordance with the Act, the Regulations and Council's Investment Policies.

ATTACHMENTS

- 1 Summary of Investment by Type - September 2014 D11726961

Wyong Shire Council Summary of Investments - By Type As at 30 September 2014									
FUND MANAGER	TYPE OF INVESTMENT	RATINGS		MATURITY	PORTFOLIO BALANCE 31.08.14 \$	PORTFOLIO BALANCE 30.09.14 \$	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	14,271,082	7,599,005		27,923	2.60
AMP	Business Saver Account	A1	A	Daily	4,942,669	4,955,466		12,797	3.15
Total Cash At Call					19,213,751	12,554,471	8.12%	40,720	
TERM DEPOSITS & BONDS									
<u>Short term deposits & bills (less than 90 days)</u>									
NAB	Term Deposit	A1	AA	9/09/2014	5,000,000			4,296	3.92
NAB	Term Deposit	A1	AA	22/09/2014	5,000,000			11,334	3.94
Bendigo/Adelaide	Term Deposit	A2	A	22/09/2014	5,000,000			11,075	3.85
NAB	Term Deposit	A1	AA	13/10/2014	5,000,000	5,000,000		15,740	3.83
CUA	Term Deposit	A2	BBB	30/10/2014	5,000,000	5,000,000		16,233	3.95
ING	Term Deposit	A1	A	12/11/2014	5,000,000	5,000,000		15,822	3.85
Suncorp	Term Deposit	A1	A	18/11/2014	5,000,000	5,000,000		14,630	3.56
ING	Term Deposit	A1	A	3/12/2014		5,000,000		15,616	3.80
NAB	Term Deposit	A1	AA	5/12/2014		10,000,000		21,803	3.46
CBA	Term Deposit	A1	AA	18/12/2014		5,000,000		14,794	3.60
					35,000,000	40,000,000	25.87%	141,343	
<u>Medium Term Deposits (up to 365 days)</u>									
ING	Term Deposit	A1	A	3/12/2014	5,000,000				
CBA	Term Deposit	A1	AA	18/12/2014	5,000,000				
ING	Term Deposit	A1	A	12/01/2015	5,000,000	5,000,000		15,616	3.80
PCCU	Term Deposit	A2	BBB	23/01/2015		2,000,000		1,161	3.53
PCCU	Term Deposit	A2	BBB	27/01/2015		3,000,000		1,741	3.53
Wyong Shire Credit Union	Term Deposit	UNRATED	UNRATED	31/01/2015	1,000,000	1,000,000		2,795	3.40
ME Bank	Term Deposit	A2	BBB	4/02/2015	5,000,000	5,000,000		15,616	3.80
Bendigo/Adelaide	Term Deposit	A2	A	24/02/2015	5,000,000	5,000,000		14,795	3.60
ANZ	Term Deposit	A1	AA	10/03/2015	43,000	43,000		116	3.30
CUA	Term Deposit	A2	BBB	23/03/2015	5,000,000	5,000,000		15,205	3.70
Bank of Queensland	Term Deposit	A2	BBB	13/04/2015	5,000,000	5,000,000		15,411	3.75
NAB	Term Deposit	A1	AA	27/04/2015	5,000,000	5,000,000		15,452	3.76
Bendigo/Adelaide	Term Deposit	A2	A	28/04/2015	5,000,000	5,000,000		15,493	3.77
ANZ	Term Deposit	A1	AA	1/05/2015	4,000,000	4,000,000		12,197	3.71
Bendigo/Adelaide	Term Deposit	A2	A	27/05/2015	5,000,000	5,000,000		15,658	3.81
ANZ	Term Deposit	A1	AA	1/06/2015	4,000,000	4,000,000		12,230	3.72
NAB	Term Deposit	A1	AA	22/06/2015		5,000,000		11,311	3.59
ANZ	Term Deposit	A1	AA	24/07/2015	4,000,000	4,000,000		12,263	3.73
ANZ	Term Deposit	A1	AA	25/08/2015	4,000,000	4,000,000		12,296	3.74
					67,043,000	67,043,000	43.37%	189,356	
<u>Non - Current</u>									
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	5,000,000		16,438	4.00
Bank of Queensland	Term Deposit	A2	BBB	2/08/2016	6,000,000	6,000,000		25,644	5.20
Bank of Queensland	Term Deposit	A2	BBB	8/09/2016		5,000,000		11,658	3.70
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
					30,000,000	35,000,000	22.64%	130,261	
Total Term Deposit & Bonds:					132,043,000	142,043,000	91.88%	460,960	
TOTAL PORTFOLIO					151,256,751	154,597,471	100.00%	501,680	
Current					121,256,751	119,597,471			
Non-Current					30,000,000	35,000,000			
TOTAL PORTFOLIO					151,256,751	154,597,471			

7.3 Wyong Shire Council Quarterly Risk Management Report - August 2014

TRIM REFERENCE: F2011/01389 - D11731872

MANAGER: Brian Glendenning, General Counsel

AUTHOR: Stephen Bignill; Senior Project Executive

SUMMARY

The following is the Wyong Shire Council Risk Management Report to Council as at August 2014.

RECOMMENDATION

That Council receive the report and note the current status of high level risks in Wyong Shire Council as at August 2014.

BACKGROUND

The (WSC) Risk Report is the result of analysing each risk presented by each Service Unit Manager through the risk management system.

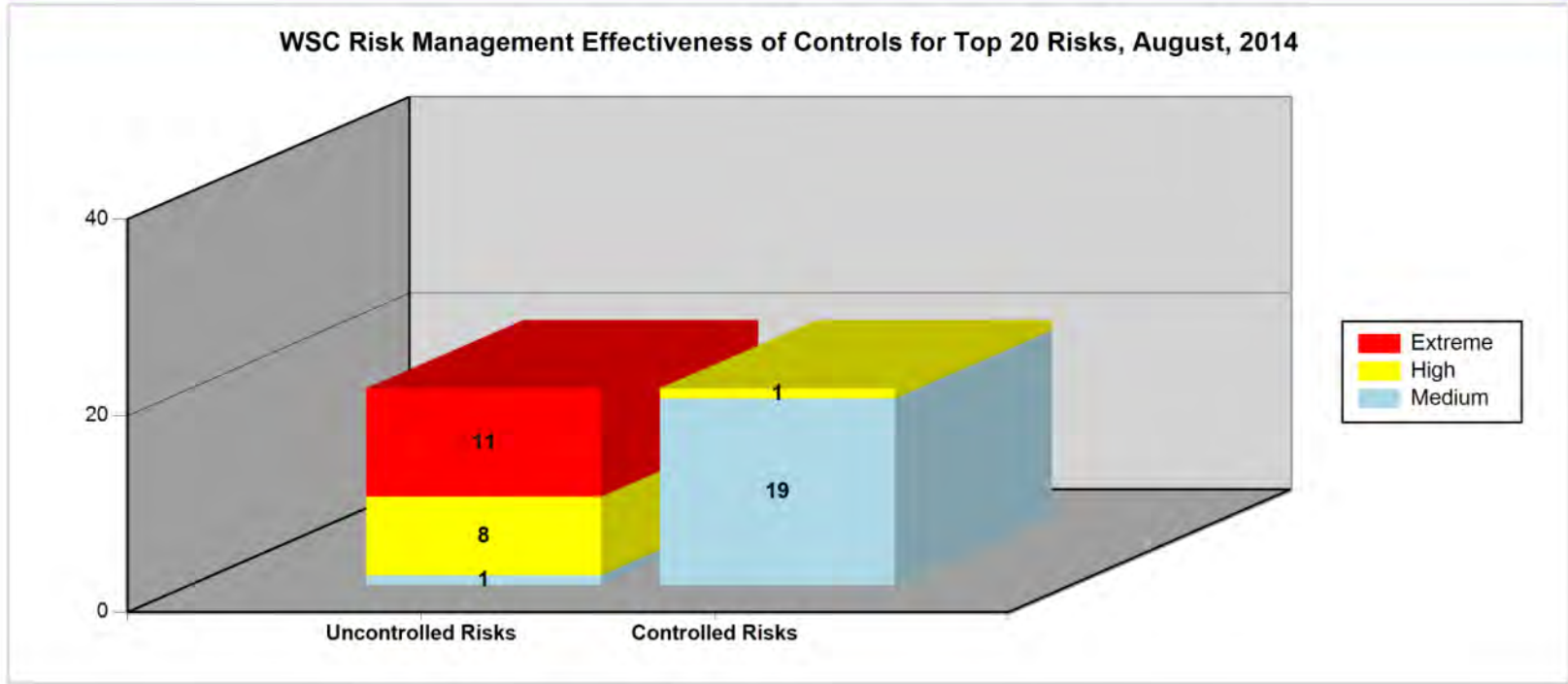
The risks that are reported are the top twenty risks to WSC after controls have been exercised.

ATTACHMENTS

1 Risk Register - August 2014 D11731878

WSC Risk Register August, 2014

SUMMARY
Across WSC the risks have remained relatively stable. The top 20 risks are summarised and current risk trends are summarised below.



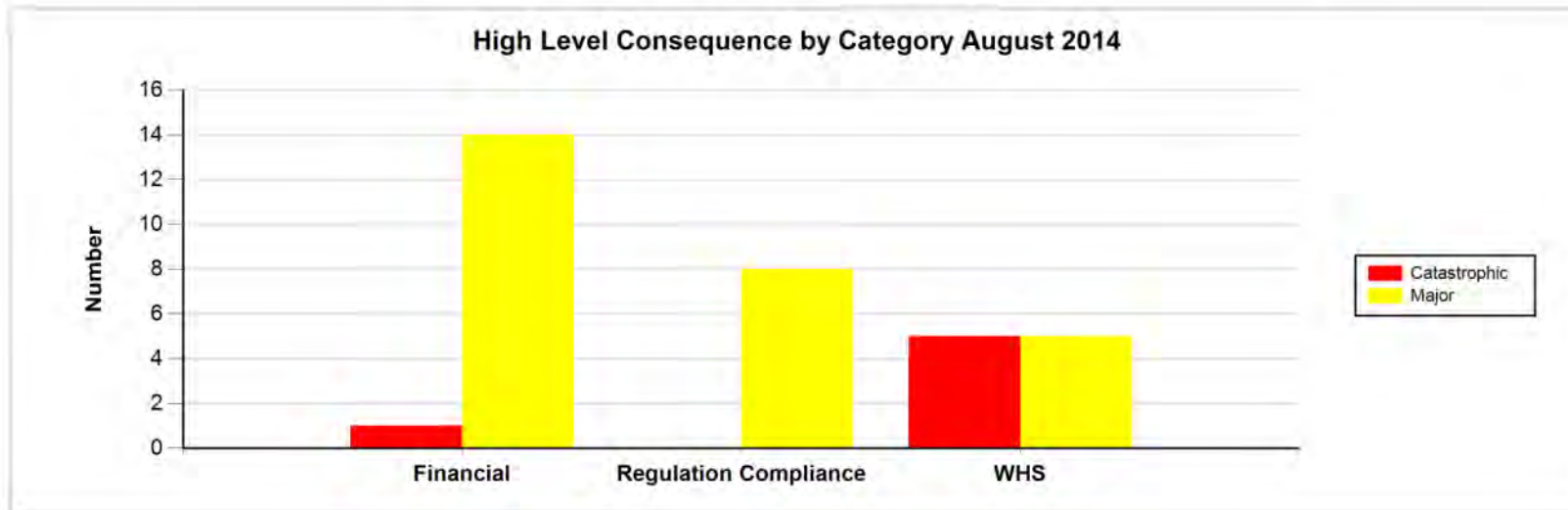
WSC Risk Management Summary

Total Estimated Exposure \$36,264,000

equal to or greater than

\$207,640,000

Total number of open risks with controls	158
Total number of high/extreme risks	1
Number of risks added in August, 2014	0
Number of risks removed in August, 2014	1



Controlled Risk Conditions Chart

LIKELIHOOD	CONSEQUENCE				
	Catastrophic	Major	Moderate	Minor	Insignificant
Almost Certain	0	0	0	2	1
Likely	0	0	0	8	2
Possible	0	1	21	25	4
Unlikely	0	15	28	23	4
Rare	5	6	4	7	2

Controlled Risk Conditions Chart By Department

Community and Recreation Services

LIKELIHOOD	CONSEQUENCE				
	Catastrophic	Major	Moderate	Minor	Insignificant
Almost Certain	0	0	0	0	1
Likely	0	0	0	2	0
Possible	0	0	3	5	1
Unlikely	0	1	5	2	1
Rare	3	0	0	0	1

Development and Building

LIKELIHOOD	CONSEQUENCE				
	Catastrophic	Major	Moderate	Minor	Insignificant
Almost Certain	0	0	0	0	0
Likely	0	0	0	0	1
Possible	0	0	0	0	0
Unlikely	0	0	1	0	0
Rare	0	0	0	0	0

Infrastructure and Operations

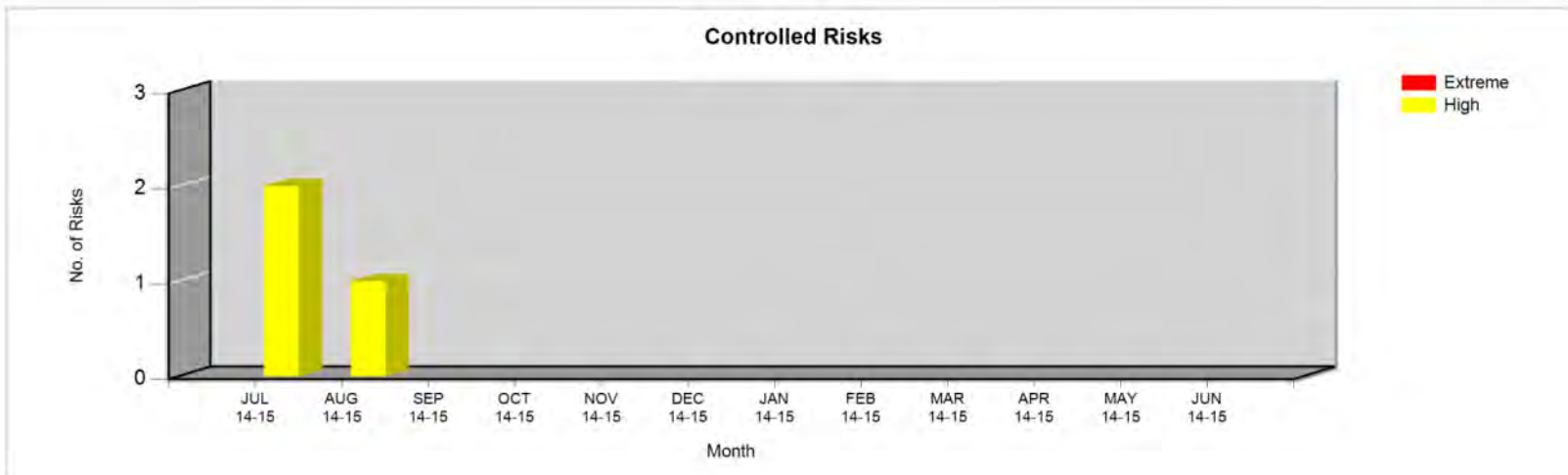
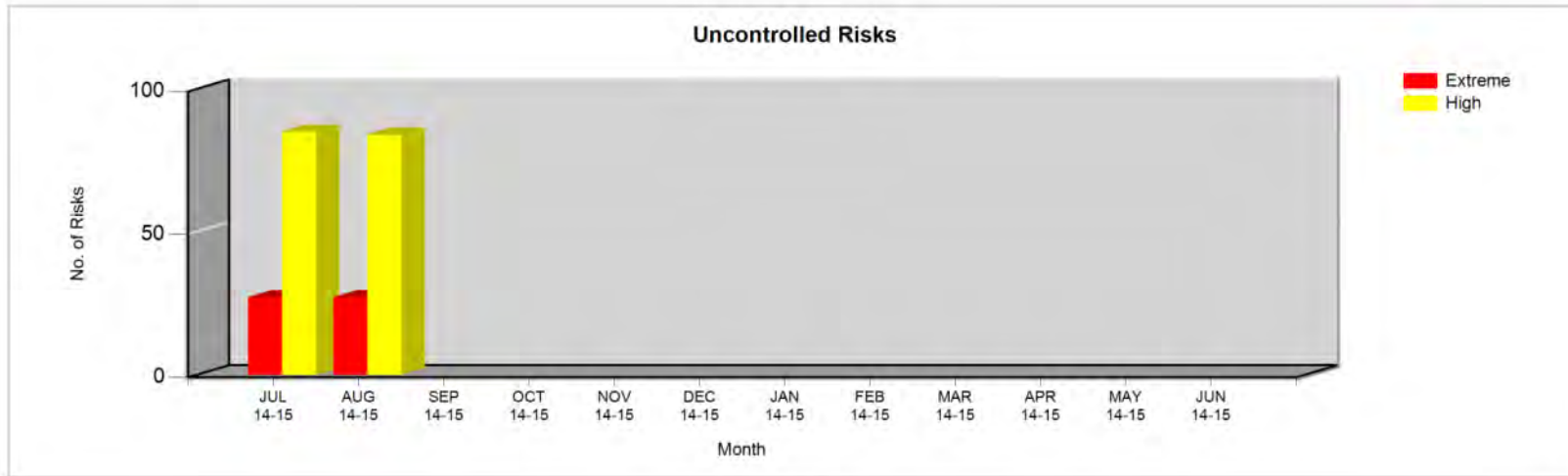
LIKELIHOOD	CONSEQUENCE				
	Catastrophic	Major	Moderate	Minor	Insignificant
Almost Certain	0	0	0	0	0
Likely	0	0	0	2	0
Possible	0	1	9	8	2
Unlikely	0	8	9	6	0
Rare	0	4	3	2	0

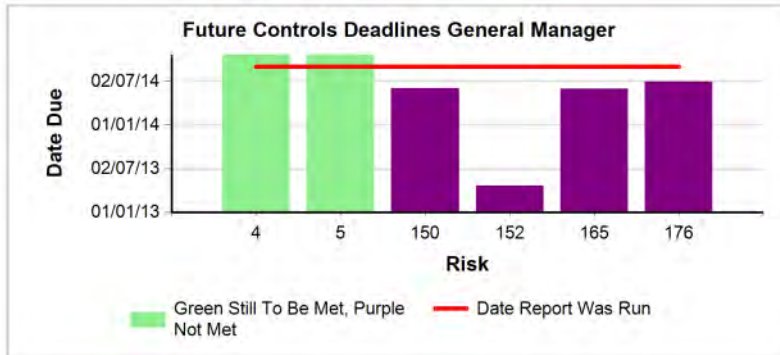
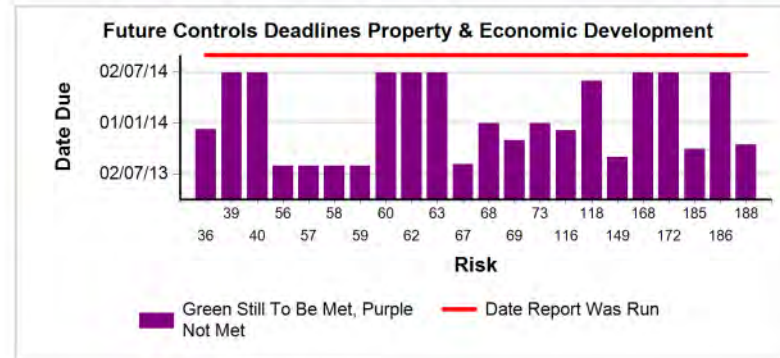
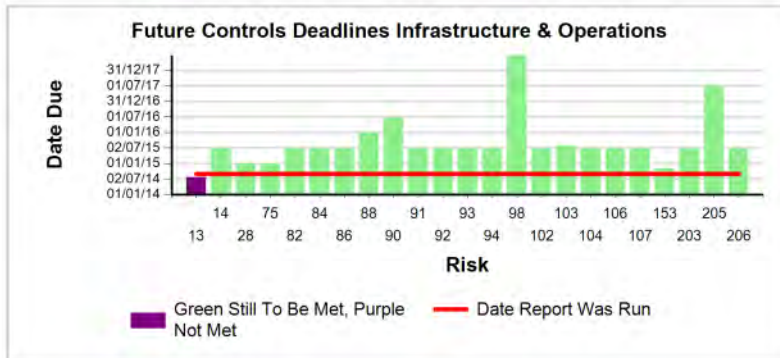
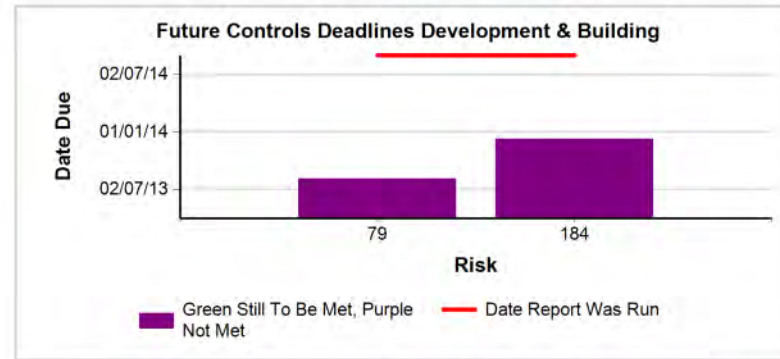
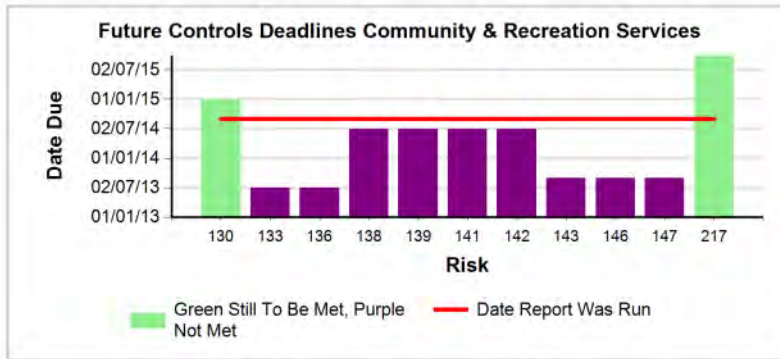
Property and Economic Development

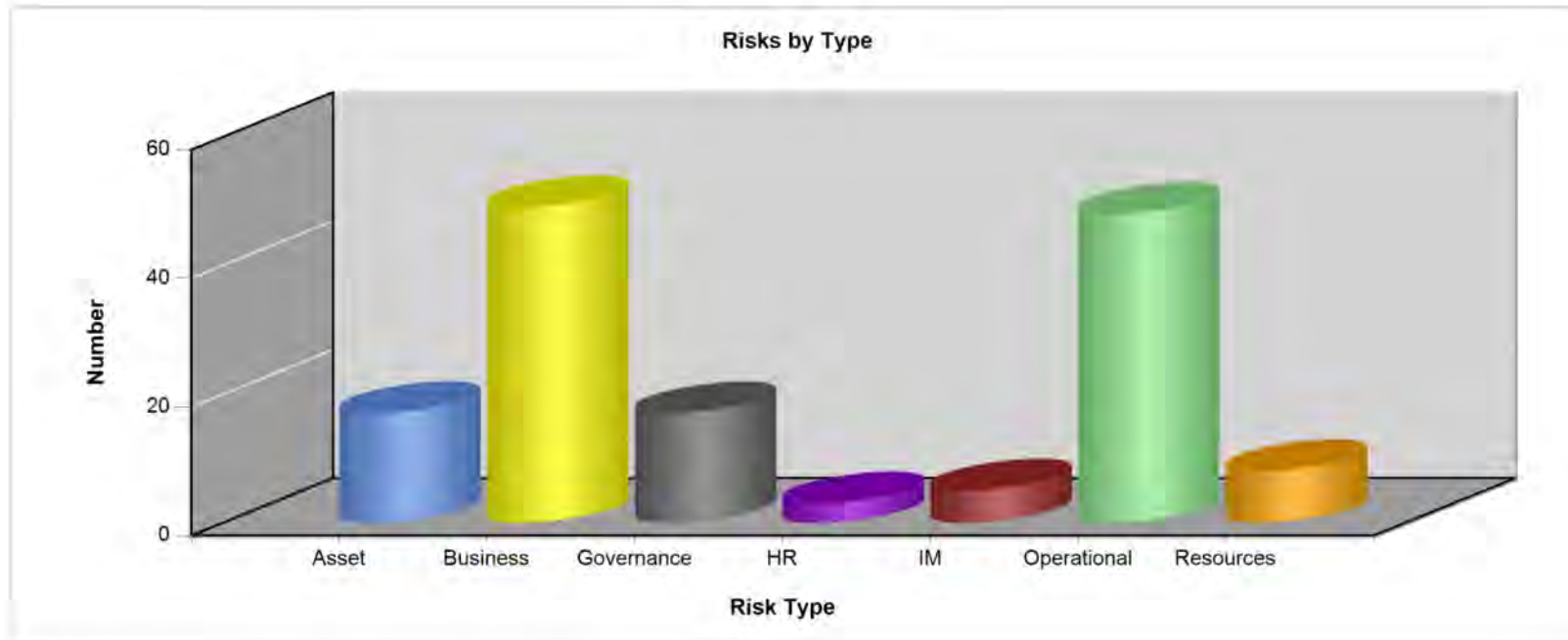
LIKELIHOOD	CONSEQUENCE				
	Catastrophic	Major	Moderate	Minor	Insignificant
Almost Certain	0	0	0	2	0
Likely	0	0	0	1	1
Possible	0	0	6	6	0
Unlikely	0	4	8	10	1
Rare	0	2	0	3	0

General Manager

LIKELIHOOD	CONSEQUENCE				
	Catastrophic	Major	Moderate	Minor	Insignificant
Almost Certain	0	0	0	0	0
Likely	0	0	0	3	0
Possible	0	0	3	6	1
Unlikely	0	2	5	5	2
Rare	2	0	1	2	1





**Key:**

Asset - The risk has an impact directly on the asset base.

IM - The risk is the result of or has a significant impact on Information Management.

Business - The risk has the most significant impact on obtaining WSC's Business objectives (Includes Project Management).

Operational - The risk is the result of or has the most significant impact on Operational activities (includes WHS and Environmental).

HR - The risk is directly related to corporate staff issues.

Resources - The risk may eventuate due to changes in resource allocations.

Governance - The direct result of failure to follow the correct legislation.

Top 20 Current Risks								
Risk #			Current Risk			Risk Owner	Status	Risk Level
	Uncontrolled	Controlled	Risk	What the risk is leading to	Current Control Measures			
92	E	H	Opex costs exceed the approved budget based on the lower than expected IPART determination.	Budget deficit and increased loan costs.	Operating budget has been critically reviewed to realise savings in labour, energy and materials Improve operations to optimise operational costs.	Manager.Water and Sewer	Existing	8
30	E	M	Leak from underground diesel storage tank in depot.	An environmental incident.	A leaking storage tank has been identified at Charmhaven Depot. It has been taken out of service and options for decommissioning are being reviewed in conjunction with the Environmental Management Coordinator and the environmental incident has been reported internally. This matter has now led to an environmental incident and responses and future planning is being managed by Legal & Risk Unit. The facilities at Long Jetty Depot are also being reviewed for compliance.	Manager.Commercial Enterprises	Existing	10

Top 20 Current Risks								
Risk #			Current Risk			Risk Owner	Status	Risk Level
	Uncontrolled	Controlled	Risk	What the risk is leading to	Current Control Measures			
32	M	M	A variation to the Waste Collection contract as a result of: 1 The need for change/increase in the services 2 Differences in services numbers provided during the tender compared to actual service numbers	An increase in fees and charges for collection services and Contractor requesting potentially costly contract variation.	1 Information on volumes and numbers audited on a monthly basis (Pathway and RAMS) 2 Monthly invoice reflects actual bin numbers	Manager.Commercial Enterprises	Existing	10
120	E	M	Lack of public tree management	Injury to public or damage to property and litigation against council	Removal of Dead, dying and dangerous trees & limbs within available budget. Risk based prioritisation of works within available budget, relying on complaints to manage risk. With 397,000 trees in the public domain it is impractical to inspect each tree on any frequency, so requests from members of the public are used to know if a hazard exists.	Manager.Open Space and Recreation	Existing	11
123	E	M	Pesticide/Herbicide spraying in public areas	Health problems for both staff and public	SWMS, Pesticide notification plan and appropriate PPE Register of person with diagnosed chemical sensitivity.	Manager.Open Space and Recreation	Existing	11

Top 20 Current Risks								
Risk #			Current Risk			Risk Owner	Status	Risk Level
	Uncontrolled	Controlled	Risk	What the risk is leading to	Current Control Measures			
126	E	M	Projectile from mowers hitting member of public causing severe injury or death	Severe injury or death	Pre use plant inspection for correct operation. Safety guards in place on machine. Ensure shute is directed away from people. Do not mow in close proximity to people	Manager.Open Space and Recreation	Existing	11
167	H	M	Failure of staff to respond to WHS requirements	Leading to loss of WorkCover Self Insurer's status	Safety Management Team established. Safety Management System and Safe systems of work have been implemented. Audit, monitoring and reporting mechanisms to senior management exist.	Manager.Human Resources	Existing	11
174	H	M	Residual Current Devices not inspected and tested periodically as outlined in AS 3760	Leading to possible electrocution	Managers informed of the requirements under current legislation. Electirical Section have conducted systematic inspections at all Council sites to determine if RCDs are present. Faulty RCDs have now been replaced and existing RCDs have been included in a onging schedule for regular testing.	Manager.Human Resources	Existing	11

Top 20 Current Risks								
Risk #			Current Risk			Risk Owner	Status	Risk Level
	Uncontrolled	Controlled	Risk	What the risk is leading to	Current Control Measures			
48	E	M	The rezoning of land adjacent to the boundaries of the Buttonderry Waste Management Facility resulting in higher density residential development with potential amenity issues (eg odour, noise, gas, dust and litter).	Potential claims against Council including possible closure of the landfill site.	1 Operational control in terms of odour and best practice methods and technology 2 Extract landfill gas to the maximum efficiency levels 3 Monitor all potential sources of odour, gas and potential pollutants (eg leachate, surface water) 4 Landfill Environmental and Management Plan (LEMP) to be reviewed and updated every three years (currently being undertaken)	Manager.Commercial Enterprises	Existing	12
27	E	M	Inappropriate or poorly specified contract terms, conditions and specifications.	An inability to enforce contract, financial loss or inadequate contract outcomes and allowing a contractor to seek variations.	Procedures, templates, training, reviews and approvals. Centralisation of the development and management of major contracts within Contract & Project Management Unit. Commercial Manager has undertaken a review of all contracts and commercial conditions. Contract initiation process has been developed to assist with the early scoping of contract documents. Commercial Manager reviews contract documents prior to tenders being called.	Manager.Contract and Project Management	Existing	12

Top 20 Current Risks								
Risk #			Current Risk			Risk Owner	Status	Risk Level
	Uncontrolled	Controlled	Risk	What the risk is leading to	Current Control Measures			
28	E	M	A breach of environmental controls occurs during construction.	An environmental incident.	Regular site inspections by Contract Works Inspectors and Project Managers. Pre-award referee checks and environmental management system checks for contractors. Involve the Environmental Management Coordinator in all construction projects to provide advice in meeting regulatory requirements.	Manager.Contract and Project Management	Existing	12
169	E	M	WHS incident, complaint or investigation following Council action or omission of action.	Can lead to civil action (uncapped \$)	Safety Management Team established. Safety Management System and Safe systems of work have been implemented. Audit, monitoring and reporting mechanisms to senior management exist.	Manager.Human Resources	Existing	12
193	E	M	The Wyong CBD drainage project is not completed in accordance with the expectations of the various client units.	A failure to achieve the desired cost, expected scope of project, quality and/or time objectives.	Project Director appointed to coordinate the various units involved in the project and the various funding sources. Project Director has established a PCG of the stakeholders.	Manager.Contract and Project Management	Existing	12

Top 20 Current Risks								
Risk #			Current Risk			Risk Owner	Status	Risk Level
	Uncontrolled	Controlled	Risk	What the risk is leading to	Current Control Measures			
218	E	M	The Saltwater Creek Bridge is not completed within the 2014/15 financial year.	The bridge failing before replacement, RMS funding assistance being jeopardised and not meeting expected political commitment.	1 Negotiating with the LALC and Crown. 2 Consulting with the local community. 3 Carrying out an archaeological survey. 4 Crown approval obtained for investigation of commencement and design. 5 Will use LGP for efficient engagement of design consultants. 6 Roads & Drainage Unit to carry out high priority maintenance work. 7 Contact made with LALC and Crown Lands - negotiations are proceeding.	Manager.Contract and Project Management	Existing	12
14	H	M	Asset Registers are incomplete and minimal asset inspections.	Unplanned financial costs and asset failure.	Regular inspections of majority of assets and revaluation process as required by legislation.	Manager.Waterways and Asset Management	Existing	12
29	H	M	Failure of Council staff to follow procurement procedures.	Appeals from suppliers, possible corrupt practices, best value procurement not being achieved and internal and external investigation.	Procedures are available on the Intranet. Regular training for staff involved in procurement activities. A gateway review and approval process is in place at key phases of the procurement process. Previous controls replaced by new Roadmap Project to ensure improved liaison between Project Managers and Clients.	Manager.Contract and Project Management	Existing	12

Top 20 Current Risks								
Risk #			Current Risk			Risk Owner	Status	Risk Level
	Uncontrolled	Controlled	Risk	What the risk is leading to	Current Control Measures			
59	H	M	Iconic Development Sites do not progress	A lack of funding to implement the town centre masterplans.	Continued implementation of the Iconic Development Site Owners' engagement programme.	Manager.Property Management	Existing	12
73	H	M	Chemical/Dangerous good leak	Potential contamination of ground water which could pollute waterways and damage inground infrastructure	Pressure testing of tanks every 2 years Tracking fuel losses or gains daily Ground water well monitoring points tested 6 monthly	Manager.Commercial Enterprises	Existing	12
154	H	M	Norah Head Boat Ramp Project not completed in accordance with Client's expectations.	Increased costs, delayed completion date or environmental incidents.	1 High quality design completed 2 Tight specification 3 Careful selection of preferred tenderer 4 Close review of CEMP 5 Close project monitoring	Manager.Contract and Project Management	Existing	12
98	H	M	Recurrence of drought (before total storages have recovered following completion of additional supply strategy).	Inability to address demand supply imbalance and reintroduction of water restrictions.	Continue to maintain a range of demand management and drought contingency measures, ie: Hunter transfers, Restrictions, Communication Program, Demand Management	Manager.Water and Sewer	Existing	12

7.4 Stage 2 Land Reclassification

TRIM REFERENCE: RZ/7/2014 - D11718028
MANAGER: Maxine Kenyon, Director
AUTHOR: Lynda Hirst; Senior Strategic Planner

SUMMARY

Formal Council endorsement is sought to prepare and progress a Planning Proposal to reclassify all Council owned community land parcels to operational land, in accordance with Council's Property Strategy endorsed 14 May 2014.

RECOMMENDATION

- 1 That Council prepare a Planning Proposal to amend Wyong Local Environmental Plan (LEP) 2013 to reclassify all of Council's community land parcels to operational land.**
- 2 That Council endorse the referral of the Planning Proposal to the Department of Planning and Environment (DoPE) accompanied by a request for a Gateway Determination pursuant to Section 56 of the EP&A Act 1979.**
- 3 That Council undertake community and government agency consultation, in accordance with the requirements attached to any Gateway Determination.**
- 4 That Council request the DoPE to prepare a relevant Local Environmental Plan amendment, and that the Minister be requested to make the Plan, subject to there being no significant objections that cannot be resolved by making minor amendments to the Planning Proposal.**

BACKGROUND

As part of the preparation of Council's Comprehensive Local Environmental Plan (LEP) 2013 Council undertook a land reclassification exercise which resulted in the reclassification of 368 properties of Council owned land from 'community' land to 'operational' land.

A subsequent review of the remaining Council owned community land parcels discovered a number of additional properties that may be suitable for reclassification as part of a Stage 2 Land Reclassification exercise. Reclassification of these properties from community land to operational land will ensure they can continue to be used and managed for the purpose for which they were acquired, or to enable the lease, development or disposal of the land (where the asset is surplus to Council's service delivery requirements).

Under Part 2, Division 1 of the Local Government (LG) Act, all public land must be classified as either 'community' or 'operational'. The LG Act imposes restrictions on the use, management, reclassification and disposal of community land. The legislative requirements set down for the administration of community lands are onerous, restrictive and result in additional cost and resource burden for Council. This additional cost does not translate into improved community or service delivery outcomes, but rather curtails Council's capacity to manage lands efficiently.

Community land cannot be sold, exchanged or dispensed of in any way. There must be a Plan of Management (PoM) applying to the land, and Council can only grant a lease or licence over the land for certain purposes in accordance with the PoM and not for longer than 21 years. Any changes to the land must be reflected in the PoM. Whenever Council considers a change in the use of the land, or a new lease or licence for the land, the PoM must be amended. The PoM process requires significant time for research and consultation. On average it takes 12 months for a PoM to be prepared or amended, and adopted by Council. This takes significant Council time and resources, often unjustified by the change to the land which is of minor significance or impact. In some cases there is no actual public use of the land and therefore no ongoing need to consult or involve the community in the ongoing management of the land.

At the 14 May 2014 Council Meeting it was resolved to endorse Council's Property Strategy for immediate implementation. The Implementation Program for the Property Strategy outlined the preparation of a Planning Proposal to amend Council's Wyong LEP 2013 to reclassify all Council owned community land parcels, approximately 500 properties, to operational land to provide greater flexibility in the management and use of Council's property portfolio. Reclassification of Council's community landholdings will enable Council to enter into longer term lease arrangements, make it easier and quicker to redevelop appropriate sites, and enable all sites to be managed operationally, allowing Council to be responsive to any operational issues with more flexibility and efficiency.

It is important to note that the reclassification of community land into operational land will not impact on the utility of public, recreational and open space areas. Council currently owns a significant number of operational lots which are used extensively for public recreation purposes. Similarly, there are numerous lots currently classified as community land which provide only limited public use.

The identification of current and future recreational, community and open space areas should be based on an assessment of asset utilisation, demographics, cost and appropriateness rather than by historic classification. Accordingly, community needs for recreational, open space and community assets is more effectively determined through adopted Council strategies such as Council's Strategic Plan and Community Facilities Strategy, both endorsed by Council following an extensive public engagement process. This approach will empower Council to effectively respond to changing community needs and population growth to ensure the correct mix of community assets is preserved. This will optimise asset use to reduce cost and improve efficiency.

It is also important to note that the reclassification of community land to operational land does not enable Council staff to make changes to the land (e.g. disposal, redevelopment, improvements) without further consultation. In accordance with the Property Strategy, Council staff is undertaking a comprehensive Property Portfolio Review which has been reported to the elected Council at the appropriate milestone stages for input. The intent of the review is to identify surplus or under-performing sites and to maximise the value of Council's operational property portfolio in a manner that is consistent with Council's Policy for Property

7.4 Stage 2 Land Reclassification (contd)

Transactions – Sale and Acquisitions. In accordance with this Policy, any funds generated by this review will be applied to Council's property revenue to fund an improved level of service provision throughout the LGA. The Property Portfolio Review considers surplus properties not required for future service delivery; properties that are underutilised or not fit for purpose due to their condition; sites with development potential; sites with high ecological value which may be used for biobanking and suitable sites for the provision of future community buildings or infrastructure.

Since the adoption of the Property Strategy, the Planning Proposal for Reclassification has been finalised and forwarded to the Department of Planning and Environment (DoPE) on 3 September 2014 requesting a Gateway Determination to progress the Proposal. Verbal discussion with the DoPE has indicated a preference for a formal resolution of Council to reclassify the community land. Whilst such a resolution is not a statutory requirement, it is proposed for Council to formally resolve the reclassification to provide transparency on the matter.

Upon receipt of a Gateway Determination from the DoPE, an extensive consultation process will be undertaken including consultation with state government agencies, a public exhibition period, and a public hearing chaired by an independent facilitator. Any major changes to the Planning Proposal resulting from this consultation will be reported back to Council prior to finalising the Planning Proposal. Should there be no significant objections to the Planning Proposal the Minister for Planning will be requested to make the Plan.

ATTACHMENTS

Nil.

7.5 Key changes following the Local Government (State) Award 2014 implementation

TRIM REFERENCE: F2004/07011 - D11722050

MANAGER: Craig Shiel, Section Manager, Safety and HR Information

AUTHOR: Cheryl Robertson; HR Policy and Communications Officer

SUMMARY

The Local Government (State) Award 2014 was ratified on 25 June 2014 and took effect on 7 July 2014. Key changes affecting the organisation included:

- Hours of work
- On-call and Remote response rates
- Emergency Leave
- Bereavement Leave
- Adverse Working Conditions
- Sick Leave, including Health and Wellbeing Leave
- Over-time and Time in Lieu
- Emergency Services Leave
- Long Service Leave
- Adoption Leave
- Travelling Allowance
- Annual Leave for staff on a seven day roster

RECOMMENDATION

That Council receive the report on Key changes following the Local Government (State) Award 2014 implementation.

BACKGROUND

Many of the amendments to the 2014 Award were positive outcomes for Council as an employer, providing greater clarity around eligibility or entitlement to employment conditions and reducing areas of ambiguity. For example, in the case of Emergency Service Leave the 2014 Award inclusion of paid leave has enabled WSC to remove a previously negotiated above Award entitlement.

Changes in relation to overtime (including time in lieu) and several leave entitlements provides greater ability for Council to manage workforce scheduling and leave liability through the right to direct employees to access leave under specified conditions. Council's position as an employer is further enhanced through the introduction of specified conditions under which certain types of leave may be refused, such as in the event of an employee not being able to maintain a minimum balance of three weeks' sick leave.

7.5 Key changes following the Local Government (State) Award 2014 implementation (contd)

Several amendments have expanded employee entitlement to what may be collectively described as personal leave. This includes the introduction of 9 weeks full paid Adoption Leave (an increase from four weeks) and expanded eligibility for the circumstances under which Bereavement Leave may be accessed in the event of the death of a family member.

While the entitlement to Sick Leave has not increased, the circumstances under which sick leave may be accessed has expanded to include eligibility to a maximum of two 'health and wellbeing days' which WSC policy framework dictates may be taken for the purpose of participation in a proactive preventative, corrective or maintenance activity with a certified practitioner. Activities deductible from an eligible employee's sick leave accrual now include:

- Sick leave
- Carer's leave
- Health and wellbeing days
- Emergency service leave, and
- Family reunion leave (for the purpose of an eligible adopted employee meeting their biological parents).

A significant inclusion to the Local Government (State) Award 2014 is the provision of Adverse Working Conditions Allowance, an allowance which encompasses and expands on the former 'Disability Allowance'. Adverse working conditions now incorporate employees whose duties include nappy changing, companion animal destruction or the handling of companion animal faeces.

Human Resources responded to the Award implementation with the amendment of 12 existing policies. This project involved consultation with senior management, the Consultative Committee and the Unions. Many of these amendments have now progressed through endorsement and are in the implementation process (at the time of writing), with the exception of the Sick Leave policy which is still under consultation.

Briefing sessions were coordinated and presented by the HR Business Partners to educate staff on the new Award. The sessions were compulsory for Managers/Supervisors and non-compulsory for employees. A total of 158 people attended the briefings.

The Award is in effect for three years commencing 1 July 2014, with pay increases scheduled (effective 1 July) at the rates of 2.6% in 2014, 2.7% in 2015 and 2.8% in 2016. The combined cost to Council of all Award entitlements, including superannuation and salary increases, is approximately \$2,705,000 over the three year period.

Access to the Award is available to all employees via WSC's Intranet site with guidance, support and advice provided by the Human Resource Business Partner team.

ATTACHMENTS

Nil.

7.6 December Staffing Arrangements - Christmas Period Leave

TRIM REFERENCE: F2013/02042-02 - D11715307
MANAGER: Michael Whittaker, General Manager
AUTHOR: Marie Hanson-Kentwell; Project Director

SUMMARY

During the month of December 2014 there are some specific dates which require specific staff resourcing arrangements. The dates include:

Union Picnic Day – Friday 5 December. All financial union members are entitled to leave on the day. The GM has granted special leave for all remaining staff and Council Chambers will be closed. Directors and Managers will liaise with staff regarding skeleton staff requirements for this day and the after-hours service will be in operation.

Staff required to work Union Picnic Day due to operational requirements will be granted time in lieu.

Social Club Christmas Day – Friday 19 December, commencing at 12:30 pm. All social club members are entitled to attend the Christmas Party.

2014 Christmas Holiday Period – Shutdown period from Wednesday 24 December, commencing at 5:00 pm through to Friday 2 January 2015 inclusive. Council Chambers will be closed over this period and re-opening Monday 5 January 2014.

Over the past months Directors, Managers and Supervisors have been liaising with staff regarding any staff requirements for this period. The after-hours service will be in operation.

The Community will be advised of Councils operating hours for these dates via multi communication channels.

RECOMMENDATION

That Council receive and note the outlined staff and Council Chambers arrangements for December 2014.

BACKGROUND

Over the past few years Council management has consistently been working towards achieving the correct staff resourcing requirements for the Christmas period including Union Picnic Day to ensure essential services are delivered to the Community whilst minimising unnecessary cost to the Community.

CURRENT STATUS

The same action during the Christmas period occurred last year but improved planning on staff resourcing has been achieved year on year resulting in greater savings during this period.

CONSULTATION

Consultation with staff and unions has occurred over many months.

ATTACHMENTS

Nil.

7.7 Draft Minutes of the Tuggerah Lakes Estuary, Coastal and Floodplain Management Committee - 2 October 2014

TRIM REFERENCE: F2004/07986 - D11725825

MANAGER: Andrew Pearce, 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 2 October 2014.

RECOMMENDATION

That Council receive the Minutes of the Tuggerah Lakes Estuary, Coastal and Floodplain Management Committee meeting held on 2 October 2014.

BACKGROUND

A meeting of the Tuggerah Lakes Estuary Management, Coastal and Floodplain Management Committee held on Thursday 2 October 2014. The agenda for the meeting is available at the following link: [Tuggerah Lakes Estuary Coastal and Floodplain Management Committee Meeting Agenda - 2 October 2014](#)

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 - 2 October 2014 D11721075

WYONG SHIRE COUNCIL

**MINUTES OF THE
TUGGERAH LAKES ESTUARY, COASTAL AND FLOODPLAIN
MANAGEMENT COMMITTEE OF COUNCIL**

HELD IN THE GUESTHOUSE CONFERENCE ROOM
WYONG CIVIC CENTRE, HELY STREET, WYONG
ON 02 OCTOBER 2014
COMMENCING AT 5.00PM

PRESENT

Mayor D Eaton (Wyong Shire Council)
Councillor L Taylor (Wyong Shire Council) – Co-Chairperson
Mr Bob Davies (Community Member)
Ms Marlene Pennings (Community Member)

IN ATTENDANCE

Mr Andrew Pearce (Wyong Shire Council)
Mr Peter Sheath (Wyong Shire Council)
Mr Neil Kelleher (Office of Environment and Heritage)
MS Lara Davis (Office of Environment and Heritage)
Ms Jade Maskiewicz (Wyong Shire Council)

APOLOGIES

Councillor A Troy (Wyong Shire Council) – Co-Chairperson
Councillor L Webster (Wyong Shire Council)
Mr Luke Sulkowski (Wyong Shire Council)
Mr Ken Derry (Community Member)

The meeting was declared open by Councillor Taylor at 5.09pm.

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 Ms M PENNINGS:

That the Committee confirm the minutes of the previous Tuggerah Lakes Estuary, Coastal and Floodplain Management Committee meeting held on 4 September 2014 with the inclusion of community member Garry Clifford recorded in attendance.

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 Floodplain Risk Management

RESOLVED unanimously on the motion of Councillor TAYLOR and seconded by Mr B DAVIES:

That the Committee receive and note the Floodplain Risk Management Report.

2.2 Gross Pollutant Traps

RESOLVED unanimously on the motion of Ms M PENNINGS and seconded by Mr B DAVIES:

That the Committee receive the report on Gross Pollutant Traps.

2.3 Coastal Zone Management

RESOLVED unanimously on the motion of Councillor TAYLOR and seconded by Ms M PENNINGS:

That the Committee receive the report on Coastal Zone Management.

2.4 Report on Lake Management Operations

RESOLVED unanimously on the motion of Mr B DAVIES and seconded by Ms M PENNINGS:

That the Committee receive the Report on Lake Management Operations.

2.5 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
2.3	7 August 2014	Floodplain Risk Management	Tumbi Umbi Floodplain Risk Management Plan and Tuggerah Lakes Floodplain Risk Management Plan to be reported back to the Committee at the conclusion of the exhibition prior to reporting to Council.	Andrew Pearce Manager Waterways and Asset Management / Acting Director Infrastructure and Operations	Peter Sheath provided a progress update on the exhibition period. Lara Davis requested statistical data regarding the amount of 'hits' the plans received online during the exhibition period.
2.3	2 October 2014	Coastal Zone Management	The Entrance morphological modelling project status is proposed to be reported to the 6 November 2014 Committee meeting.	Andrew Pearce Manager Waterways and Asset Management / Acting Director Infrastructure and Operations	
2.3	2 October 2014	Coastal Zone Management	The Canton Beach Nourishment project design is proposed to be reported to the 6 November 2014 Committee meeting.	Andrew Pearce Manager Waterways and Asset Management / Acting Director Infrastructure and Operations	

**WYONG SHIRE COUNCIL
TUGGERAH LAKES ESTUARY, COASTAL AND FLOODPLAIN MANAGEMENT COMMITTEE
COMPLETED SINCE 4 SEPTEMBER 2014**

Item #	Meeting Date	Report Title	Status/ Notes
2.3	7 August 2014	Floodplain Risk Management	Peter Sheath provided an update at 4 September 2014 Committee meeting.

3.0 GENERAL BUSINESS

GB61/14 Letter to NSW Fisheries – Canton Beach

Mr Andrew Pearce

Mr Andrew Pearce advised there is currently a commercial fishing seasonal closure in place over the summer months at Canton Beach. He has sent a letter to NSW Fisheries flagging the possibility that Council may consider formally requesting a permanent closure be enforced off Canton Beach in recognition of the work currently being undertaken.

GB62/14 Office of Environment and Heritage Workshops

Mr Neil Kelleher

Mr Neil Kelleher advised the first round of Council workshops for coastal reforms have been held and attended by Councils including Wyong, Gosford, Great Lakes, Taree, Port Stephens, Newcastle and Lake Macquarie. He stated that further workshops will be held in November 2014.

THE MEETING terminated at 6.07pm.

7.8 Marshalling Yards for TfNSW

TRIM REFERENCE: F2004/00535-08 - D11731429

MANAGER: Maxine Kenyon, Director

AUTHOR: Gary Hamer; Senior Strategic Planner

SUMMARY

The purpose of this report is to highlight to Council the investigations currently underway by Transport for NSW (TfNSW) to locate a railway marshalling and maintenance facility on Council owned land within the proposed Wyong Education and Business Precinct and Stage 2 of the Link Road.

RECOMMENDATION

- 1** *That Council receive and note the report on Marshalling Yards for Transport for New South Wales (TfNSW).*
- 2** *That Council write to relevant State Ministers advising of Council's opposition to the proposal and to recognise the strategic impact on the Shire and to work with Council staff to find an alternate site.*
- 3** *That Council delegate to the General Manager to continue to liaise with Transport for New South Wales regarding potential alternatives.*

BACKGROUND

Wyong Shire Council (WSC) is currently undertaking a substantial major development program within the greater Warnervale area which is looking to deliver 10,000 new jobs by 2030. This includes advanced planning towards the eventual development of the Wyong Education and Business Precinct, Warnervale Town Centre and the proposed Central Coast Regional Airport and new plans to stimulate the Wyong Employment Zone. In addition, Stage 2 of the Link Road, a 2.4km road connecting Warnervale and Watanobbi that will be shovel ready by the end of the year.

WSC has recently received correspondence from Transport for New South Wales (TfNSW) regarding the potential location of a new stabling and maintenance facility for the Intercity Fleet. One of the compelling logistical requirements is that any future site should be 1.0 to 1.5km long and will need to be 100 to 200 metres wide and generally flat. This presents several challenges within the Wyong Shire Council area.

7.8 Marshalling Yards for TfNSW (contd)

TfNSW has proposed to use WSC landholdings at the site of the future Link Road and adjacent to the University Precinct for the railway maintenance and holding yards. This has the capacity to constrain our ambition for the area and potentially be a ‘showstopper’ on Link Road. One possible option open to TfNSW is to undertake a compulsory acquisition of the land which is a major concern and risk to overall planning for Warnervale and these risks include:

- The planning and design work for Stage 2 would need to be reconsidered as it might/would be impractical to provide an alternate route due to the adjacent SEPP 14 wetlands.
- The ability to attract investors for the education and business precinct would be extremely difficult
- Major implications of noise and vibration for the education site.
- A major portion of the “development parcel” as identified in the draft Wyong Education & Business Precinct Masterplan will become sterile for development and will become a major constraint.

Transport for NSW have considered both east and west of the Great Northern Railway including encroachment into the State Environmental Planning Policy (SEPP) 14 Wetland areas which form part of the Porters Creek Wetland. Option A is part of Precinct 7A within the SEPP 14 Wetland area. Option B is Council owned land (Refer to Figure 1 below).

Figure 1: Proposed Options identified from Transport for NSW



Option A

Forms part of the recently rezoned privately owned land known as Precinct 7A which will include the eventual development of over 2,000 homes to be located directly north of the proposed site. The implications of this will be possible noise and vibration disturbance, as well as a significant portion of the site is flood affected. The southern portion of the site is SEPP 14 wetlands which feeds into Porters Creek and would pose significant challenges in order to achieve the necessary approvals including State and possible Federal legislation. This SEPP 14 wetland is also flood constrained and part of the site is also impacted by ecological constraints associated with forested wetlands.

Option B

Located on Council owned land which is 455 hectares and Council approved a draft masterplan for the Wyong Education and Business Precinct which has a development footprint of ~ 63 hectares along two ridgelines. The proposed site has been earmarked for the continuation (Stage 2) of the Link Road which will run parallel to the existing rail line with the overall intention to provide flood free connection between Warnervale and Wyong Town Centre. WSC is currently undertaking final designs for this road to be “shovel ready” by early next year. The proposed corridor for Stage 2 of the Link Road is in the same location as the proposed site. Furthermore the location of the stabling and maintenance yards would cause amenity issues (noise and vibration) at the proposed business park and also for the proposed student accommodation.

The southern portion of the site is also identified as SEPP 14 Wetlands which would pose challenges in order to achieve the necessary approvals including State and possible Federal legislation. This SEPP 14 wetland feeds into Porters Creek Wetland and is also flood constrained. Part of the site is also impacted by ecological constraints associated with forested wetlands.

Alternative Option C proposed by Council for TfNSW to consider

An alternative site has been proposed for TfNSW (detail attached as a confidential item) for their consideration.

PROPOSAL

Concerns have been raised as to the potential implications of the proposals presented by TfNSW, including both Options A & B are opposed due to:

- Significant expense on planning and design work already undertaken by WSC for both the Stage 2 of the Link Road and also master planning for the Wyong Education and Business Precinct Masterplan;
- Stage 1 of the Link Road has been constructed at a considerable cost and will substantially under-utilise its potential if the link is not made and the major projects do not proceed.
- Implications of the proposal on the ability to attract investors within the Wyong Education and Business Precinct.
- Potential implications on the environmental integrity of the SEPP 14 wetlands.

7.8 Marshalling Yards for TfNSW (contd)

The General Manager has written to staff in TfNSW advising of our opposition to Options A & B. Council understands TfNSW want to make a decision within 3 weeks and therefore recommend Council write to and seek to meet with the relevant Ministers to discuss our concerns and remove Options A and B from the table.

CONCLUSION

The proposed location of the new stabling and maintenance facility is a major risk to the planning and eventual development of the Stage 2 Link Road and also the impacts on the potential to attract investors and viability to develop an integrated Education and Business Precinct at Warnervale. Considerable work has already occurred on these sites and has unacceptable implications of both of these strategic initiatives by Council.

ATTACHMENTS

- 1 Confidential Alternative Option C proposed by Council for TfNSW to consider D11738248

7.9 Works in Progress - Water Supply and Sewerage

TRIM REFERENCE: F2004/07830 - D11710956

MANAGER: Daryl Mann; Manager Water and Sewerage Operations

AUTHOR: Vanessa Trzcinka; Technical Operations Engineer Water and Sewerage Operations

SUMMARY

Water supply and sewerage works in progress and completed for September 2014.

RECOMMENDATION

That Council receive the report on Works in Progress - Water Supply and Sewerage.

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
Water Meter Replacement Programme	\$1.0M	July 2013	98%	98%	June 2015	All work under the contract complete. There remains approximately 200 "difficult" to access water meters that Council staff are currently replacing. This is being funded by the Water and Sewerage Capital Works Program
Mardi WTP Process Improvement Works	\$275,000	July 2013	95%	95%	October 2014	Upgrading of dosing and processing equipment required to improve treated water quality and process reliability completed. The installation of the remaining pre-lime and carbon dioxide dosing work to be completed by October 2014. This is being funded by the Water and Sewerage Capital Works Program.

Item Description	Est. Cost \$	Start Date	% Spent	% Comp	Est. Comp Date	Comments
Mardi Dam Fire Trails	\$400,000	July 2014	20%	20%	June 2015	<p>Work is progressing to upgrade fire trails within the Mardi Dam catchment area. This will improve bush fire management systems in order to protect essential water supply assets and the drinking water quality. The work includes vegetation management of existing trails and the construction of new trails.</p> <p>This represents the W&S share of the work that is being funded under the Water and Sewerage Capital Works Program.</p>

SEWERAGE

The table below is a status report of current major new and upgrade sewerage projects.

Location	Est Cost \$	Start Date	% Spent	% Comp	Est Comp Date	Comments
TO06 SPS Rising Main	\$1.1m	May 2014	60%	60%	Nov 2014	<p>Construction of an upgrade / replacement sewer rising main at Toukley. On-track. This is being funded by the Water and Sewerage Capital Works Program.</p>
Various suburbs throughout Council area	\$1.2M	July 2014	25%	25%	Jun 2015	<p>Contract sewer main inspection & maintenance programme to improve system reliability and to reduce blockages and possible overflows. Work commenced on 10 November 2013 and is ongoing in 2014/15.</p> <p>This is being funded by the Water and Sewerage Capital Works Program.</p>

PROCESS**Water Treatment**

All treated water produced by Mardi Water Treatment Plant, for the period 1 September to 24 September 2014 met the health requirements of the Australian Drinking Water Guidelines produced by the National Health and Medical Research Council.

Sewage Treatment

The effluent discharged from Toukley Sewage Treatment Plant and Bateau Bay Sewage Treatment Plant for the period 1 September 2014 to 24 September 2014 has met Environmental Protection Authority Licence requirements.

Sewage Overflows

There were 7 minor sewer overflows reported to the Council's Environmental Hotline for the period 1-24 September 2014, most were related to minor tree root blockages where the normal clean up and reporting were completed. Of these incidences 5 were reported to the Office of Environment and Heritage, NSW Health, Work Cover and Fire and Rescue.

Follow up reporting has been submitted for each incident through Councils internal environmental reporting procedures.

WATER STORAGE

Sunday, 21 September 2014				
DAM STORAGES				
Storage	Capacity Full	Volume in	Percent Full [%]	Storage Change
Mangrove Dam	190,000	114,070	60.0	Up 243
Mardi Dam	7,400	3,854	52.1	Down 450
Mooney Dam	4,600	3,421	74.4	Up 96
Total	202,000	121,345	60.1	Down 111
Total Dam Storage this time last month was				58.1 Percent
Total Dam Storage this time last year was				61.9 Percent
GROUNDWATER & HUNTER TRANSFERS (ML)				
Period	Groundwater	From Hunter	To Hunter	
Week to Date	0.2	4.8	0.0	
This year to date	12.1	200.7	148.2	
RAINFALL(mm)				
Period	Somersby WTP	Mardi WTP	Mangrove Dam	
Week to Date	8	8	0	
Previous Week	8	10	8	
Current week last year	22	24	17	
This year to date	841	716	596	
Same period last year	1,278	1,089	857	
Water Usage (ML)				
Period				Usage
Week to Date				533
Previous Week				533
Percent change from previous week				0.1 % less
Current week last year				551
Percent change from same week last year				3.3 % less
This year to date				20,891
Same period last year				19,656
Percent change from same period last year				6.3 % more
MARDI- MANGROVE DAM TRANSFERS (ML)				
Period	To Mangrove Dam		From Mangrove Dam	
	From Mardi Dam		To Mangrove	To Mardi Dam /
Last week	318		57	0
This year to date	4,416		4,651	1,383
Total to date *	34,226		8,490	8,097

* Post M2M Commissioning

ATTACHMENTS

Nil.

7.10 General Works in Progress

TRIM REFERENCE: F2004/07830 - D11718717
MANAGER: Rob Fulcher; Manager Contract and Project Management
AUTHOR: Josette Matthews; PA to Manager, IM Support

SUMMARY

This report shows the current status of significant capital and maintenance expenditure in progress, as at the end of October 2014. General Water and Sewerage services are not included.

RECOMMENDATION

That Council receive the report on General Works in Progress.

ROADS AND DRAINAGE SECTION OVERVIEW

Capital Works In Progress

The table below is a status report of current major roads and drainage projects.

Item Description	Est Cost \$	Start Date	% Spent	% Comp	Est Comp Date	Comments
Wyong CBD Drainage works-Pacific Highway end (Stage 2)	\$2.9M	9 April 2014	105%	100%	Sept 2014	Works completed.
The Ridgeway Road upgrade	\$2.1M	5 March 2014	110%	95%	Oct 2014	Over-expenditure due to additional rock removal costs. Guardrail, spray seal and line marking to be completed over coming weeks.
Berkeley Rd, Berkeley Vale – Road upgrade	\$2.3M	1 June 2014	70%	95%	Oct 2014	Guardrail installation outstanding.
Darri Road, Wyongah drainage upgrade	\$900K	1 April 2014	85%	80%	Oct 2014	Final drainage lines to be completed.
Ruttleys Road upgrade	\$2.2M	28 Feb 2104	60%	70%	Dec 2014	Second stage asphalt works to commence in November 2014.

7.10

General Works in Progress (contd)

Item Description	Est Cost \$	Start Date	% Spent	% Comp	Est Comp Date	Comments
Bay Road, The Entrance (Stage 1)	\$1.6M	22 Sept 14	10%	10%	Jan 2015	Commenced drainage works in Richard Street for this road and drainage project. Works to be staged over two financial years.
Road Reseal Program	\$4.0M	1 July 2014	10%	5%	June 2015	Preparation works commenced, program to accelerate with advent of warm temperature.
Stabilising Projects (road renewal)	\$4.97M	1 July 2014	15%	15%	June 2015	Program on track – projects commenced or completed in first quarter include: <ul style="list-style-type: none"> - Goobarabah Avenue, Lakehaven - Various patching projects around shire.

General Maintenance Work

The following is a list of general works undertaken during this period:

	North	South
Drainage Maintenance	Dooralong Jilliby Tuggerawong Lake Haven	Berkeley Vale The Entrance Ourimbah Bateau Bay
Replacement of Damaged Foot paving	Toukley Budgewoi Wyong Norah Head	The Entrance Bateau Bay Killarney Vale
Sign Maintenance	Toukley Kanwal Hamlyn Terrace Blue Haven Wadalba Budgewoi Tuggerawong San Remo Canton Beach Wyongah Jilliby Yarramalong Buff Point Gwandalan Summerland Point	Toowoan Bay Berkeley Vale Ourimbah Long Jetty The Entrance Killarney Vale Shelly Beach Bateau Bay Tuggerah Wyong Mardi Chittaway The Entrance North
Shoulder Restoration	Summerland Point Buff Point Warnervale Doyalson	Ourimbah Glenning Valley Tuggerah
Heavy Patching	Gorokan Lake Munmorah San Remo	Nil
Table Drain Maintenance	Gorokan San Remo Lake Munmorah Mannering Park Gwandalan Noraville	Long Jetty Bateau Bay Killarney Vale Tumbi Umbi Berkeley Vale The Entrance Ourimbah Glenning Valley
Rural Road Grading	Dooralong Yarramalong Gwandalan Bushells Ridge	Ourimbah Palmdale Kangy Angy Palm Grove
Carpark Maintenance	Nil	The Entrance
Fencing	Nil	Berkeley Vale

CONTRACTS AND PROJECT MANAGEMENT SECTION

The table below is a status report of current major contracts in excess of \$150,000 and awarded following Council resolution.

Key	
On track	
At risk	
In trouble	

Item Description	Est Cost (excl. GST)	Start Date	Est Comp Date	Status	Comments
CPA/237919 – Norah Head Boat Ramp Construction	\$2.33M	April 2014	Jan 2015		Relocation of gravity sewer main complete. All piling works complete. Precast concrete headstocks and deck slabs commenced off site. Wet weather and delays due to ocean swell have extended the completion date to mid January 2015.
CPA/181554 - Detailed design for remediation of former Mardi Landfill	\$390K	Jun 2011	November 2014		Design contract with SMEC. Design 70% complete. Awaiting EPA requirements for temporary stockpile site, due end September.
CPA/250224 - Redevelopment of Frank Ballance Park	\$1.69M	July 2014	Dec 2015		Preparation of tender documentation in October 2014. Tender expected to be advertised from 3 November 2014. Construction cannot occur until the completion of drainage upgrade through park (expected completion Feb 2015). Expected construction period March 2015 – October 2015 for park redevelopment. Expected to be completed before December 2015 deadline.
CPA/217073 - Relocation of 11kV and LV mains, Minnesota Road, Hamlyn Terrace and Associated Water Supply Works	\$436K	Nov 2012	Sep 2014		Ausgrid approved a network outage to install the new pole mounted transformer and the works have been completed.
CPA/191877 - Construction of Warnervale Town Centre Sewer	\$3.04M	Oct 2012	Dec 2016		The sewer main works have been completed. A contract for the bush regeneration works has been awarded.

7.10

General Works in Progress (contd)

Item Description	Est Cost (excl. GST)	Start Date	Est Comp Date	Status	Comments
CPA/159128 – Investigation and Design Consultancy for the Art House	\$1.494M	2009	Dec 2015		Tender documentation has been completed and construction tenders called and closed. Consultancy services under this contract will be required through the construction phase.
CPA/234219 – Administration Building at Buttonderry Waste Management Facility	\$950,000	March 2014	Oct 2014		Work is proceeding to program and is expected to be complete late October 2014.
CPA/235534 T06 Sewer Rising Main Partial Replacement, Noraville	\$1,300,000	April 2014	February 2015		Works have commenced. Construction 50% complete. Rising main complete demolition and pipe works at pump station outstanding.
CPA/226654 Wyong South Sewage Treatment Plant Augmentation Stage 4	\$15M	Oct 2014	Dec 2016		Tenders have closed and are presently being evaluated.
CPA/247310 Alison Homestead Rebuild	\$1.2M	Oct 2014	June 2015		Tenders have closed and been evaluated and reported to Council. Council resolved to award the contract to Collaborative Construction Solutions P/L.

CONTRACTS REACHING PRACTICAL COMPLETION IN LAST THREE MONTHS		
Contract No.	Contract Description	Date of Practical Completion
CPA/223684	Construction of B14 Sewer Rising Main at Bateau Bay	27 May 2014

CONTRACTS STILL IN DEFECTS LIABILITY PERIOD		
Contract No	Contract Description	Contract Status
CPA/236170	The Entrance Town Centre Tile Replacement Project Stage 2	DLP concludes 15 June 2015.
CPA/209287	Construction of T19 Rising Main	DLP concludes 20 December 2014.
CPA/220970	Replacement of Lifts to Civic Centre	Defects Liability Period expires on 15 May 2015.
CPA/236748	Toukley Town Centre North South Pedestrian Link- Construction	Defects Liability Period expires on 11 July 2015.
CPA/192922	Construction of Water Booster Pump Station WPS 26 and Associated Pipe Work in Nikko Road, Warnervale	DLP concludes 4 November 2014
CPA/209092	Upgrade of Water Pumping Station 17	DLP concludes 16 May 2015

ATTACHMENTS

Nil.

7.11 Activities of the Development Assessment and Building Certification Compliance and Health Units

TRIM REFERENCE: F2004/07830 - D11727301

MANAGER: Scott Cox, Director

AUTHOR: Jane Doyle; Development Assistant

SUMMARY

The report includes information and statistics regarding the operations of the Development Assessment Unit and the Building Certification and Health Unit which covers the submission and determination of development, construction and subdivision applications for the month of September 2014.

RECOMMENDATION

That Council receive the report on Activities of the Development Assessment and Building Certification Compliance and Health Units for the month of September 2014.

Development Applications Received and Determined – Development Assessment Unit September 2014

Type:	Number Received:	Estimated Value \$:	Number Determined:	Estimated Value \$:
Commercial	5	25,571,000	3	48,000
Industrial	7	4,097,000	2	48,412
Residential (Multiple Dwellings/Dual Occupancy)	7	2,243,040	7	24,094,995
Other Applications	1	1,000	1	10,000
Subdivisions	5	63,000	4	150,000
Section 96 Applications	14	-	13	-
Total	39	31,975,040	30	24,094,995

Note: One application lodged in the "Commercial" Category was for Section 83B Staged development application comprising a concept proposal (retail/commercial/ residential development) and stage 1 - 6 storey commercial/retail development located at Wyong valued at \$19.2M.(Oasis Youth Centre). Determined in the "Multiple Dwellings" Category was for 44 self-contained care dwellings under Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004 at Tumbi Umbi valued at \$11M.

Development Applications Received and Determined – Building Certification and Health Unit – September 2014

Type:	Number Received:	Estimated Value \$:	Number Determined:	Estimated Value \$:
Commercial	2	490,000	4	306,000
Industrial	1	35,000	1	18,800
Residential-Multiple Dwellings (Dwellings)	28	6,839,804	42	11,558,795
Residential (Alterations and Additions)	51	3,006,710	50	3,115,806
Other Applications	2	22,475	2	22,475
Section 96 Applications	9	-	8	-
Total	93	10,393,989	107	15,021,876

Subdivision Applications Received and Determined September 2014

Type:	Number Received:	Number of Lots:	Number Determined:	Number of Lots:
Commercial	-	-	-	-
Industrial	-	-	1	5
Residential	4	14	3	14
Rural	1	1	-	-
Total	5	15	4	19

Net Median Turn-around Time – September 2014

The net median turn-around time in working days for development applications determined within the Development Assessment Unit during September 2014 was **18** 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 2014 was **14** days. The net median turn-around time in working days for Section 96 applications was **2** days.

7.11 Activities of the Development Assessment and Building Certification Compliance and Health Units (contd)

Other Approvals and Certificates

Type:	Number Determined September 2014
Section 149 D Certificates (<i>Building Certificates</i>)	10
Construction Certificates	60
Complying Development Certificates	24

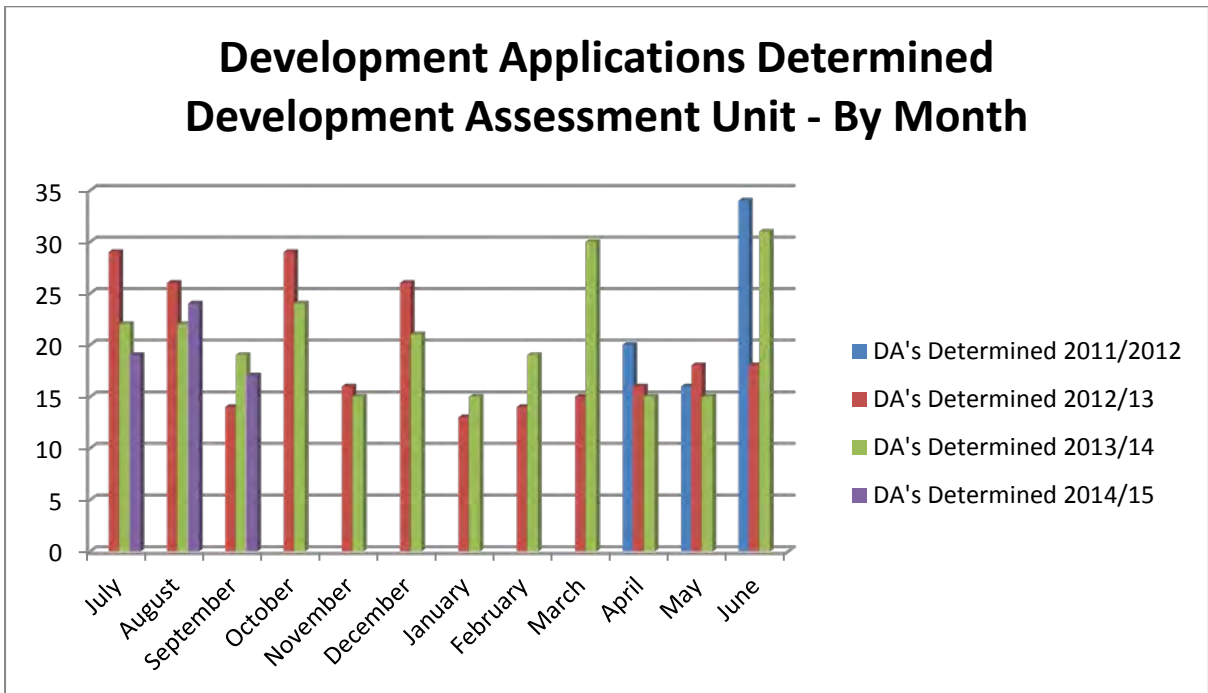
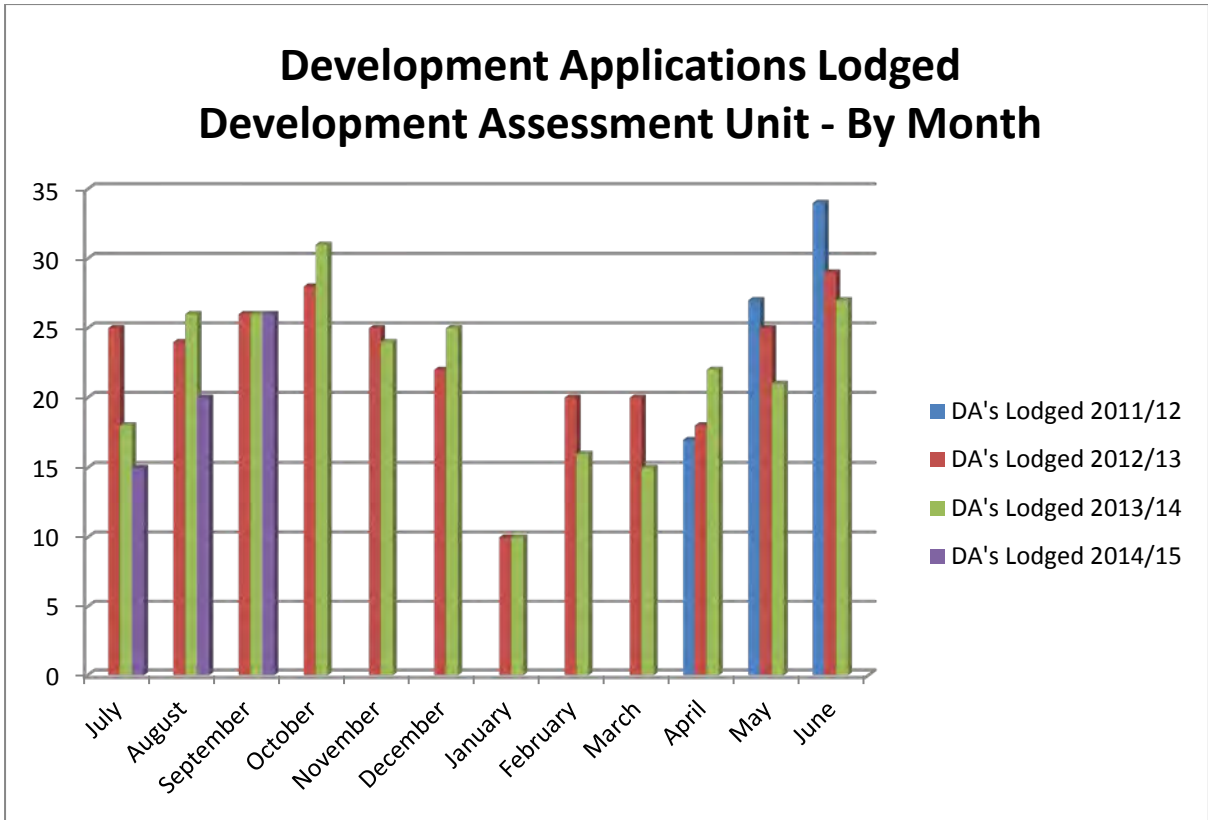
Waiving of Development Application Fees:

DA No	FEE	Amount Waived
693/2014 - Gorokan Preschool Incorporated	Advertising Fee \$285.00 Assessment Fee:\$410.00	\$695.00
BC/90/2014 – Northern Lakes Disability Tourism Precinct	Construction Certificate Fees \$441.00	\$441.00

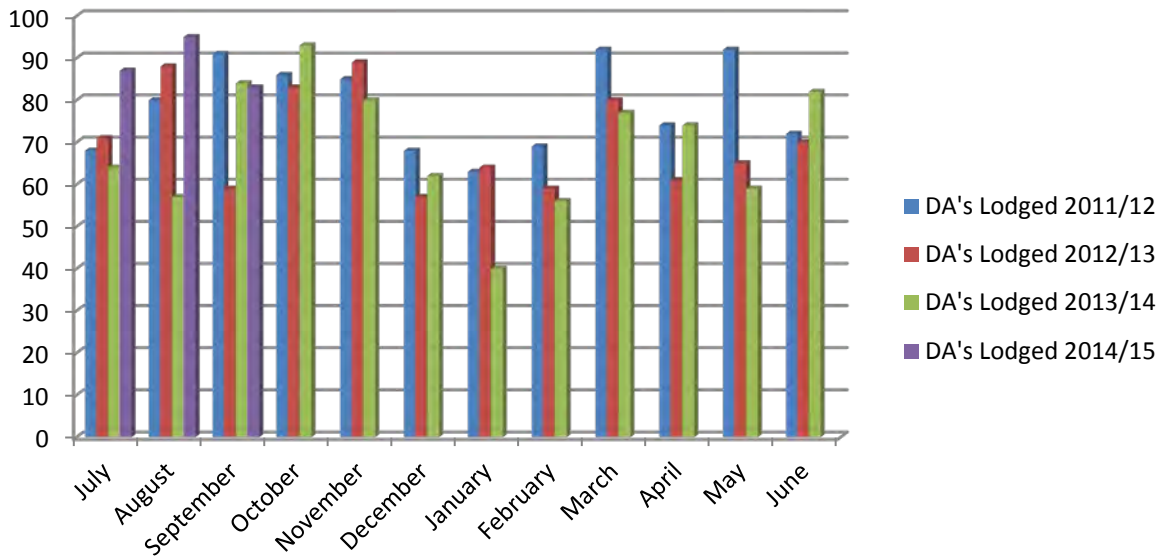
ATTACHMENTS

- 1 Graphs - Development Applications Lodged, Determined and Construction Certificates Determined

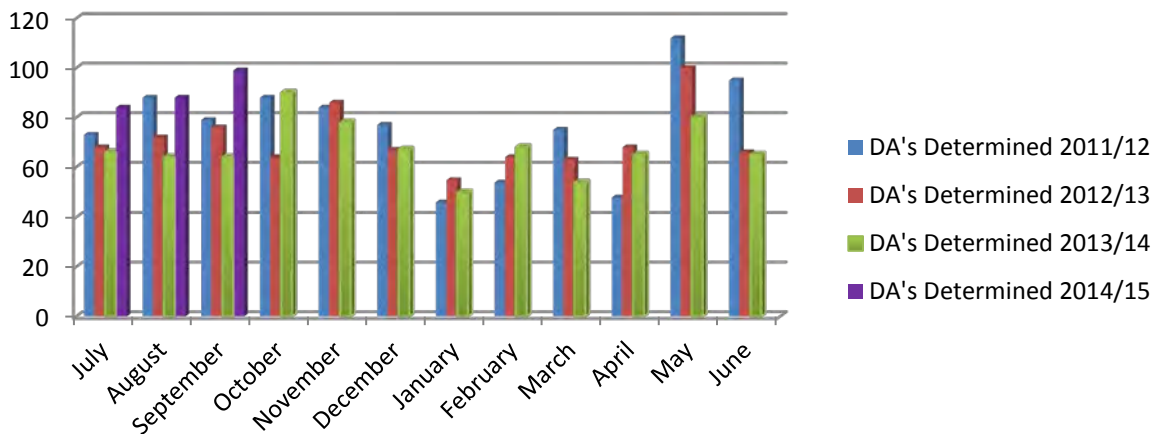
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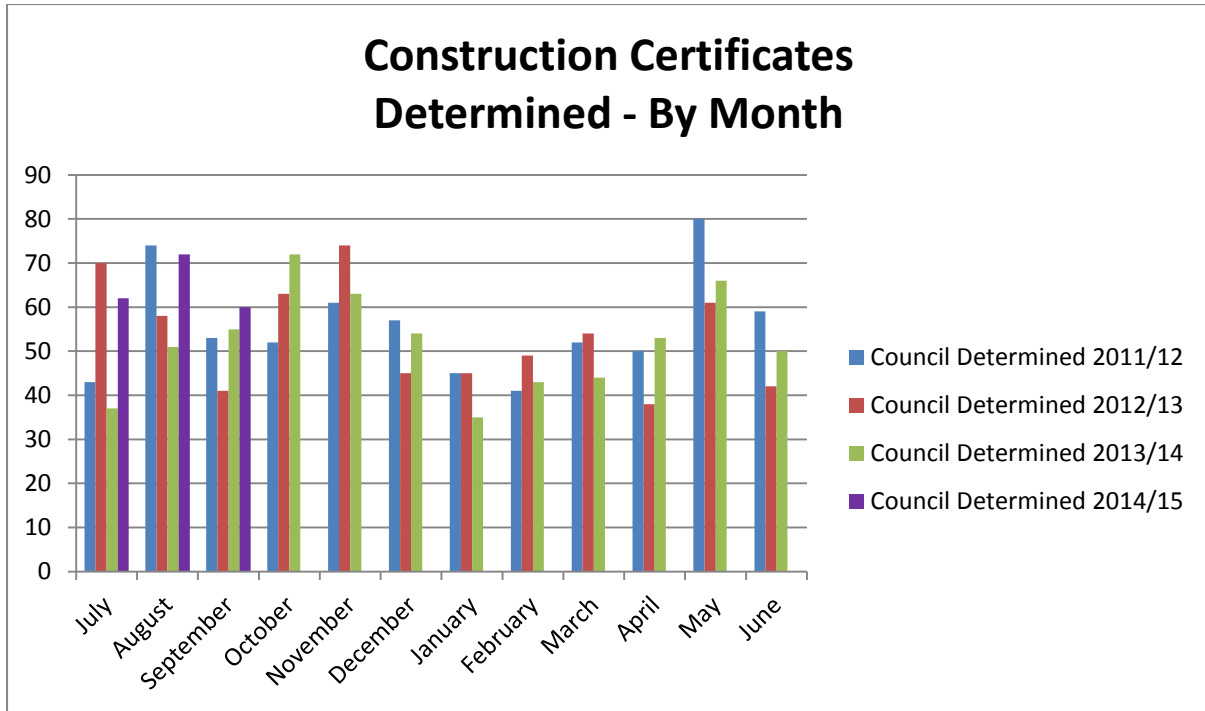


Development Applications Lodged Building Compliance Safety and Health - By Month



Development Applications Determined Building Compliance Safety and Health - By Month





7.12 Results of Water Quality Testing for Beaches and Lake Swimming Locations

TRIM REFERENCE: F2004/06822 - D11727757

MANAGER: Jamie Loader, Manager

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 the month of September 2014.

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 April), 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 analysis on a monthly basis provides 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 indicators of fecal pollution for many years. They are especially valuable in the marine environment and recreational waters as indicators 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 for September 2014

Twenty one of the 22 sites sampled through September achieved the top star rating, see Table 1. The average Enterococci count at Lake Munmorah - Tom Burke Reserve was 86cfu/100mL, indicating “fair” water quality (min 5 cfu/100mL, max 150 cfu/100mL) which is still considered acceptable for swimming. In this case, it is likely that the source of slightly elevated Enterococci counts was the result of birds in the area at the time of sampling. Certain strains of enterococci are carried by birds – however the risk potential from this source is much lower than from other sources. For the past three months, water quality at this site has been classified as “Good”. Further investigation into this temporary decline in water quality is therefore not warranted at this stage.

Table 1: Beachwatch average star rating

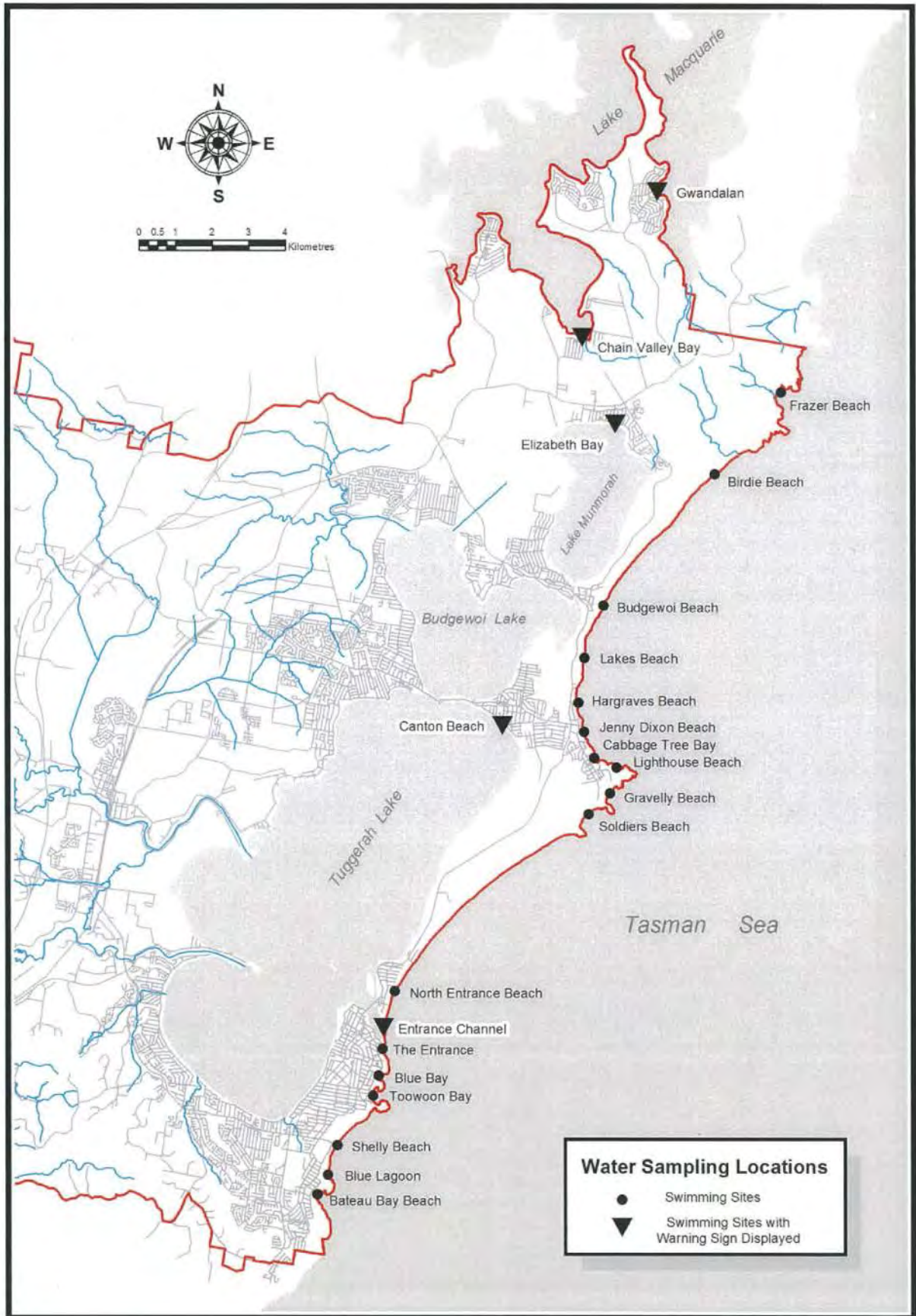
Swimming Site	Site Type	Rating	Stars
North Entrance Beach	Ocean Beach	Good	****
The Entrance Channel	Estuarine	Good	****
The Entrance Beach	Ocean Beach	Good	****
Blue Bay	Ocean Beach	Good	****
Toowoan Bay	Ocean Beach	Good	****
Shelly Beach	Ocean Beach	Good	****
Blue Lagoon	Ocean Beach	Good	****
Bateau 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	Good	****
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



7.13 Outstanding Questions on Notice and Notices of Motion

TRIM REFERENCE: F2013/02042-02 - D11725779

MANAGER: Lesley Crawley, Manager

AUTHOR: Jade Maskiewicz; Councillor Services Officer

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 | Outstanding Questions on Notice and Notices of Motion - 22 October 2014 | D11735841 |
|---|---|-----------|

No	Department	Responsible Officer	Question Asked / Resolution	Meeting Asked/ Councillor	Status
12	Property and Economic Development	Stefan Botha	8.2 Notice of Motion - Waste Initiatives 299/13 <i>That Council <u>request</u> the General Manager to provide a briefing to Councillors which identify possible applications to the 'Supporting Local Communities – Local Government Program'.</i>	13 March 2013 Cr Nayna	Resolution 3 – Currently waiting on EPA to provide more information – expected in the third quarter of 2014. Resolutions 297/13, 298/13 and 300/13 were to be noted. Resolution 301/13 – Completed.
56	General Managers Unit	Brian Glendenning	Mayoral Minute – Central Coast Water Board General Meeting 1259/13 <i>That Council <u>direct</u> the General Manager to investigate and report the governance options around the Wyong Water Authority.</i>	23 October 2013 Cr Eaton	1255/13 - Completed 1256/13 - Completed. 1257/13 - Completed. 1258/13 - Completed. 1259/13 – Options are being investigated and a report will be prepared – Date of submission to Council to be advised.
84	Community and Recreation Services	Brett Sherar	5.1 Notice of Motion - Council Policy Results in Vandalism 497/14 <i>That Council <u>note</u> further reports of large scale public tree poisoning at Mazlin Reserve Norah Head.</i> 498/14 <i>That Council <u>investigate</u> the complaints and report on this and other similar recent vandalism events.</i> 499/14 <i>That Council <u>recognise</u> that policing this type of vandalism is often unproductive and that the catalyst for such acts may well be a consequence of past Council Policy.</i> 500/14 <i>That Council <u>note</u> its previous resolution to undertake a common sense review of its Tree Policy for private land.</i> 501/14 <i>That Council <u>undertake</u> a review of its Tree Policy for Public Lands with a view to developing a more balanced approach to future planting and species choice, particularly around the issue of 'View Sharing' and how that is legislated for in the area of construction and building.”</i>	Clrs Best, Taylor, Troy 14 May 2014	Response to be provided end of November 2014.

No	Department	Responsible Officer	Question Asked / Resolution	Meeting Asked/ Councillor	Status
92	General Manager's Unit	Brian Glendenning	<p>Q69/14 Vandalism and Penalties</p> <p><i>"Mr Mayor,</i></p> <p><i>I note in a recent press article that wilful and wanton destruction of earthmoving equipment was carried out at Council's Lake Haven cinema construction site, allegedly by a gang of youths that were captured on CCTV footage, causing thousands of dollars in damages.</i></p> <p><i>Council appreciates the good work of Staff and the Police in apprehending these individuals and recognises the hundreds and thousands of dollars Council has poured into CCTV surveillance across the shire.</i></p> <p><i>Mr Mayor, could staff please, at the appropriate time, advise Council of the outcome / any court determinations around these acts of vandalism? I do hope the court is in step with Community expectations?"</i></p>	28 May 2014 Cr Best	Investigations into this matter are continuing and a response will be provided at a future meeting.
95	Infrastructure and Operations	Peter Murray Andrew Pearce	<p>8.1 – Notice of Motion – Lake Haven Cinema and Shopping Centre Footpath access audit</p> <p>926/14 <i>That Council note the further expansion of Lake Haven Precinct.</i></p> <p>927/14 <i>That Council request the General Manager to review the adequacy of footpaths and disabled access services throughout the precinct and its pedestrian catchment.</i></p> <p>928/14 <i>That Council recognise the current significant budgetary allocation of \$489,000 in 2014/15 to the footpaths and disabled access facilities throughout the Shire.</i></p> <p>929/14 <i>That Council request the General Manager to report the findings of the precinct audit to Council.</i></p> <p>930/14 <i>That Council approach local job service providers to nominate work for the dole participants to assist with projects arising from the audit.</i></p>	13 August 2014 Cr Best and Cr Troy	Response to be provided at Ordinary Meeting 12 November 2014
97	General Manager's Unit	Lesley Crawley	<p>7.2 Notice of Motion - Review of Code of Meeting Practice</p> <p>1092/14 <i>That Council review its Code of Meeting Practice to provide persons who wish to address Council on any agenda item, the opportunity to have the matter</i></p>	Cr Best 24 September 2014	Response to be provided at a future meeting.

No	Department	Responsible Officer	Question Asked / Resolution	Meeting Asked/ Councillor	Status
			<i>brought forward to the commencement of the meeting, thereby avoiding residents having to wait, often for 3 or 4 hours, to address their Council.</i>		
99	Property and Economic Development	Maxine Kenyon	Q77/14 Council Building Security <i>“Could the General Manager investigate the current adequacies of security in the Council building for meeting and everyday business and report back to Council on his findings?”</i>	Cr Troy 24 September 2014	Response to be provided at 10 December Ordinary Meeting.

**QUESTIONS ON NOTICE AND NOTICES OF MOTION REMOVED SINCE
08 OCTOBER 2014**

	Department	Question on Notice / Notice of Motion	Date Asked/ Councillor	Status
96	Community and Recreation Services	7.1 Notice of Motion - Innovative Disabled Beach Access Facility at Lakes Beach	Cr Best 24 September 2014	Response included on agenda for Ordinary Meeting 22 October 2014.
98	Infrastructure and Operations	Q76/14 Erosion at The Entrance Beach	Cr Nayna 24 September 2014	Response included on agenda for Ordinary Meeting 22 October 2014.

8.1 Answers to Question on Notice

TRIM REFERENCE: F2013/02047 - D11735194
AUTHOR: Luke Sulkowski, Waterways and Coastal Section Mnanager

8.1 Q76/14 - Erosion at The Entrance Beach

The following question was asked by Councillor Nayna at the Ordinary Meeting on 24 September 2014:

"My question is to the Acting General Manager,

I note recent erosion at The Entrance Beach and the subsequent decision by Surf Life Saving Central Coast to keep the beach closed due to safety reasons.

With the busy summer period approaching can Council please investigate and report back on cost options available to restore sand to The Entrance Beach including re profiling and trucking in sand?"

The Entrance Beach is a dynamic region at the Junction of Tuggerah Lakes and the Tasman Sea. The sandy beach is narrow, susceptible to coastal erosion, and has shallow underlying bed rock which is exposed from time to time.

Volumes of sand lost at The Entrance Beach following the recent August 2014 erosion event are difficult to quantify because it is such a dynamic coastal environment and detailed survey works have not been undertaken.

Based on visual observations alone, staff estimate that through the August 2014 erosion event, total sand loss from the beach both above and below the mean high water mark, including the wave impact zone where the rock shelves are exposed, would range between 28,000 m³ and 56,000 m³ (an average depth of 1-2 metres).

Based on this range of estimated volumes, delivery of sand to the site via truck and profiling with heavy machinery would cost between \$1,650,000 and \$3,000,000. The project would also involve 1,350 to 2,700 truck deliveries to the site and would take about 2 months to 4 months to complete depending on volumes.

These figures also do not consider potential natural sand loss or accretion prior to or during the project, impacts on traffic and beach amenity during construction, or that works would likely not be finished prior to the summer school holiday period.

An alternative medium term option is to remove sand from The Entrance Channel and place on The Entrance Beach. This could not occur prior to the current summer due to technical, logistical and seasonal constraints. The next dredging program, based on current conditions, is proposed to commence in autumn 2015.

8.1 Q76/14 - Erosion at The Entrance Beach (contd)

During the last two dredging programs approximately 30,000 cubic metres of sand was removed from the channel on each occasion, with the majority of sand deposited at North Entrance Beach over a period of 4 months. The underlying sands in the channel towards the bridge are generally unsuitable for re-nourishment due to higher organic content. To maximise the quality and minimise pumping distance, the dredge would need progressively cut a path down to the mouth of the channel to source the 'cleaner' marine derived sands suitable for direct application to the beach during the swimming season.

Beach nourishment through dredging would increase the duration and cost of the standard dredging program because of technical and logistical challenges. Council would need purchase/hire extra piping and possibly a booster pump, all terrain trucks, and earthmoving equipment. Consideration of additional pipe breakages by locating the dredge pipe across the potentially fast flowing Entrance Channel would also need to be given in terms of the potential to further delay the program. The state government commissioned report 'Tuggerah Lakes – The Entrance Morphodynamic Modelling' prepared by Cardno on 23 October 2013, identifies an option for periodic (every 5 years) beach nourishment at The Entrance Beach. This option allows for 10,000 m³ of sand to be placed on the beach through channel dredging, in conjunction with Council's regular dredging program. The report estimates the total additional costs of this to Council's normal dredging program to be \$256,000.

ATTACHMENTS

Nil.

22 October 2014

To the Ordinary Council Meeting

Councillor

9.1 Notice of Motion - Council's Support for Seniors Accommodation

TRIM REFERENCE: F2010/00500 - D11736442

AUTHOR: Greg Best; Councillor , Adam Troy; Councillor

Councillor G Best and A Troy have given notice that at the Ordinary Council Meeting to be held on Wednesday 22 October 2014 that they will move the following Motion:

- "1 That Council note concerns raised by the Community in relation to Council's initiative to provide land to establish affordable Seniors living in the Wadalba area.*
- 2 That Council request the General Manager to provide a report which includes the options, the development process and indicates what legal mechanisms are available to Council to provide certainty of usage, of the identified land, for seniors accommodation.*
- 3 That Council reaffirm its commitment to providing adequate Seniors services including suitable housing options in appropriate and convenient locations in the Shire.*
- 4 That Council recognise the intergenerational support and benefits of locating seniors in close proximity to their families."*

RESOURCES

The report to Council can be provided within existing staff resources.