



Wyong Shire Council
Financial Reports
2012/2013

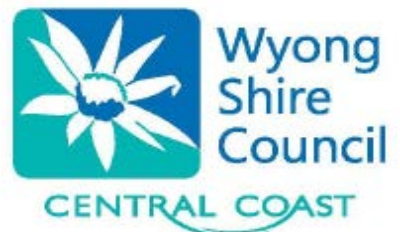




Wyong Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

*Creating our ideal community
caring... prosperous... sustainable...*



Wyong Shire Council

General Purpose Financial Statements

for the financial year ended 30 June 2013

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Overview

(i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Wyong Shire Council.

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

Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services & 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 23 October 2013. Council has the power to amend and reissue these financial statements.

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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 & Community.

What you will find in the Statements

The financial statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2013.

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

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income & 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 & Equipment.

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities & "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 5 primary financial statements.

About the Auditor's Reports

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

In NSW, the Auditor provides 2 audit reports:

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

Who uses the Financial Statements ?

The financial statements are publicly available documents & must be presented at a Council meeting between 7 days & 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 Division of Local Government.

Wyong Shire Council

General Purpose Financial Statements for the financial year ended 30 June 2013

Statement by Councillors and Management made pursuant to Section 413(2)(c) of the Local Government Act 1993 (as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:

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

To the best of our knowledge and belief, these Financial Statements:

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

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

Signed in accordance with a resolution of Council made on 23 October 2013.

Doug Eaton
MAYOR

Lynne Webster
COUNCILLOR

Michael Whittaker
GENERAL MANAGER

Stephen Naven
RESPONSIBLE ACCOUNTING OFFICER

Wyong Shire Council

Income Statement

for the financial year ended 30 June 2013

Budget ⁽¹⁾ 2013	\$ '000	Notes	Actual 2013	Actual 2012
Income from Continuing Operations				
<i>Revenue:</i>				
136,389	Rates & Annual Charges	3a	135,676	127,395
64,339	User Charges & Fees	3b	57,503	53,742
7,761	Interest & Investment Revenue	3c	9,272	9,272
2,350	Other Revenues	3d	4,084	3,893
25,428	Grants & Contributions provided for Operating Purposes	3e,f	25,953	29,062
11,161	Grants & Contributions provided for Capital Purposes	3e,f	15,114	14,679
<i>Other Income:</i>				
989	Net gains from the disposal of assets	5	-	-
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	-	-
248,417	Total Income from Continuing Operations		247,602	238,043
Expenses from Continuing Operations				
81,499	Employee Benefits & On-Costs	4a	75,224	73,443
16,488	Borrowing Costs	4b	16,742	19,167
57,974	Materials & Contracts	4c	44,733	42,376
55,182	Depreciation & Amortisation	4d	52,651	55,629
-	Impairment	4d	26	-
36,113	Other Expenses	4e	33,951	42,602
-	Interest & Investment Losses	3c	-	-
-	Net Losses from the Disposal of Assets	5	1,855	2,584
247,256	Total Expenses from Continuing Operations		225,182	235,801
1,161	Operating Result from Continuing Operations		22,420	2,242
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
1,161	Net Operating Result for the Year		22,420	2,242
1,161	Net Operating Result attributable to Council		22,420	2,242
-	Net Operating Result attributable to Non-controlling Interests		-	-
(10,000)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		7,306	(12,437)

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

Wyong Shire Council

Statement of Comprehensive Income
for the financial year ended 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012
Net Operating Result for the year (as per Income statement)		22,420	2,242
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	145,569	263,827
Adjustment to correct prior period errors		69,791	(9,590)
Total Items which will not be reclassified subsequently to the Operating Result		215,360	254,237
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
NIL			
Total Other Comprehensive Income for the year		215,360	254,237
Total Comprehensive Income for the Year		237,780	256,479
Total Comprehensive Income attributable to Council		237,780	256,479
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Wyong Shire Council

Statement of Financial Position

as at 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	63,667	91,142
Investments	6b	81,000	44,000
Receivables	7	31,569	28,764
Inventories	8	1,947	2,054
Other	8	537	607
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		178,720	166,567
Non-Current Assets			
Investments	6b	16,573	19,955
Receivables	7	512	615
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	2,523,472	2,292,936
Investments accounted for using the equity method	19	250	125
Investment Property	14	-	-
Intangible Assets	25	711	1,614
Non-current assets classified as "held for sale"	22	-	-
Other	8	-	-
Total Non-Current Assets		2,541,518	2,315,245
TOTAL ASSETS		2,720,238	2,481,812
LIABILITIES			
Current Liabilities			
Payables	10	36,931	42,042
Borrowings	10	10,755	11,183
Provisions	10	27,530	28,452
Total Current Liabilities		75,216	81,677
Non-Current Liabilities			
Payables	10	14,210	-
Borrowings	10	181,132	186,392
Provisions	10	54,054	55,897
Total Non-Current Liabilities		249,396	242,289
TOTAL LIABILITIES		324,612	323,966
Net Assets		2,395,626	2,157,846
EQUITY			
Retained Earnings	20	1,343,464	1,251,253
Revaluation Reserves	20	1,052,162	906,593
Council Equity Interest		2,395,626	2,157,846
Non-controlling Interests		-	-
Total Equity		2,395,626	2,157,846

Wyong Shire Council

Statement of Changes in Equity
for the financial year ended 30 June 2013

\$ '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
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements	20a (c)	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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total Equity
2012						
Opening Balance (as per Last Year's Audited Accounts)		1,258,601	642,766	1,901,367	-	1,901,367
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/11)		1,258,601	642,766	1,901,367	-	1,901,367
c. Net Operating Result for the Year		2,242	-	2,242	-	2,242
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	263,827	263,827	-	263,827
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements	20a (c)	(9,590)	-	(9,590)	-	(9,590)
Other Comprehensive Income		(9,590)	263,827	254,237	-	254,237
Total Comprehensive Income (c&d)		(7,348)	263,827	256,479	-	256,479
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		1,251,253	906,593	2,157,846	-	2,157,846

Wyong Shire Council

Statement of Cash Flows

for the financial year ended 30 June 2013

Budget 2013	\$ '000	Notes	Actual 2013	Actual 2012
Cash Flows from Operating Activities				
Receipts:				
135,025	Rates & Annual Charges		135,469	127,690
92,861	User Charges & Fees		58,551	55,289
7,761	Investment & Interest Revenue Received		8,436	8,479
25,428	Grants & Contributions		38,242	47,174
-	Bonds, Deposits & Retention amounts received		622	533
2,351	Other		13,043	17,773
Payments:				
(81,500)	Employee Benefits & On-Costs		(75,447)	(74,549)
(63,720)	Materials & Contracts		(45,009)	(44,687)
(16,488)	Borrowing Costs		(10,727)	(16,646)
-	Bonds, Deposits & Retention amounts refunded		(581)	(1,166)
(58,550)	Other		(46,000)	(50,315)
43,168	Net Cash provided (or used in) Operating Activities	11b	76,599	69,575
Cash Flows from Investing Activities				
Receipts:				
100,000	Sale of Investment Securities		136,931	140,947
2,000	Sale of Infrastructure, Property, Plant & Equipment		2,689	2,012
Payments:				
(60,000)	Purchase of Investment Securities		(169,870)	(118,626)
(84,738)	Purchase of Infrastructure, Property, Plant & Equipment		(68,011)	(61,753)
-	Contributions Paid to Joint Ventures & Associates		(125)	(125)
(42,738)	Net Cash provided (or used in) Investing Activities		(98,386)	(37,545)
Cash Flows from Financing Activities				
Receipts:				
-	Proceeds from Borrowings & Advances		7,130	18,125
Payments:				
(11,176)	Repayment of Borrowings & Advances		(12,818)	(10,812)
(11,176)	Net Cash Flow provided (used in) Financing Activities		(5,688)	7,313
(10,746)	Net Increase/(Decrease) in Cash & Cash Equivalents		(27,475)	39,343
55,016	plus: Cash & Cash Equivalents - beginning of year	11a	91,142	51,799
44,270	Cash & Cash Equivalents - end of the year	11a	63,667	91,142
Additional Information:				
	plus: Investments on hand - end of year	6b	97,573	63,955
Total Cash, Cash Equivalents & Investments			161,240	155,097

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 2013

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Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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 Interpretations issued by the Australian Accounting Standards Board, 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

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Early adoption of standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2012.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment.

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.

(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

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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 balance 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 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 and rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

(c) Principles of consolidation

The Consolidated Fund

In accordance with the provisions of Section 409(1) of the LGA 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.

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.

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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.

During 2012/13, Wyong Shire Council satisfied all requirements to complete the Memorandum of Understanding with the NSW Government regarding the establishment of the CCWC under legislation.

However, following the local government elections in September 2012, Gosford City Council reconsidered its position on key project parameters and, as a result, the project is presently suspended.

County Councils

Wyong Shire Council is not a member of any County Council.

(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.

(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.

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

(f) Impairment of assets

Goodwill and 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 other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For cash flow statement 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.

(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.

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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.

(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

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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.

Financial assets – reclassification

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, Council may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no

reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

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

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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 S212 of the LG (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(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 S212 of the LG (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. Certain investments the Council holds are no longer prescribed, however they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

(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.

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

(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 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.

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.

Asset Revaluations (including Indexation)

Council's IPPE assets have been progressively revalued to fair value in accordance with a staged implementation advised by the Division 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.

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:

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

Buildings	15 to 100 years
Vehicles	3 to 10 years
Heavy Plant	6 to 10 years
Other plant and equipment	5 to 15 years
Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Computer Equipment	3 to 5 years
Playground Equipment	5 to 15 years
Benches, seats etc	10 to 25 years
Dams	150 years
Water Mains	50 to 80 years
Water & Sewerage Treatment Plants - Civil	50 to 100 years
Water & Sewerage Treatment Plants - Other	15 to 40 years
Sewerage Pipelines and Mains	50 to 80 years
Drainage Assets	80 to 120 years
Concrete Bridges	80 years
Road Surface:	
* Asphalt surface	25 years
* Spray Seal surface	12 years
* Slurry Seal surface	12 years
* Open Graded AC	12 years
* Concrete surface	50 years
* Gravel	5 years
* Earth	30 years
* Other	2-30 years
Road Structure:	
* Gravel Base and Sub Base	80 years
* Other	10 to 80 years
Kerb, Gutter and Paths	80 years

Items of IPPE, except for land and construction of buildings, are capitalised if their cost of acquisition exceeds \$5,000.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position 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 2013, 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 2013

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. 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 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 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 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.

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

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans ie. as an expense when they become payable (see below).

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 AASB119.

Sufficient information under AASB119 is not available to account for the Scheme as a defined benefit plan, 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 2013 was \$2,576,244. The last valuation of the Scheme was performed by Mr Martin Stevenson BSc, FIA, FIAA on 20 February 2013 and covers the period ended 30 June 2013.

However the position is monitored annually and the Actuary has estimated that as at 30 June 2013 a deficit still exists. Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit.

The amount of additional contributions included in the total employer contribution advised above is \$1,054,547. The share of this deficit that is broadly attributed to Wyong Shire Council is estimated to be in the order of \$4,902,951 as at 30 June 2013.

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) Provisions for close down and restoration and for environmental clean up costs – Tips and quarries

Restoration

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, eg updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down and restoration costs are a normal consequence of tip and quarry operations, and the

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

majority of close down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period. The amortisation of the discount is shown as a borrowing cost.

Other movements in the provisions for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each statement of financial position date and the cost is charged to the income statement.

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the statement of financial position date. These costs are charged to the income statement. Movements in the environmental clean up provisions are presented as an operating cost, except for the unwind of the discount which is shown as a borrowing cost. Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result there could be significant adjustments to the provision for

close down and restoration and environmental clean up, which would affect future financial results.

(w) Allocation between current and noncurrent assets and liabilities

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the ensuing 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

(x) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods.

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.

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 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures(effective from 1 January 2015)

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 Council's accounting for its available-for-sale financial assets, since AASB 9 only

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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 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.

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 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

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 re-measure 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.

Council does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. Council has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. Council does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

In September 2011, the AASB released a revised standard on accounting for employee benefits. It requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively. Council does not recognise defined benefit assets and liabilities for the reasons set out in note 1 (s)(iii) and so these changes will not have an impact on its reported results.

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7] (effective 1 January 2013)

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014)

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (effective 1 January 2013)

AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. An entity can elect to apply AASB 123 from the transition date or an earlier date.

AASB 101 - clarifies that a third statement of financial position is required when the opening statement of

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

financial position is materially affected by any adjustments.

AASB 116 - clarifies the classification of servicing equipment.

AASB 132 and Interpretation 2 - Clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes.

AASB 134- provides clarification about segment reporting.

The amendments arising from this standard are not expected to change the reported financial position or performance of the Council.

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) Self insurance

Council has determined 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).

(z) 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.

(aa) 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.

(ab) 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.

(ac) 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

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

payable to the taxation authority, are presented as operating cash flows.

(ad) 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 for the first time within these financial statements and/or the notes.

(ae) Disclaimer

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

Notes to the Financial Statements

for the financial year ended 30 June 2013

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 2013	Actual 2013	Actual 2012	Original Budget 2013	Actual 2013	Actual 2012	Original Budget 2013	Actual 2013	Actual 2012	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Governance	6	30	7	10,806	9,796	9,037	(10,800)	(9,766)	(9,030)	3	0	-	-
Community and Education	1,079	1,914	2,341	12,001	10,211	12,178	(10,923)	(8,297)	(9,837)	729	1,259	50,230	25,106
Community and Recreation	518	1,112	2,157	16,962	14,672	14,080	(16,444)	(13,560)	(11,923)	679	1,758	79,501	34,104
Economic & Property Development	3,049	1,810	1,795	9,016	7,307	6,907	(5,967)	(5,497)	(5,112)	0	180	381,014	268,848
Council Enterprises	14,155	13,363	12,817	13,454	13,248	12,907	700	115	(91)	460	521	30,891	14,804
Regulatory	4,552	4,316	4,239	10,231	9,881	9,784	(5,679)	(5,565)	(5,545)	69	41	583	342
Environment and Land Use	9,195	6,777	8,249	15,099	14,616	11,553	(5,904)	(7,840)	(3,304)	4,423	6,383	10,100	317
Waste Management	45,394	40,929	37,042	37,734	28,029	34,588	7,660	12,900	2,454	1,751	778	7,368	7,041
Roads	5,818	6,215	7,126	33,368	31,136	33,677	(27,550)	(24,922)	(26,552)	1,546	1,995	367,403	342,995
Stormwater	7,213	7,181	7,280	6,020	5,626	5,643	1,193	1,554	1,638	169	69	242,121	338,607
Sewerage Services	30,917	31,337	29,825	36,661	35,416	34,128	(5,744)	(4,079)	(4,304)	666	663	732,571	698,470
Water Supply	38,180	38,570	32,561	48,193	46,389	47,663	(10,013)	(7,818)	(15,102)	1,372	922	641,412	609,347
Administration	3,292	3,150	2,654	(2,185)	(1,106)	(1,103)	5,478	4,256	3,757	1,117	1,002	176,565	141,687
Corporate Income and Expense	4,413	8,377	7,081	(105)	(38)	4,760	4,518	8,415	2,321	1,765	-	229	20
Total Functions & Activities	167,779	165,080	155,172	247,256	225,183	235,801	(79,476)	(60,103)	(80,630)	14,748	15,571	2,719,988	2,481,687
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	250	125
General Purpose Income ¹	80,637	82,522	82,871	-	-	-	80,637	82,522	82,871	13,069	15,784	-	-
Operating Result from Continuing Operations	248,417	247,602	238,043	247,256	225,183	235,801	1,161	22,419	2,242	27,817	31,355	2,720,238	2,481,812

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 2013

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 2013

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 (continued):

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 2013

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		51,112	49,085
Farmland		304	272
Mining		823	793
Business		7,942	7,666
Total Ordinary Rates		60,181	57,816
Special Rates			
Stormwater		1,706	1,755
Town Improvement		1,013	972
Total Special Rates		2,719	2,727
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		26,985	24,255
Water Supply Services		10,278	8,494
Sewerage Services		27,404	26,405
Drainage		5,763	5,618
Waste Management Services (non-domestic)		2,080	1,818
Liquid Trade Waste		222	222
Section 611 Charges		44	40
Total Annual Charges		72,776	66,852
TOTAL RATES & ANNUAL CHARGES		135,676	127,395

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 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Domestic Waste Additional Services		6	10
Water Supply Services		25,394	21,608
Sewerage Services		760	871
Waste Management Services (non-domestic)		36	37
Liquid Trade Waste		546	610
Total User Charges		26,742	23,136
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Development Applications		1,161	1,056
Building Certification		409	447
Building Inspection		386	413
Inspection Services		103	127
Regulatory/Statutory Certificates		153	180
Regulatory/ Statutory Fees		56	46
Registration Fees		37	36
Rezoning Fees		209	112
Section 149 Certificates (EPA Act)		344	356
Section 355 Committees		398	358
Section 603 Certificates		305	279
Shop Inspection Fees		300	234
Other		69	67
Total Fees & Charges - Statutory/Regulatory		3,930	3,711
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Child Care		3,934	3,811
Community Centres		589	494
Companion Animals		201	271
Engineering Design Fees		243	223
Holiday Parks		8,921	8,419
On Site Sewer Management (OSSM) Fees		185	165
RMS (formerly RTA) Charges (State Roads not controlled by Council)		2,349	2,779
Tipping Fees		9,731	9,958
Other		678	775
Total Fees & Charges - Other		26,831	26,895
TOTAL USER CHARGES & FEES		57,503	53,742

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		931	1,037
- Interest earned on Investments (interest & coupon payment income)		7,568	8,253
- Interest on Deferred Debtors		-	23
- Interest & Dividend Income (Other)		19	44
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		679	(88)
Amortisation of Premiums & Discounts			
- Interest Free (& Interest Reduced) Loans provided		3	3
Other		72	-
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>9,272</u>	<u>9,272</u>

Interest Revenue is attributable to:**Unrestricted Investments/Financial Assets:**

Overdue Rates & Annual Charges (General Fund)	931	1,037
General Council Cash & Investments	4,192	2,773

Restricted Investments/Funds - External:

Development Contributions		
- Section 64	835	1,151
- Section 93F - General	20	-
- Section 93F - Drainage	2	-
- Section 93F - Water	1	-
- Section 93F - Sewer	1	-
- Section 94 - General	725	483
- Section 94 - Drainage	360	473
- Section 94A	11	-
Water Fund Operations	289	1,328
Sewerage Fund Operations	1,905	2,027
<u>Total Interest & Investment Revenue Recognised</u>	<u>9,272</u>	<u>9,272</u>

(d) Other Revenues

Fines - Parking	420	337
Fines - Other	214	143
Legal Fees Recovery - Other	31	239
Cemetery Income	175	199
Commissions & Agency Fees	10	10
Diesel Rebate	81	100
External Works	353	206
Insurance Claim Recoveries	111	188

(continued on the next page...)

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(d) Other Revenues (continued)			
Landfill Gas Royalty Payment		249	115
Property Rents		1,612	1,397
Restoration from Utility Providers		76	295
Sale of Scrap Metal		90	130
Sales - General		99	56
Sewerage Connections		92	79
Water Connections		198	196
Other		273	203
<u>TOTAL OTHER REVENUE</u>		<u>4,084</u>	<u>3,893</u>

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance - General Component	9,814	11,954	-	-
Financial Assistance - Local Roads Component	2,033	2,600	-	-
Pensioners' Rates Subsidies - General Component	1,222	1,230	-	-
Total General Purpose	13,069	15,784	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Water	719	674	-	-
- Sewerage	666	663	-	-
- Domestic Waste Management	745	723	-	-
Water Supplies	-	-	600	248
Aged and Disabled	81	33	-	-
Bushfire & Emergency Services	918	668	320	312
Child Care	400	476	-	-
Community Centres	-	47	-	-
Employment & Training Programs	91	-	-	-
Environmental Protection	5,462	6,127	26	303
Fire Protection	132	-	-	-
Health Services	42	41	-	-
Library	351	359	29	29
Recreational Facilities	-	3	856	2,571
Roads and Bridges	52	206	30	92
Storm Damage	171	91	-	-
Street Lighting	235	229	-	-
Transport	11	3	-	-
Transport (Roads to Recovery)	-	-	875	1,030
Youth Services	-	3	1,705	-
Local Infrastructure Renewal Scheme (LIRS)	118	-	-	-
Other	113	586	-	54
Total Specific Purpose	10,307	10,932	4,441	4,639
Total Grants	23,376	26,716	4,441	4,639
Grant Revenue is attributable to:				
- Commonwealth Funding	3,890	5,007	2,575	3,331
- State Funding	19,439	21,667	1,866	1,308
- Other Funding	47	42	-	-
	23,376	26,716	4,441	4,639

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 93F - Contributions using Planning Agreements	-	-	1,213	-
S 94A - Fixed Development Consent Levies	-	-	295	195
S 64 - Water Supply Contributions	-	-	799	798
S 64 - Sewerage Service Contributions	-	-	632	614
S 94 - Stormwater Contributions	-	-	784	997
S 94 - Roadworks	-	-	809	1,688
S 94 - Open Space	-	-	1,770	1,991
S 94 - Community Facilities	-	-	1,324	1,326
Other Developer Contributions	-	-	43	26
Total Developer Contributions	17	-	7,669	7,635
Other Contributions:				
Bushfire Services	-	-	33	-
Dedications (other than by S94)	-	-	2,679	1,768
Kerb & Gutter	-	-	86	92
Paving	-	-	102	116
Roads	-	-	3	-
RMS Contributions (Regional Roads, Block Grant)	881	925	-	-
Town Planning	261	39	-	-
Vehicle Contributions by Employees	1,037	1,098	-	-
Other Environmental Protection	147	-	45	-
Other	251	284	56	429
Total Other Contributions	2,577	2,346	3,004	2,405
Total Contributions	2,577	2,346	10,673	10,040
TOTAL GRANTS & CONTRIBUTIONS	25,953	29,062	15,114	14,679

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2013	Actual 2012
(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	46,821	45,256
add: Grants & contributions recognised in the current period but not yet spent:	10,501	14,618
less: Grants & contributions recognised in a previous reporting period now spent:	(10,206)	(13,053)
Net Increase (Decrease) in Restricted Assets during the Period	295	1,565
Unexpended and held as Restricted Assets	<u><u>47,116</u></u>	<u><u>46,821</u></u>
Comprising:		
- Specific Purpose Unexpended Grants	4,771	6,067
- Developer Contributions	37,148	39,335
- Other Contributions	5,198	1,419
	<u><u>47,116</u></u>	<u><u>46,821</u></u>

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
(a) Employee Benefits & On-Costs			
Salaries and Wages		57,745	55,474
Travelling		22	8
Employee Leave Entitlements (ELE)		13,261	13,315
Superannuation		7,482	7,716
Workers' Compensation Insurance		558	1,520
Fringe Benefit Tax (FBT)		171	107
Payroll Tax		1,201	1,189
Training Costs (other than Salaries & Wages)		762	614
Other		1,098	530
Total Employee Costs		82,300	80,473
less: Capitalised Costs		(7,076)	(7,030)
TOTAL EMPLOYEE COSTS EXPENSED		75,224	73,443
Number of "Equivalent Full Time" Employees at year end		972	988
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Overdraft		6	-
Interest on Loans		13,946	16,536
Interest on Advances		-	10
Other Debts		186	247
Total Interest Bearing Liability Costs Expended		14,138	16,793
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	2,590	2,299
- Financial Instruments		14	75
Total Other Borrowing Costs		2,604	2,374
TOTAL BORROWING COSTS EXPENSED		16,742	19,167

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Materials & Contracts			
Raw Materials & Consumables		9,765	8,235
Contractor & Consultancy Costs		19,739	18,666
- Contractor & Consultancy Costs Garbage Collection		10,156	9,266
- Contractor & Consultancy Costs Capgemini		1,837	1,982
- Contractor & Consultancy Costs Green Waste Processing		1,710	2,047
Auditors Remuneration ⁽¹⁾		182	585
Infringement Notice Contract Costs (SEINS)		59	54
Legal Expenses:			
- Legal Expenses: Planning & Development		2	175
- Legal Expenses: Debt Recovery		10	180
- Legal Expenses: Other		300	150
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽²⁾		973	1,036
TOTAL MATERIALS & CONTRACTS		44,733	42,376
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		182	168
Remuneration for audit and other assurance services		182	168
(ii) Taxation Services			
- Tax compliance services		-	1
Remuneration for taxation services		-	1
(iii) Other Services			
- Cost Benefit Analysis for Central Coast Water Corporation managed on behalf of Gosford City and Wyong Shire Councils. This represents 100% of the sum paid to PwC for this contract.		-	416
Remuneration for other services		-	416
Total Auditor Remuneration		182	585
2. Operating Lease Payments are attributable to:			
Buildings		122	65
Computers		776	888
Other		75	83
		973	1,036

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2013	Actual 2012	Actual 2013	Actual 2012
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	1,736	4,286
Office Equipment		-	-	442	322
Furniture & Fittings		-	-	184	168
Land Improvements (depreciable)		-	-	2,144	2,376
Buildings - Non Specialised		-	-	85	
Buildings - Specialised		26	-	4,436	3,593
Other Structures		-	-	1,178	743
Infrastructure:					
- Roads, Bridges & Footpaths		-	-	11,520	12,515
- Stormwater Drainage		-	-	2,504	2,443
- Water Supply Network		-	-	13,831	12,123
- Sewerage Network		-	-	12,087	12,998
Other Assets					
- Heritage Collections		-	-	1	3
- Library Books		-	-	488	1,569
- Other		-	-	-	1
Tip Asset	9	-	-	1,112	1,588
Intangible Assets	25	-	-	903	901
Total Depreciation & Impairment Costs		26	-	52,651	55,629
less: Capitalised Costs		-	-	-	-
less: Impairments (to)/from ARR [Equity]	9a	-	-	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		26	-	52,651	55,629

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(e) Other Expenses			
Advertising		812	673
Bad & Doubtful Debts		337	893
Bank Charges		442	388
Commissions		2,117	1,948
Computer Software Charges		1,475	546
Contributions/Levies to Other Levels of Government			
- Department of Planning Levy		170	160
- NSW Fire Brigade Levy		1,167	1,184
- NSW Rural Fire Service Levy		540	542
- Waste Minimisation Levy		9,227	10,791
- State Emergency Services		181	137
- Caravan Park Levy		396	370
- Other Contributions/Levies		258	-
Councillor Expenses - Mayoral Fee		57	56
Councillor Expenses - Councillors' Fees		226	218
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		81	42
Donations, Contributions & Assistance to other organisations (Section 356)			
- The Entrance Town Centre		1,413	1,414
- Toukley Town Centre		147	147
- Wyong Town Centre		66	66
- Central Coast Tourism Inc		150	150
- Central Coast Mariners FC Pty Ltd		75	125
- Community Groups Tipping Fees		229	167
- Central Coast Business Mentors Services Inc		112	112
- Other Contributions and Donations		897	1,093
Election Expenses		574	-
Electricity & Heating		6,675	4,955
Gas Charges		146	121
Insurance		1,797	2,029
Licences		309	70
Planning NSW DA Fees		143	128
Postage		341	319
Printing & Stationery		400	421
Street Lighting		3,225	2,822
Subscriptions & Publications		238	243
Telephone & Communications		662	642
Tip Rehabilitation Expensed		-	2,928
Tip Rehabilitation Provision Adjustment		(2,905)	4,349
Valuation Fees		35	50
Valuer General Fees		335	312
Vehicle Registrations		326	318
Other		1,075	1,673
TOTAL OTHER EXPENSES		33,951	42,602

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2013	Actual 2012
Property (excl. Investment Property)			
Proceeds from Disposal - Property		703	659
less: Carrying Amount of Property Assets Sold / Written Off		(668)	(647)
Net Gain/(Loss) on Disposal		35	12
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		1,986	1,244
less: Carrying Amount of P&E Assets Sold / Written Off		(1,886)	(1,396)
Net Gain/(Loss) on Disposal		100	(152)
Infrastructure			
Proceeds from Disposal - Infrastructure		-	109
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(1,990)	(2,553)
Net Gain/(Loss) on Disposal		(1,990)	(2,444)
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		136,931	140,947
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(136,931)	(140,947)
Net Gain/(Loss) on Disposal		-	-
<u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u>		<u>(1,855)</u>	<u>(2,584)</u>

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000	Notes	2013	2013	2012	2012
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		6,248	-	1,288	-
Cash-Equivalent Assets ¹					
- Deposits at Call		57,419	-	89,854	-
Total Cash & Cash Equivalents		63,667	-	91,142	-
Investments (Note 6b)					
- Managed Funds		-	4,703	-	5,955
- Long Term Deposits		81,000	1,870	44,000	10,000
- Bank Bonds		-	10,000	-	4,000
Total Investments		81,000	16,573	44,000	19,955
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		144,667	16,573	135,142	19,955

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"		63,667	-	91,142	-
--	--	---------------	----------	---------------	----------

Investments

a. "At Fair Value through the Profit & Loss"					
- "Held for Trading"	6(b-i)	-	-	-	-
- "Designated at Fair Value on Initial Recognition"	6(b-i)	-	4,703	-	5,955
b. "Held to Maturity"	6(b-ii)	81,000	11,870	44,000	14,000
c. "Loans & Receivables"	6(b-iii)	-	-	-	-
d. "Available for Sale"	6(b-iv)	-	-	-	-
Investments		81,000	16,573	44,000	19,955

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 6b. Investments (continued)

\$ '000	2013	2013	2012	2012
	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	-	5,955	5,204	7,903
Revaluations (through the Income Statement)	-	679	-	(88)
Disposals (sales & redemptions)	-	(1,931)	(5,204)	(1,860)
Balance at End of Year	-	4,703	-	5,955
Comprising:				
- Managed Funds	-	4,703	-	5,955
Total	-	4,703	-	5,955
Note 6(b-ii)				
Reconciliation of Investments classified as "Held to Maturity"				
Balance at the Beginning of the Year	44,000	14,000	64,243	9,089
Amortisation of Premiums & Discounts	-	-	-	(75)
Additions	162,000	7,870	104,626	14,000
Disposals (sales & redemptions)	(135,000)	-	(128,883)	(5,000)
Transfers between Current/Non Current	10,000	(10,000)	4,014	(4,014)
Balance at End of Year	81,000	11,870	44,000	14,000
Comprising:				
- Long Term Deposits	81,000	1,870	44,000	10,000
- Bank Bonds	-	10,000	-	4,000
Total	81,000	11,870	44,000	14,000
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 2013

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details

\$ '000	2013	2013	2012	2012
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investments	144,667	16,573	135,142	19,955
attributable to:				
External Restrictions (refer below)	94,491	16,573	77,093	-
Internal Restrictions (refer below)	38,140	-	32,899	19,955
Unrestricted	12,036	-	25,150	-
	144,667	16,573	135,142	19,955

2013	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	-	-	21
Specific Purpose Unexpended Loans-Water (A)	-	3,037	-	3,037
Specific Purpose Unexpended Loans-Sewer (A)	6,861	-	(6,861)	-
RMS (formerly RTA) Advances (B)	298	-	(109)	190
External Restrictions - Included in Liabilities	7,180	3,037	(6,969)	3,248

External Restrictions - Other

Developer Contributions - General (D)	5	7,410	(5,895)	1,520
Developer Contributions - Water Fund (D)	10,270	-	(489)	9,780
Developer Contributions - Sewer Fund (D)	15,822	-	(2,235)	13,587
Developer Contributions - Drainage (D)	13,238	-	(2,578)	10,660
Developer Contributions - Bonus Provisions	767	3,736	-	4,503
Specific Purpose Unexpended Grants (F)	5,883	-	(1,752)	4,132
Specific Purpose Unexpended Grants-Water Fund (F)	184	455	-	639
Specific Purpose Unexpended Grants-Sewer Fund (F)	-	-	-	-
Water Supplies (G)	-	6,305	-	6,305
Sewerage Services (G)	-	22,097	-	22,097
Domestic Waste Management (G)	15,631	6,929	-	22,560
Stormwater Management (G)	2,733	888	-	3,620
Contributions to Works - General (D)	523	43	-	566
Climate Change Fund	950	-	(950)	-
Contributions to Works - Water (D)	129	-	-	129
Holiday parks	3,584	2,253	-	5,837
Cemeteries	194	87	-	280
Developer Contributions - VPA -General	-	906	-	906
Developer Contributions - S94a	-	504	-	504
Developer Contributions - VPA - Water	-	140	-	140
Developer Contributions - VPA - Sewer	-	49	-	49
External Restrictions - Other	69,913	51,803	(13,899)	107,816
Total External Restrictions	77,093	54,840	(20,868)	111,064

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details (continued)

2013 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Self Insurance Claims - General (C)	8,236	-	(2,399)	5,837
Self Insurance Claims - Water (C)	749	-	(478)	271
Self Insurance Claims - Sewer (C)	1,155	-	(861)	294
Employees Leave Entitlement - General	4,018	-	(234)	3,784
Employees Leave Entitlement - Water	341	78	-	419
Employees Leave Entitlement- Sewer	451	-	(7)	444
Tip Replacement/Rehabilitation	15,043	6,701	-	21,744
Land Development	3,948	50	-	3,998
Developer Contributions - Prepaid	3,600	-	(3,600)	-
Expenditure Carried Forward	781	-	(340)	441
Trading Capital - General	12,800	-	(12,800)	-
Public Liability Insurance - General	367	-	(111)	256
Section 355/Advances/Deposits	564	81	-	645
Trading Capital - Sewer	800	-	(800)	-
Public Liability Insurance - Water	1	5	-	6
Total Internal Restrictions	52,854	6,916	(21,630)	38,140
TOTAL RESTRICTIONS	129,947	61,755	(42,498)	149,204

- 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** RMS Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- 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.

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 7. Receivables

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		3,497	13	3,279	24
Interest & Extra Charges		775	-	846	-
User Charges & Fees		13,975	-	10,718	-
Accrued Revenues					
- Interest on Investments		2,188	-	1,960	-
- Other Income Accruals		1,847	-	2,138	-
Government Grants & Subsidies		755	-	1,413	-
Net GST Receivable		1,966	-	1,757	-
Domestic Waste Mgt Annual Charges		1,755	9	1,618	14
Water Annual Charges		609	4	560	8
Drainage Annual Charges		324	-	394	-
Sewerage Annual Charges		1,867	13	1,874	26
Liquid Trade Waste		257	-	231	-
Toukley Golf Club Limited		-	447	-	510
Wyong Community Recreation Assoc.		-	794	-	794
Other Debtors		2,307	26	2,193	33
Total		32,122	1,306	28,981	1,409
less: Provision for Impairment					
User Charges & Fees		(245)	-	(116)	-
WYCRA Loan (Wyong Community Recreation Association)		-	(794)	-	(794)
Other Debtors		(308)	-	(101)	-
Total Provision for Impairment - Receivables		(553)	(794)	(217)	(794)
<u>TOTAL NET RECEIVABLES</u>		<u>31,569</u>	<u>512</u>	<u>28,764</u>	<u>615</u>
Externally Restricted Receivables					
Water Supply					
- Specific Purpose Grants		-	-	37	-
- Rates & Availability Charges		640	-	587	-
- Other		14,590	451	15,501	517
Sewerage Services					
- Rates & Availability Charges		10	13	5	-
- Other		3,783	-	2,838	26
Domestic Waste Management		1,755	9	1,618	14
Total External Restrictions		20,778	473	20,586	557
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		10,791	39	8,178	58
TOTAL NET RECEIVABLES		31,569	512	28,764	615

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 7. Receivables

\$ '000

Notes on Debtors from the previous page:

- (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 10.00% (2012 11.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Note 8. Inventories & Other Assets

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		469	-	469	-
Stores & Materials		975	-	1,137	-
Trading Stock - Water		490	-	448	-
Other		13	-	-	-
Total Inventories		1,947	-	2,054	-
Other Assets					
Prepayments		537	-	607	-
Total Other Assets		537	-	607	-
TOTAL INVENTORIES/OTHER ASSETS		2,484	-	2,661	-
Externally Restricted Assets					
Water					
Trading Stock		490	-	448	-
Prepayments		-	-	45	-
Total Water		490	-	493	-
Sewerage					
Nil					
Domestic Waste Management					
Nil					
Total Externally Restricted Assets		490	-	493	-
Total Internally Restricted Assets		-	-	-	-
Total Unrestricted Assets		1,994	-	2,168	-
TOTAL INVENTORIES & OTHER ASSETS		2,484	-	2,661	-

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 8. Inventories & Other Assets (continued)

\$ '000	2013		2012	
	Current	Non Current	Current	Non Current
(i) Other Disclosures				
(a) Details for Real Estate Development				
Industrial/Commercial	461	-	461	-
Other Properties	8	-	8	-
Total Real Estate for Resale	469	-	469	-
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition Costs	469	-	469	-
Total Costs	469	-	469	-
less: Provision for Under Recovery	-	-	-	-
Total Real Estate for Resale	469	-	469	-
Movements:				
Real Estate assets at beginning of the year	469	-	469	-
Total Real Estate for Resale	469	-	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;

	2013	2012
Real Estate for Resale	469	469
	469	469

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2012					Asset Movements during the Reporting Period								as at 30/6/2013				
	At		Accumulated		Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Impairment Loss (recognised in P/L)	WIP Transfers	Adjustments & Transfers	Other Movements	Revaluation Increments to Equity (ARR)	At		Accumulated		Carrying Value
	Cost	Fair Value	Dep'n	Impairment										Cost	Fair Value	Dep'n	Impairment	
Capital Work in Progress	17,577	-	-	-	17,577	66,279	-	-	-	(46,536)	3,397	-	-	40,717	-	-	-	40,717
Plant & Equipment	-	45,777	27,308	-	18,469	-	(1,846)	(1,736)	-	6,755	-	1,758	-	-	42,525	19,125	-	23,400
Office Equipment	-	7,421	6,344	-	1,077	-	(39)	(442)	-	764	-	-	-	-	7,724	6,364	-	1,360
Furniture & Fittings	-	3,927	2,969	-	958	-	(1)	(184)	-	403	-	-	-	-	3,844	2,668	-	1,176
Land:																		
- Operational Land	-	197,175	-	-	197,175	56	(624)	-	-	925	(1,179)	2,940	110,880	-	310,172	-	-	310,172
- Community Land	-	125,007	-	-	125,007	2,083	-	-	-	81	1,179	(2,940)	-	-	125,410	-	-	125,410
- Land under Roads (post 30/6/08)	-	354	-	-	354	78	-	-	-	39	-	-	-	-	471	-	-	471
Land Improvements - depreciable	-	72,621	20,983	-	51,638	-	(2)	(2,144)	-	500	(222)	-	-	-	72,699	22,929	-	49,770
Buildings - Non Specialised	-	4,043	3,189	-	854	-	-	(85)	-	-	-	-	(219)	-	4,505	3,955	-	550
Buildings - Specialised	-	173,757	93,658	-	80,099	-	(39)	(4,436)	(26)	1,791	(84)	67,988	4,377	-	168,191	18,521	-	149,670
Other Structures	-	41,516	16,262	-	25,254	-	(2)	(1,178)	-	1,829	304	-	-	-	43,627	17,420	-	26,207
Infrastructure:																		
- Roads, Bridges, Footpaths	-	604,392	260,735	-	343,657	975	-	(11,520)	-	16,795	222	-	-	-	622,384	272,255	-	350,129
- Bulk Earthworks (non-depreciable)	-	2,810	-	-	2,810	-	-	-	-	5	-	-	-	-	2,815	-	-	2,815
- Stormwater Drainage	-	298,814	68,679	-	230,135	659	-	(2,504)	-	3,241	-	-	-	-	302,714	71,183	-	231,531
- Water Supply Network	-	883,947	333,459	-	550,488	316	(1,422)	(13,831)	-	4,719	(3,622)	-	15,116	-	905,695	353,931	-	551,764
- Sewerage Network	-	930,461	286,067	-	644,395	834	(568)	(12,087)	-	8,270	6	-	15,415	-	962,232	305,967	-	656,265
Other Assets:																		
- Heritage Collections	-	177	89	-	88	-	-	(1)	-	83	-	-	-	-	245	75	-	170
- Library Books	-	8,789	7,698	-	1,091	177	-	(488)	-	335	-	-	-	-	9,301	8,186	-	1,115
- Other	-	20	64	-	(44)	38	(1)	-	-	-	-	45	-	-	38	-	-	38
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26)																		
- Tip Asset	-	4,765	2,911	-	1,854	-	-	(1,112)	-	-	-	-	-	-	4,765	4,023	-	742
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	17,577	3,405,774	1,130,415	-	2,292,936	71,495	(4,544)	(51,748)	(26)	0	(0)	69,791	145,569	40,717	3,589,357	1,106,602	-	2,523,472

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals (\$31993) and New Assets (\$20167). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 9b. Externally Restricted Infrastructure, Property, Plant & Equipment

\$ '000	Actual 2013				Actual 2012			
	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	9,786	-	-	9,786	3,135	-	-	3,135
Plant & Equipment	-	408	230	178	-	883	690	193
Office Equipment	-	362	244	118	-	477	314	163
Furniture & Fittings	-	117	94	23	-	155	121	34
Land								
- Operational Land	-	34,578	-	34,578	-	13,847	-	13,847
- Community Land	-	1,168	-	1,168	-	1,314	-	1,314
Buildings	-	6,405	554	5,851	-	1,855	1,110	745
Other Structures	-	1,148	46	1,102	-	523	22	501
Infrastructure - Water Supply	-	905,695	353,931	551,764	-	883,947	333,459	550,488
Infrastructure - Stormwater	-	302,715	71,184	231,531	-	298,814	68,679	230,135
Total Water Supply	9,786	1,252,596	426,283	836,099	3,135	1,201,815	404,395	800,555
Sewerage Services								
WIP	5,525	-	-	5,525	1,954	-	-	1,954
Plant & Equipment	-	794	356	438	-	1,360	813	547
Office Equipment	-	366	270	96	-	451	440	11
Furniture & Fittings	-	45	38	7	-	61	52	9
Land								
- Operational Land	-	23,021	-	23,021	-	9,016	-	9,016
Buildings	-	7,556	1,014	6,542	-	6,824	3,861	2,962
Other Structures	-	350	21	329	-	230	13	217
Infrastructure	-	962,232	305,967	656,265	-	930,461	286,067	644,395
Total Sewerage Services	5,525	994,364	307,666	692,223	1,954	948,403	291,246	659,111
TOTAL RESTRICTED I,PP&E	15,311	2,246,960	733,949	1,528,322	5,089	2,150,218	695,641	1,459,666

Note 9c. Infrastructure, Property, Plant & Equipment - Current Year Impairments

\$ '000	Notes	Actual 2013	Actual 2012
Impairment Losses recognised in the Income Statement incl.			
Impairment of public toilet block to be demolished		(26)	-
Total Impairment Losses		(26)	-
IMPAIRMENT of ASSETS - GAINS/(LOSSES) in P/L	4(d)	(26)	-

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		14,377	-	10,287	-
Payments Received In Advance		3,432	14,210	15,756	-
Accrued Expenses:					
- Borrowings		1,396	-	1,432	-
- Salaries & Wages		1,513	-	1,442	-
- Other Expenditure Accruals		11,708	-	8,394	-
Security Bonds, Deposits & Retentions		734	-	693	-
Developer Bonds		1,054	-	853	-
Other		2,717	-	3,185	-
Total Payables		36,931	14,210	42,042	-
Borrowings					
Loans - Secured ¹		10,755	181,132	11,183	186,392
Total Borrowings		10,755	181,132	11,183	186,392
Provisions					
Employee Benefits;					
Annual Leave		6,418	-	6,484	-
Sick Leave		5,551	-	5,336	-
Long Service Leave		10,367	334	10,763	313
Other Leave		275	-	287	-
Sub Total - Aggregate Employee Benefits		22,611	334	22,870	313
Self Insurance - Workers Compensation		1,357	3,884	1,238	5,384
Self Insurance - Public Liability		182	-	315	-
Self Insurance - Other		80	-	53	-
Asset Remediation/Restoration (Future Works) ²⁶		3,066	49,834	3,762	50,199
Payroll Tax		234	2	214	1
Total Provisions		27,530	54,054	28,452	55,897
Total Payables, Borrowings & Provisions		75,216	249,396	81,677	242,289

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 2013

Note 10a. Payables, Borrowings & Provisions (continued)

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
(i) Liabilities relating to Restricted Assets					
Externally Restricted Assets					
Water		16,909	172,200	26,330	158,909
Sewer		6,619	23,158	(2,802)	25,748
Domestic Waste Management		1,946	-	1,273	-
Self Insurance Water Fund		65	176	95	411
Self Insurance Sewer Fund		59	162	144	634
Other Insurance Water Fund		6	-	-	-
Developer Contributions in advance Gener		2,402	9,397	10,172	-
Developer Contributions in advance Water		158	3,932	3,961	-
Developer Contributions in advance Sewer		205	881	1,066	-
Liabilities relating to externally restricted assets		28,369	209,906	40,239	185,702
Internally Restricted Assets					
Self Insurance General Fund		1,232	3,546	999	4,339
Other Insurance General Fund		256	-	-	-
Liabilities relating to internally restricted assets		1,488	3,546	999	4,339
Total Liabilities relating to restricted assets		29,856	213,452	41,238	190,041
Total Liabilities relating to Unrestricted Assets		45,360	35,944	40,439	52,248
TOTAL PAYABLES, BORROWINGS & PROVISIONS		75,216	249,396	81,677	242,289

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 10a. Payables, Borrowings & Provisions (continued)

\$ '000	Actual 2013	Actual 2012
(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	13,380	16,073
Payables	-	15,199
	13,380	31,272

Note 10b. Description of and movements in Provisions

Nil

Class of Provision	2012		2013			
	Opening Balance as at 1/7/12	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/13
Annual Leave	6,484	5,009	(5,075)	-	-	6,418
Sick Leave	5,336	3,228	(3,013)	-	-	5,551
Long Service Leave	11,076	1,961	(2,336)	-	-	10,701
Other Leave	287	709	(721)	-	-	275
Self Insurance	6,990	600	(2,087)	-	-	5,503
Asset Remediation	53,961	-	(746)	6,051	(6,366)	52,900
Other	215	1,086	(1,065)	-	-	236
TOTAL	84,349	12,593	(15,043)	6,051	(6,366)	81,584

- 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.
- Self Insurance Provisions represent both (i) Claims Incurred but Not reported and (ii) Claims Reported & Estimated as a result of Council's being a self insurer up to certain levels of Excess.
- 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.
- Other Provisions represent Payroll Tax

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2013	Actual 2012
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	63,667	91,142
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		63,667	91,142
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		22,420	2,242
Adjust for non cash items:			
Depreciation & Amortisation		52,651	55,629
Net Losses/(Gains) on Disposal of Assets		1,855	2,584
Non Cash Capital Grants and Contributions		(3,483)	(4,654)
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"		(679)	88
- Other		3	-
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- Interest on all fair value adjusted Interest Free Advances made by Council		(3)	-
- Interest Exp. on Interest Free Loans received by Council (previously Fair Valued)		-	75
Unwinding of Discount Rates on Reinstatement Provisions		6,051	2,299
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(3,038)	7,135
Increase/(Decrease) in Provision for Doubtful Debts		336	887
Decrease/(Increase) in Inventories		107	34
Decrease/(Increase) in Other Assets		70	660
Increase/(Decrease) in Payables		4,090	4,790
Increase/(Decrease) in accrued Interest Payable		(36)	222
Increase/(Decrease) in other accrued Expenses Payable		3,385	31
Increase/(Decrease) in Other Liabilities		1,660	(5,227)
Increase/(Decrease) in Employee Leave Entitlements		(238)	(853)
Increase/(Decrease) in Other Provisions		(8,578)	3,633
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		76,599	69,575

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 11. Statement of Cash Flows - Additional Information (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Non-Cash Investing & Financing Activities			
S94 Contributions "in kind"		804	2,886
Other Dedications		2,679	1,768
Total Non-Cash Investing & Financing Activities		3,483	4,654
(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		8,272	10,140
Total Financing Arrangements		11,522	13,390
Amounts utilised as at Balance Date:			
- Credit Cards / Purchase Cards		96	137
- Lease Facilities		490	862
- Standby Credit Facilities		8,272	10,140
Total Financing Arrangements Utilised		8,858	11,139

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.

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2013	Actual 2012
(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		908	758
Plant & Equipment		653	1,045
Total Commitments		1,561	1,803
These expenditures are payable as follows:			
Within the next year		1,561	1,803
Total Payable		1,561	1,803
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		1,561	1,803
Total Sources of Funding		1,561	1,803

(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		437	431
Later than one year and not later than 5 years		556	583
Later than 5 years		1,123	1,338
Total Non Cancellable Operating Lease Commitments		2,116	2,352

b. Non Cancellable Operating Leases include the following assets:

IT Equipment, Childcare centre lease and Office rental

Conditions relating to Operating Leases:

- All Operating Lease Agreements are secured only against the Leased Asset.
- No Lease Agreements impose any financial restrictions on Council regarding future debt etc.

(d) Investment Property Commitments

Nil

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 13a(i). Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts 2013	Indicator 2013	Prior Periods	
			2012	2011
Local Government Industry Indicators - Consolidated				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	<u>62,492</u>	1.87 : 1	2.68	1.83
Current Liabilities less Specific Purpose Liabilities ^(2,3)	<u>33,467</u>			
2. Debt Service Ratio				
Debt Service Cost	<u>26,770</u>	12.19%	13.02%	11.00%
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)	<u>219,604</u>			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	<u>135,676</u>	54.80%	53.52%	47.00%
Income from Continuing Operations	<u>247,602</u>			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	<u>8,866</u>	6.10%	6.28%	7.12%
Rates, Annual & Extra Charges Collectible	<u>145,250</u>			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾	<u>31,993</u>	71.91%	74.35%	52.00%
Depreciation, Amortisation & Impairment	<u>44,489</u>			

Notes

⁽¹⁾ Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

⁽²⁾ Refer to Note 10(a).

⁽³⁾ Refer to Note 10(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).

⁽⁴⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 13b. Statement of Performance Measurement - Indicators (by Fund)

\$ '000	Water 2013	Sewer 2013	General ¹ 2013
Local Government Industry Indicators - by Fund			
1. Unrestricted Current Ratio			
Current Assets less all External Restrictions ⁽¹⁾	1.14 : 1	3.32 : 1	1.85 : 1
Current Liabilities less Specific Purpose Liabilities ^(2,3)			
prior period:	0.64	5.2	2.01
2. Debt Service Ratio			
Debt Service Cost	49.72%	12.47%	0.83%
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)			
prior period:	62.00%	9.00%	1.00%
3. Rates & Annual Charges Coverage Ratio			
Rates & Annual Charges	33.87%	81.52%	55.35%
Income from Continuing Operations			
prior period:	34.00%	84.00%	53.00%
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
Rates, Annual & Extra Charges Outstanding	6.41%	6.66%	5.85%
Rates, Annual & Extra Charges Collectible			
prior period:	7.60%	7.09%	5.83%
5. Building & Infrastructure Renewals Ratio			
Asset Renewals (Building & Infrastructure assets)	27.87%	62.32%	123.91%
Depreciation, Amortisation & Impairment			
prior period:	49.00%	21.00%	140.00%

Notes

⁽¹⁾ 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 2013

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	
	2013	2012	2013	2012
Financial Assets				
Cash and Cash Equivalents	63,667	91,142	63,667	91,142
Investments				
- "Designated At Fair Value on Initial Recognition"	4,703	5,955	4,703	5,955
- "Held to Maturity"	92,870	58,000	92,870	58,000
Receivables	32,081	29,379	32,081	34,194
Total Financial Assets	193,321	184,476	193,321	189,291
Financial Liabilities				
Payables	51,141	42,042	51,141	46,857
Loans / Advances	191,887	197,575	194,804	200,623
Total Financial Liabilities	243,028	239,617	245,945	247,480

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.

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(a) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated in accordance with Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 7 Financial Instruments: Disclosures, requires the disclosure of how fair valuations have been arrived at for all financial assets and financial liabilities that have been measured at fair value.

Arriving at fair values for financial assets & liabilities can be broken up into 3 distinct measurement hierarchies:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table presents the financial assets and financial liabilities that have been measured & recognised at fair values:

2013	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- "Designated At Fair Value on Initial Recognition"	4,703	-	-	4,703
Total Financial Assets	4,703	-	-	4,703
2012	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- "Designated At Fair Value on Initial Recognition"	5,955	-	-	5,955
Total Financial Assets	5,955	-	-	5,955

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(b) Cash & Cash Equivalents, Financial assets 'at fair value through the profit & Loss' "Available-for-sale" financial assets & "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 major risk associated with Investments is price risk - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these 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.

Cash & Investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with Cash & Investments is credit risk - the risk that the investment counterparty) will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

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

The following represents a summary of the sensitivity of Council's Income Statement and Accumulated Surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

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

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
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)
2012				
Possible impact of a 10% movement in Market Values	596	596	(596)	(596)
Possible impact of a 1% movement in Interest Rates	1,491	1,491	(1,491)	(1,491)

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(c) 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.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on 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:

	2013	2013	2012	2012
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	(42)	25,482	(32)	23,263
Overdue	3,552	4,436	3,335	3,824
	<u>3,510</u>	<u>29,918</u>	<u>3,303</u>	<u>27,087</u>

(ii) Movement in Provision for Impairment of Receivables

	2013	2012
Balance at the beginning of the year	1,011	124
+ new provisions recognised during the year	336	893
- amounts already provided for & written off this year	-	(6)
Balance at the end of the year	<u>1,347</u>	<u>1,011</u>

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(d) 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 Liquidity 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		
2013									
Trade/Other Payables	734	50,407	-	-	-	-	-	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	74,695	23,627	23,159	22,595	22,555	169,040	336,405	243,028
2012									
Trade/Other Payables	693	41,349	-	-	-	-	-	42,042	42,042
Loans & Advances	-	24,916	24,154	22,763	22,590	21,930	186,457	302,810	197,575
Total Financial Liabilities	693	66,265	24,154	22,763	22,590	21,930	186,457	344,852	239,617

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:

	2013		2012	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	51,141	0.0%	42,042	0.0%
Commercial Banks	190,688	7.0%	195,497	7.0%
NSW Government Agencies	1,199	5.2%	2,078	8.1%
	243,028		239,617	

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 12/13 was adopted by the Council on 23 May 2012.

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	2013 Budget	2013 Actual	2013 ----- Variance* -----		
REVENUES					
Rates & Annual Charges	136,389	135,676	(713)	(1%)	U
User Charges & Fees	64,339	57,503	(6,836)	(11%)	U
(\$5.2M) resulting from lower than budgeted tipping fees. (\$1.5M) as a result of a reclassification of rental revenue from Other Revenues.					
Interest & Investment Revenue	7,761	9,272	1,511	19%	F
This was mainly due to a conservative estimate being made in the budget reflecting the global trends. Planned capital expenditures were also delayed, resulting in more monies being available for investment.					
Other Revenues	2,350	4,084	1,734	74%	F
\$1.5M as a result of a reclassification of rental revenue to User Charges & Fees.					
Operating Grants & Contributions	25,428	25,953	525	2%	F
Capital Grants & Contributions	11,161	15,114	3,953	35%	F
This was mainly due to a conservative estimate being made in the budget reflecting recent historical trends. General Fund developer contributions and contributed assets have out performed budget.					
Net Gains from Disposal of Assets	989	-	(989)	(100%)	U
Gains and losses on disposal of assets have been combined as a net loss in expenses from continuing operations.					

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 16. Material Budget Variations (continued)

\$ '000	2013 Budget	2013 Actual	2013 Variance*		
EXPENSES					
Employee Benefits & On-Costs	81,499	75,224	6,275	8%	F
Borrowing Costs	16,488	16,742	(254)	(2%)	U
Materials & Contracts	57,974	44,733	13,241	23%	F
This variation is partially due to the original budget reclassification of \$3.3m expenses from Materials & Contracts to Other Expenses. Therefore the reclassified budget is \$54.7m resulting in an 18% favourable variance, primarily attributed to delays in major development projects, underspend in community and recreation services, and tight cost containment within infrastructure and operations.					
Depreciation & Amortisation	55,182	52,651	2,531	5%	F
Impairment Expenses	-	26	(26)	0%	U
Other Expenses	36,113	33,951	2,162	6%	F
Following reclassification of expenses from Materials and Contracts of \$3.3m, the original budget of \$39.4m resulted in a 14% favourable variance that can be directly associated with a favourable adjustment to the closed landfill rehabilitation provision of \$2.9m, and reduced EPA Waste levy of \$2.6m as a result of reduced tonnages being deposited at Buttonderry Waste Management Facility.					
Net Losses from Disposal of Assets	-	1,855	(1,855)	0%	U

Budget Variations relating to Council's Cash Flow Statement include:

Cash Flows from Operating Activities	43,168	76,599	33,431	77.4%	F
Variations are driven by errors in Council's cashflow estimating tool. A new tool was implemented during 2012-13 which provides improved forecasts.					
Cash Flows from Investing Activities	(42,738)	(98,386)	(55,648)	130.2%	U
Variations are driven by errors in Council's cashflow estimating tool. A new tool was implemented during 2012-13 which provides improved forecasts.					
Cash Flows from Financing Activities	(11,176)	(5,688)	5,488	(49.1%)	F
Variations are driven by errors in Council's cashflow estimating tool. A new tool was implemented during 2012-13 which provides improved forecasts.					

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions

\$ '000

Council recovers contributions, raises levies & 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 & 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	13,237	557	227	360	(795)	(2,927)	10,659	14,923	(35,777)	(10,195)	5,270
Roads	1	754	55	179	(894)	201	296	46,265	(41,550)	5,011	(3,474)
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	6
Parking	-	-	-	8	-	-	8	-	(3,138)	(3,130)	788
Open Space	2	1,587	183	176	(4,408)	2,647	187	100,655	(80,513)	20,329	(10,928)
Community Facilities	2	999	325	360	(568)	(116)	1,002	84,608	(99,258)	(13,648)	8,485
Other	1	38	5	2	(14)	(6)	26	5,393	(3,786)	1,633	(147)
S94 Contributions - under a Plan	13,243	3,935	795	1,085	(6,679)	(201)	12,178	251,844	(264,022)	-	-
S94A Levies - under a Plan	-	295	-	11	(3)	201	504				-
Total S94 Revenue Under Plans	13,243	4,230	795	1,096	(6,682)	-	12,682				-
S94 not under Plans	-	-	-	-	-	-	-				-
S93F Planning Agreements	-	1,213	-	24	(141)	-	1,096				-
S64 Contributions	26,092	1,422	9	835	(4,989)	-	23,370				-
Total Contributions	39,335	6,865	804	1,955	(11,812)	-	37,148			-	-

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

DEVELOPER CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 1 - WYONG

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (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	1,061	-	-	39	-	(132)	968	-	(2,301)	(1,333)	841
Roads	-	15	-	56	-	-	71	-	(2,254)	(2,183)	832
Parking	-	-	-	6	-	-	6	-	(3,060)	(3,054)	256
Open Space	-	77	-	49	(763)	637	-	13,893	(14,036)	(143)	1,993
Community Facilities	-	29	-	42	(1)	-	70	19,762	(18,844)	988	1,757
Other	-	-	-	1	(1)	-	-	-	-	-	46
s94 Total	1,061	121	-	193	(765)	505	1,115	33,655	(40,495)	(5,725)	5,725
s64 - Water	2,130	102	-	84	(284)	-	2,032				-
s64 - Sewer	3,498	114	-	76	(162)	-	3,526				-
s64 Total	5,628	216	-	160	(446)	-	5,558				-
Total	6,689	337	-	353	(1,211)	505	6,673	33,655	(40,495)	(5,725)	5,725

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	887	-	-	20	-	-	907	-	(907)	-	-
Roads	-	-	-	17	-	-	17	-	(805)	(788)	788
Open Space	-	15	-	24	(2,977)	2,977	39	5,825	(6,958)	(1,094)	1,094
Community Facilities	-	12	-	20	-	-	32	4,867	(5,789)	(890)	890
Other	-	2	-	-	(1)	-	1	720	(715)	6	(6)
s94 Total	887	29	-	81	(2,978)	2,977	996	11,412	(15,174)	(2,766)	2,766
s64 - Water	1,142	32	-	69	-	-	1,243				-
s64 - Sewer	2,234	28	-	48	(97)	-	2,213				-
s64 Total	3,376	60	-	117	(97)	-	3,456				-
Total	4,263	89	-	198	(3,075)	2,977	4,452	11,412	(15,174)	(2,766)	2,766

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

DEVELOPER CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 3 - THE ENTRANCE

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (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	-	-	-	-	-	3	-	(259)	(256)	1
Roads	-	45	-	39	(126)	42	-	5,407	(7,185)	(1,778)	1,778
Parking	-	-	-	2	-	-	2	-	(78)	(76)	77
Open Space	-	29	-	16	-	(41)	4	2,002	(2,499)	(493)	747
Community Facilities	-	45	-	20	(4)	-	61	3,116	(1,228)	1,949	(1,949)
s94 Total	3	119	-	77	(130)	1	70	10,525	(11,249)	(654)	654
s64 - Water	651	37	-	69	-	-	757				-
s64 - Sewer	927	23	-	19	(70)	-	899				-
s64 Total	1,578	60	-	88	(70)	-	1,656				-
Total	1,581	179	-	165	(200)	1	1,726	10,525	(11,249)	(654)	654

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	
Drainage	-	-	-	-	-	-	-	-	-	-	1,630
Roads	-	-	-	5	-	-	5	-	(226)	(221)	221
Open Space	-	10	-	3	(276)	262	(1)	726	(166)	559	83
Community Facilities	-	9	-	36	-	-	45	608	(2,925)	(2,272)	-
Other	-	1	-	-	(1)	-	-	86	(86)	-	-
s94 Total	-	20	-	44	(277)	262	49	1,420	(3,403)	(1,934)	1,934
s64 - Water	477	48	-	18	-	-	543				-
s64 - Sewer	577	30	-	14	(91)	-	530				-
s64 Total	1,054	78	-	32	(91)	-	1,073				-
Total	1,054	98	-	76	(368)	262	1,122	1,420	(3,403)	(1,934)	1,934

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

DEVELOPER CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 6 - TOUKLEY

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (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	-	-	-	-	-	-	-	-	-	-	4
Roads	-	-	-	-	-	-	-	-	(135)	(135)	14
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	6
Parking	-	-	-	-	-	-	-	-	-	-	455
Open Space	-	14	10	10	(10)	-	24	11,518	(11,997)	(455)	1,068
Community Facilities	-	14	10	24	(13)	-	35	12,021	(12,937)	(881)	-
Other	-	-	-	-	-	-	-	-	(76)	(76)	-
s94 Total	-	28	20	34	(23)	-	59	23,539	(25,145)	(1,547)	1,547
s64 - Water	397	15	6	19	(6)	-	431				-
s64 - Sewer	493	14	3	11	(23)	-	498				1
s64 Total	890	29	9	30	(29)	-	929				1
Total	890	57	29	64	(52)	-	988	23,539	(25,145)	(1,547)	1,548

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	-	-	18	-	(1,259)	(1,241)	110
Open Space	-	22	-	11	-	-	33	4,059	(4,070)	22	499
Community Facilities	-	18	-	2	-	-	20	3,390	(3,400)	10	50
Other	-	-	-	-	-	-	-	550	-	550	-
s94 Total	-	40	-	31	-	-	71	7,999	(8,729)	(659)	659
s64 - Water	(2,390)	25	-	44	-	2,323	2				(2,323)
s64 - Sewer	1,133	17	-	25	-	-	1,175				(1)
s64 Total	(1,257)	42	-	69	-	2,323	1,177				(2,324)
Total	(1,257)	82	-	100	-	2,323	1,248	7,999	(8,729)	(659)	(1,665)

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

DEVELOPER 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	
Drainage	11,259	522	227	300	(795)	(2,795)	8,718	9,672	(21,183)	(2,793)	2,793
Roads	-	537	55	15	(768)	159	(2)	11,309	(3,665)	7,642	(7,642)
Open Space	1	1,195	172	27	(173)	(1,222)	-	21,272	(9,156)	12,116	(16,155)
Community Facilities	1	665	312	156	(516)	-	618	14,087	(16,671)	(1,966)	6,005
Other	1	10	1	-	(2)	-	10	122	(138)	(6)	6
s94 Total	11,262	2,929	767	498	(2,254)	(3,858)	9,344	56,462	(50,813)	14,993	(14,993)
s93F - General	-	462	-	9	(98)	-	373				-
s93F - Drainage	-	119	-	2	(44)	-	78				-
s93F - Water	-	62	-	1	-	-	63				-
s93F - Sewer	-	48	-	1	-	-	49				-
s93F Total	-	691	-	13	(141)	-	563				-
s64 - Water	5,613	386	-	99	(1,492)	(2,323)	2,283				2,323
s64 - Sewer	3,365	267	-	80	-	(766)	2,946				766
s64 Total	8,978	653	-	179	(1,492)	(3,089)	5,229				3,089
Total	20,240	4,273	767	690	(3,887)	(6,947)	15,136	56,462	(50,813)	14,993	(11,904)

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

DEVELOPER CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 8 - SAN REMO

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (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	27	35	-	1	-	-	63	-	-	63	1
Roads	-	34	-	14	-	-	48	200	(510)	(262)	(136)
Open Space	-	62	-	21	-	-	83	656	(933)	(194)	484
Community Facilities	-	52	-	1	-	(1)	52	548	-	600	(630)
Other	-	1	-	1	(3)	1	-	85	-	85	(11)
s94 Total	27	184	-	38	(3)	-	246	1,489	(1,443)	292	(292)
s64 - Water	929	20	-	48	-	-	997				(1)
s64 - Sewer	1,758	24	-	29	(1,714)	-	97				1
s64 Total	2,687	44	-	77	(1,714)	-	1,094				-
Total	2,714	228	-	115	(1,717)	-	1,340	1,489	(1,443)	292	(292)

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

DEVELOPER 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	
Roads	-	-	-	2	-	-	2	3,246	(3,330)	(82)	82
Open Space	-	2	-	3	-	-	5	1,744	(1,864)	(115)	115
Community Facilities	-	2	-	32	-	(1)	33	1,457	(3,002)	(1,512)	1,512
Other	-	-	-	-	(1)	1	-	225	(215)	10	(10)
s94 Total	-	4	-	37	(1)	-	40	6,672	(8,411)	(1,699)	1,699
s64 - Water	473	3	-	10	-	-	486				(1)
s64 - Sewer	281	3	-	1	(1,050)	766	1				(765)
s64 Total	754	6	-	11	(1,050)	766	487				(766)
Total	754	10	-	48	(1,051)	766	527	6,672	(8,411)	(1,699)	933

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	1	59	1	2	(1)	(62)	-	11,292	(10,426)	866	(841)
Community Facilities	1	67	3	1	(33)	(36)	3	8,572	(8,942)	(367)	(311)
Other	-	12	4	-	(4)	-	12	1,651	(838)	825	(172)
s94 Total	2	138	8	3	(38)	(98)	15	21,515	(20,206)	1,324	(1,324)
s93F - General	-	7	-	-	-	-	7				-
s93F Total	-	7	-	-	-	-	7				-
Total	2	145	8	3	(38)	(98)	22	21,515	(20,206)	1,324	(1,324)

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

DEVELOPER CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 15 - NORTHERN DISTRICTS

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (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	1	123	-	13	-	-	137	17,764	(18,380)	(479)	479
Open Space	-	102	-	10	(208)	96	-	14,558	(14,543)	15	(15)
Community Facilities	-	86	-	26	(1)	(78)	33	12,315	(13,509)	(1,161)	1,161
Other	-	12	-	-	(1)	(8)	3	1,715	(1,718)	-	-
s94 Total	1	323	-	49	(210)	10	173	46,352	(48,150)	(1,625)	1,625
s93F - General	-	515	-	11	-	-	526				-
s93F Total	-	515	-	11	-	-	526				-
s64 - Water	847	125	-	35	-	-	1,007				(2)
s64 - Sewer	1,557	109	-	37	-	-	1,703				2
s64 Total	2,404	234	-	72	-	-	2,710				-
Total	2,405	1,072	-	132	(210)	10	3,409	46,352	(48,150)	(1,625)	1,625

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	
Drainage	-	-	-	-	-	-	-	5,251	(11,127)	(5,876)	-
Roads	-	-	-	-	-	-	-	8,339	(3,801)	4,538	-
Open Space	-	-	-	-	-	-	-	13,110	(3,865)	9,245	-
Community Facilities	-	-	-	-	-	-	-	3,865	(12,011)	(8,146)	-
Other	-	-	-	-	-	-	-	239	-	239	-
s94 Total	-	-	-	-	-	-	-	30,804	(30,804)	-	-
Total	-	-	-	-	-	-	-	30,804	(30,804)	-	-

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge & disclosure is considered relevant to the users of Council's Financial Report.

LIABILITIES NOT RECOGNISED:

(i) Defined Benefit Superannuation Contribution Plans

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 AASB119. Sufficient information under AASB119 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 amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30th June 2013 was \$2,576,244. The last valuation of the Scheme was performed by Mr Martin Stevenson BSc, FIA, FIAA on 20th February 2013 and covers the period ended 30th of June 2013. However the position is monitored annually and the Actuary has estimated that as at the 30th June 2013 a deficit still exists. Effective from 1st of July 2013, employers are required to contribute additional contributions to assist in extinguishing this deficit. The annual amount of additional contributions payable until the deficit is extinguished is \$1,054,547.

The additional contributions remitted during the year is included in the total employer contributions set out in the beginning of this paragraph.

The share of this deficit that can broadly attributed to Wyong Shire Council was estimated to be in the order of \$4,902,951 as at 30th of June 2013.

(ii) Bank Guarantee

Council provides a bank guarantee to the value of \$6,402,000 to secure its self-insurance license for Workers Compensation. The guarantee is provided to WorkCover NSW.

(iii) Developer Contributions

Council levies Section 94/94A Contributions upon various development across the Council 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 Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's General Funds.

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).

(iv) 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 24. However once the remediation works have

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 18. Contingencies & Other Assets/Liabilities Not Recognised (continued)

\$ '000

LIABILITIES NOT RECOGNISED (continued):

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 \$2m until 2030. This estimate is based on the Closed Landfill budget of \$118k for 2012-13 multiplied by the remaining 17 years.

(v) 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, replacing the former Gosford/Wyong Councils' Water Authority.

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 likelihood of this impact being realised cannot be determined.

(vi) Joint Services Business

Gosford and Wyong Councils have agreed to the establishment of a Joint Services Business (JSB) in conjunction with the CCWC, as a cost-effective opportunity to streamline operations. The JSB will provide IT, HR, finance and plant & fleet services and will benefit the community in the following ways:

- reduced costs, through the creation of common administrative systems

(vi) Joint Services Business (continued)

- opportunities to improve efficiency by aligning policies and procedures
- greater organisational resilience (through pooled resources)
- a large reduction in IT costs, from moving to a single set of IT systems with better functionality.
- savings can be reinvested in the community.

At the time of preparing the financial statements the project is presently on hold pending further discussions with Gosford. More work is required to determine the details of the JSB services, and any possible impact this may have on Council.

(vii) United Services Union

There are four separate proceedings before the Industrial Relations Commission. One will be heard in December 2013 and the others have been adjourned. The estimated contingent liability at this point is approximately \$20K.

(viii) Strathavon Resort

These proceedings are an appeal before the Land and Environment Court against the deemed refusal of an Application for a Building Certificate in respect to certain building works at the premises at 31 Boyce Ave Wyong. The proceedings were listed before the Court on 15th of July 2013. Council Legal Section believes that our exposure is about \$100k but it is only an estimate at this point.

(ix) Waste Collection Contract

Council's previous waste collection contractor (Thiess Services) initiated a claim associated with the payment calculation method under the contract. That claim by Thiess remains unresolved. The contract was novated to Remondis Australia in September 2012.

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 18. Contingencies & Other Assets/Liabilities Not Recognised (continued)

\$ '000

LIABILITIES NOT RECOGNISED (continued):

Remondis formally approached Council to negotiate a rate variation on collection services for the remainder of the contract period. This claim is currently being investigated.

(x) Holiday Park Improvement Works

Legal proceedings are currently in progress concerning a contractual dispute with a construction contractor engaged to undertake new works and improvements at a number of Council's holiday parks. Council is defending a claim from the contractor and pursuing rectification of unsatisfactory works.

ASSETS NOT RECOGNISED:

(i) 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 & including 30/6/08.

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '000

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

Subsidiaries

Note 19(a)

Operational Arrangements where Councils Control (but not necessarily Interest) exceeds 50%

Associated Entities & Joint Venture Entities

Note 19(b) (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(c)

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.

Subsidiaries, Associated Entities and Joint Ventures Not Recognised

Note 19(d)

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 2013	Actual 2012	Actual 2013	Actual 2012
Associated Entities	-	-	-	-
Joint Venture Entities	-	-	250	125
Total	-	-	250	125

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '000

(a) Subsidiaries (ie. Entities & Operations controlled by Council)

Council has no interest in any Subsidiaries.

(b) 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	2013	2012
Central Coast Water Corporation	Strategic decisions about the Central Coast water supply	250	125
Total Carrying Amounts - Joint Venture Entities		250	125

(b) Relevant Interests

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2013	2012	2013	2012	2013	2012
Central Coast Water Corporation		50%		50%		50%

(c) Movement in Carrying Amounts

	Central Coast Water Corporation	
	2013	2012
Opening Balance	125	-
New Capital Contributions	125	125
Council's Equity Share in the Joint Venture Entity	250	125

(d) Share of Joint Ventures Assets & Liabilities

	Assets		Liabilities		Net Assets
	Current	Non Current	Current	Non Current	
2013					
Central Coast Water Corporation	-	250	-	-	250
Totals	-	250	-	-	250
2012					
Central Coast Water Corporation	-	125	-	-	125
Totals	-	125	-	-	125

(e) Share of Joint Ventures Revenues, Expenses & Results

	2013			2012		
	Revenues	Expenses	Result	Revenues	Expenses	Result
Central Coast Water Corporation	-	-	-	-	-	-
Totals	-	-	-	-	-	-

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '000

(c) Joint Venture Operations

(a) 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	Supply of Water Supply Headworks	48.87%

(b) Council Assets employed in the Joint Venture Operations

	2013	2012
Council's share of assets jointly owned with other partners		
Property, Plant & Equipment	311,246	321,228
Total Net Assets Employed - Council & Jointly Owned	311,246	321,228

(d) Subsidiaries, Associated Entities & Joint Venture Operations Not Recognised

None.

Wyong Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2013	Actual 2012
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		1,251,253	1,258,601
a. Other Comprehensive Income (excl. direct to Reserves transactions)	20(c)	69,791	(9,590)
b. Net Operating Result for the Year		22,420	2,242
Balance at End of the Reporting Period		1,343,464	1,251,253

(b) Reserves**(i) Reserves are represented by:**

- Infrastructure, Property, Plant & Equipment Revaluation Reserve		1,052,162	906,593
Total		1,052,162	906,593

(ii) Reconciliation of movements in Reserves:**Infrastructure, Property, Plant & Equipment Revaluation Reserve**

- Opening Balance		906,593	642,766
- Revaluations for the year	9(a)	145,569	263,827
- Balance at End of Year		1,052,162	906,593
TOTAL VALUE OF RESERVES		1,052,162	906,593

(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 disclosed in this 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	-

Correction of errors as disclosed in last year's financial statements:

Adjustment to write off buildings included in previous years (07/08) revaluation that do not belong to Wyong Shire Council.		-	(9,590)
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(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 2013

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2013	Actual 2013	Actual 2013
Continuing Operations	Water	Sewer	General¹
Income from Continuing Operations			
Rates & Annual Charges	16,066	27,465	92,145
User Charges & Fees	25,871	1,672	29,960
Interest & Investment Revenue	1,149	2,244	5,879
Other Revenues	209	130	3,745
Grants & Contributions provided for Operating Purposes	1,019	666	24,268
Grants & Contributions provided for Capital Purposes	3,121	1,514	10,479
Other Income			
Net Gains from Disposal of Assets	-	-	-
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-
Total Income from Continuing Operations	47,435	33,691	166,476
Expenses from Continuing Operations			
Employee Benefits & on-costs	6,822	7,217	61,185
Borrowing Costs	11,894	1,897	2,951
Materials & Contracts	3,750	3,954	37,029
Depreciation & Amortisation	16,632	12,485	23,534
Impairment	-	-	26
Other Expenses	12,282	9,403	12,266
Interest & Investment Losses	-	-	-
Net Losses from the Disposal of Assets	1,432	571	(148)
Total Expenses from Continuing Operations	52,812	35,527	136,843
Operating Result from Continuing Operations	(5,377)	(1,836)	29,633
Discontinued Operations			
Net Profit/(Loss) from Discontinued Operations	-	-	-
Net Operating Result for the Year	(5,377)	(1,836)	29,633
Net Operating Result attributable to each Council Fund	(5,377)	(1,836)	29,633
Net Operating Result attributable to Non-controlling Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	(8,498)	(3,350)	19,154

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 2013

Note 21. Financial Result & Financial Position by Fund (continued)

Statement of Financial Position by Fund \$ '000	Actual 2013	Actual 2013	Actual 2013
ASSETS	Water	Sewer	General¹
Current Assets			
Cash & Cash Equivalents	12,360	14,394	36,913
Investments	15,774	18,290	46,936
Receivables	15,230	3,792	12,925
Inventories	490	-	1,457
Other	-	-	537
Non-current assets classified as 'held for sale'	-	-	-
Total Current Assets	43,854	36,476	98,768
Non-Current Assets			
Investments	3,253	3,788	9,532
Receivables	451	13	19,670
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	836,099	692,223	995,150
Investments Accounted for using the equity method	-	-	250
Investment Property	-	-	-
Intangible Assets	122	74	515
Total Non-Current Assets	839,925	696,098	1,025,117
TOTAL ASSETS	883,779	732,574	1,123,885
LIABILITIES			
Current Liabilities			
Payables	5,518	2,658	28,755
Borrowings	9,359	954	820
Provisions	2,262	2,389	22,879
Total Current Liabilities	17,139	6,001	52,454
Non-Current Liabilities			
Payables	3,932	881	9,397
Borrowings	172,177	24,026	4,551
Provisions	198	175	53,681
Total Non-Current Liabilities	176,307	25,082	67,629
TOTAL LIABILITIES	193,446	31,083	120,083
Net Assets	690,333	701,491	1,003,802
EQUITY			
Retained Earnings	354,824	250,194	738,446
Revaluation Reserves	335,509	451,297	265,356
Total Equity	690,333	701,491	1,003,802

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 2013

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 Period

Events that occur between the end of the reporting period (ending 30 June 2013) 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 23/10/13.

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 2013.

(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 2013 and which are only indicative of conditions that arose after 30 June 2013.

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

Council held investments in BlackRock Diversified Credit Fund, transferred to BlackRock Care and Maintenance Fund in Aug 2008. The objective of the Fund was one of returning fair value from securities that had been trading at distressed prices in the Global Financial Crisis (GFC). The Minister for Local Government, under the Local Government (General) Regulation 2005, announced more restrictive investing powers for councils as a result of the Cole Inquiry into Local Government Investments. Under these regulations BlackRock Care and Maintenance Fund was held as a "grandfathered" investment.

The Fund has largely achieved its objective and communication was received from CPG Research & Advisory Pty Ltd in July 2013, requesting investors (who are not only Councils) to decide, through majority consensus, on continuing the orderly liquidation (estimated 3 year time frame) or the winding up of the fund (estimated to be complete by September 2013). It was expected that a winding up would still provide a positive return to investors. Given this is a "grandfathered" investment Council was required to exit the investment when possible and voted accordingly.

Further communication was received from BlackRock notifying Council of the winding up of the Fund on 26 August 2013 with an expected realisation in September 2013. The managed fund investment are reflected in the financial statements as a non-current investment consistent with prior years.

Wyong Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 24. Discontinued Operations

\$ '000

Council has not classified any of its Operations as "Discontinued".

Note 25. Intangible Assets

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

	Actual 2013 Carrying Amount	Actual 2012 Carrying Amount
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7/12)	9,011	9,011
Accumulated Amortisation (1/7/12)	(7,397)	(6,496)
Accumulated Impairment (1/7/12)	-	-
Net Book Value - Opening Balance	1,614	2,515
Movements for the year		
- Amortisation charges	(903)	(901)
Closing Values:		
Gross Book Value (30/6/13)	9,011	9,011
Accumulated Amortisation (30/6/13)	(8,300)	(7,397)
Accumulated Impairment (30/6/13)	-	-
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u> ¹	<u>711</u>	<u>1,614</u>
^{1.} The Net Book Value of Intangible Assets represent:		
- Software	711	1,614
	<u>711</u>	<u>1,614</u>

Wyong Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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 Jiliby at the end of their useful lives. The projected cost of this rehabilitation is \$52.9 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	
		2013	2012
Tip Site		52,900	53,961
Balance at End of the Reporting Period	10(b)	<u>52,900</u>	<u>53,961</u>

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:

Balance at beginning of year	53,961	47,900
Effect of a change in discount rates used in PV calculations	3,461	-
Effect of a change in other calculation estimates used	(6,366)	4,349
Amortisation of discount (expensed to borrowing costs)	2,590	2,299
Expenditure incurred attributable to Provisions	(746)	(587)
Total - Reinstatement, rehabilitation and restoration provision	<u>52,900</u>	<u>53,961</u>

Amount of Expected Reimbursements

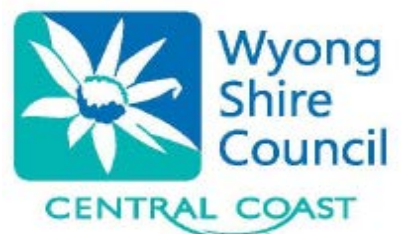
Of the above Provisions for Reinstatement, Rehabilitation and Restoration works, those applicable to Garbage Services & Waste Management are able to be funded through future charges incorporated within Council's Annual Domestic Waste Management Charge.



Wyong Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

*Creating our ideal community
caring... prosperous... sustainable...*



Wyong Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2013

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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 2013

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 23 October 2013.

Doug Eaton
MAYOR

Lynne Webster
COUNCILLOR

Michael Whittaker
GENERAL MANAGER

Stephen Naven
RESPONSIBLE ACCOUNTING OFFICER

Wyong Shire Council

Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2013

\$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	16,066	14,113
User charges	25,818	21,634
Fees	53	58
Interest	1,149	1,801
Grants and contributions provided for non capital purposes	1,019	742
Profit from the sale of assets	-	-
Other income	209	634
Total income from continuing operations	44,314	38,982
Expenses from continuing operations		
Employee benefits and on-costs	6,822	6,679
Borrowing costs	11,894	15,087
Materials and contracts	3,750	4,944
Depreciation and impairment	16,632	14,872
Water purchase charges	17	149
Loss on sale of assets	1,432	1,522
Calculated taxation equivalents	380	401
Debt guarantee fee (if applicable)	-	-
Other expenses	12,265	11,094
Total expenses from continuing operations	53,192	54,748
Surplus (deficit) from Continuing Operations before capital amounts	(8,878)	(15,766)
Grants and contributions provided for capital purposes	3,121	3,104
Surplus (deficit) from Continuing Operations after capital amounts	(5,757)	(12,662)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	(5,757)	(12,662)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	(5,757)	(12,662)
plus Opening Retained Profits	360,201	372,649
plus/less: Prior Period Adjustments		-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	380	401
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	-	(187)
- Surplus dividend paid	-	-
Closing Retained Profits	354,824	360,201
Return on Capital %	0.4%	-0.1%
Subsidy from Council	28,505	16,690
Calculation of dividend payable:		
Surplus (deficit) after tax	(5,757)	(12,662)
less: Capital grants and contributions (excluding developer contributions)	(1,771)	(1,794)
Surplus for dividend calculation purposes	-	-
Potential Dividend calculated from surplus	-	-

Wyong Shire Council

Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2013

\$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	27,465	26,663
User charges	796	872
Liquid Trade Waste charges	774	610
Fees	102	132
Interest	2,244	2,027
Grants and contributions provided for non capital purposes	666	663
Profit from the sale of assets	-	-
Other income	130	210
Total income from continuing operations	32,177	31,177
Expenses from continuing operations		
Employee benefits and on-costs	7,217	7,338
Borrowing costs	1,897	1,426
Materials and contracts	3,954	4,106
Depreciation and impairment	12,485	13,346
Loss on sale of assets	571	-
Calculated taxation equivalents	255	262
Debt guarantee fee (if applicable)	-	-
Other expenses	9,403	8,037
Total expenses from continuing operations	35,782	34,515
Surplus (deficit) from Continuing Operations before capital amounts	(3,605)	(3,338)
Grants and contributions provided for capital purposes	1,514	800
Surplus (deficit) from Continuing Operations after capital amounts	(2,091)	(2,538)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	(2,091)	(2,538)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	(2,091)	(2,538)
plus Opening Retained Profits	252,029	254,487
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	255	262
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	-	(182)
- Surplus dividend paid	-	-
Closing Retained Profits	250,193	252,029
Return on Capital %	-0.2%	-0.3%
Subsidy from Council	27,805	15,094
Calculation of dividend payable:		
Surplus (deficit) after tax	(2,091)	(2,538)
less: Capital grants and contributions (excluding developer contributions)	(885)	(270)
Surplus for dividend calculation purposes	-	-
Potential Dividend calculated from surplus	-	-

Wyong Shire Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2013

\$ '000	Waste Management		Care and Education	
	Category 1		Category 1	
	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Income from continuing operations				
Access charges	29,479	26,374	-	-
User charges	14,728	17,704	3,976	3,875
Fees	-	-	-	-
Interest	161	166	-	-
Grants and contributions provided for non capital purposes	793	789	457	521
Profit from the sale of assets	-	-	-	-
Other income	341	247	6	2
Total income from continuing operations	45,502	45,280	4,439	4,398
Expenses from continuing operations				
Employee benefits and on-costs	1,716	1,708	3,486	3,626
Borrowing costs	2,590	2,299	-	-
Materials and contracts	20,958	18,487	1,185	1,093
Depreciation and impairment	1,360	1,878	131	131
Loss on sale of assets	-	-	1	-
Calculated taxation equivalents	104	210	205	213
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	6,376	18,118	104	75
Total expenses from continuing operations	33,104	42,700	5,112	5,138
Surplus (deficit) from Continuing Operations before capital amounts	12,398	2,580	(673)	(740)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	12,398	2,580	(673)	(740)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	12,398	2,580	(673)	(740)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(3,719)	(774)	-	-
SURPLUS (DEFICIT) AFTER TAX	8,679	1,806	(673)	(740)
plus Opening Retained Profits	29,400	26,610	(7,340)	(6,813)
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	104	210	205	213
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	3,719	774	-	-
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	41,902	29,400	(7,808)	(7,340)
Return on Capital %	96.1%	50.8%	-12.6%	-13.0%
Subsidy from Council	-	-	875	1,139

Wyong Shire Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2013

Holiday Parks

Category 1

\$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	-	-
User charges	8,921	8,419
Fees	-	-
Interest	-	-
Grants and contributions provided for non capital purposes	3	-
Profit from the sale of assets	-	-
Other income	-	-
Total income from continuing operations	8,924	8,419
Expenses from continuing operations		
Employee benefits and on-costs	217	206
Borrowing costs	66	90
Materials and contracts	3,458	3,728
Depreciation and impairment	1,154	1,074
Loss on sale of assets	3	-
Calculated taxation equivalents	228	232
Debt guarantee fee (if applicable)	-	-
Other expenses	3,444	2,884
Total expenses from continuing operations	8,570	8,214
Surplus (deficit) from Continuing Operations before capital amounts	354	205
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	354	205
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	354	205
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(106)	(62)
SURPLUS (DEFICIT) AFTER TAX	248	144
plus Opening Retained Profits	11,562	11,125
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	228	232
- Debt guarantee fees	-	-
- Corporate taxation equivalent	106	62
add:		
- Subsidy Paid/Contribution To Operations	-	-
less:		
- TER dividend paid	-	-
- Dividend paid	-	-
Closing Retained Profits	12,144	11,562
Return on Capital %	1.5%	1.6%
Subsidy from Council	658	1,196

Wyong Shire Council

Statement of Financial Position - Council's Water Supply Business Activity

as at 30 June 2013

\$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	12,360	6,586
Investments	15,774	18,270
Receivables	15,230	16,125
Inventories	490	448
Other	-	45
Non-current assets classified as held for sale	-	-
Total Current Assets	43,854	41,474
Non-Current Assets		
Investments	3,253	1,916
Receivables	451	517
Inventories	-	-
Infrastructure, property, plant and equipment	836,099	800,556
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	122	278
Other	-	-
Total non-Current Assets	839,925	803,267
TOTAL ASSETS	883,779	844,741
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	5,518	19,414
Interest bearing liabilities	9,359	9,093
Provisions	2,262	1,878
Total Current Liabilities	17,139	30,385
Non-Current Liabilities		
Payables	3,932	-
Interest bearing liabilities	172,177	158,893
Provisions	198	427
Total Non-Current Liabilities	176,307	159,320
TOTAL LIABILITIES	193,446	189,705
NET ASSETS	690,333	655,036
EQUITY		
Retained earnings	354,824	360,201
Revaluation reserves	335,509	294,835
Council equity interest	690,333	655,036
Non-controlling interest	-	-
TOTAL EQUITY	690,333	655,036

Wyong Shire Council

Statement of Financial Position - Council's Sewerage Business Activity

as at 30 June 2013

\$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	14,394	21,299
Investments	18,290	11,139
Receivables	3,792	2,843
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	36,476	35,281
Non-Current Assets		
Investments	3,788	371
Receivables	13	26
Inventories	-	-
Infrastructure, property, plant and equipment	692,223	659,109
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	74	165
Other	-	-
Total non-Current Assets	696,098	659,671
TOTAL ASSETS	732,574	694,952
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	2,658	(5,462)
Interest bearing liabilities	954	1,359
Provisions	2,389	2,511
Total Current Liabilities	6,001	(1,592)
Non-Current Liabilities		
Payables	881	-
Interest bearing liabilities	24,026	25,735
Provisions	175	647
Total Non-Current Liabilities	25,082	26,382
TOTAL LIABILITIES	31,083	24,790
NET ASSETS	701,491	670,162
EQUITY		
Retained earnings	250,194	252,029
Revaluation reserves	451,297	418,133
Council equity interest	701,491	670,162
Non-controlling equity interest	-	-
TOTAL EQUITY	701,491	670,162

Wyong Shire Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2013

\$ '000	Waste Management		Care and Education	
	Category 1		Category 1	
	Actual 2013	Actual 2012	Actual 2013	Actual 2012
ASSETS				
Current Assets				
Cash and cash equivalents	-	-	-	-
Investments	88,430	26,563	-	-
Receivables	2,596	1,618	71	-
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	91,026	28,181	71	-
Non-Current Assets				
Investments	-	-	-	-
Receivables	9	14	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	15,590	9,603	5,362	5,696
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	15,599	9,617	5,362	5,696
TOTAL ASSETS	106,625	37,798	5,433	5,696
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	4,206	2,633	278	116
Interest bearing liabilities	-	-	7,865	12,520
Provisions	3,456	40	1,264	400
Total Current Liabilities	7,662	2,673	9,407	13,036
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	49,909	5,725	244	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	49,909	5,725	244	-
TOTAL LIABILITIES	57,571	8,398	9,651	13,036
NET ASSETS	49,054	29,400	(4,218)	(7,340)
EQUITY				
Retained earnings	41,902	29,400	(7,808)	(7,340)
Revaluation reserves	7,152	-	3,590	-
Council equity interest	49,054	29,400	(4,218)	(7,340)
Non-controlling equity interest	-	-	-	-
TOTAL EQUITY	49,054	29,400	(4,218)	(7,340)

Wyong Shire Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2013

Holiday Parks

Category 1

\$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	-	-
Investments	5,837	3,584
Receivables	237	240
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	6,074	3,824
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	28,583	18,640
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total Non-Current Assets	28,583	18,640
TOTAL ASSETS	34,657	22,464
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	986	576
Interest bearing liabilities	4,291	10,312
Provisions	53	14
Total Current Liabilities	5,330	10,902
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	10	-
Other Liabilities	-	-
Total Non-Current Liabilities	10	-
TOTAL LIABILITIES	5,340	10,902
NET ASSETS	29,317	11,562
EQUITY		
Retained earnings	12,144	11,562
Revaluation reserves	17,173	-
Council equity interest	29,317	11,562
Non-controlling equity interest	-	-
TOTAL EQUITY	29,317	11,562

Wyong Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2013

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	12
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 2013

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Division of Local Government.

For the purposes of these statements, the Council is not a 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 Division of Local Government in July 1997 has also been adopted.

The pricing & 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) 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 2013

Note 1. Significant Accounting Policies

As required by the NSW Office of Water (Department of Primary Industries) the amounts shown in Notes 2 and Note 3 are disclosed in whole dollars.

(i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

Notional Rate Applied %

Corporate Income Tax Rate – **30%**

Land Tax – The first **\$406,000** of combined land values attracts **0%**. From \$406,001 to \$2,482,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,482,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$689,000.

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 balance 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 borrowing costs in line with private sector competitors.

Wyong Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2013

Note 1. Significant Accounting Policies

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 3.77% at 30 June 2013.

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 2013 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 2013

Note 2. Water Supply Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2013

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	380,000
(ii)	No of assessments multiplied by \$3/assessment	186,825
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	186,825
(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	1,681,425
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2013, less the cumulative dividends paid for the 2 years to 30 June 2012 & 30 June 2011	(31,199,923)

2013 Surplus	(7,527,616)	2012 Surplus	(14,455,806)	2011 Surplus	(9,216,501)
		2012 Dividend	-	2011 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 2013

Note 2. Water Supply Business Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2013

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	45,676
NWI F4	Revenue from Residential Usage Charges (Water) Income from Residential Usage Charges (w6b) x 100 divided by the sum of [Income from Residential Usage Charges (w6a) + Income from Residential Access Charges (w6b)]	%	61.62%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	835,780
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	17,240
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	13,597
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)]	%	1.41%
NWI F26	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	610

- Notes:
- References to w (eg. w12) refer to item numbers within Special Schedules No. 3 & 4 of Council's Annual Financial Statements.
 - 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 2013

Note 3. Sewerage Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2013

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	255,000
(ii)	No of assessments multiplied by \$3/assessment	184,425
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	184,425
(iv)	Amounts actually paid for Tax Equivalents	-

2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	-
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	1,659,825
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2013, less the cumulative dividends paid for the 2 years to 30 June 2012 & 30 June 2011	(11,580,826)

2013 Surplus	(2,976,005)	2012 Surplus	(2,807,766)	2011 Surplus	(5,797,055)
		2012 Dividend	-	2011 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 2013Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2013

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	31,448
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	691,681
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	20,574
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	12,079
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)]	%	-0.23%
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	75,121
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.84%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	25,676
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)]	%	0.67%
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 2013Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2013

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)]	%	9.95%
NWI F23	Interest Cover (Water & Sewerage) Earnings before Interest & Tax (EBIT) divided by Net Interest Earnings before Interest & Tax (EBIT): 10,193 Operating Result (w15a + s16a) + Interest expense (w4a + s4a) - Interest Income (w9 + s10) - Gain/Loss on disposal of assets (w14 + s15) + Miscellaneous Expenses (w4b + w4c + s4b + s4c) Net Interest: 10,398 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	(5,948)
NWI F25	Community Service Obligations (Water & Sewerage) Grants for Pensioner Rebates (w11b + s12b)	\$'000	1,385

- 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.



Wyong Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2013

*Creating our ideal community
caring... prosperous... sustainable...*



Wyong Shire Council

Special Schedules

for the financial year ended 30 June 2013

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¹ Special Purpose Schedules are not audited.

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,
 - the Department of Environment, Climate Change and Water, and
 - the Division of Local Government (DLG).
- (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 2013

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	393	1	-	(392)
Administration	3,311	3,557	9,147	9,393
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	4,348	985	340	(3,023)
Beach Control	2,575	-	-	(2,575)
Enforcement of Local Govt. Regulations	1,671	588	-	(1,083)
Animal Control	742	236	-	(506)
Other	-	-	-	-
Total Public Order & Safety	9,336	1,809	340	(7,187)
Health	351	560	-	209
Environment				
Noxious Plants and Insect/Vermin Control	159	48	-	(111)
Other Environmental Protection	8,663	4,020	30	(4,613)
Solid Waste Management	27,768	40,929	-	13,161
Street Cleaning	-	-	-	-
Drainage	5,694	5,799	537	642
Stormwater Management	91	1,706	-	1,615
Total Environment	42,375	52,502	567	10,694
Community Services and Education				
Administration & Education	1,625	184	-	(1,441)
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	108	81	-	(27)
Children's Services	5,151	4,500	-	(651)
Total Community Services & Education	6,884	4,765	-	(2,119)
Housing and Community Amenities				
Public Cemeteries	125	175	-	50
Public Conveniences	1,674	82	-	(1,592)
Street Lighting	3,848	235	-	(3,613)
Town Planning	8,277	2,598	-	(5,679)
Other Community Amenities	-	-	-	-
Total Housing and Community Amenities	13,924	3,090	-	(10,834)
Water Supplies	46,424	36,672	1,043	(8,709)
Sewerage Services	35,416	29,823	837	(4,756)

Wyong Shire Council

Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2013

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	4,533	415	29	(4,089)
Museums	-	-	-	-
Art Galleries	1	-	-	(1)
Community Centres and Halls	3,453	892	8	(2,553)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	219	106	-	(113)
Sporting Grounds and Venues	3,784	312	63	(3,409)
Swimming Pools	1,017	-	-	(1,017)
Parks & Gardens (Lakes)	7,079	213	-	(6,866)
Other Sport and Recreation	1,936	-	475	(1,461)
Total Recreation and Culture	22,022	1,938	575	(19,509)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	989	894	-	(95)
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	989	894	-	(95)
Transport and Communication				
Urban Roads (UR) - Local	19,176	2,584	1,850	(14,742)
Urban Roads - Regional	636	578	76	18
Sealed Rural Roads (SRR) - Local	-	-	-	-
Sealed Rural Roads (SRR) - Regional	-	-	-	-
Unsealed Rural Roads (URR) - Local	1,125	-	-	(1,125)
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	316	-	-	(316)
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	703	-	-	(703)
Footpaths	1,296	-	112	(1,184)
Aerodromes	5	14	-	9
Other Transport & Communication	4,777	563	445	(3,769)
Total Transport and Communication	28,034	3,739	2,483	(21,812)
Economic Affairs				
Camping Areas & Caravan Parks	8,342	8,924	-	582
Other Economic Affairs	7,382	1,692	122	(5,568)
Total Economic Affairs	15,724	10,616	122	(4,986)
Totals – Functions	225,183	149,966	15,114	(60,103)
General Purpose Revenues⁽²⁾		82,522		82,522
Share of interests - joint ventures & associates using the equity method	-	-		-
NET OPERATING RESULT⁽¹⁾	225,183	232,488	15,114	22,419

(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 2013

\$'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	-	300	300	-	300	-	-	109	-	-	-
Other State Government	560	1,193	1,753	-	560	-	-	66	484	709	1,193
Public Subscription	18	6	24	-	18	-	-	1	6	-	6
Financial Institutions	10,605	184,893	195,498	7,130	11,940	-	-	13,770	10,264	180,424	190,688
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	11,183	186,392	197,575	7,130	12,818	-	-	13,946	10,754	181,133	191,887
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	11,183	186,392	197,575	7,130	12,818	-	-	13,946	10,754	181,133	191,887

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 2013

\$'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	711		5,270
Water	20,000	-	20,000
Sewer			
Domestic Waste Management			
Gas			
Other			
Totals	20,711	-	25,270

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	-	20,000	
General	Water	Pooling of developer contributions. Please refer to Note 17 in GPFS						711	-	5,270
Totals							20,711	-	25,270	

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 2013

\$'000	Actuals 2013	Actuals 2012
A Expenses and Income Expenses		
1. Management expenses		
a. Administration	371	4,431
b. Engineering and Supervision	2,364	4,441
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	632	388
b. Maintenance expenses	108	137
- Mains		
c. Operation expenses	2,389	1,245
d. Maintenance expenses	4,247	3,908
- Reservoirs		
e. Operation expenses	248	61
f. Maintenance expenses	338	227
- Pumping Stations		
g. Operation expenses (excluding energy costs)	634	256
h. Energy costs	1,141	660
i. Maintenance expenses	557	488
- Treatment		
j. Operation expenses (excluding chemical costs)	2,445	1,844
k. Chemical costs	608	190
l. Maintenance expenses	384	376
- Other		
m. Operation expenses	429	169
n. Maintenance expenses	328	346
o. Purchase of water	17	149
3. Depreciation expenses		
a. System assets	16,335	14,564
b. Plant and equipment	297	308
4. Miscellaneous expenses		
a. Interest expenses	11,894	15,087
b. Revaluation Decrements	-	-
c. Other expenses - Drainage maintenance	3,485	-
d. Impairment - System assets	-	3,551
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	187
5. Total expenses	49,251	53,013

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 2013

\$'000	Actuals 2013	Actuals 2012
Income		
6. Residential charges		
a. Access (including rates)	16,066	14,218
b. Usage charges	25,797	21,836
7. Non-residential charges		
a. Access (including rates)	-	-
b. Usage charges	-	-
8. Extra charges	-	-
9. Interest income	1,149	1,801
10. Other income	283	299
10a. Aboriginal Communities Water and Sewerage Program	-	-
11. Grants		
a. Grants for acquisition of assets	610	248
b. Grants for pensioner rebates	719	674
c. Other grants	212	67
12. Contributions		
a. Developer charges	1,531	1,310
b. Developer provided assets	980	1,513
c. Other contributions	88	117
13. Total income	47,435	42,083
14. Gain (or loss) on disposal of assets	(1,432)	(1,522)
15. Operating Result	(3,248)	(12,452)
15a. Operating Result (less grants for acquisition of assets)	(3,858)	(12,700)

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 2013

\$'000	Actuals 2013	Actuals 2012
B Capital transactions		
Non-operating expenditures		
16. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	5,128	57,214
c. Renewals	4,552	7,210
d. Plant and equipment	3,917	14,388
17. Repayment of debt		
a. Loans	9,649	8,718
b. Advances	-	-
c. Finance leases	-	-
18. Transfer to sinking fund	-	-
19. Totals	23,246	87,530
Non-operating funds employed		
20. Proceeds from disposal of assets	-	-
21. Borrowing utilised		
a. Loans	23,200	8,125
b. Advances	-	-
c. Finance leases	-	-
22. Transfer from sinking fund	-	-
23. Totals	23,200	8,125
C Rates and charges		
24. Number of assessments		
a. Residential (occupied)	58,392	58,101
b. Residential (unoccupied, ie. vacant lot)	1,352	1,345
c. Non-residential (occupied)	2,514	2,904
d. Non-residential (unoccupied, ie. vacant lot)	17	183
25. Number of ETs for which developer charges were received	- ET	- ET
26. Total amount of pensioner rebates (actual dollars)	\$ 1,258,363	\$ 1,241,653

Wyong Shire Council

Special Schedule No. 3 - Water Supply Cross Subsidies
for the financial year ended 30 June 2013

\$'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"/> YES	<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)			-
c. Cross-subsidy to non-residential customers (page 24 of Guidelines)			-
d. Cross-subsidy to large connections in unmetered supplies (page 26 of Guidelines)			-
28. Developer charges			
a. Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/> YES	<input type="checkbox"/>	
b. Total cross-subsidy in water supply developer charges for 2012/13 (page 47 of Guidelines)			-
** 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)			-
* 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 2013

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
30. Cash and investments			
a. Developer charges	20,581	-	20,581
b. Special purpose grants	639	-	639
c. Accrued leave	419	-	419
d. Unexpended loans	3,037	-	3,037
e. Sinking fund	-	-	-
f. Other	3,458	3,253	6,711
31. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Annual Charges	640	-	640
c. User Charges	12,669	4	12,673
d. Other	1,921	447	2,368
32. Inventories	490	-	490
33. Property, plant and equipment			
a. System assets	-	835,780	835,780
b. Plant and equipment	-	319	319
34. Other assets	-	122	122
35. Total assets	43,854	839,925	883,779
LIABILITIES			
36. Bank overdraft	-	-	-
37. Creditors	5,518	3,932	9,450
38. Borrowings			
a. Loans	9,359	172,178	181,537
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	2,262	198	2,460
40. Total liabilities	17,139	176,308	193,447
41. NET ASSETS COMMITTED	26,715	663,618	690,333
EQUITY			
42. Accumulated surplus			354,824
43. Asset revaluation reserve			335,509
44. TOTAL EQUITY			690,333
Note to system assets:			
45. Current replacement cost of system assets			1,544,349
46. Accumulated current cost depreciation of system assets			(708,569)
47. Written down current cost of system assets			835,780

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 2013

\$'000	Actuals 2013	Actuals 2012
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	3,296	2,635
b. Engineering and Supervision	-	-
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	1,411	731
b. Maintenance expenses	1,666	1,738
- Pumping Stations		
c. Operation expenses (excluding energy costs)	2,992	1,932
d. Energy costs	900	381
e. Maintenance expenses	2,443	2,434
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	4,113	4,011
g. Chemical costs	122	210
h. Energy costs	1,406	1,174
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	1,905	2,224
- Other		
l. Operation expenses	281	2,009
m. Maintenance expenses	39	2
3. Depreciation expenses		
a. System assets	12,082	12,998
b. Plant and equipment	403	348
4. Miscellaneous expenses		
a. Interest expenses	1,897	1,426
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalent Dividends (actually paid)	255	262
5. Total expenses	35,211	34,514

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 2013

\$'000	Actuals 2013	Actuals 2012
Income		
6. Residential charges (including rates)	25,141	24,222
7. Non-residential charges		
a. Access (including rates)	2,322	2,283
b. Usage charges	796	907
8. Trade Waste Charges		
a. Annual Fees	235	245
b. Usage charges	539	610
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	-	-
10. Interest income	2,244	2,027
11. Other income	235	219
11a. Aboriginal Communities Water & Sewerage Program	-	-
12. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	666	663
c. Other grants	-	-
13. Contributions		
a. Developer charges	677	530
b. Developer provided assets	837	270
c. Other contributions	-	-
14. Total income	<u>33,692</u>	<u>31,976</u>
15. Gain (or loss) on disposal of assets	(571)	-
16. Operating Result	<u>(2,090)</u>	<u>(2,538)</u>
16a. Operating Result (less grants for acquisition of assets)	(2,090)	(2,538)

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 2013

\$'000	Actuals 2013	Actuals 2012
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	2,483	2,503
c. Renewals	7,533	2,711
d. Plant and equipment	2,063	4,856
18. Repayment of debt		
a. Loans	2,115	1,239
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	14,194	11,309
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	-	10,000
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	-	10,000
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	57,704	57,417
b. Residential (unoccupied, ie. vacant lot)	1,053	1,048
c. Non-residential (occupied)	2,551	2,538
d. Non-residential (unoccupied, ie. vacant lot)	167	166
26. Number of ETs for which developer charges were received	- ET	- ET
27. Total amount of pensioner rebates (actual dollars)	\$ 1,211,792	\$ 1,205,638

Wyong Shire Council

Special Schedule No. 5 - Sewerage Cross Subsidies
for the financial year ended 30 June 2013

\$'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"/>	<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)			-
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			-
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/>	
b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			-
** 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)			-

* 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 2013

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	13,636	-	13,636
b. Special purpose grants	-	-	-
c. Accrued leave	444	-	444
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	18,604	3,788	22,392
32. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Annual Charges	10	13	23
c. User Charges	1,852	-	1,852
d. Other	1,931	-	1,931
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	691,681	691,681
b. Plant and equipment	-	542	542
35. Other assets	-	73	73
36. Total Assets	36,477	696,097	732,574
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	3,539	-	3,539
39. Borrowings			
a. Loans	954	24,026	24,980
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	2,389	175	2,564
41. Total Liabilities	6,882	24,201	31,083
42. NET ASSETS COMMITTED	29,595	671,896	701,491
EQUITY			
42. Accumulated surplus			250,193
44. Asset revaluation reserve			451,298
45. TOTAL EQUITY			701,491
Note to system assets:			
46. Current replacement cost of system assets			1,026,693
47. Accumulated current cost depreciation of system assets			(335,012)
48. Written down current cost of system assets			691,681

Wyong Shire Council

Notes to Special Schedule No.'s 3 & 5 for the financial year ended 30 June 2013

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. 8 - Financial Projections

as at 30 June 2013

\$'000	Actual ⁽¹⁾ 12/13	Forecast ⁽³⁾ 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
(i) OPERATING BUDGET											
Income from continuing operations	247,602	245,106	260,111	269,996	281,015	290,660	300,513	310,746	320,977	331,587	343,094
Expenses from continuing operations	225,182	232,806	244,154	249,820	253,423	258,447	266,025	274,702	281,227	288,758	297,251
Operating Result from Continuing Operations	22,420	12,300	15,957	20,176	27,592	32,213	34,488	36,044	39,750	42,829	45,843
(ii) CAPITAL BUDGET											
New Capital Works ⁽²⁾	22,229	34,293	31,234	21,486	40,643	21,460	20,472	35,274	26,895	23,572	16,880
Replacement/Refurbishment of Existing Assets	42,288	49,534	50,552	46,236	44,848	50,538	47,534	46,899	52,701	53,606	54,420
Total Capital Budget	64,517	83,827	81,786	67,722	85,491	71,998	68,006	82,173	79,596	77,178	71,300
Funded by:											
– Loans	4,151	3,000	-	-	-	-	-	-	-	-	-
– Asset sales	-	-	-	-	-	-	-	-	-	-	-
– Reserves	7,059	3,313	1,665	1,479	5,121	1,707	1,516	5,249	1,749	1,554	5,380
– Grants/Contributions	1,991	9,422	6,741	6,795	2,849	2,920	2,993	3,068	3,145	3,223	3,304
– Recurrent revenue	51,316	68,092	73,380	59,448	77,521	67,371	63,497	73,856	74,702	72,401	62,616
– Other	-	-	-	-	-	-	-	-	-	-	-
	64,517	83,827	81,786	67,722	85,491	71,998	68,006	82,173	79,596	77,178	71,300

Notes:

(1) From 12/13 Income Statement.

(2) New Capital Works are major non-recurrent projects, including the Art House, facilities at sportsgrounds, new roads and drainage projects and provision of new water and sewer services etc.

(3) Financial projections are in accordance with Council's Integrated Planning and Reporting framework.