



**AUDIT RISK AND IMPROVEMENT
COMMITTEE MEETING**

14 September 2021

Meeting Notice

The Audit Risk and Improvement Committee Meeting of Central Coast Council

will be held via Microsoft Teams on,
Tuesday 14 September 2021,

for the transaction of the business listed below:

Note: It was resolved at the 14 September 2021 meeting (please refer to the minutes) that items 3.1, 4.1, 4.2, 4.3, 5.3, 6.1, 6.2, 6.3, 8.1 and 9.1 were not to be publicly released in accordance with the ARIC Charter. Whilst they are disclosures, the reports have been removed from the Business Paper.

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Confidential Items (provided under separate cover)

- 4.1 NSW Audit Office Management Letter for year ended 30 June 2020
- 4.2 NSW Audit Office Annual Engagement Plan for year ended 30 June 2021
- 5.3 Update on Legal Matters

Please note item numbers correspond to items as they appear on the agenda (see pages 3-4)

1 Introduction – 9am

1.1	Acknowledgement of Country, apologies and welcome	Verbal	ARIC Chairperson
1.2	Disclosures of Interest	Report	ARIC Chairperson
1.3	Confirmation of previous ARIC meeting minutes	Report	ARIC Chairperson
1.4	Outstanding action items	Report	ARIC Chairperson
1.5	Council's current status	Verbal	Chief Executive Officer

2 Financial Management – 9.20am

2.1	General finance update (standing item)	Verbal	Director Corporate Affairs and Chief Financial Officer
2.2	Monthly Financial Reports July 2020-21	Report	Director Corporate Affairs and Chief Financial Officer
2.3	Draft Financial Report 1 July 2020 – 30 June 2021	Report	Director Corporate Affairs and Chief Financial Officer

3 Internal Audit – 9.50am

3.1	Transitional and future arrangements	Report	Director Corporate Affairs and Chief Financial Officer
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4 External Audit – 10am

4.1	Final Management Letter for FY20	Confidential Report	NSW Audit Office
4.2	Annual Engagement Plan for FY21	Confidential Report	NSW Audit Office
4.3	Feedback on actions proposed in the ITGC Management Letter	Report	Director Corporate Affairs and Chief Financial Officer

5 Governance and Risk Management – 10.30am

5.1	Update on Public Enquiry	Report	Unit Manager Governance and Risk
5.2	Update on investigations regarding contingency workforce engagement (178/2020)	Report	Senior Internal Ombudsman
5.3	Update on legal matters (standing item)	Confidential Report	General Counsel

6 Risk Management – 10.50am

6.1	Risk activities update (standing item)	Report	Unit Manager Governance and Risk
6.2	Minutes of the Risk Management Committee meeting 17 August 2021	Report	Unit Manager Governance and Risk

6.3	IM&T update	Report	Unit Manager Information and Technology
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7 Performance – 11.20am

7.1	Q4 complaints and compliments	Report	Director Corporate Affairs and Chief Financial Officer
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8 Legislative Compliance – 11.30am

8.1	Governance activities update (standing item)	Report	Unit Manager Governance and Risk
8.2	Integrated planning and reporting activities for 2021-22	Report	Unit Manager Strategic Planning

9 Fraud Control – 11:40am

9.1	SIO quarterly progress report	Report	Senior Internal Ombudsman
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10 General Business – 11:50am

10.1	OLG's Risk Management and Internal Audit Framework	Verbal	Unit Manager Governance and Risk
10.2	ARIC annual work plan	Verbal	Unit Manager Governance and Risk



Item No: 1.2
Title: Disclosures of Interest
Department: Corporate Affairs

14 September 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00030 - D14712275

Recommendation

- 1 *That the Committee note the standing declarations of current Committee members outlined in the table below.*
- 2 *That the Committee now disclose any conflicts of interest in matters under consideration by the Committee at this meeting.*
- 3 *That the Committee make a recommendation that this report be made publicly available as the nature or content of the report do not fall within any listed exceptions pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

Report Purpose

Chapter 14 of the *Local Government Act 1993* ("LG Act") regulates the way in which the Councillors and relevant staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public functions.

Section 451 of the LG Act states in part that:

- (1) *A councillor or a member of a council committee who has a pecuniary interest in any matter with which the council is concerned and who is present at a meeting of the council or committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable.*
- (2) *The councillor or member must not be present at, or in sight of, the meeting of the council or committee:*
 - (a) *at any time during which the matter is being considered or discussed by the council or committee, or*
 - (b) *at any time during which the council or committee is voting on any question in relation to the matter.*
- (3) *For the removal of doubt, a councillor or a member of a council committee is not prevented by this section from being present at and taking part in a meeting at which a matter is being considered, or from voting on the matter, merely because*

1.2 Disclosures of Interest (contd)

the Councillor or member has an interest in the matter of a kind referred to in section 448.

Further, the [Code of Conduct](#) adopted by Council applies to all Councillors and Staff. The Code relevantly provides that if a Councillor or Staff member has a non-pecuniary conflict of interest, the nature of the conflict must be disclosed as well as providing for a number of ways in which a non-pecuniary conflict of interests might be managed.

Committee Members standing declarations

ARIC Member	Meeting Date	Disclosure of Interest
Carl Millington	13 July 2021 (noted outside of meeting)	Less than significant non-pecuniary interest as an Independent member on Randwick City Council Audit, Risk and Improvement Committee.
Arthur Butler	24 June 2021	Less than significant non-pecuniary interest as a member of the Audit, Risk and Improvement Committee for the Hunter and Central Coast Development Corporation.
John Gordon	10 December 2020/ 13 April 2021	Less than significant non-pecuniary interest as: a) he was a Partner with PricewaterhouseCoopers (PwC) for a period of 22 years, retiring December 2008. PwC were the Auditors for the former Gosford and Wyong Councils in 2016. He was not involved in either of the 2016 Council audits; and b) he is an independent member of the NSW Audit Office Audit, Risk and Improvement Committee who are the Auditors of Central Coast Council.
	17 March 2020	Less than significant non-pecuniary interest as a member of the Healthcare Complaints Commission Audit, Risk and Improvement Committee.
	1 October 2019	Less than significant non-pecuniary interest as an Independent Member on Waverly Council Audit, Risk and Improvement Committee
	5 March 2019	Less than significant non-pecuniary interest as a member of the NSW Education Standards Authority (NESA) Committee.
	4 December 2018	Less than significant non-pecuniary interest as he is a member of the Department of Education Audit, Risk and Improvement Committee.
	21 November 2017	Less than significant non-pecuniary interest that he has been appointed to the Audit Office of NSW's Audit and Risk Committee, effective 30 November 2017.

Attachments

Nil



Item No: 1.3
Title: Confirmation of Minutes of Previous Meeting
Department: Corporate Affairs

14 September 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00030 - D14774741
Author: Kelly Drover, Meeting Support Officer
Manager: James Taylor, Section Manager.Governance Services

Recommendation

- 1 *That the Committee confirm the minutes of the previous meeting held on 24 June 2021.*
- 2 *That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

The information provided in this report is current as at 3/08/2021.

Summary

The purpose of this report is to confirm the minutes of the previous Audit, Risk and Improvement Committee meeting held on 24 June 2021.

The minutes from 24 June 2021 were circulated to all Audit, Risk and Improvement Committee members by email on 8 July 2021 and were reported to the 27 July 2021 Ordinary Council Meeting.

Council's *Audit Risk and Improvement Committee Charter* states that all supporting papers to the meeting agendas will be released to the public on Council's website, unless such release would be contrary to the public interest. It is considered that the nature or content of this report and attachments do not fall within any of the exceptions listed under Clause 78 of the Charter and release to the public be approved.

Attachments

- 1 ARIC Minutes - 24 June 2021 D14729379



Central Coast Council

Minutes of the

Audit, Risk and Improvement Committee**Meeting of Council**Held via *Microsoft Teams* on 24 June 2021,

Commencing at 2.00pm

Present

Carl Millington (Chairperson)	Independent member
Arthur Butler	Independent member
John Gordon	Independent member

In Attendance

Rik Hart	Administrator
David Farmer	Chief Executive Officer
Natalia Cowley	Director Corporate Affairs and Chief Financial Officer
Jamie Loader	Director Water and Sewer
Edward Hock	General Counsel
Tina Baker	Chief Internal Auditor
Jade Maskiewicz	Assistant Internal Ombudsman
Jamie Barclay	Unit Manager Economic Development and Property
Jamie Beal	Unit Manager Information and Technology
Shane Sullivan	Unit Manager Governance and Risk
James Taylor	Section Manager Governance Services
Stephen Bignill	Enterprise Risk Manager
Kelly Drover	Meeting Support Officer
Rammiya Brinthapan	Audit Office of NSW
David Daniels	Audit Office of NSW
Cassie Malone	Audit Office of NSW
Phil O'Toole	Centium, IA Co-Sourced Partner

Minutes of the Audit Risk and Improvement Committee Meeting of Council 24 June 2021 contd

1 INTRODUCTION

Welcome, Acknowledgement of Country and Apologies

The Interim Chairperson, Carl Millington, opened the meeting, welcomed attendees and completed an Acknowledgement of Country.

Apologies received:

Scott Cox, Director Environment and Planning

Lilly Mojsin, Senior Internal Ombudsman

Penelope Corkill, Account Manager, Centium, IA Co-Sourced Partner

1.2 Disclosures of Interest

Resolution

34/2021(ARIC) *The Committee noted the report on Disclosures of Interest.*

35/2021(ARIC) *Arthur Butler declared a general interest as he is a member of the Audit, Risk and Improvement Committee for the Hunter and Central Coast Development Corporation and he will raise this as required if a conflict is present.*

36/2021(ARIC) *The Committee recommended that this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

1.3 Election of Audit, Risk and Improvement Committee Chairperson

Resolution

37/2021(ARIC) *The Committee resolved to appoint Carl Millington as Chairperson of the Committee for the period to 26 April 2023.*

38/2021(ARIC) *The Committee recommended that this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

1.4 Introduction to David Farmer

David Farmer, Chief Executive Officer provided the Committee with an introduction on his appointment to Council, challenges facing the organisation and his professional history as a local government CEO for 23 years.

1.5 Introduction to Arthur Butler

New Independent ARIC member Arthur Butler introduced himself to the Committee and provided a brief overview of his relevant background and experience.

Minutes of the Audit Risk and Improvement Committee Meeting of Council 24 June 2021 contd

1.6 Confirmation of Minutes of Previous Meetings

Resolution

39/2021(ARIC) *The Committee confirmed the minutes of the previous meetings held on 10 March 2021 and 13 April 2021 noting the change to the resolution in Item 3.1 in the 10 March 2021 minutes as set out in ~~strikeout~~ and **bold** below.*

14/2021(ARIC) *The Committee recommended that this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as:*

- a. *it contains information that is determined by the Committee or the Chief Executive Officer (or their delegate) to be confidential or unsuitable to be published; and*
- b. *as on balance it would not be in the public interest to make this information available as Council does not disclose to the public **any confidential information (such as an update on the General Audit process)** from the NSW Audit Office to ensure the efficacy of its investigating, auditing or reporting functions.*

40/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

1.7 Outstanding Action Items

Resolution

In regard to Item 8.4 Tour of Council's Water and Sewer Assets, it was noted that whilst this is still on hold, an induction process should be considered for new Independent member Arthur Butler to bring him up to speed on the LGA and Council's assets.

41/2021(ARIC) *The Committee noted the report on Outstanding Action Items.*

42/2021(ARIC) *The Committee recommended that this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

1.8 Council's Current Status

David Farmer, Chief Executive Officer provided the Committee with an update on Council's current status including the financial situation and progress against the long term financial

Minutes of the Audit Risk and Improvement Committee Meeting of Council 24 June 2021 contd

plan which was part of the recovery program.

2 FINANCE

2.1 General Finance update (standing item)

David Farmer, Chief Executive Officer left the meeting for 10 minutes during discussion of this item.

Natalia Cowley, Director Corporate Affairs and Chief Financial Officer provided a General Finance verbal update including the following:

- A revaluation of Roads and Drainage assets as well as Water and Sewer assets is scheduled for 20/21 financial year.
- Substantial additional audit fees have been charged by the Audit Office in addition to the agreed annual fees due to overruns. The Audit Office has been requested to consider sharing the burden of these additional costs.
- Borrowings including refinancing of loans and external borrowings.
- Unrestricted cash position as at May 2021 per Fund.
- Land sales – currently underway with a number of properties under contract with settlements expected by the end of July and further properties for sale still under negotiation.

2.2 2020-2021 Q3 Business Report

Resolution

43/2021(ARIC) *The Committee noted the report on 2020-2021 Q3 Business Report.*

44/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of this report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

2.3 Administrator's Minute - Council's response to Auditor General's Local Government Report

Resolution

45/2021(ARIC) *The Committee noted the report on Administrator's Minute - Council's response to Auditor General's Local Government Report.*

46/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of this report*

Minutes of the Audit Risk and Improvement Committee Meeting of Council 24 June 2021 contd

do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.

2.4 Independent Pricing and Regulatory Tribunal (IPART) review of Council's water, sewerage and stormwater drainage services

Resolution

47/2021(ARIC) *The Committee noted the report on Independent Pricing and Regulatory Tribunal (IPART) review of Council's water, sewerage and stormwater drainage services.*

48/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of this report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

2.5 Council's Asset Sales Program

Resolution

49/2021(ARIC) *The Committee noted the report on Council's Asset Sales Program.*

50/2021(ARIC) *The Committee recommended that this report be made publicly available as the nature or content of this report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

2.6 Sale of Land for Unpaid Rates

Resolution

51/2021(ARIC) *The Committee noted the report on Sale of Land for Unpaid Rates.*

52/2021(ARIC) *The Committee recommended that this report be made publicly available as the nature or content of this report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

3 INTERNAL AUDIT

3.1 Chief Internal Auditor's Quarterly Progress Report

Resolution

53/2021(ARIC) *The Committee noted the report on Chief Internal Auditor's Quarterly Progress Report.*

Minutes of the Audit Risk and Improvement Committee Meeting of Council 24 June 2021 contd

54/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of this report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

3.2 Implementation of Management Actions Arising From Independent Reviews

Resolution

55/2021(ARIC) *The Committee noted the report on Implementation of Management Actions Arising From Independent Reviews.*

56/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of this report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

3.3 Internal Audit Balanced Scorecard Report

Resolution

57/2021(ARIC) *The Committee noted the report on Internal Audit Balanced Scorecard Report.*

58/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as the nature or content of the report do not fall within any listed exceptions.*

3.4 IA Operational Plan 2021/22

Resolution

59/2021(ARIC) *The Committee noted the report on IA Operational Plan 2021/22.*

60/2021(ARIC) *The Committee resolved that a cyber security audit should be undertaken for the IT element of the 2021/22 work program.*

61/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as the nature or content of the report do not fall within any listed exceptions.*

3.5 Update on changes affecting IM&T

Jamie Beal, Unit Manager Information and Technology provided a verbal IM&T update including the following:

Minutes of the Audit Risk and Improvement Committee Meeting of Council 24 June 2021 contd

- IT Risk Position
- Current Status (Penetration Test, AO Management Letter, ASD8 and Red Team)
- Risk appetite
- Improvements
- IT general controls roadmap

Resolution

- 62/2021(ARIC) *The Committee requested an assessment of performance against the Essential 8.*
- 63/2021(ARIC) *The Committee requested an update on the controls to manage the IT projects considering the impacts on IT.*
- 64/2021(ARIC) *The Committee requested an update on the crown jewels in terms of corporate data and how IT identifies and is managing this risk.*

4 EXTERNAL AUDIT

4.1 Reports issued by the NSW Audit Office

Resolution

- 65/2021(ARIC) *The Committee noted the Reports issued by the NSW Audit Office and welcome feedback from management on the actions proposed with regard to the ITGC management letter and the issues raised in the engagement closing report as well as a revision of the action dates.*
- 66/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report not be made publicly available:*
- a) pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter, as they contain information about matters affecting the security of Council, Council Officials and/or Council property; and*
 - b) as on balance it would not be in the public interest to make this information available as Council does not disclose to the public confidential information (such as an the Engagement Closing Report) from the NSW Audit Office to ensure the efficacy of its investigating, auditing or reporting functions.*

4.2 Management Letter from NSW Audit Office - Information Technology General Controls Testing phase of Audit for year ended 30 June 2020

Resolution

- 67/2021(ARIC) *The Committee noted the Management Letter from NSW Audit Office – Information Technology General Controls Testing phase for Audit for year*

Minutes of the Audit Risk and Improvement Committee Meeting of Council 24 June 2021 contd

ended 30 June 2020 and welcome feedback from management on the actions proposed and the issues raised in the engagement closing report as well as a revision of the action dates.

68/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report not be made publicly available:*

- a) pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter, as they contain information about matters affecting the security of Council, Council Officials and/or Council property; and*
- b) as on balance it would not be in the public interest to make this information available as Council does not disclose to the public confidential information (such as Management Letters) from the NSW Audit Office to ensure the efficacy of its investigating, auditing or reporting functions.*

5 GOVERNANCE AND RISK

5.1 Report from the Office of the Internal Ombudsman

Resolution

69/2021(ARIC) *The Committee noted the Report from the Office of the Internal Ombudsman.*

70/2021(ARIC) *The Committee recommended that this report not be made publicly available, pursuant to Clause 78(a) of the Audit, Risk and Improvement Committee Charter.*

5.2 Governance activities update

Resolution

71/2021(ARIC) *The Committee noted the report on Governance activities update.*

72/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as they contain information that is confidential and unsuitable to be published.*

5.3 Update on Public Inquiry

Resolution

73/2021(ARIC) *The Committee noted the report on Update on Public Inquiry.*

74/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit,*

Minutes of the Audit Risk and Improvement Committee Meeting of Council 24 June 2021 contd

Risk and Improvement Committee Charter as the nature or content of the report do not fall within any listed exceptions.

5.4 Enterprise Risk Management Report - May 2021

Stephen Bignill, Enterprise Risk Manager joined the meeting for Item 5.4 and left at the end of this discussion.

Resolution

75/2021(ARIC) *The Committee noted the report on Enterprise Risk Management Report - May 2021.*

76/2021(ARIC) *The Committee recommended that this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as it contains matters affecting the security of Council, Council Officials and Council property.*

5.5 Audit, Risk and Improvement Committee Charter Update

Resolution

77/2021(ARIC) *The Committee endorsed the Audit, Risk and Improvement Committee Charter that is Attachment 1 to this report in accordance with clause 8 of the Charter and adopted by Council in accordance with clause 9 of the Charter, subject to the inclusion of a Dispute Resolution clause being included.*

78/2021(ARIC) *The Committee also requested that the following be established for future meetings based on the Charter:*

- *Annual work plan to be developed.*
- *Meeting agendas to be reworked to ensure it aligns with the Charter and the obligations of the Committee.*

79/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as the nature or content of the report do not fall within any listed exceptions.*

5.6 Update on Legal Matters

Edward Hock, General Counsel, joined the meeting for item 5.6 and left at the end of this discussion.

Resolution

80/2021(ARIC) *The Committee noted the report on Update on Legal Matters.*

81/2021(ARIC) *The Committee recommended that this report and the supporting papers to*

Minutes of the Audit Risk and Improvement Committee Meeting of Council 24 June 2021 contd

this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as:

- a they may contain confidential advice or confidential communications concerning litigation or legal matters that may otherwise be privileged from production on the grounds of legal professional privilege.*
- b further, on balance, it would not be in the public interest to make this information available as it may compromise Council's ability to ensure the optimum outcome for the community.*

6 PERFORMANCE

6.1 Q3 2020/2021 - Complaints and Compliments Report

Resolution

82/2021(ARIC) *The Committee noted the report on Q3 2020/2021 - Complaints and Compliments Report.*

83/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of the report does not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

6.2 Organisational Performance update

David Farmer, Chief Executive Officer noted that this had been covered in items 1.8 and 2.1.

6.3 Holiday Parks Internal Audit - 12 months update on Implementation Plan Recommendations

Resolution

84/2021(ARIC) *The Committee noted the report on Holiday Parks Internal Audit - 12 months update on Implementation Plan Recommendations.*

85/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as they contain commercial information of a confidential nature that would, if disclosed confer a commercial advantage on a competitor of Council.*

Minutes of the Audit Risk and Improvement Committee Meeting of Council 24 June 2021 contd

7 GENERAL BUSINESS

7.1 Potential information gaps of concern to ARIC members

James Taylor, Section Manager Governance Services noted that Council are looking at using the experience of Committee Members to determine what other information they would like from Council to minimise the risk of any potential information gaps.

Resolution

86/2021(ARIC) The Committee recommended that they work together with staff offline to develop an annual work plan and identify the responsibilities of the Committee which will in turn identify any potential information gaps.

The Meeting closed at 6.04pm

Next Meeting Tuesday 14 September 2021
9am – 12pm
Microsoft Teams Meeting / Wyong Committee Room



Item No: 1.4
Title: Outstanding Action Items
Department: Corporate Affairs

14 September 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00030 - D14774794
Author: Kelly Drover, Meeting Support Officer
Manager: James Taylor, Section Manager.Governance Services

Recommendation

- 1 *That the Committee note the report on Outstanding Action Items.*
- 2 *That the Committee make a recommendation that this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as the nature or content of this report do not fall within any listed exceptions.*

The information provided in this report is current as at 2/09/2021.

Summary

A review of the Outstanding Action Items from previous meetings.

Key

Green = completed items;
Blue = on agenda for 14 September 2021 meeting;
White = still pending (not overdue); and
Red = overdue

In summary there are:

15 Actions

- 5 Actions have been completed
- 3 Actions are not yet completed and are not overdue
- 1 Action is not completed and is overdue
- 6 Actions will be completed as a result of being on the agenda for this meeting

Item	Meeting Date	Action	Responsible Officer	Status
8.4	1/10/2019	A tour of Council's Water and Sewer Assets for the independent committee members to be scheduled for the week commencing 9 December 2019.	Director Water and Sewer / Advisory Group Support Officer	Tour was scheduled for 5 June 2020 however due to the situation with COVID-19, this has been postponed. On hold until further notice
87/2020(ARIC)	17/06/2020	That the Committee request an update in 12 months' time on the implementation of the 14 recommendations supported by staff.	Unit Manager Economic Development and Property / Advisory Group Support Officer	Item discussed at 24 June 2021 meeting. Action considered complete.
178/2020 (ARIC)	6/11/2020	The Committee requests that the Senior Internal Ombudsman provide an update on investigations regarding contingency workforce engagement at the next applicable meeting.	Senior Internal Ombudsman	Item deferred to September 2021 meeting as discussions are ongoing with Senior Internal Ombudsman and CEO.

Item	Meeting Date	Action	Responsible Officer	Status
228/2020 (ARIC)	10/12/2020	The Committee supported the draft Works-In-Kind policies and supporting guidelines (for works under the Environmental Planning and Assessment Act 1979 and the Water Management Act 2000) being reported to Council to seek authorisation to publicly exhibit the documents.	Director Environment and Planning	<p>Resolved at the 8 February 2021 Council Meeting that the policy and supporting guidelines be publicly exhibited for a period of 28 days and that a further report be prepared for consideration by Council following the exhibition of the draft policies and supporting guidelines which details the outcomes of the exhibition.</p> <p>28/4 Submissions on the draft Works-In-Kind policies are currently being reviewed and a report should be going to Council on the outcomes of the exhibition in July.</p> <p>The Works-in-Kind policies and supporting guidelines were adopted by Council on 29 June 2021. This action is now considered complete.</p>

1.4

Outstanding Action Items (contd)

Item	Meeting Date	Action	Responsible Officer	Status
22/2021 (ARIC)	10/03/2021	The Committee requested they be provided with copies of Council's monthly Financial reporting to the Office of Local Government.	Director Corporate Affairs	<p>ONGOING</p> <p>February Monthly Accounts and Cashflow reports emailed to ARIC Members 30/3</p> <p>March Monthly Accounts and Cashflow reports emailed to ARIC Members 13/5</p> <p>April and May Monthly Accounts and Cashflow reports emailed to ARIC Members 22/7</p>
32/2021 (ARIC)	13/04/2021	The Committee is satisfied with the processes being undertaken by Council to finalise the 2019/20 Financial Statements and support the approach in principle, pending further review of the statements and comments to be submitted to the Director Corporate Affairs and Chief Financial Officer by Thursday 15 April 2021.	The Committee / Director Corporate Affairs	<p>Engagement Closing Report for year ended 30 June 2020 for Central Coast Council and the Water Supply Authority financial statements reported to 24 June 2021 meeting.</p> <p>Action considered complete.</p>
60/2021(ARIC)	24/06/2021	The Committee resolved that a cyber security audit should be undertaken for the IT element of the 2021/22 work program.	Chief Internal Auditor	
62/2021(ARIC)	24/06/2021	The Committee requested an assessment of	Unit Manager Information	

1.4

Outstanding Action Items (contd)

Item	Meeting Date	Action	Responsible Officer	Status
		performance against the Essential 8.	and Technology	
63/2021(ARIC)	24/06/2021	The Committee requested an update on the controls to manage the IT projects considering the impacts on IT.	Unit Manager Information and Technology	
64/2021(ARIC)	24/06/2021	The Committee requested an update on the crown jewels in terms of corporate data and how IT identifies and is managing this risk.	Unit Manager Information and Technology	
65/2021(ARIC)	24/06/2021	The Committee noted the reports issued by the NSW Audit Office and welcome feedback from management on the actions proposed with regard to the ITGC management letter and the issues raised in the engagement closing report as well as a revision of the action dates.	Director Corporate Affairs and Chief Financial Officer	
67/2021(ARIC)	24/06/2021	The Committee noted the Management Letter from NSW Audit Office - Information Technology General Controls Testing phase for Audit for year ended 30 June 2020 and welcome feedback from management on the actions proposed and the issues raised in the engagement closing report as well as a revision of the action dates.	Director Corporate Affairs and Chief Financial Officer	

Item	Meeting Date	Action	Responsible Officer	Status
77/2021(ARIC)	24/06/2021	The Committee endorsed the Audit, Risk and Improvement Committee Charter that is Attachment 1 to this report in accordance with Clause 8 of the Charter and adopted by Council in accordance with Clause 9 of the Charter, subject to the inclusion of a Dispute Resolution clause being included.	Section Manager Governance Services	Dispute resolution clause included and updated ARIC charter uploaded to website 12/7/21. Action considered complete.
78/2021(ARIC)	24/06/2021	The Committee also requested that the following be established for future meetings based on the Charter: - Annual work plan to be developed - Meeting agendas to be reworked to ensure it aligns with the Charter and obligations of the Committee.	Section Manager Governance Services	Email sent to ARIC independent members for feedback. Once feedback is provided it will be sent to SME's and will be reported back to the Committee at a future meeting. The meeting agenda is being prepared in line with the Charter.
86/2021(ARIC)	24/06/2021	The Committee recommended that they work together with staff offline to develop an annual work plan and identify the responsibilities of the Committee which will in turn identify any potential information gaps.	The Committee / Section Manager Governance Services	Actioned under Item 78/2021. Action considered complete.

Attachments

1.4 Outstanding Action Items (contd)

Nil.



Item No: 2.2
Title: Monthly Financial Report - July 2021
Department: Corporate Affairs

14 September 2021 Audit Risk and Improvement Committee Meeting

Reference: F2020/03205 - D14824060
Author: Peter Correy, Unit Manager, Finance
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

Recommendation

- 1 *That the Committee note the report on Monthly Financial Report - July 2021.*
- 2 *That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

Summary

This report presents the July 2021 monthly financial reports for Central Coast Council. The reports cover the period 1 July 2021 to 31 July 2021.

Background

The monthly financial reports have been prepared in accordance with the requirements of the *Local Government Act 1993* ("LG Act"), the *Local Government (General) Regulation 2005* ("LG Reg"), and the relevant accounting and reporting requirements of the Office of Local Government prescribed Code of Accounting Practice and Financial Reporting and Australian Accounting Standards.

Report

The reports disclose the year to date financial results in Operating Statement format, they reflect the organisational structure and are presented by Department and Unit. The reports include a traffic light indicator of current status – on track (green light), off track (red light) continue to monitor status (orange light). Relevant supporting comments are included, as well as a graphical representation of the financial results.

The Local Government Code of Accounting Practice and Financial Reporting (Guidelines) require Council to recognise rates income at the beginning of the financial year when levied. However, for internal reporting purposes Council recognises rates revenue on a continual basis throughout the financial year thereby aligning revenue with Council's expenditure for the delivery of services to the community.

Consultation

In the preparation and finalisation of the monthly reports for July 2021, all business areas of Council contributed to the information contained within the financial reports.

Financial Summary

These financial reports show how actual expenditure is tracking against the year to date and full year budget of Council for the reporting period 1 July 2021 to 31 July 2021.

Council's net operating result excluding Grants and Contributions for capital purposes for July is showing a favourable variance to budget of \$10.6M, consisting of an actual deficit of \$0.1M compared to a budget deficit of \$10.7M.

Council's net operating result including Grants and Contributions for capital purposes for July is showing a favourable variance to budget of \$9.3M, consisting of an actual surplus of \$1.5M compared to a budget deficit of \$7.8M.

Capital expenditure for July was \$2.4M against budget of \$11.9M. There are currently 415 projects in various stages of completion.

Attachments

- 1 Monthly Finance Report July 2021 D14824056



Monthly Finance Report July 2021



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Financial Performance – Monthly Finance Report July 2021



Central Coast Council
Monthly Finance Report
July 2021

Peter Correy
24 August 2021



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Financial Performance – Monthly Finance Report July 2021



Financial Performance

Author: Peter Correy

Monthly Finance Report July 2021

Date: 24 August 2021

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Financial Performance – Monthly Finance Report July 2021

Financial Performance

Monthly Finance Report July 2021

The purpose of the monthly Finance Report is to provide the Executive Leadership Team with consolidated financial information for Central Coast Council to enable effective financial stewardship through the provision of information relevant to operations, capital expenditure funding and cash position.

The Report covers the following key areas of Council's finances:

- Year to date trading position for the consolidated entity, water and sewer funds and general/drainage/waste funds.
- Consolidated entity summary commentary with revenue and expenditure graphs
- Detailed consolidated results with commentary
- Summary capital expenditure by Directorate and funding source
- Cash and investments and borrowing position
- Year to date cashflow forecast to actual
- Restricted and unrestricted funds position

CONSOLIDATED TRADING SUMMARY					
	YTD				
	Actuals	Current Budget	Variance	Variance	Full Year Budget
	'000s	'000s	'000s	%	'000s
Operating Revenue	43,957	46,562	(2,605)	(5.6%)	666,792
Operating Expense	44,073	57,239	13,167	23.0%	659,749
Operating Surplus/(Deficit)	(116)	(10,677)	10,562		7,043
Capital Revenue	1,568	2,870	(1,303)	-45.4%	42,890
Other Capital Income (Asset disposals)	0	0	0	0.0%	0
Capital Loss (asset write-off)	0	0	0	0.0%	0
Net Result	1,452	(7,807)	9,259		49,933
Work in Progress	2,435	11,911	9,476	79.6%	175,040
Total Capital Expenditure	2,435	11,911	9,476		175,040

WATER & SEWER TRADING SUMMARY					
	YTD				
	Actuals	Current Budget	Variance	Variance	Full Year Budget
	'000s	'000s	'000s	%	'000s
Operating Revenue	9,180	9,191	(11)	(.1%)	151,540
Operating Expense	12,607	14,129	1,522	10.8%	163,175
Operating Surplus/(Deficit)	(3,427)	(4,939)	1,511		(11,635)
Capital Revenue	804	1,003	(199)	-19.8%	14,533
Other Capital Income (Asset disposals)	0	0	0	0.0%	0
Capital Loss (asset write-off)	0	0	0	0.0%	0
Net Result	(2,623)	(3,936)	1,313		2,898
Work in Progress	845	6,739	5,894	87.5%	65,358
Total Capital Expenditure	845	6,739	5,894		65,358

Financial Performance – Monthly Finance Report July 2021

GENERAL, DRAINAGE & WASTE TRADING SUMMARY					
	YTD				
	Actuals	Current Budget	Variance	Variance	Full Year Budget
	'000s	'000s	'000s	%	'000s
Operating Revenue	34,777	37,371	(2,594)	(6.9%)	515,252
Operating Expense	31,466	43,110	11,645	27.0%	496,574
Operating Surplus/(Deficit)	3,312	(5,739)	9,050		18,678
Capital Revenue	764	1,868	(1,104)	-59.1%	28,357
Other Capital Income (Asset disposals)	0	0	0	0.0%	0
Capital Loss (asset write-off)	0	0	0	0.0%	0
Net Result	4,075	(3,871)	7,946		47,035
Work in Progress	1,590	5,172	3,582	69.3%	109,682
Total Capital Expenditure	1,590	5,172	3,582		109,682

Consolidated Entity Summary Commentary

Net Result

- The total Net Result (including capital revenues) as at 31 July 2021 is a surplus of \$1.45M compared to the budget deficit of \$7.81M.
- Council's operating surplus (excluding capital revenue) is a deficit of \$0.12M compared to the budget deficit of \$10.68M.

Operating Revenue

- \$2.61M under budget
- Revenue was under budget for the following:
 - Internal revenue \$2.18M
 - Operating grants and contributions \$1.32M, offset by increases in
 - Interest \$0.65M,
 - Rates and annual charges \$0.42M

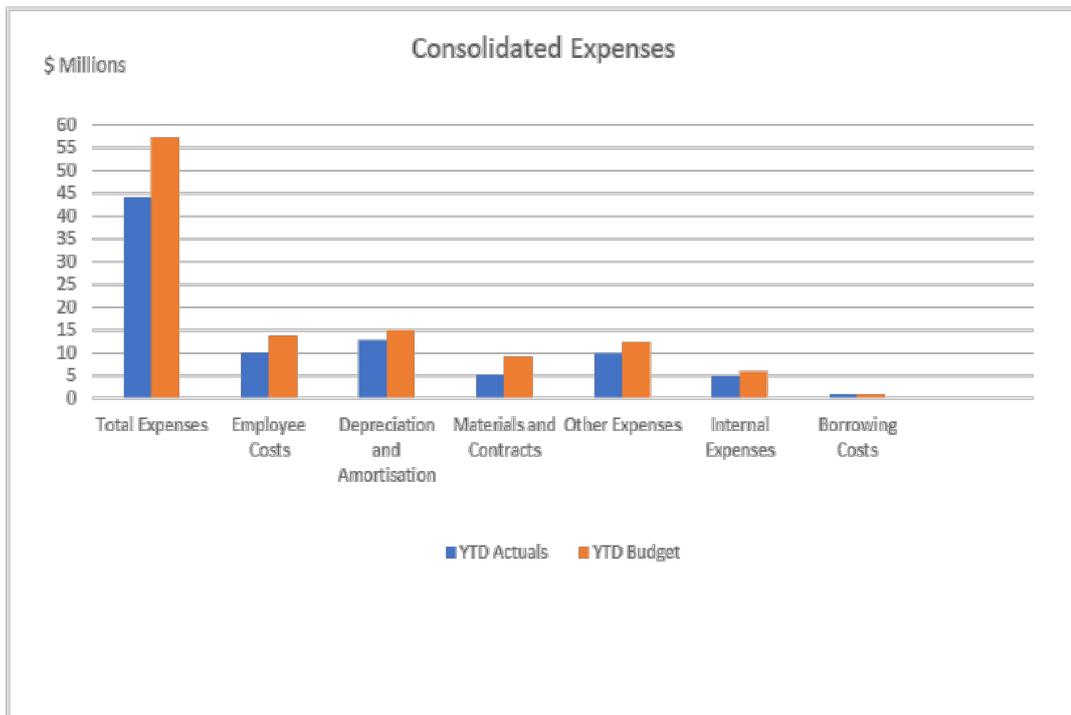
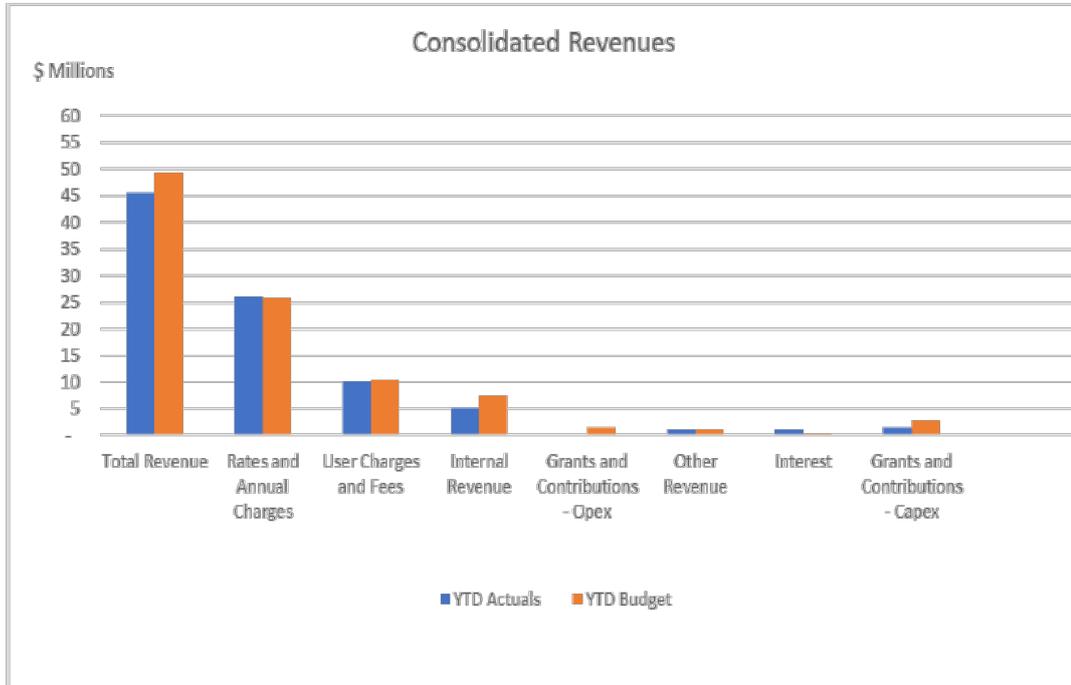
Operating Expenses

- \$13.17M under budget
- Cost savings were achieved in:
 - Employee costs \$3.56M
 - Materials and Contracts \$3.93M
 - Depreciation and Amortisation \$2.19M
 - Other general expenditure \$2.41M
 - Internal expenses \$1.06M

Capital Expenditure

At 31 July there were 415 projects, 301 of which were in line with or under budget by \$10.2M, offset by 114 projects over budget by \$0.7M.

Financial Performance – Monthly Finance Report July 2021



Financial Performance – Monthly Finance Report July 2021

Summary Consolidated Operational Results

	CURRENT MONTH			YEAR TO DATE			FULL YEAR		
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year Actual	Original Budget	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income									
Rates and Annual Charges	26,196	25,779	417	26,196	25,779	417	331,384	361,871	361,871
User Charges and Fees	10,318	10,392	(75)	10,318	10,392	(75)	142,283	142,512	142,512
Other Revenue	972	1,062	(90)	972	1,062	(90)	17,554	15,009	15,009
Interest	1,006	362	645	1,006	362	645	5,598	4,442	4,442
Grants and Contributions	247	1,566	(1,319)	247	1,566	(1,319)	43,532	49,491	49,491
Gain on Disposal	-	-	-	-	-	-	2,609	-	-
Internal Revenue	5,218	7,401	(2,183)	5,218	7,401	(2,183)	74,557	93,467	94,259
Total Income attributable to Operations	43,957	46,562	(2,605)	43,957	46,562	(2,605)	617,517	666,792	667,584
Operating Expenses									
Employee Costs	10,091	13,654	3,563	10,091	13,654	3,563	221,837	175,833	175,833
Borrowing Costs	958	976	18	958	976	18	16,414	17,471	17,471
Materials and Contracts	5,314	9,241	3,927	5,314	9,241	3,927	123,217	114,163	114,163
Depreciation and Amortisation	12,767	14,962	2,195	12,767	14,962	2,195	160,944	177,106	177,106
Other Expenses	10,011	12,419	2,408	10,011	12,419	2,408	90,255	100,822	100,822
Loss on Disposal	-	-	-	-	-	-	6,491	-	-
Internal Expenses	4,932	5,987	1,055	4,932	5,987	1,055	59,051	74,354	75,146
Overheads	0	0	0	0	0	0	(0)	0	0
Total Expense attributable to Operations	44,073	57,239	13,167	44,073	57,239	13,167	678,209	659,749	660,541
Operating Result after Overheads and before Capital Amounts	(116)	(10,677)	10,562	(116)	(10,677)	10,562	(60,693)	7,043	7,043
Capital Grants	857	-	857	857	-	857	38,171	8,445	8,445
Capital Contributions	711	2,870	(2,159)	711	2,870	(2,159)	46,373	34,445	34,445
Grants and Contributions Capital Received	1,568	2,870	(1,303)	1,568	2,870	(1,303)	84,544	42,890	42,890
Net Operating Result	1,452	(7,807)	9,259	1,452	(7,807)	9,259	23,851	49,933	49,933

Revenue

- Rates and Annual Charges
Favourable variance of \$0.4M attributable to an increase in domestic waste charges \$2.8M offset by reduced drainage charges (\$0.9M) and Council subsidised pensioner rebates omitted from rates SRV calculation and not included in budget.
- User Charges and Fees
Unfavourable variance of \$0.08M with a number of offsetting minor variances.
- Other Revenue
Unfavourable variance of \$0.09M with a number of offsetting minor variances.
- Interest
Favourable variance of \$0.65M due to unrealised gains on investments
- Internal Revenue
Unfavourable variance of \$2.18M due to lower recovery from Capex activities aligned to Council's plant and fleet \$1.6M, tipping \$0.2M and facilities maintenance \$0.2M business operations.
- Operating Contributions
Unfavourable variance of \$1.32M due to timing variance of RMS contributions.

Financial Performance – Monthly Finance Report July 2021

- **Capital Grants**
Favourable variance of \$0.86M due to timing of works on capital projects in Infrastructure Services, Water and Sewer.
- **Capital Contributions**
Unfavourable variance of \$2.16M due to reduction in Sec. 7.11 contributions and reduced Sec. 64 contributions for water and sewer.

Expenditure

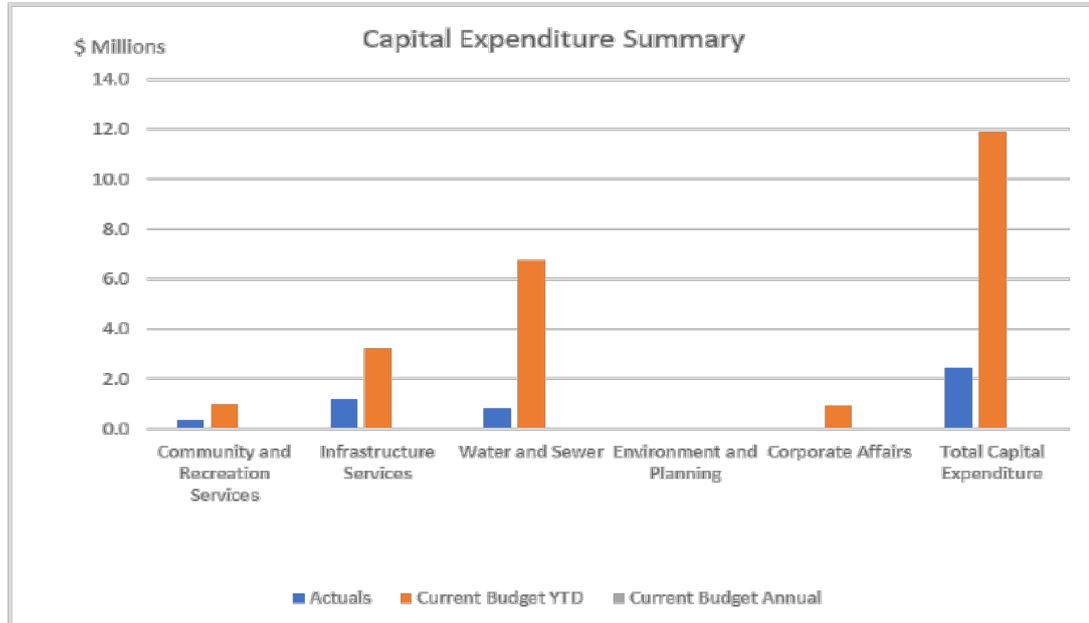
- **Employee Costs**
Favourable variance of \$3.56M due to vacant FTE roles.
- **Materials and Contracts**
Favourable variance of \$3.93M in materials, contract labour costs and consultancy costs through Council's focus on tightening expenditure to priority works only.
- **Depreciation and Amortisation**
Favourable variance of \$2.196M due to reduced capitalised WIP.
- **Other Expenses**
Favourable variance of \$2.41M due to restricted expenditure across all expense categories.
- **Borrowing costs favourable variance of \$1.3M due to early pay-out of Sewer loans**
- **Internal Expenses**
Favourable variance of \$1.06M due to lower charges for plant and fleet \$0.5M, facilities maintenance \$0.3M and rates & charges \$0.3M.

Summary Capital Expenditure by Directorate and Funding Source

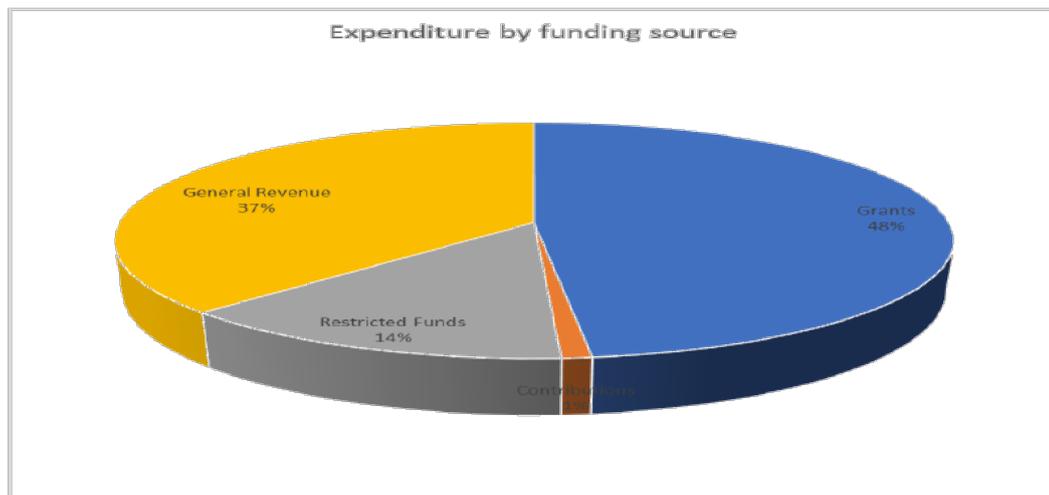
Department	YTD				Annual
	Actuals	Current Budget	Variance	Variance	Current Budget
	'000s	'000s	'000s	%	'000s
Community and Recreation Services	345	989	(644)	(65.1%)	13,981
Infrastructure Services	1,188	3,235	(2,047)	(63.3%)	66,390
Water and Sewer	845	6,739	(5,894)	(87.5%)	65,358
Environment and Planning	39	11	28	254.5%	1,675
Corporate Affairs	18	937	(919)	(98.1%)	27,636
Total Capital Expenditure	2,435	11,911	(9,476)	(79.6%)	175,040

Financial Performance – Monthly Finance Report July 2021

Capital Expenditure Summary



YTD Actuals by funding source				
Department	Grants	Contributions	Restricted Funds	General Revenue
	'000s	'000s	'000s	'000s
Community and Recreation Services	230	9	0	106
Infrastructure Services	599	16	284	290
Water and Sewer	335	0	38	471
Environment and Planning	7	0	0	32
Corporate Affairs	0	0	8	11
Total Capital Expenditure	1,171	25	330	910



Financial Performance – Monthly Finance Report July 2021

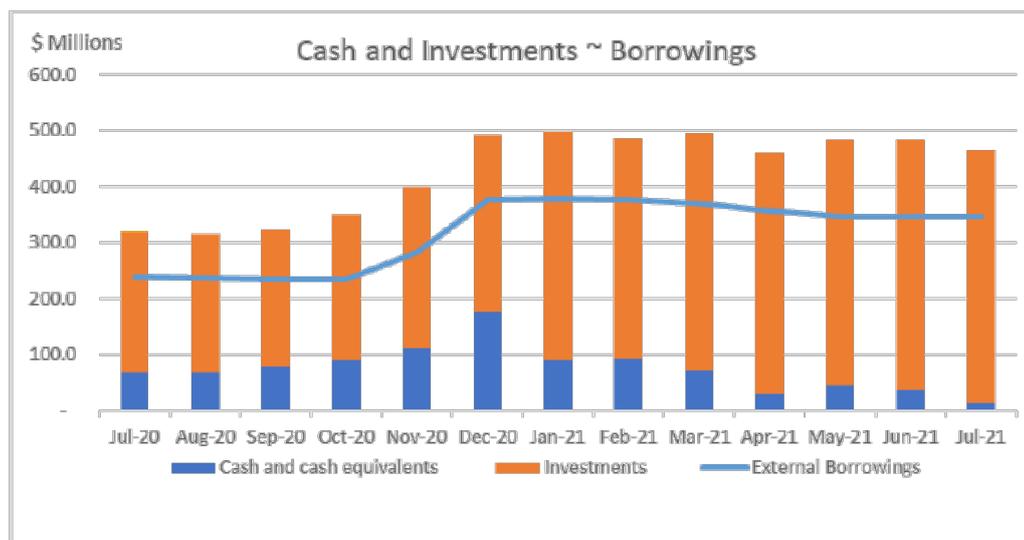
Donated (non-cash) Assets

There were no donated assets during July.

Cash/Investments and Borrowings

Cash balance at 31 July is \$465.0M, a reduction of \$19.4M from 30 June due to a combination of year- end supplier payments and the cyclical reduction in rates and charges receipts.

External borrowings are currently \$346.9M.



YTD Cashflow Summaries

	Forecast @ 31 Jul \$'000	Actual @ 31 Jul \$'000	YTD Movement \$'000	Forecast @ 30 June 2022 \$'000
CASH FLOW MOVEMENTS				
Opening cash & investments @ 1 July 2021	484,418	484,418		484,418
Income receipts (incl Capital grants & contributions)	49,994	28,569	(21,425)	738,916
Operational payments	(66,232)	(50,364)	15,869	(513,974)
Net operating cash inflow / (outflow)	(16,238)	(21,794)	(5,556)	224,942
Capital projects payments	(14,587)	(2,439)	12,147	(162,893)
Asset sales	0	5,073	5,073	5,073
Financing receipts	0	0	0	12,779
Financing repayments	(278)	(278)	0	(39,540)
Total cash inflow / (outflow)	(31,103)	(19,439)	11,664	40,361
Closing cash & investments	453,315	464,979	11,664	524,779
Represented by:				
Externally restricted cash	333,740	330,784	(2,956)	317,731
Internally restricted cash	92,899	93,872	973	93,872
Unrestricted cash	26,676	40,323	13,647	113,177
Total cash	453,315	464,979	11,664	524,779

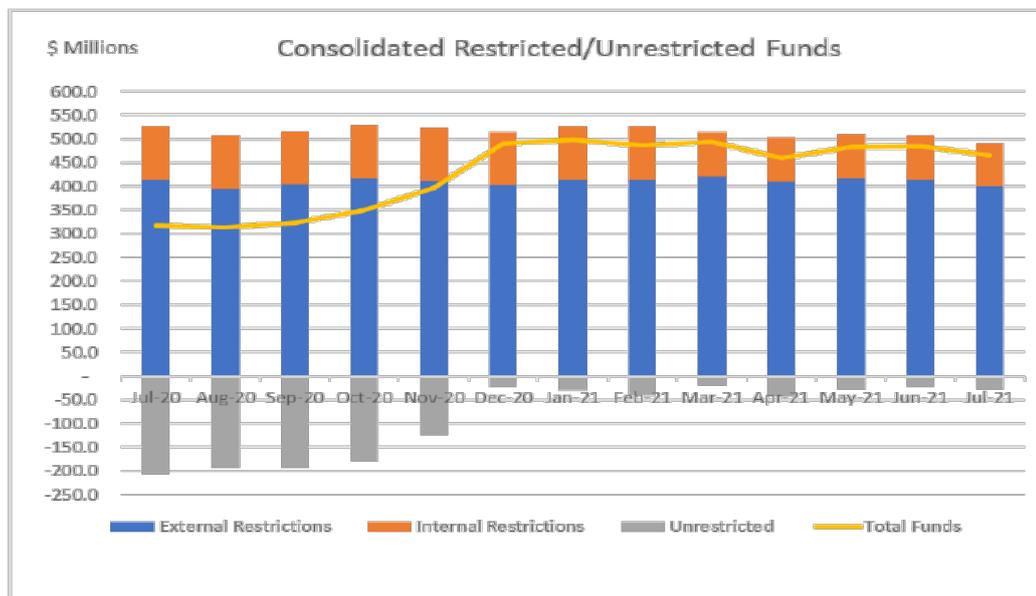
Council's cash position at 31 July was \$11.7M higher than forecast due principally to reduced materials and services payments \$10.6M and reduced capital payments \$12.1M, offset by delayed rates and annual charges receipts.

Financial Performance – Monthly Finance Report July 2021

ACTUAL MONTHLY CASH FLOW (by FUND)	General Fund \$'000	Water Fund \$'000	Sewer Fund \$'000	Drainage Fund \$'000	Domestic Waste Fund \$'000	Consolidated \$'000
Opening cash & investments @ 1 July 2021	248,959	962	138,432	166	95,899	484,418
Income receipts (incl Capital grants & contributions)	16,396	3,298	2,913	958	5,005	28,569
Operational payments	(30,139)	(7,045)	(5,682)	(2,012)	(5,486)	(50,364)
Net operating cash inflow / (outflow)	(13,743)	(3,748)	(2,769)	(1,054)	(481)	(21,794)
Capital projects payments	(1,470)	(523)	(322)	(125)	0	(2,439)
Asset sales	5,073	0	0	0	0	5,073
Financing receipts	0	0	0	0	0	0
Financing repayments	(278)	0	0	0	0	(278)
Total cash inflow / (outflow)	(10,418)	(4,270)	(3,091)	(1,179)	(481)	(19,439)
Closing cash & investments @ 31 July 2021	238,541	(3,308)	135,341	(1,012)	95,418	464,979
Represented by:						
Externally restricted cash	176,944	6,308	22,249	36,235	89,047	330,784
Internally restricted cash	91,913	1,026	877	55	0	93,872
Unrestricted cash	(30,316)	(10,643)	112,215	(37,303)	6,371	40,323
Total cash	238,541	(3,308)	135,341	(1,012)	95,418	464,979

Restricted Funds

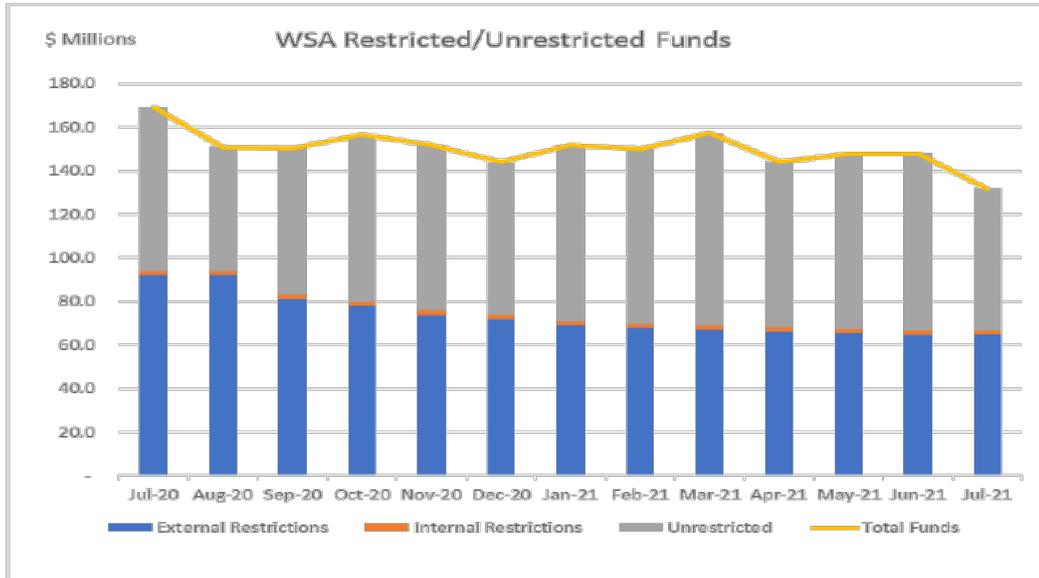
External restricted funds balance includes both restricted and unrestricted WSA funds. Through external funding and rationalisation of internal restricted fund balances, the unrestricted fund balance has improved from (\$206.5M) at 31 July '20 to (\$27M) at 31 July '21.



The table below shows the net position of unrestricted funds for the Water Supply Authority of \$65.0M. A further breakdown of the tabled amounts has the unrestricted amount for each fund within the WSA as follows:

- Water Fund (\$10.6M)
- Sewer \$112.2M
- Drainage (\$37.3M)

Financial Performance – Monthly Finance Report July 2021





Chief Executive Officer Monthly Financial Reports

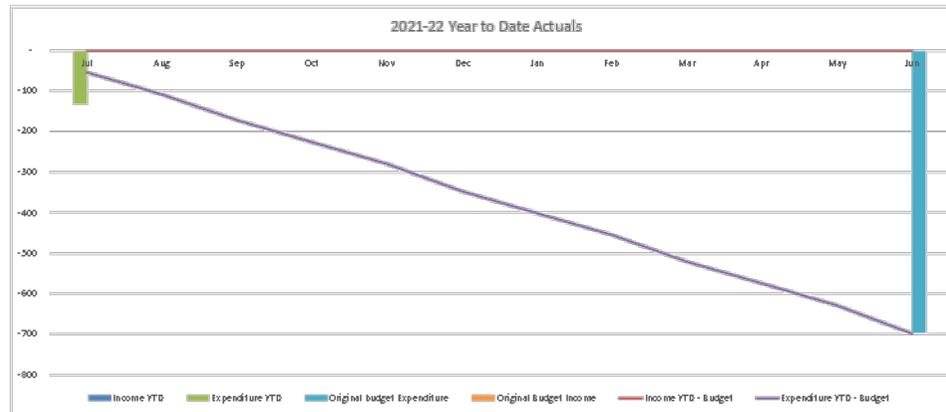
July 2021

01. Office of the Chief Executive Officer
Operating Statement - Internal



July 2021

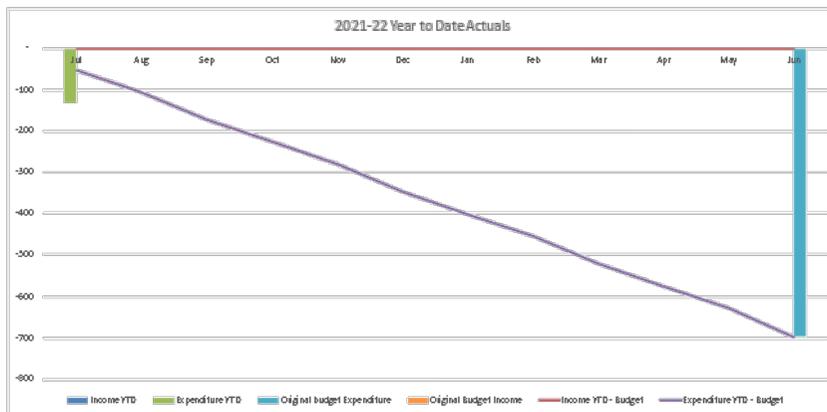
	CURRENT MONTH			YEAR TO DATE				FULL YEAR				
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income												
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-
User Charges and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	(0)	0	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Income attributable to Operations	-	-	-	-	-	-	(0)	0	-	-	-	-
Operating Expenses												
Employee Costs	87	82	15	87	82	15	95	1,781	1,070	-	-	1,070
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Materials and Contracts	7	65	58	7	65	58	113	839	779	-	-	779
Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	(0)	4	4	(0)	4	4	(0)	28	49	-	-	49
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Internal Expenses	2	3	1	2	3	1	3	38	35	-	(6)	29
Overheads	(207)	(207)	-	(207)	(207)	-	(103)	(2,065)	(2,629)	-	-	(2,629)
Total Expenses attributable to Operations	(132)	(54)	78	(132)	(54)	78	109	0	(697)	-	(6)	(702)
Operating Result after Overheads and before Capital Amounts	132	54	78	132	54	78	(109)	-	697	-	6	702
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result	132	54	78	132	54	78	(109)	-	697	-	6	702



01.01. Office of the Chief Executive Officer
Operating Statement - Internal
July 2021



	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
Operating Income																
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Revenue	-	-	-	-	-	-	(9)	0	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Income attributable to Operations	-	-	-	-	-	-	(9)	0	-	-	-	-	-	-	-	
Operating Expenses																
Employee Costs	67	82	15	67	82	15	95	1,761	1,070	-	-	-	-	1,070	-	
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Materials and Contracts	7	65	58	7	65	58	113	839	779	-	-	-	-	779	-	Consultants budget not fully utilised in July.
Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Expenses	(9)	4	13	(9)	4	13	(9)	28	49	-	-	-	-	49	-	Office of CEO training and conference budget not utilised in July.
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Expenses	2	3	1	2	3	1	3	38	38	-	-	(6)	-	29	-	Proposed budget change is to rinate mail technology (IT) costs. IT costs are being charged out on a per FTE basis in 2021-22.
Overheads	(207)	(207)	-	(207)	(207)	-	(103)	(2,665)	(2,629)	-	-	-	-	(2,629)	-	Overheads recovered as per budget - true up undertaken at end of financial year.
Total Expenses attributable to Operations	(152)	(54)	78	(152)	(54)	78	163	0	(637)	-	(6)	-	(6)	702	-	
Operating Result after Overheads and before Capital Amounts	152	54	78	152	54	78	(103)	-	637	-	6	-	6	702	-	
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions Capital Received																
Net Operating Result	152	54	78	152	54	78	(103)	-	637	-	6	-	6	702	-	





Community and Recreation Services Monthly Financial Reports

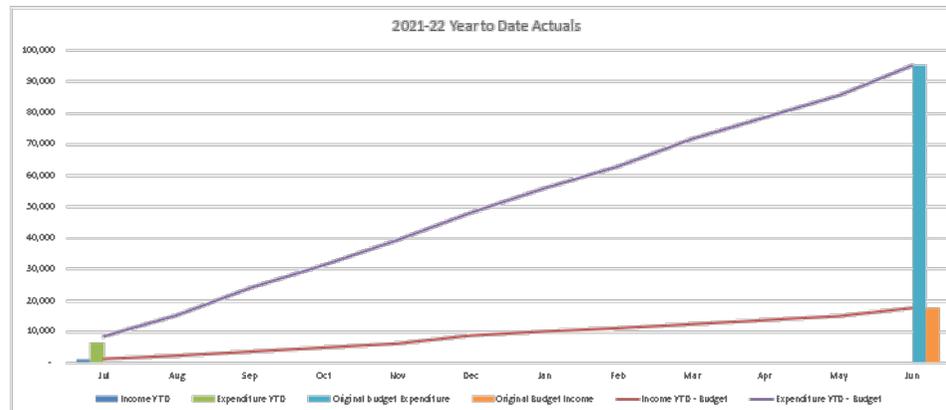
July 2021

02. Community and Recreation Services Operating Statement - Internal



July 2021

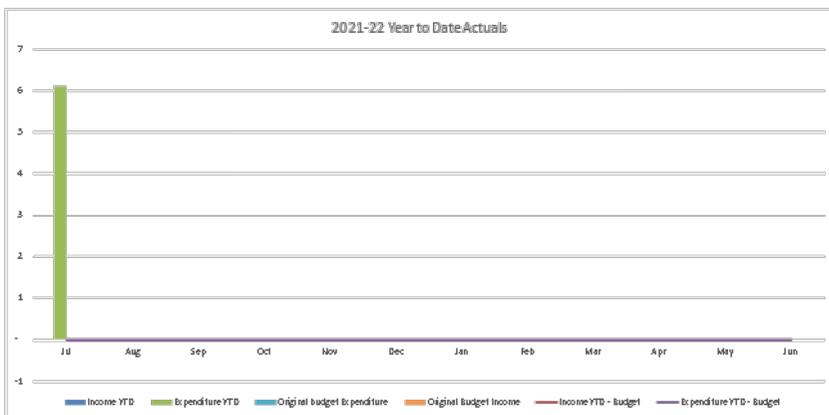
	CURRENT MONTH			YEAR TO DATE				FULL YEAR				
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income												
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-
User Charges and Fees	1,037	1,288	(251)	1,037	1,288	(251)	881	15,827	13,278	-	-	13,278
Other Revenue	24	86	(62)	24	86	(62)	49	2,470	2,373	-	-	2,373
Interest	0	-	0	0	-	0	-	1	-	-	-	-
Grants and Contributions	19	34	(15)	19	34	(15)	598	2,243	2,053	-	-	2,053
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	0	-	(1)	0	-	(1)	-	89	8	-	-	8
Total Income attributable to Operations	1,080	1,408	(328)	1,080	1,408	(328)	1,528	20,599	17,712			17,712
Operating Expenses												
Employee Costs	1,836	2,913	1,077	1,836	2,913	1,077	2,819	43,887	38,388	-	-	38,388
Borrowing Costs	-	-	-	-	-	-	-	33	-	-	-	33
Materials and Contracts	348	644	296	348	644	296	335	9,255	9,543	-	-	9,543
Depreciation and Amortisation	1,339	1,579	240	1,339	1,579	240	1,219	18,470	18,818	-	-	18,818
Other Expenses	574	748	174	574	748	174	686	4,723	8,904	-	-	8,904
Loss on Disposal	-	-	-	-	-	-	-	733	-	-	-	-
Internal Expenses	559	779	220	559	779	220	508	7,537	9,149	-	339	9,487
Overheads	1,827	1,827	-	1,827	1,827	-	111	13,188	12,200	-	-	12,200
Total Expenses attributable to Operations	6,483	8,490	2,007	6,483	8,490	2,007	5,685	97,756	95,010		339	95,349
Operating Result after Overheads and before Capital Amounts	(5,403)	(7,082)	1,678	(5,403)	(7,082)	1,678	(4,157)	(77,157)	(77,298)		(339)	(77,637)
Capital Grants	(240)	-	(240)	(240)	-	(240)	-	3,121	500	-	-	500
Capital Contributions	-	-	-	-	-	-	78	8,116	-	-	-	-
Grants and Contributions Capital Received	(240)	-	(240)	(240)	-	(240)	78	11,237	500			500
Net Operating Result	(5,643)	(7,082)	1,438	(5,643)	(7,082)	1,438	(4,079)	(65,920)	(76,798)		(339)	(77,137)



02.01. Community and Recreation Services Executive Operating Statement - Internal

July 2021

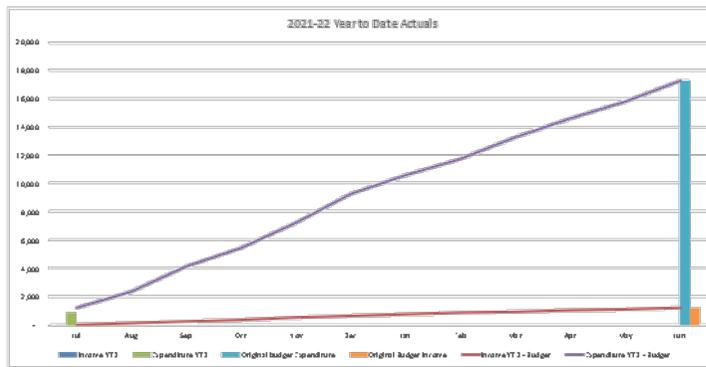
	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
Operating Income																
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Revenue	-	-	-	-	-	-	-	(3)	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Income attributable to Operations								(3)	-	-	-	-	-	-	-	
Operating Expenses																
Employee Costs	35	46	10	35	46	10	44	618	397	-	-	-	397			
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Materials and Contracts	11	-	(11)	11	-	(11)	20	306	31	-	-	-	31			Relates to COVID clearing costs for admin building - quarterly adjustment required
Depreciation and Amortisation	-	0	0	-	0	0	-	-	0	-	-	-	0			Relates to COVID costs - quarterly adjustment required
Other Expenses	6	0	(6)	6	0	(6)	-	54	10	-	-	-	10			
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Expenses	1	2	1	1	2	1	4	89	19	-	(6)	-	14			
Overheads	(47)	(47)	-	(47)	(47)	-	(84)	(1,161)	(637)	-	-	-	(637)			
Total Expenses attributable to Operations	6	-	(6)	6	-	(6)	5	(3)	-	-	(6)	(6)	(6)			
Operating Result after Overheads and before Capital Amounts	(6)	-	(6)	(6)	-	(6)	(5)	(0)	-	-	6	6	6			
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Operating Result	(6)	-	(6)	(6)	-	(6)	(5)	(0)	-	-	6	6	6			



02.02. Community and Culture
Operating Statement - Internal
July 2021



	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Assessed Changes	Proposed Changes	Year End Forecast			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Operating Income															
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-		
User Charges and Fees	5	40	(35)	5	40	(35)	(16)	559	826	-	-	-	826		COVID 19 closures and restrictions have had a significant impact on income this month. Theatres and Gallery are closed - no events are being undertaken. Situation will be monitored monthly and updated monthly.
Other Revenue	1	21	(20)	1	21	(20)	3	327	307	-	-	-	307		COVID 19 closures and restrictions have had a significant impact on income this month. Theatres and Gallery are closed - no events are being undertaken. Situation will be monitored monthly and updated monthly.
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-		
Grants and Contributions	-	-	-	-	-	-	10	158	90	-	-	-	90		
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-		
Internal Revenue	-	-	-	-	-	-	1	8	-	-	-	-	-		
Total Income attributable to Operations	6	61	(55)	6	61	(55)	(9)	1,052	1,223				1,223		
Operating Expenses															
Employee Costs	299	382	83	299	382	83	391	5,775	5,007	-	-	-	5,007		Variance realignment to current vacancies and underutilization of casual staff due to COVID closures.
Borrowing Costs	-	-	-	-	-	-	-	20	-	-	-	-	-		
Materials and Contracts	200	398	198	200	398	198	127	4,723	5,969	-	-	-	5,969		COVID 19 closures and restrictions have impacted planned delivery of numerous projects, programs and services. Theatres are closed and programming related cultural income is impacted. Regional Gallery is closed and no exhibitions or classes are being delivered. Various community & cultural development, place making and education programs are to be delivered due to COVID. Situation will be monitored ongoing and budget adjustments made accordingly at the appropriate time.
Depreciation and Amortisation	60	51	(10)	60	51	(10)	43	651	611	-	-	-	611		
Other Expenses	24	64	40	24	64	40	51	1,285	2,526	-	-	-	2,526		COVID 19 closures and restrictions have impacted planned delivery of some events and services. Public Health underpinned the delivery of any events planned expenditure for various events over the mid to month have not materialised in July. Regional Gallery is closed and no exhibitions or classes are being delivered. Situation will be monitored ongoing and budget adjustments made accordingly at the appropriate time.
Loss on Disposal	-	-	-	-	-	-	-	3	-	-	-	-	-		
Internal Expenses	28	59	30	28	59	30	36	498	703	-	(3)	-	701		COVID 19 closures and restrictions have impacted planned delivery of numerous activities within the Uni and all relevant facilities are closed. Various budgeted internal expenses and related activities included facility maintenance, cleaning, electricity.
Overheads	291	291	-	291	291	-	132	2,963	2,474	-	-	-	2,474		
Total Expenses attributable to Operations	802	1,245	343	802	1,245	343	778	15,517	17,230				(3)	17,230	
Operating Result	(846)	(1,184)	237	(846)	(1,184)	237	(781)	(14,464)	(16,047)				3	(16,044)	
After Overheads and before Capital Accounts															
Capital Grants	-	-	-	-	-	-	-	(495)	-	-	-	-	-		
Capital Contributions	-	-	-	-	-	-	-	(496)	-	-	-	-	-		
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net Operating Result	(846)	(1,184)	237	(846)	(1,184)	237	(781)	(14,959)	(16,047)				3	(16,044)	

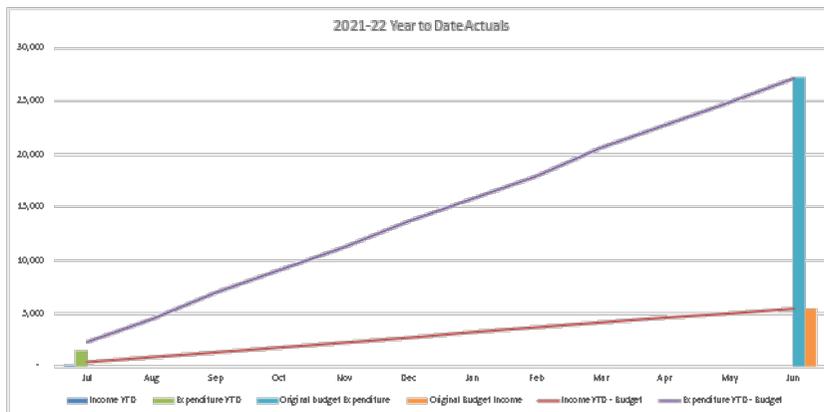


02.03. Leisure Recreation and Community Facilities Operating Statement - Internal

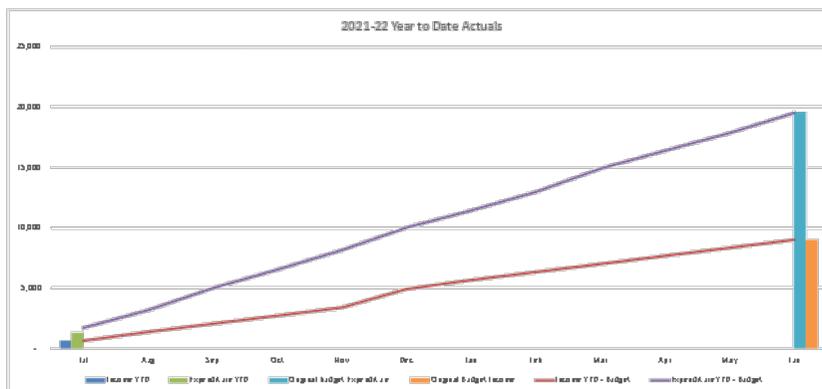


July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
Operating Income																
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
User Charges and Fees	72	372	(300)	72	372	(300)	39.3	7,322	4,968	-	-	4,968	●	Use fee income is lower than budget due to closure of all facilities through COVID-19		
Other Revenue	23	65	(42)	23	65	(42)	46	900	821	-	-	821	●	Sales income is lower than budget due to closure of all facilities through COVID-19		
Interest	0	-	0	0	-	0	-	1	-	-	-	-	●			
Grants and Contributions	16	-	16	16	-	16	6	67	69	-	-	69	●	Additional sponsorship income received		
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	●			
Internal Revenue	-	0	(0)	-	0	(0)	-	40	5	-	-	5	●			
Total Income attributable to Operations	111	437	(326)	111	437	(326)	44.9	8,330	5,463	-	-	5,463				
Operating Expenses																
Employee Costs	300	833	(533)	300	833	(533)	621	11,262	11,101	-	-	11,101	●	Employee cost lower than budget due to no casual staff utilised in leisure centres or Grant McBride Baths with COVID closures. Amendment required in Q1 to reflect the seasonal nature of beach lifeguards.		
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	●			
Materials and Contracts	44	83	(39)	44	83	(39)	69	1,206	1,236	-	-	1,236	●	Materials and contracts expenditure lower than budget due to closure of facilities and services		
Depreciation and Amortisation	441	646	(205)	441	646	(205)	464	7,341	7,742	-	-	7,742	●	YTD favourable result due to a number of assets transferred across Units. Budget reallocations to be amended in Q1.		
Other Expenses	6	24	(18)	6	24	(18)	10	555	651	-	-	651	●	Other expenses expenditure lower than budget due to closure of facilities and services		
Loss on Disposal	-	-	-	-	-	-	-	90	-	-	-	-	●			
Internal Expenses	170	237	(67)	170	237	(67)	14.9	2,342	2,843	-	148	2,990	●	Internal expenses expenditure lower than budget due to closure of facilities and services		
Overheads	510	510	-	510	510	-	(31)	4,023	3,993	-	-	3,993	●			
Total Expenses attributable to Operations	1,470	2,382	(882)	1,470	2,382	(882)	1,227	26,619	27,197	-	148	27,344				
Operating Result after Overheads and before Capital Amounts	(1,359)	(1,945)	586	(1,359)	(1,945)	586	(783)	(18,489)	(21,735)	-	(148)	(21,881)				
Capital Grants	-	-	-	-	-	-	-	570	-	-	-	-	●			
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	●			
Grants and Contributions Capital Received	-	-	-	-	-	-	-	570	-	-	-	-	●			
Net Operating Result	(1,359)	(1,945)	586	(1,359)	(1,945)	586	(783)	(17,919)	(21,735)	-	(148)	(21,881)				



02.04. Libraries and Education Operating Statement - Internal July 2021													Central Coast Council	
	CURRENT MONTH			YEAR TO DATE				FULLY YEAR					Status	Internal Status Comments
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Income														
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-		On track
User Charges and Fees	653	655	(2)	653	655	(2)	423	7,036	7,136	-	-	7,136		Overall YTD income is on track. However as a result of COVID lockdowns the library branches have been closed and hence no income has been received. The YTD child care average utilisation is 89.1% which is 1.1% above target, based on enrolled numbers. However with the Government waiting the gap on childcare fees mid-way through July during the lockdown period, daily attended numbers have significantly reduced only averaging 61.1% utilisation and there is a loss of revenue provided (dependent on whether the Government will provide additional support to local government childcare providers).
Other Revenue	-	0	(0)	-	0	(0)	0	12	3	-	-	3		On track
Interest	-	-	-	-	-	-	-	-	-	-	-	-		On track
Grants and Contributions	8	34	(26)	8	34	(26)	583	1,966	1,894	-	-	1,894		Overall there is an unfavourable YTD result which is attributed to Start Strong funds being held as restricted as they were paid early, and this is being offset by funding provided for inclusion support (SB) funded children enrolled in the childcare centres.
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-		On track
Internal Revenue	0	0	(0)	0	0	(0)	0	2	3	-	-	3		On track
Total Income attributable to Operations	671	699	(28)	671	699	(28)	1,006	9,019	9,036	-	-	9,036		
Operating Expenses														
Employee Costs	635	945	290	635	945	290	989	14,751	12,322	-	-	12,322		Overall YTD there is a favourable result. This is a result of the COVID lockdown and the reduced need for casual staffing as library branches are closed and with a number of children not attending childcare centres there is an opportunity to reduce staffing requirements.
Borrowing Costs	-	-	-	-	-	-	-	13	-	-	-	-		On track
Materials and Contracts	42	50	9	42	50	9	29	603	548	-	-	548		On track
Depreciation and Amortisation	138	133	(5)	138	133	(5)	91	1,369	1,327	-	-	1,327		On track
Other Expenses	71	81	10	71	81	10	61	809	1,210	-	-	1,210		On track
Loss on Disposal	-	-	-	-	-	-	-	1	-	-	-	-		On track
Internal Expenses	40	122	81	40	122	81	47	707	1,261	-	110	1,371		Overall YTD there is a favourable result which is predominantly related to activities maintenance, cleaning and security costs. This will continue to be monitored.
Overheads	381	381	-	381	381	-	65	3,312	2,699	-	-	2,699		On track
Total Expenses attributable to Operations	1,227	1,713	486	1,227	1,713	486	1,282	21,557	18,566	-	110	18,476		
Operating Result after Overheads and before Capital Amounts	(556)	(1,014)	458	(556)	(1,014)	458	(277)	(12,538)	(9,530)	-	(110)	(16,640)		
Capital Grants	-	-	-	-	-	-	-	779	-	-	-	-		On track
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-		On track
Grants and Contributions Capital Received	-	-	-	-	-	-	-	779	-	-	-	-		
Net Operating Result	(556)	(1,014)	458	(556)	(1,014)	458	(277)	(11,759)	(9,530)	-	(110)	(16,640)		

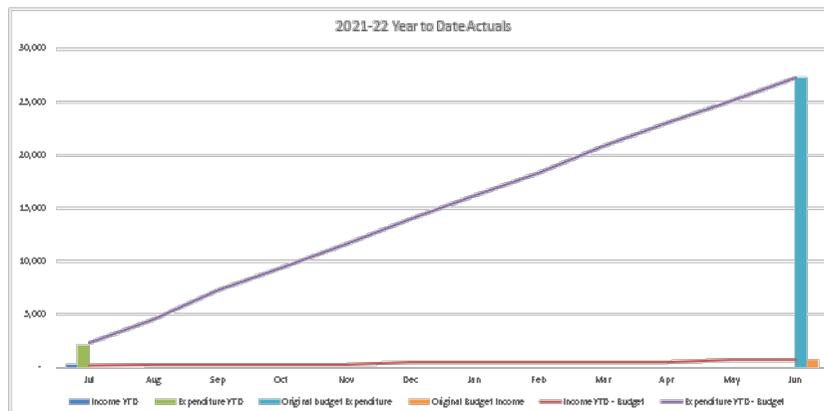


02.05. Open Space and Recreation Operating Statement - Internal



July 2021

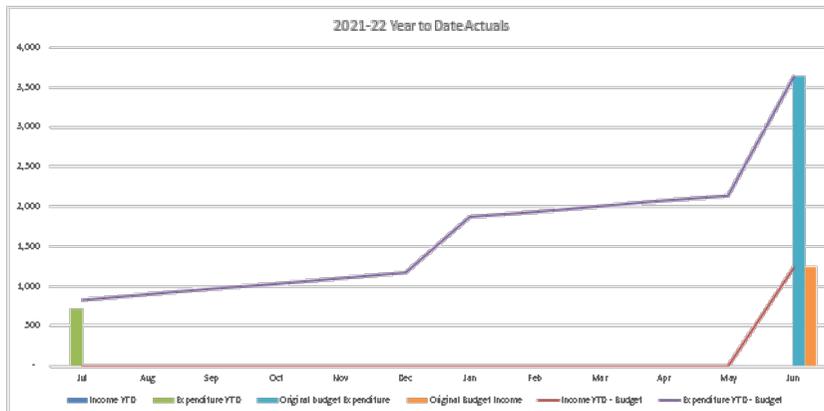
	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Operating Income Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-			
User Charges and Fees	298	211	87	298	211	87	81	910	746	-	-	-	746		YTD fees positive variance primarily due to Commercial licences to operate on Open Space being charged earlier than a mid paid phasing.
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-		
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-		
Grants and Contributions	(9)	-	(9)	(9)	-	(9)	-	49	-	-	-	-	-		Income received from developer for tree planting transferred to tree planting bond.
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-		
Internal Revenue	-	-	-	-	-	-	-	9	-	-	-	-	-		
Total Income attributable to Operations	289	211	81	289	211	81	81	968	746	-	-	-	746		
Operating Expenses															
Employee Costs	548	688	140	548	688	140	774	11,439	9,372	-	-	-	9,372		YTD expenditure positive variance due to a number of vacancies not filled until various times within the month. Adjustment required at Q1 in relation to 2 vacant roles currently budgeted. Long service leave shown negative actuals of \$18k for the month.
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-		
Materials and Contracts	51	109	58	51	109	58	91	2,276	1,715	-	-	-	1,715		Material and contracts positive variance YTD due to monthly allocation to work crews varying dependent on need. Will vary month to month.
Depreciation and Amortisation	637	706	49	637	706	49	581	8,489	8,437	-	-	-	8,437		Variance for depreciation expenses is a timing difference. The actuals includes an allowance for the estimated impact of capitalising any WIP backlog.
Other Expenses	0	3	3	0	3	3	1	118	33	-	-	-	33		
Loss on Disposal	-	-	-	-	-	-	-	639	-	-	-	-	-		
Internal Expenses	320	360	40	320	360	40	275	3,896	4,318	-	90	-	4,408		YTD positive variance due to no water recharges attributed for July with over expenditure against electricity compared to budget.
Overheads	486	496	-	486	496	-	45	3,969	3,446	-	-	-	3,446		
Total Expenses attributable to Operations	2,061	2,352	290	2,061	2,352	290	1,766	30,847	27,520	-	30	-	27,410		
Operating Result after Overheads and before Capital Amounts	(1,763)	(2,141)	372	(1,763)	(2,141)	372	(1,685)	(29,879)	(26,774)	-	(30)	-	(26,662)		
Capital Grants	(240)	-	(240)	(240)	-	(240)	-	2,267	500	-	-	-	300		\$240k was received towards Naara Skate Park construction.
Capital Contributions	-	-	-	-	-	-	76	8,116	-	-	-	-	-		
Grants and Contributions Capital Received	(240)	-	(240)	(240)	-	(240)	76	10,383	500	-	-	-	500		
Net Operating Result	(2,003)	(2,141)	132	(2,003)	(2,141)	132	(1,607)	(18,496)	(26,072)	-	(30)	-	(26,162)		



02.06. The Art House Operating Statement - Internal

July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
Operating Income																
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●
User Charges and Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●
Other Revenue	-	-	-	-	-	-	-	1,234	1,241	-	-	-	-	1,241	-	●
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●
Total Income attributable to Operations								1,234	1,241	-	-	-	-	1,241	-	
Operating Expenses																
Employee Costs	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	●
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●
Materials and Contracts	0	4	3	0	4	3	-	11	45	-	-	-	-	45	-	● On track
Depreciation and Amortisation	44	43	(1)	44	43	(1)	39	623	301	-	-	-	-	301	-	● On track
Other Expenses	457	575	108	457	575	108	572	1,897	2,445	-	-	-	-	2,445	-	● Relates to a reduction to donation to The Art House
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●
Internal Expenses	-	0	0	-	0	0	-	4	4	-	-	-	-	4	-	● On track
Overheads	205	205	-	205	205	-	15	483	644	-	-	-	-	644	-	● On track
Total Expenses attributable to Operations	717	(628)	111	717	(628)	111	(627)	5,620	3,656	-	-	-	-	3,656	-	
Operating Result after Overheads and before Capital Amounts	(717)	(628)	111	(717)	(628)	111	(627)	(1,786)	(2,387)	-	-	-	-	(2,387)	-	
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●
Net Operating Result	(717)	(628)	111	(717)	(628)	111	(627)	(1,786)	(2,387)	-	-	-	-	(2,387)	-	





Infrastructure Services Monthly Financial Reports

July 2021

03. Infrastructure Services Operating Statement - Internal



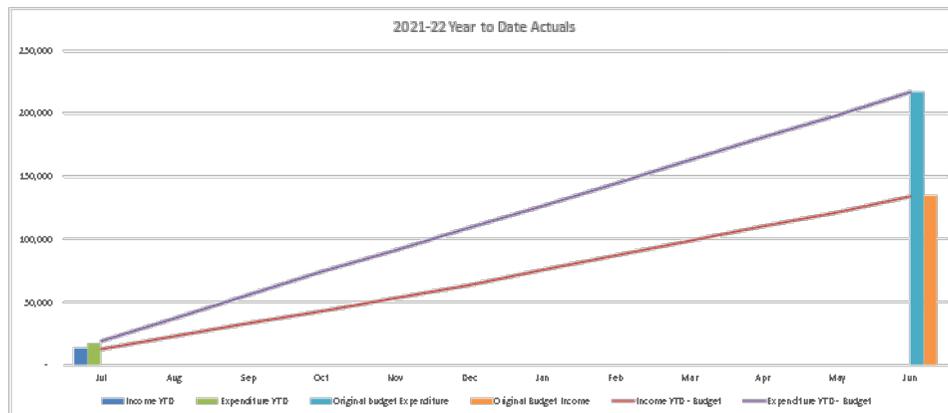
July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR				
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income												
Rates and Annual Charges	11,174	8,618	2,557	11,174	8,618	2,557	11,213	78,732	78,427	-	-	78,427
User Charges and Fees	1,558	1,992	(434)	1,558	1,992	(434)	1,894	25,615	27,916	-	-	27,916
Other Revenue	115	90	25	115	90	25	80	1,782	1,080	-	-	1,080
Interest	(0)	-	(0)	(0)	-	(0)	1	2	-	-	-	-
Grants and Contributions	25	1,300	(1,275)	25	1,300	(1,275)	1,888	9,707	9,861	-	-	9,861
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	823	838	(215)	823	838	(215)	1,825	11,432	17,398	-	-	17,398
Total Income attributable to Operations	13,494	12,837	657	13,494	12,837	657	16,899	127,269	134,680	-	-	134,680
Operating Expenses												
Employee Costs	1,394	1,769	374	1,394	1,769	374	2,451	28,789	22,845	-	-	22,845
Borrowing Costs	-	-	-	-	-	-	-	1,194	1,139	-	-	1,139
Materials and Contracts	2,816	3,742	926	2,816	3,742	926	3,878	47,088	41,305	-	-	41,305
Depreciation and Amortisation	4,824	5,376	553	4,824	5,376	553	4,591	92,010	83,907	-	-	83,907
Other Expenses	2,364	2,674	310	2,364	2,674	310	3,022	29,251	33,354	-	-	33,354
Loss on Disposal	-	-	-	-	-	-	-	2,901	-	-	-	-
Internal Expenses	1,605	1,920	315	1,605	1,920	315	1,918	18,168	27,708	-	298	28,006
Overheads	4,197	4,197	-	4,197	4,197	-	280	32,658	26,967	-	-	26,967
Total Expenses attributable to Operations	17,199	19,678	2,479	17,199	19,678	2,479	15,983	222,059	217,226	-	298	217,524
Operating Result after Overheads and before Capital Amounts	(3,705)	(6,841)	3,136	(3,705)	(6,841)	3,136	716	(94,789)	(82,546)	-	(298)	(82,044)
Capital Grants	446	-	446	446	-	446	-	22,121	4,445	-	-	4,445
Capital Contributions	-	-	-	-	-	-	(30)	19,234	-	-	-	-
Grants and Contributions Capital Received	446	-	446	446	-	446	(30)	41,355	4,445	-	-	4,445
Net Operating Result	(3,259)	(6,841)	3,582	(3,259)	(6,841)	3,582	686	(53,434)	(78,101)	-	(298)	(78,399)

Revenue for Infrastructure Services is tracking at 105.1% to forecasted budget. The variance is primarily due to an increase in revenue in Rates and Annual Charges for Waste Services. A reduction in expected income from internal and external waste tipping tonnages has eventuated however is partially offset by an internal reduction in expenditure on materials/contracts and other expenses. Additionally, grant funding from TNSW for road maintenance was expected to be received in July, however has not as yet been received.

Expenditure for Infrastructure Services is tracking at 87.4% to forecasted budget. The variance is predominantly due to savings in employee costs due to vacancies, reduced materials and contracts expenditure due to a reduction in waste tipping fees and covid restrictions regarding the stoppage of construction works. Additionally, lower than expected depreciation figures eventuated in July.

Infrastructure Services is tracking at an overall positive variance of \$3.1 million which is predominantly due to phasing of Waste revenue in July. Phasing in subsequent months will be adjusted to correct this. Overall position is on track for year end.

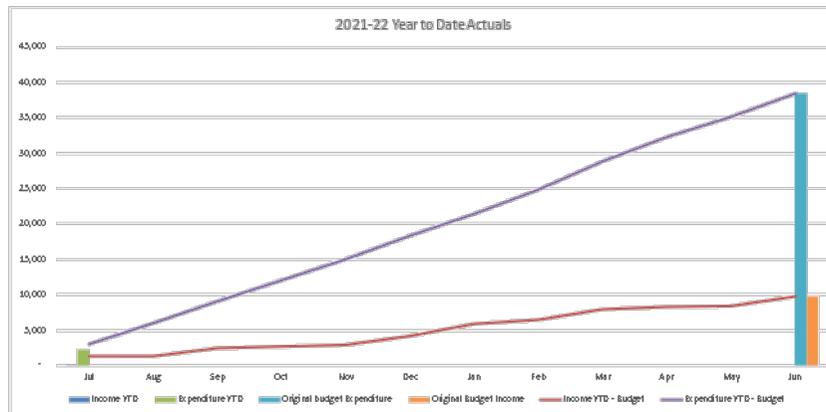


03.04. Roads Construction and Maintenance
Operating Statement - Internal



July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments		
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000					
Operating Income																	
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
User Charges and Fees	86	25	61	86	25	61	34	4,014	4,411	-	-	-	4,411				
Other Revenue	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-		
Interest	(0)	-	(0)	(0)	-	(0)	(0)	-	-	-	-	-	-	-	-		
Grants and Contributions	25	1,200	(1,235)	25	1,200	(1,235)	1,433	2,526	2,902	-	-	-	2,902			Negative variance for the month as budget was based on historical part receipt of Transport for NSW regional road maintenance grant in July. To date this has not been received however remains on track for end of financial year.	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Internal Revenue	-	-	-	-	-	-	-	1,085	2,452	-	-	-	2,452				
Total Income attributable to Operations	111	1,305	(1,134)	111	1,305	(1,134)	1,466	7,628	9,765	-	-	-	9,765				
Operating Expenses																	
Employee Costs	660	911	251	660	911	251	1,519	16,314	11,918	-	-	-	11,918			Positive variance based on current vacancies within the Unit. Recruitment has commenced therefore remains on track for minor positive variance for end of financial year.	
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Materials and Contracts	174	506	332	174	506	332	450	8,335	6,971	-	-	-	6,971			Positive variance due to Transport for NSW project work not commencing due to contractor availability based on Public Health Order restrictions. Remains on track for end of financial year.	
Depreciation and Amortisation	7	8	1	7	8	1	3	89	99	-	-	-	99				
Other Expenses	1	8	6	1	8	6	46	141	75	-	-	-	75				
Loss on Disposal	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-		
Internal Expenses	926	1,204	279	926	1,204	279	1,295	10,190	16,099	-	238	-	16,298			Positive variance for the month based on reduced tipping in accordance with reduced demand which will be adjusted in the next quarterly review.	
Overheads	459	459	-	459	459	-	99	5,046	3,312	-	-	-	3,312				
Total Expenses attributable to Operations	2,226	3,035	863	2,226	3,035	863	3,372	40,277	36,465	-	238	-	36,673				
Operating Result after Overheads and before Capital Amounts	(2,116)	(1,730)	(326)	(2,116)	(1,730)	(326)	(1,906)	(32,652)	(28,670)	-	(238)	-	(28,305)			Net operating result unfavourable due to negative variance in Income. Year end remains on track for positive variance.	
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net Operating Result	(2,116)	(1,730)	(326)	(2,116)	(1,730)	(326)	(1,906)	(32,652)	(28,670)	-	(238)	-	(28,305)				



03.03. Roads and Drainage Infrastructure Operating Statement - Internal



July 2021

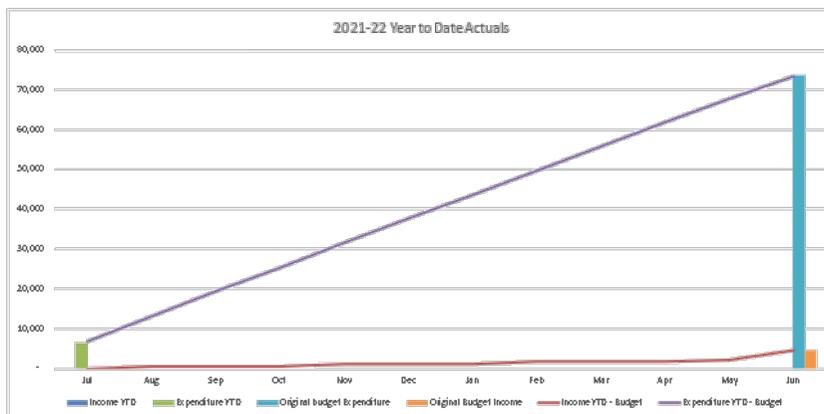
	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
Operating Income																
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
User Charges and Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	26	1	-	-	-	-	1	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions	-	-	-	-	-	-	-	4,872	4,624	-	-	-	-	4,624	-	-
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income attributable to Operations								4,898	4,625					4,625		
Operating Expenses																
Employee Costs	126	169	43	126	169	43	305	3,246	2,219	-	-	-	-	2,219		
Borrowing Costs	-	-	-	-	-	-	-	4	-	-	-	-	-	-	-	-
Materials and Contracts	1	25	26	1	25	26	15	97	331	-	-	-	-	331		
Depreciation and Amortisation	4,371	5,033	462	4,371	5,033	462	4,414	36,482	39,876	-	-	-	-	39,876		
Other Expenses	(9)	1	1	(9)	1	1	11	71	151	-	-	-	-	151		
Loss on Disposal	-	-	-	-	-	-	-	2,896	-	-	-	-	-	-	-	-
Internal Expenses	23	30	7	23	30	7	14	70	372	-	-	-	-	372		
Overheads	1,636	1,636	-	1,636	1,636	-	124	12,223	10,899	-	-	-	-	10,899		
Total Expenses attributable to Operations	6,356	6,834	503	6,356	6,834	503	4,683	77,083	75,557					(17)		
Operating Result after Overheads and before Capital Amounts	(\$,456)	(\$,684)	503	(\$,456)	(\$,684)	503	(4,683)	(72,181)	(\$5,325)					17		
Capital Grants	446	-	446	446	-	446	-	22,121	4,445	-	-	-	-	4,445		
Capital Contributions	-	-	-	-	-	-	-	(30)	19,225	-	-	-	-	-	-	-
Grants and Contributions Capital Received	446	-	446	446	-	446	-	41,846	4,445					4,445		
Net Operating Result	(\$,310)	(\$,684)	365	(\$,310)	(\$,684)	365	(4,313)	(30,646)	(\$4,459)					17		

The Materials and Contracts budgets currently favourable due to the Asset Revaluation consultant engagement extending into August instead of being completed in July. Overall expenditure will be on track.

Showing a current favourable position due to lower than expected depreciation figures.

The Road and Drainage Infrastructure operating result remains on track to budget for year end. Showing a current favourable position due to lower than expected depreciation figures.

The Capital Grant budget is currently favourable due to the phasing of milestone payments.



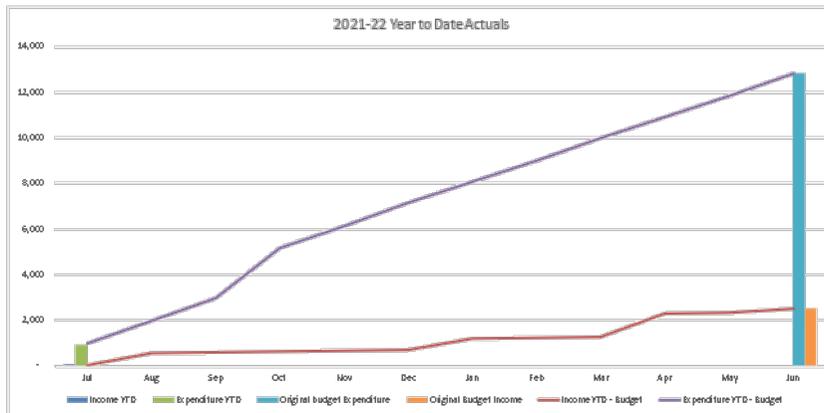
03.02. Roads and Drainage Engineering Services Operating Statement - Internal



July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
Operating Income																
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	32	40	(8)	32	40	(8)	31	612	481	-	-	-	481	On track		
Other Revenue	10	1	10	10	1	10	0	76	6	-	-	-	6	On track		
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-			
Grants and Contributions	-	0	(0)	-	0	(0)	453	1,996	2,020	-	-	-	2,020	On track		
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-			
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total Income attributable to Operations	45	41	2	45	41	2	485	2,658	2,507	-	-	-	2,507			
Operating Expenses																
Employee Costs	254	253	(1)	254	253	(1)	254	3,344	3,318	-	-	-	3,318	On track		
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-			
Materials and Contracts	37	82	45	37	82	45	32	1,933	2,184	-	-	-	2,184	On track - Uride is pending due to line marking ceasing in July due to covid restrictions regarding the stoppage of construction works		
Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other Expenses	240	228	(12)	240	228	(12)	215	2,794	2,761	-	-	-	2,761	On track		
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-			
Internal Expenses	197	261	64	197	261	64	313	2,460	3,136	-	(4)	-	3,132	On track - Reduced expenditure due to savings being realised in street lighting electricity costs.		
Overheads	177	177	-	177	177	-	17	1,670	1,449	-	-	-	1,449	On track		
Total Expenses attributable to Operations	365	1,001	96	365	1,001	96	650	12,221	12,547	-	(4)	-	12,545			
Operating Result after Overheads and before Capital Amounts	(96)	(96)	37	(96)	(96)	37	(345)	(8,596)	(10,040)	-	4	-	(10,036)			
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-			
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-			
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-			
Net Operating Result	(96)	(96)	37	(96)	(96)	37	(345)	(8,596)	(10,040)	-	4	-	(10,036)			

Engineering Services is tracking at 104.8% to forecasted budget for income and 90.4% to forecasted budget for expenditure. Overall, Engineering Services is tracking at a positive variance of \$97k. This may be attributed to: savings being realised in street lighting electricity costs; and expenditure ceasing on line marking due to Covid restrictions regarding the stoppage of construction works.

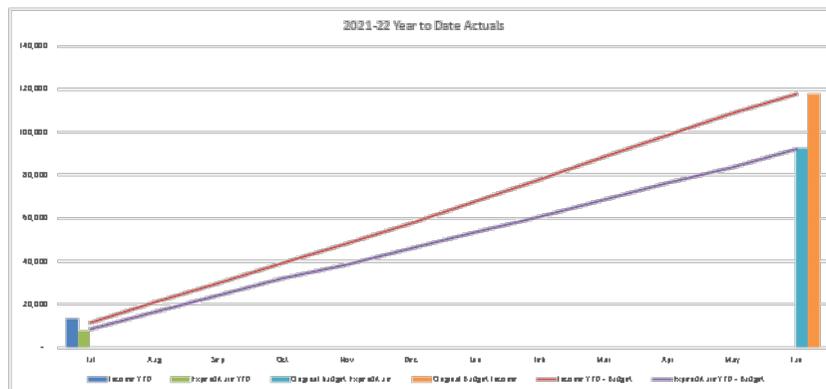


03.05. Waste and Resource Recovery Management
Operating Statement - Internal



July 2021

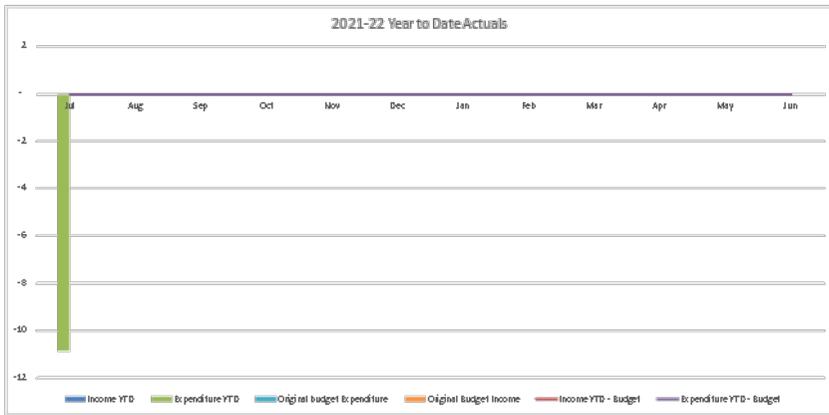
	CURRENT MONTH			YEAR TO DATE				FULL Y YEAR					Status	Internal Status Comments
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adjusted Changes	Proposed Changes	Year End Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Income														
Rates and Annual Charges	11,174	8,618	2,557	11,174	8,618	2,557	11,213	78,732	76,427	-	-	78,427	●	30% (\$2,564) favourable to budget as a result of applying the % increase in revenue for the year in the first month. This revenue will be offset over the year by expenditure in materials and contracts.
User Charges and Fees	1,439	1,927	(488)	1,439	1,927	(488)	1,829	20,968	23,024	-	-	23,024	●	26% (\$488) unfavourable to budget due to reduced volumes of waste delivered to facilities offset by savings in external expenses and increased revenue.
Other Revenue	105	89	15	105	89	15	80	1,880	1,073	-	-	1,073	●	17% (\$15) favourable to budget due to increased scrap metal sales.
Interest	0	0	0	0	0	0	0	2	-	-	-	-	●	
Grants and Contributions	-	20	(20)	-	20	(20)	-	311	315	-	-	315	●	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	●	
Internal Revenue	623	838	(215)	623	838	(215)	1,625	10,347	14,944	-	-	14,944	●	26% (\$2,15) unfavourable to budget due to reduced volumes of waste from Council's internal operations delivered to facilities as a direct result in reductions in Council's operational and capital works programs. Budget to be reduced and offset by savings in external expenses and savings from other units operational budgets as part of a planned budget adjustment.
Total Income attributable to Operations	15,341	11,492	3,849	15,341	11,492	3,849	14,746	112,061	117,785	-	-	117,785		
Operating Expenses														
Employee Costs	325	396	(71)	325	396	(71)	338	5,320	4,861	-	-	4,861	●	8% (\$71) favourable to budget due to seasonal variances, vacancies, and staff on long service leave.
Borrowing Costs	-	-	-	-	-	-	-	1,190	1,139	-	-	1,139	●	
Materials and Contracts	2,604	3,128	(524)	2,604	3,128	(524)	3,176	36,488	31,799	-	-	31,799	●	16% (\$524) favourable to budget due to reduced domestic waste costs relative to budget for the month and impact of COVID-19 on some projects.
Depreciation and Amortisation	245	335	(90)	245	335	(90)	174	3,439	3,933	-	-	3,933	●	27% (\$490) favourable variance for the month due to the application of an allowance for annual capitalisation which has yet to be realised yet.
Other Expenses	2,122	2,436	(314)	2,122	2,436	(314)	2,729	26,245	30,364	-	-	30,364	●	13% (\$3,142) favourable to budget due to reduced waste levy payments resulting from reduced tipping volumes at waste facilities for such reasons as reductions in Council's capital works programs. This saving is offset by reductions in revenue. This will be realigned as part of a planned budget adjustment.
Loss on Disposal	-	-	-	-	-	-	-	3	-	-	-	-	●	
Internal Expenses	457	424	(33)	457	424	(33)	347	5,309	6,125	-	-	6,125	●	
Overheads	1,968	1,968	-	1,968	1,968	-	1,33	14,389	12,167	-	-	12,167	●	
Total Expenses attributable to Operations	7,722	8,668	(946)	7,722	8,668	(946)	6,837	92,471	92,587	-	(84)	92,471		
Operating Result after Overheads and before Capital Amounts	5,619	2,804	2,814	5,619	2,804	2,814	7,848	19,590	25,596	-	(84)	25,512		Favourable to budget (\$2,814) primarily due to \$2,614 in additional one-off domestic waste rate income being apportioned for the month of July.
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-		
Capital Contributions	-	-	-	-	-	-	-	10	-	-	-	-		
Grants and Contributions Capital Received	-	-	-	-	-	-	-	10	-	-	-	-		
Net Operating Result	5,619	2,804	2,814	5,619	2,804	2,814	7,848	19,590	25,596	-	(84)	25,512		



03.01. Infrastructure Services Executive Operating Statement - Internal

July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
Operating Income																
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Income attributable to Operations							1									
Operating Expenses																
Employee Costs	30	40	10	30	40	10	36	364	530	-	-	-	330	●	On track	
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Materials and Contracts	-	-	-	-	-	-	6	13	20	-	-	-	20	-	-	
Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Expenses	-	0	0	-	0	0	0	-	3	-	-	-	3	-	-	
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Expenses	1	1	0	1	1	0	12	90	16	-	-	(4)	12	●	On track	
Overheads	(42)	(42)	-	(42)	(42)	-	(33)	(593)	(599)	-	-	-	(599)	●	On track	
Total Expenses attributable to Operations	(11)	-	11	(11)	-	11	1	-	-	-	-	(4)	(4)			
Operating Result after Overheads and before Capital Amounts	11	-	11	11	-	11	1	-	-	-	-	4	4			Infrastructure Services Executive is tracking well with savings being realised in employee costs.
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Operating Result	11	-	11	11	-	11	1	-	-	-	-	4	4			





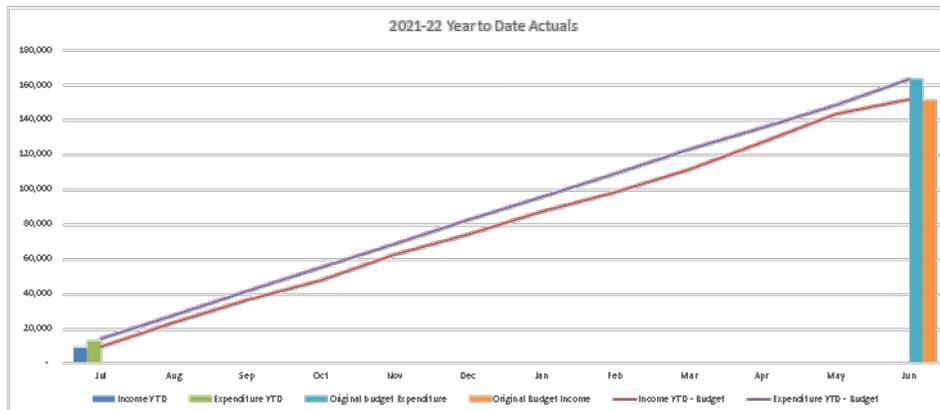
Water and Sewer Monthly Financial Reports

July 2021

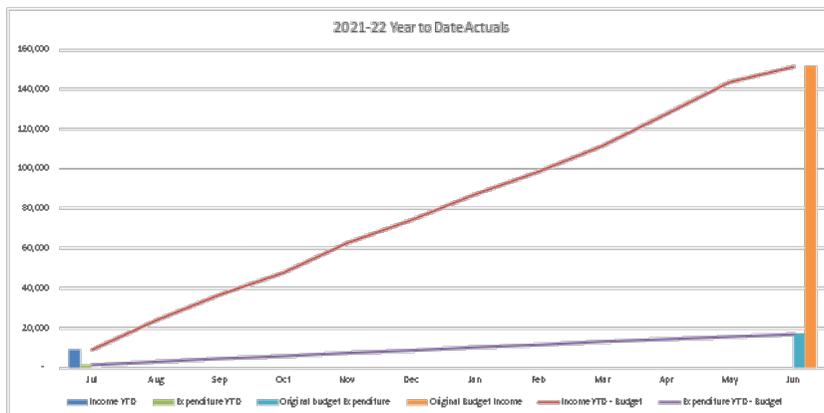
04. Water and Sewer Operating Statement - Internal

July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR				
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income												
Rates and Annual Charges	3,154	3,038	116	3,154	3,038	116	1,382	66,519	66,493	(26)	-	66,493
User Charges and Fees	5,977	5,798	179	5,977	5,798	179	5,385	79,342	80,585	(1,243)	-	80,585
Other Revenue	5	-	5	5	-	5	(16)	66	26	40	-	26
Interest	5	157	(152)	5	157	(152)	35	1,984	1,988	(4)	-	1,988
Grants and Contributions	-	-	-	-	-	-	-	465	-	-	-	-
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	38	197	(159)	38	197	(159)	40	2,855	2,448	407	-	2,448
Total Income attributable to Operations	9,180	9,191	(11)	9,180	9,191	(11)	6,825	151,030	151,540	(510)	-	151,540
Operating Expenses												
Employee Costs	1,535	2,050	(515)	1,536	2,050	(514)	2,467	34,754	27,327	7,427	-	27,327
Borrowing Costs	721	748	(27)	721	748	(27)	961	12,533	9,186	3,347	-	9,186
Materials and Contracts	565	608	(43)	565	608	(43)	1,470	19,853	15,427	4,426	-	15,427
Depreciation and Amortisation	4,853	5,748	(895)	4,853	5,748	(895)	5,154	57,743	63,984	(6,241)	-	63,984
Other Expenses	50	130	(80)	50	130	(80)	295	1,533	1,568	(35)	-	1,568
Loss on Disposal	-	-	-	-	-	-	-	2,379	-	2,379	-	-
Internal Expenses	1,816	1,781	35	1,816	1,781	35	1,631	18,627	21,367	(2,740)	136	21,503
Overheads	3,066	3,066	-	3,066	3,066	-	263	24,584	20,224	4,360	-	20,224
Total Expenses attributable to Operations	12,607	14,129	(1,522)	12,607	14,129	(1,522)	12,240	172,006	163,175	8,831	136	163,310
Operating Result after Overheads and before Capital Amounts	(3,427)	(4,939)	1,511	(3,427)	(4,939)	1,511	(5,414)	(20,975)	(11,635)	9,660	(136)	(11,770)
Capital Grants	651	-	651	651	-	651	-	5,485	2,500	2,985	-	2,500
Capital Contributions	153	1,003	(850)	153	1,003	(850)	664	6,751	12,033	(5,282)	-	12,033
Grants and Contributions Capital Received	804	1,003	(199)	804	1,003	(199)	664	12,217	14,533	(2,316)	-	14,533
Net Operating Result	(2,623)	(3,936)	1,313	(2,623)	(3,936)	1,313	(4,750)	(8,758)	2,898	(11,656)	(136)	2,763



04.01. Water and Sewer Executive Operating Statement - Internal July 2021														Central Coast Council		
	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Operating Income																
Rates and Annual Charges	3,154	3,038	115	3,154	3,038	115	1,382	65,519	65,493	(9)	-	-	65,493			
User Charges and Fees	5,977	5,798	179	5,977	5,798	179	3,365	79,342	80,385	0	-	-	80,385			
Other Revenue	\$	-	\$	\$	-	\$	(17)	66	26	-	-	-	26			Minor revenue is attributable to provision of meterless savings for monthly water subscriptions.
Interest	\$	157	(152)	\$	157	(152)	35	1,934	1,968	0	-	-	1,968			
Grants and Contributions	-	-	-	-	-	-	-	463	-	-	-	-	-			
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-			
Internal Revenue	38	197	(159)	38	197	(159)	40	2,635	2,448	-	-	-	2,448			Unfavourable variance due to fact allocation of internal revenue was not completed for month of July - offsets favourable variance in annual user charges above.
Total Income attributable to Operations	9,160	9,131	(11)	9,160	9,131	(11)	6,805	151,028	151,540	0	-	-	151,540			
Operating Expenses																
Employee Costs	40	209	169	40	209	169	79	3,262	2,921	-	-	-	2,921			Favourable variance due primarily to payroll tax which was not processed in July (\$125k).
Borrowing Costs	721	745	26	721	745	26	951	12,533	9,166	-	-	-	9,166			Small unfavourable variance considered a timing difference.
Materials and Contracts	27	22	(4)	27	22	(4)	18	677	485	-	-	-	485			
Depreciation and Amortisation	3	4	0	3	4	0	3	38	42	-	-	-	42			
Other Expenses	(2)	14	16	(2)	14	16	0	76	163	-	-	-	163			
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-			
Internal Expenses	151	176	25	151	176	25	158	1,903	2,108	-	-	10	2,118			
Overheads	316	316	-	316	316	-	22	3,196	2,140	-	-	-	2,140			
Total Expenses attributable to Operations	1,255	1,407	252	1,255	1,407	252	1,241	21,658	17,045	-	10	10	17,055			
Operating Result after Overheads and before Capital Amounts	7,904	7,703	221	7,904	7,703	221	5,564	129,370	134,495	0	(10)	(10)	134,485			
Capital Grants	651	-	651	651	-	651	-	5,465	2,900	-	-	-	2,900			Actuals includes \$371k re Gosford CBD and \$254k re Warnevale Town Centre - budget phasing needs adjusting.
Capital Contributions	153	1,003	(849)	153	1,003	(849)	646	6,751	12,033	-	-	-	12,033			Unfavourable variance in Developer Contributions - budget has approx \$1 m per month however only \$153k received in July. Potential Budget adjustment required.
Grants and Contributions Capital Received	804	1,003	(198)	804	1,003	(198)	646	12,217	14,933	-	-	-	14,933			
Net Operating Result	6,726	6,706	22	6,726	6,706	22	6,210	141,890	148,028	0	(10)	(10)	148,018			

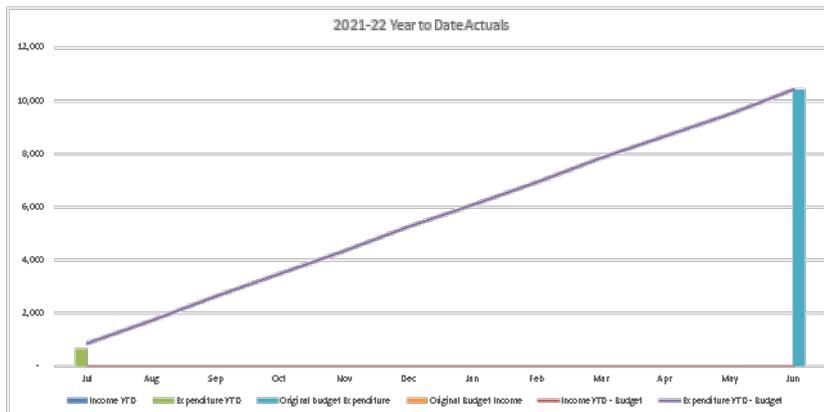


04.02. WS Planning and Delivery
Operating Statement - Internal



July 2021

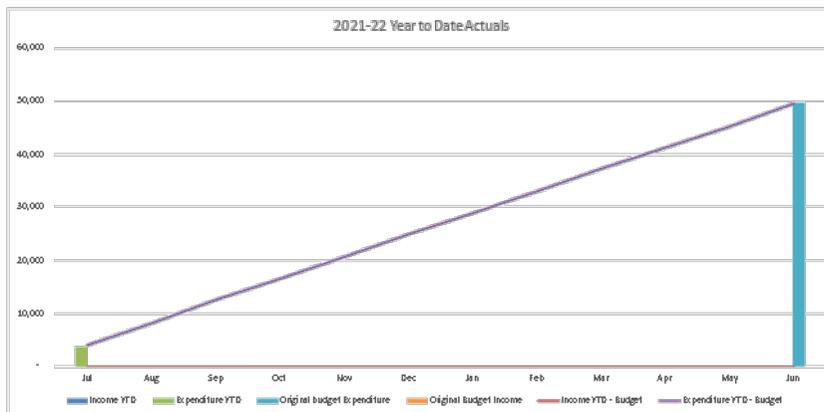
	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
Operating Income																
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
User Charges and Fees	-	-	-	-	-	-	11	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income attributable to Operations							11	-	-	-	-	-	-	-	-	-
Operating Expenses																
Employee Costs	162	219	\$7	162	219	\$7	328	3,936	2,891	-	-	2,891	+		Favourable variance due to a number of vacancies, this was offset by capitalisation for month being less than budget.	
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Materials and Contracts	(16)	79	95	(16)	79	95	344	3,924	1,898	-	-	1,898	+		Minimal spend in July, negative balance due to a correction related to prior year.	
Depreciation and Amortisation	265	317	\$3	265	317	\$3	277	3,196	3,781	-	-	3,781	+			
Other Expenses	6	9	(1)	6	9	(1)	1	87	69	-	-	69	+			
Loss on Disposal	-	-	-	-	-	-	-	1,289	-	-	-	-	-	-	-	-
Internal Expenses	19	30	11	19	30	11	20	21	361	-	(31)	329	+			
Overheads	217	217	-	217	217	-	17	2,365	1,436	-	-	1,436	+			
Total Expenses attributable to Operations	653	666	215	653	666	215	967	14,777	10,452	-	(31)	10,400	+			
Operating Result after Overheads and before Capital Amounts	(\$53)	(\$66)	215	(\$53)	(\$66)	215	(\$76)	(14,777)	(10,452)	-	31	(10,400)				
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result	(\$53)	(\$66)	215	(\$53)	(\$66)	215	(\$76)	(14,777)	(10,452)	-	31	(10,400)				



04.03. WS Operations and Maintenance Operating Statement - Internal

July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
Operating Income																
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	-	-	-	-	-	-	9	-	-	-	-	-	-	-	-	
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions	-	-	-	-	-	-	-	3	-	-	-	-	-	-	-	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Income attributable to Operations							9	3	-	-	-	-	-	-	-	
Operating Expenses																
Employee Costs	958	1,151	293	958	1,151	293	1,482	18,893	15,277	-	-	-	15,277	+		Includes favourable variance in normal salaries due vacancies along with labour costs transferred to other Units not currently reflected in budget. Budget adjustments to be made in August to correct.
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Materials and Contracts	289	234	(55)	289	234	(55)	801	8,964	5,952	-	-	-	5,952	+		Small unfavourable variance in month of July - will need to be monitored closely as there is a significant reduction in budget compared to prior year spend of approx. \$2.7m.
Depreciation and Amortisation	654	825	171	654	825	171	726	8,736	9,783	-	-	-	9,783	+		
Other Expenses	44	89	45	44	89	45	287	1,121	1,073	-	-	-	1,073	+		
Loss on Disposal	-	-	-	-	-	-	-	121	-	-	-	-	-	-	-	
Internal Expenses	1,026	1,030	4	1,026	1,030	4	874	9,578	12,262	-	115	-	12,476	+		
Overheads	796	796	-	796	796	-	75	7,143	5,308	-	-	-	5,308	+		
Total Expense attributable to Operations	3,667	4,115	448	3,667	4,115	448	4,246	54,152	48,665	-	115	-	48,779			
Operating Result after Overheads and before Capital Amounts	(\$,667)	(4,115)	448	(\$,667)	(4,115)	448	(4,237)	(54,150)	(48,665)	-	(115)	-	(48,779)			
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Contributions	-	-	-	-	-	-	18	-	-	-	-	-	-	-	-	
Grants and Contributions Capital Received	-	-	-	-	-	-	18	-	-	-	-	-	-	-	-	
Net Operating Result	(\$,667)	(4,115)	448	(\$,667)	(4,115)	448	(4,219)	(54,150)	(48,665)	-	(115)	-	(48,779)			

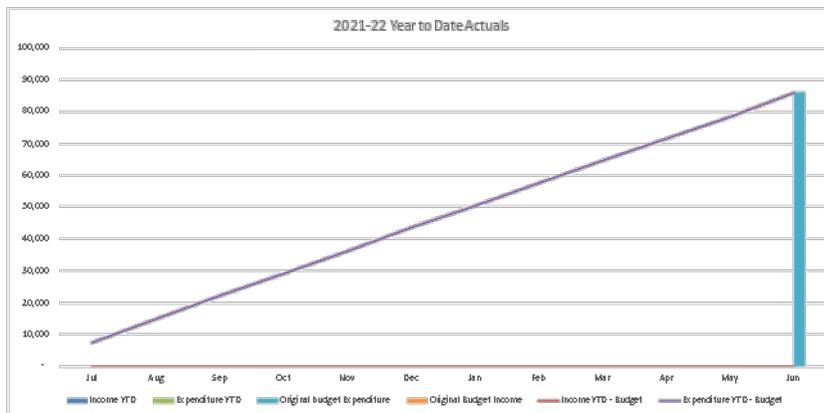


04.04. WS Headworks and Treatment Operating Statement - Internal



July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
Operating Income																
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Revenue	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Income attributable to Operations							1									
Operating Expenses																
Employee Costs	465	472	7	465	472	7	577	8,667	6,238	-	-	-	6,238			Includes favourable variance in normal salaries due to vacancies offset by approx. \$951 for a four costs transferred from other Units not reflected included in budget. Budget adjustments to be made in August to correct.
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Materials and Contracts	266	271	5	266	271	5	307	6,693	7,182	-	-	-	7,182			
Depreciation and Amortisation	3,931	4,602	671	3,931	4,602	671	4,148	45,812	34,478	-	-	-	34,478			
Other Expenses	2	21	19	2	21	19	7	230	257	-	-	-	257			
Loss on Disposal	-	-	-	-	-	-	-	968	-	-	-	-	-	-	-	
Internal Expenses	621	545	(76)	621	545	(76)	578	7,126	6,538	-	43	-	6,580			Includes unfavourable variances in tipping fees (\$33k), electricity costs (\$23k) and plant and fleet changes (\$23k). Plant and Fleet / Tipping considered timing differences due to various dredging and sludge removal activities that took place during July.
Overheads	1,748	1,748	-	1,748	1,748	-	149	11,908	11,340	-	-	-	11,340			
Total Expenses attributable to Operations	7,032	7,659	627	7,032	7,659	627	5,766	81,421	86,033	-	43	-	86,076			
Operating Result after Overheads and before Capital Amounts	(7,032)	(7,659)	627	(7,032)	(7,659)	627	(5,766)	(\$1,421)	(\$6,033)	-	(43)	-	(\$6,076)			
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Operating Result	(7,032)	(7,659)	627	(7,032)	(7,659)	627	(5,766)	(\$1,421)	(\$6,033)	-	(43)	-	(\$6,076)			





Environment and Planning Monthly Financial Reports

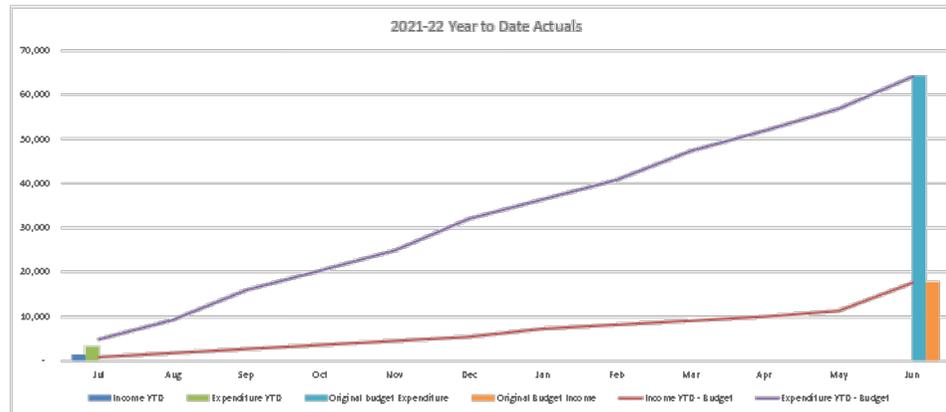
July 2021

05. Environment and Planning Operating Statement - Internal



July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR				
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income												
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-
User Charges and Fees	1,115	805	510	1,115	805	510	1,150	9,337	7,985	-	-	7,985
Other Revenue	157	212	(54)	157	212	(54)	111	2,892	2,798	-	-	2,798
Interest	0	0	0	0	0	0	0	1	-	-	-	-
Grants and Contributions	72	50	22	72	50	22	91	8,728	8,809	-	-	8,809
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	11	30	(19)	11	30	(19)	15	289	358	-	-	358
Total Income attributable to Operations	1,356	897	459	1,356	897	459	1,367	19,225	17,730			17,730
Operating Expenses												
Employee Costs	1,744	2,232	488	1,744	2,232	488	2,614	37,295	29,249	-	-	29,249
Borrowing Costs	-	-	-	-	-	-	-	(9)	30	-	-	20
Materials and Contracts	178	1,044	866	178	1,044	866	1,188	11,015	14,130	-	-	14,130
Depreciation and Amortisation	105	140	35	105	140	35	103	1,536	1,679	-	-	1,679
Other Expenses	17	195	178	17	195	178	32	7,489	8,198	-	-	8,198
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Internal Expenses	381	424	83	381	424	83	597	5,013	4,870	(45)	-	4,825
Overheads	895	895	-	895	895	-	(153)	8,928	8,122	-	-	8,122
Total Expenses attributable to Operations	3,300	4,930	1,630	3,300	4,930	1,630	4,380	71,254	64,267		(45)	64,222
Operating Result after Overheads and before Capital Amounts	(1,944)	(4,034)	2,089	(1,944)	(4,034)	2,089	(3,014)	(52,029)	(46,537)		45	(46,492)
Capital Grants	-	-	-	-	-	-	-	1,219	500	-	-	500
Capital Contributions	558	1,868	(1,310)	558	1,868	(1,310)	1,881	11,958	22,412	-	-	22,412
Grants and Contributions Capital Received	558	1,868	(1,310)	558	1,868	(1,310)	1,881	13,177	22,912			22,912
Net Operating Result	(1,386)	(2,166)	780	(1,386)	(2,166)	780	(1,153)	(38,852)	(23,625)		45	(23,580)

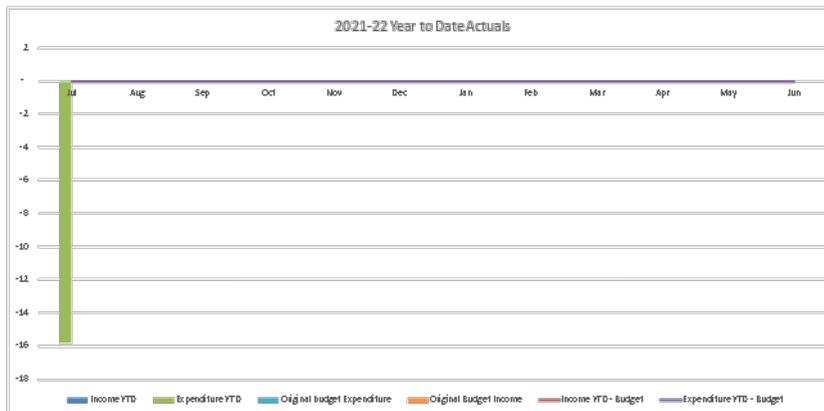


05.01. Environment and Planning Executive Operating Statement - Internal



July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Operating Income																
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-			
User Charges and Fees	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-			
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-			
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-			
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-			
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total Income attributable to Operations	-	-	-	-	-	-	-	-	-	-	-	-	-			
Operating Expenses																
Employee Costs	36	31	14	36	31	14	71	691	664	-	-	-	664			
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-			
Materials and Contracts	-	2	2	-	2	2	7	26	26	-	-	-	26			
Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other Expenses	-	0	0	-	0	0	-	2	9	-	-	-	9			
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-			
Internal Expenses	3	2	(1)	3	2	(1)	4	46	23	-	-	5	28			
Overheads	(39)	(59)	-	(39)	(59)	-	(22)	(767)	(721)	-	-	-	(721)			
Total Expenses attributable to Operations	(16)	-	16	(16)	-	16	(60)	-	-	-	-	5	5			
Operating Result after Overheads and before Capital Amounts	16	-	(16)	16	-	(16)	(60)	-	-	-	-	(5)	(5)			
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-			
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-			
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-			
Net Operating Result	16	-	(16)	16	-	(16)	(60)	-	-	-	-	(5)	(5)			

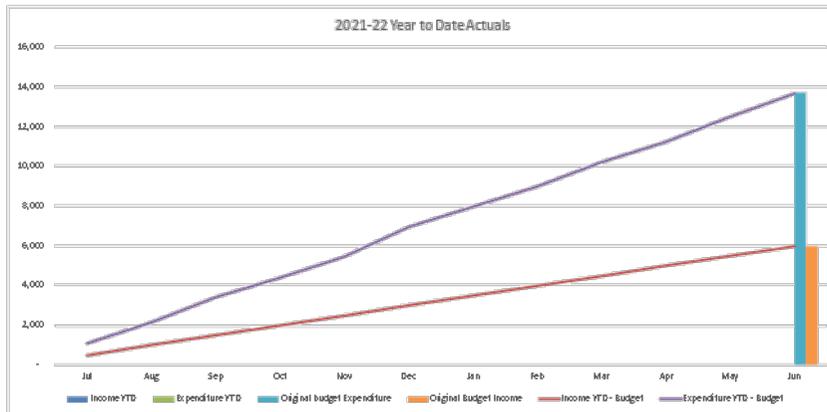


05.02. Development Assessment
Operating Statement - Internal



July 2021

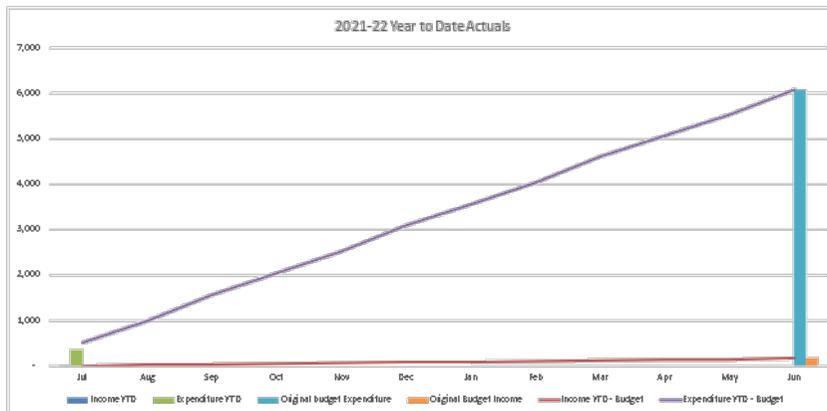
	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
Operating Income																
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
User Charges and Fees	600	497	103	600	497	103	629	6,861	5,963	-	-	-	5,963	●	In line with budget	
Other Revenue	0	1	(1)	0	1	(1)	9	19	16	-	-	-	16	●	In line with budget	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions	-	-	-	-	-	-	-	200	-	-	-	-	-	●	Funding received from NSW DPIE as part of grant	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	(0)	-	(0)	(0)	-	(0)	(0)	-	-	-	-	-	-	-	-	-
Total Income attributable to Operations	600	498	102	600	498	102	638	7,080	5,979	-	-	-	5,979			
Operating Expenses																
Employee Costs	576	672	96	576	672	96	730	10,932	8,807	-	-	-	8,807	●	In line with budget	
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Materials and Contracts	1	44	43	1	44	43	30	25	326	-	-	-	326	●	In line with budget. Slightly under per cent as a result of timing of payments	
Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1	40	39	1	40	39	1	1,047	974	-	-	-	974	●	In line with budget. Slightly under per cent as a result of timing of payments	
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal Expenses	41	48	7	41	48	7	48	546	381	-	(8)	-	373	●	In line with budget.	
Overheads	324	324	-	324	324	-	141	4,033	2,794	-	-	-	2,794	●	In line with budget	
Total Expenses attributable to Operations	943	1,128	185	943	1,128	185	950	16,604	13,682	-	(8)	-	13,674			
Operating Result after Overheads and before Capital Amounts	(342)	(630)	288	(342)	(630)	288	(312)	(9,523)	(7,703)	-	6	-	(7,695)			
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	3	4	-	-	-	-	-	-	-	-
Grants and Contributions Capital Received	-	-	-	-	-	-	5	4	-	-	-	-	-	-	-	-
Net Operating Result	(342)	(630)	288	(342)	(630)	288	(309)	(9,520)	(7,703)	-	6	-	(7,695)			



05.03. Strategic Planning Operating Statement - Internal

July 2021

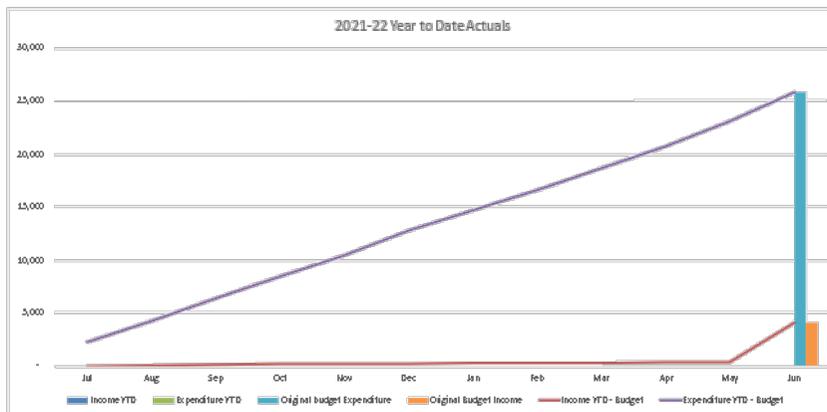
	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status/Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Income															
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-		
User Charges and Fees	4	13	(10)	4	13	(10)	30	183	161	-	-	161		●	Fees are low due to limited industry activity caused by the lockdown
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-		
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-		
Grants and Contributions	-	-	-	-	-	-	-	185	20	-	-	20	-		
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-		
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Income attributable to Operations	4	13	(10)	4	13	(10)	30	568	181	-	-	181	-		
Operating Expenses															
Employee Costs	214	309	95	214	309	95	409	5,963	4,059	-	-	4,059	-	●	Delays in recruitment are resulting in low employee costs.
Borrowing Costs	-	-	-	-	-	-	-	(7)	20	-	-	20	-		
Materials and Contracts	-	60	60	-	60	60	31	647	722	-	-	722	-	●	Low, but we have less used a number of contracts and expect this to rise in August
Depreciation and Amortisation	1	1	0	1	1	0	1	7	11	-	-	11	-		
Other Expenses	-	13	13	-	13	13	0	51	161	-	-	161	-	●	Low, but activities are underway for the FY and invoices should arrive soon
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-		
Internal Expenses	14	26	12	14	26	12	26	233	315	-	(59)	256	-	●	Low, but attributed to above.
Overheads	116	116	-	116	116	-	(38)	1,364	797	-	-	797	-		
Total Expenses attributable to Operations	346	526	180	346	526	180	405	8,278	6,065	-	(58)	6,027	-		
Operating Result after Overheads and before Capital Amounts	(342)	(513)	171	(342)	(513)	171	(575)	(7,510)	(5,884)	-	58	(5,846)	-		
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-		
Capital Contributions	558	1,868	(1,310)	558	1,868	(1,310)	1,837	11,633	22,412	-	-	22,412	-	●	Low due to slow activity in industry. Investigating and monitoring details
Grants and Contributions Capital Received	558	1,868	(1,310)	558	1,868	(1,310)	1,837	11,633	22,412	-	-	22,412	-		
Net Operating Result	215	1,555	(1,138)	215	1,555	(1,138)	1,478	3,782	16,506	-	59	16,566	-		



05.04. Environmental Management Operating Statement - Internal

July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status	Comments		
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000					
Operating Income																	
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
User Charges and Fees	30	6	24	30	6	24	8	218	71	-	-	-	71				
Other Revenue	7	-	7	7	-	7	-	6	-	-	-	-	-	-			
Interest	0	-	0	0	-	0	-	0	-	-	-	-	-	-			
Grants and Contributions	22	-	22	22	-	22	19	3,893	3,815	-	-	-	3,815				
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Internal Revenue	1	20	(19)	1	20	(19)	6	114	238	-	-	-	238			Will have net zero organisational impact as related to internal contributions. Budgets will need to be amended in Q1 to reflect reduced services provided as a result of resource reductions.	
Total Income attributable to Operations	60	26	34	60	26	34	33	3,829	4,123	-	-	-	4,123				
Operating Expenses																	
Employee Costs	483	604	121	483	604	121	699	9,636	7,886	-	-	-	7,886				
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Materials and Contracts	104	747	643	104	747	643	96	6,417	9,802	-	-	-	9,802				
Depreciation and Amortisation	73	96	23	73	96	23	37	1,118	1,155	-	-	-	1,155				
Other Expenses	1	82	81	1	82	81	2	262	355	-	-	-	355				
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Internal Expenses	146	215	69	146	215	69	193	1,783	2,387	-	17	-	2,373				
Overheads	373	573	200	373	573	200	37	4,000	4,302	-	-	-	4,302				
Total Expenses attributable to Operations	1,378	2,217	839	1,378	2,217	839	1,169	25,235	25,657	-	17	-	25,674				
Operating Result after Overheads and before Capital Amounts	(1,318)	(2,291)	973	(1,318)	(2,291)	973	(1,072)	(18,906)	(21,754)	-	(17)	-	(21,751)				
Capital Grants	-	-	-	-	-	-	-	227	500	-	-	-	500				
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-				
Grants and Contributions Capital Received								227	500	-	-	-	500				
Net Operating Result	(1,318)	(2,291)	973	(1,318)	(2,291)	973	(1,072)	(18,680)	(21,254)	-	(17)	-	(21,251)				

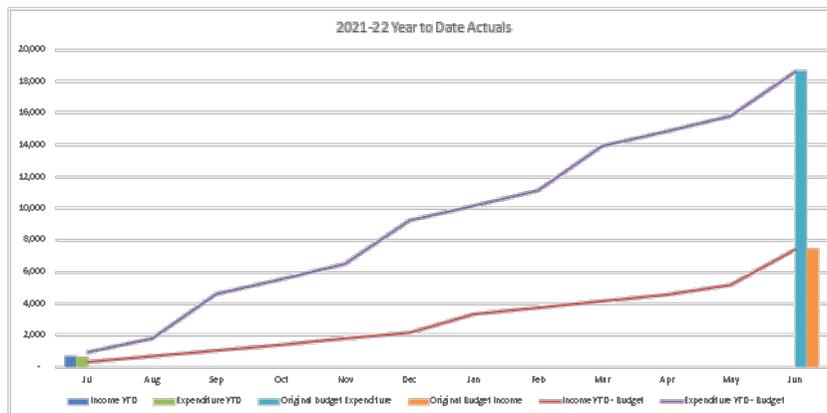


05.05. Environmental Compliance and Systems Operating Statement - Internal



July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status Comments
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Income														
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	481	89	392	481	89	392	483	2,078	1,771	-	-	1,771	●	On track.
Other Revenue	190	210	(90)	190	210	(90)	102	2,867	2,782	-	-	2,782	●	Unfavourable variance due to COVID-19 lockdown which has impacted enforcement and compliance activities.
Interest	0	0	0	0	0	0	0	1	-	-	-	-		
Grants and Contributions	90	90	0	90	90	0	72	2,748	2,774	-	-	2,774	●	Grant covers bushfire prevention activities. Project has been delivered.
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-		
Internal Revenue	10	10	-	10	10	-	10	153	120	-	-	120	●	On track.
Total Income attributable to Operations	682	589	93	682	589	93	696	7,848	7,447	-	-	7,447		
Operating Expenses														
Employee Costs	435	996	(561)	435	996	(561)	708	10,033	7,834	-	-	7,834	●	Favourable variance associated with current vacancies within the ECSS Unit.
Borrowing Costs	-	-	-	-	-	-	-	3	-	-	-	-		
Materials and Contracts	73	191	(118)	73	191	(118)	1,024	3,896	3,054	-	-	3,054	●	Non permanent favourable variance due to incorrect budget phasing. Monthly phasing will need to be readjusted at Q1.
Depreciation and Amortisation	31	43	(12)	31	43	(12)	45	411	513	-	-	513	●	
Other Expenses	16	39	(23)	16	39	(23)	29	6,107	6,696	-	-	6,696	●	Non permanent favourable variance due to incorrect budget phasing. Monthly phasing will need to be readjusted at Q1.
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-		
Internal Expenses	196	133	63	196	133	63	326	2,384	1,596	-	(788)	1,596	●	Unfavourable variance due to increased charges from internal service provider.
Overheads	(54)	(54)	0	(54)	(54)	0	(271)	298	(1,050)	-	-	(1,050)	●	
Total Expenses attributable to Operations	646	359	287	646	359	287	1,857	23,157	18,642	-	(788)	18,642		
Operating Result after Overheads and before Capital Amounts	44	(53)	97	44	(53)	97	(1,191)	(15,283)	(11,195)	-	0	(11,195)		
Capital Grants	-	-	-	-	-	-	-	993	-	-	-	-		
Capital Contributions	-	-	-	-	-	-	-	262	-	-	-	-		
Grants and Contributions Capital Received	-	-	-	-	-	-	-	1,254	-	-	-	-		
Net Operating Result	44	(53)	97	44	(53)	97	(1,191)	(14,055)	(11,195)	-	0	(11,195)		





Corporate Affairs Monthly Financial Reports

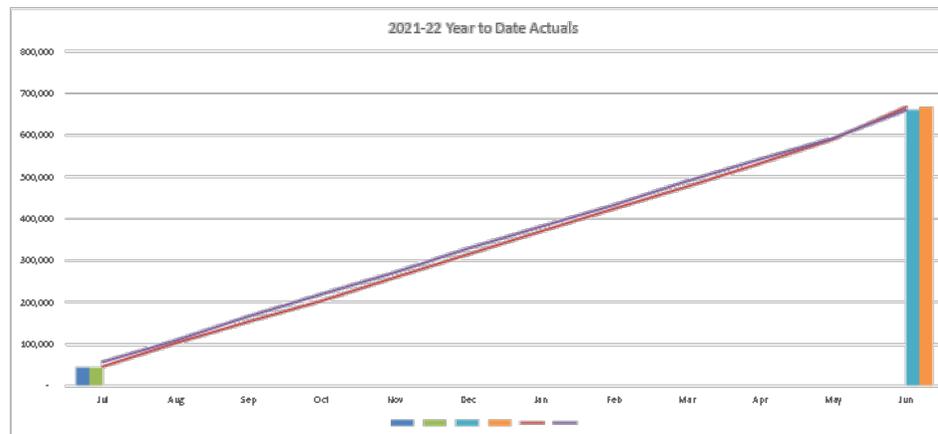
July 2021

Consolidated Operating Statement - Internal

July 2021



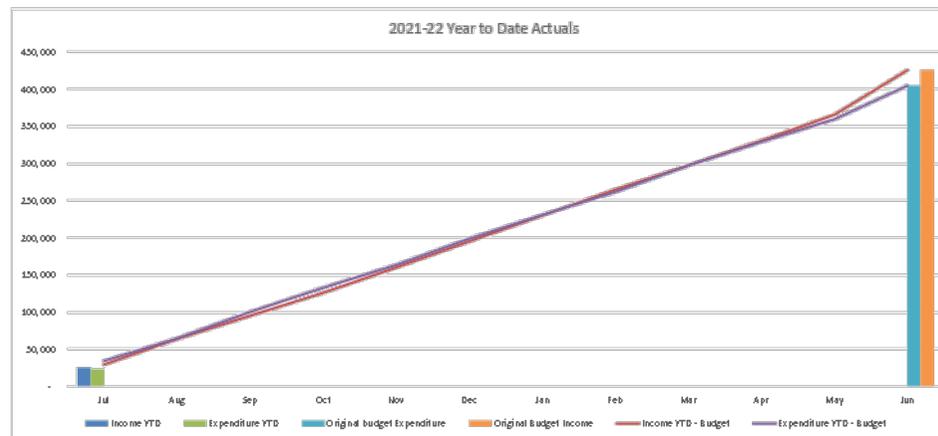
	CURRENT MONTH			YEAR TO DATE				FULL YEAR					
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Operating Income													
Rates and Annual Charges	28,196	25,779	417	28,196	25,779	417	253,487	331,387	381,871	(0)	0	381,871	
User Charges and Fees	10,318	10,392	(75)	10,318	10,392	(75)	10,106	144,931	142,512	0	-	142,512	
Other Revenue	972	1,082	(90)	972	1,082	(90)	698	17,334	15,009	-	-	15,009	
Interest	1,006	362	645	1,006	362	645	447	5,598	4,442	0	-	4,442	
Grants and Contributions	247	1,586	(1,319)	247	1,866	(1,319)	2,730	43,488	49,491	-	-	49,491	
Gain on Disposal	-	-	-	-	-	-	-	2,809	-	-	-	-	
Internal Revenue	5,218	7,401	(2,183)	5,218	7,401	(2,183)	7,023	74,555	93,487	-	792	94,259	
Total Income attributable to Operations	43,957	46,562	(2,605)	43,957	46,562	(2,605)	274,491	619,899	666,792	0	792	667,584	
Operating Expenses													
Employee Costs	10,091	13,854	3,563	10,091	13,854	3,563	16,146	221,837	175,833	-	-	175,833	
Borrowing Costs	958	976	18	958	976	18	1,109	16,414	17,471	-	-	17,471	
Materials and Contracts	5,257	9,241	3,984	5,257	9,241	3,984	9,089	123,217	114,183	-	-	114,183	
Depreciation and Amortisation	12,787	14,962	2,195	12,787	14,962	2,195	12,798	180,944	177,106	-	-	177,106	
Other Expenses	9,889	12,419	2,530	9,889	12,419	2,530	9,995	90,255	100,822	-	-	100,822	
Loss on Disposal	-	-	-	-	-	-	-	6,491	-	-	-	-	
Internal Expenses	4,932	5,987	1,055	4,932	5,987	1,055	5,481	89,050	74,384	-	792	75,146	
Overheads	(0)	(0)	-	(0)	(0)	-	0	(0)	(0)	-	-	(0)	
Total Expenses attributable to Operations	43,894	57,239	13,345	43,894	57,239	13,345	54,597	678,209	659,749	-	792	660,541	
Operating Result after Overheads and before Capital Amounts	63	(10,677)	10,740	63	(10,677)	10,740	219,894	(58,311)	7,043	0	(0)	7,043	
Capital Grants	857	-	857	857	-	857	-	38,192	8,445	-	-	8,445	
Capital Contributions	711	2,870	(2,159)	711	2,870	(2,159)	2,573	48,365	34,445	-	-	34,445	
Grants and Contributions Capital Received	1,568	2,870	(1,303)	1,568	2,870	(1,303)	2,573	84,557	42,890	-	-	42,890	
Net Operating Result	1,630	(7,807)	9,437	1,630	(7,807)	9,437	222,467	26,246	49,933	0	(0)	49,933	



10. General Fund Operating Statement - Internal July 2021



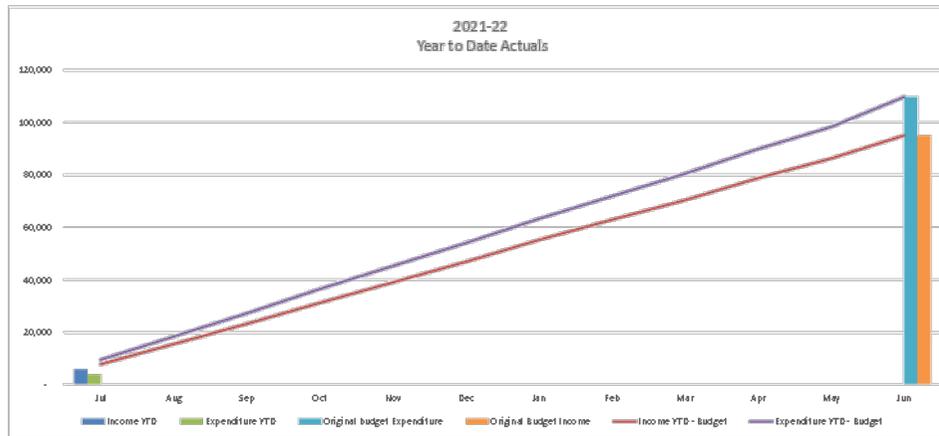
	CURRENT MONTH			YEAR TO DATE				FULL YEAR				
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income												
Rates and Annual Charges	13,917	14,943	(1,026)	13,917	14,943	(1,026)	177,910	175,765	205,958	(0)	0	205,958
User Charges and Fees	4,340	4,595	(255)	4,340	4,595	(255)	4,720	65,579	61,927	-	-	61,927
Other Revenue	967	1,062	(95)	967	1,062	(95)	714	17,265	14,983	-	-	14,983
Interest	993	195	798	993	195	798	412	3,474	2,339	-	-	2,339
Grants and Contributions	247	1,566	(1,319)	247	1,566	(1,319)	2,730	42,842	49,471	-	-	49,471
Gain on Disposal	5,190	-	5,190	5,190	-	5,190	-	2,809	-	-	-	2,809
Internal Revenue	-	7,204	(7,204)	-	7,204	(7,204)	-	71,816	91,019	-	-	91,019
Total Income attributable to Operations	25,644	29,564	(3,920)	25,644	29,564	(3,920)	193,470	379,348	425,697	(0)	792	426,490
Operating Expenses												
Employee Costs	8,400	11,446	3,045	8,400	11,446	3,045	13,516	185,209	148,421	-	-	148,421
Borrowing Costs	198	192	(6)	198	192	(6)	98	3,313	7,872	-	-	7,872
Materials and Contracts	2,466	6,061	3,595	2,466	6,061	3,595	5,122	73,178	68,025	-	-	68,025
Depreciation and Amortisation	8,619	7,782	1,163	8,619	7,782	1,163	8,349	87,328	91,884	-	-	91,884
Other Expenses	8,606	10,923	2,317	8,606	10,923	2,317	8,421	73,022	82,772	-	-	82,772
Loss on Disposal	-	-	-	-	-	-	-	4,078	-	-	-	-
Internal Expenses	2,030	2,932	902	2,030	2,932	902	2,931	29,636	37,718	-	638	38,366
Overheads	(4,855)	(4,860)	(5)	(4,855)	(4,860)	(5)	(323)	(37,724)	(29,949)	-	-	(29,949)
Total Expenses attributable to Operations	23,464	34,474	11,010	23,464	34,474	11,010	36,115	416,037	404,743	-	638	405,380
Operating Result after Overheads and before Capital Amounts	2,179	(4,910)	7,090	2,179	(4,910)	7,090	157,355	(38,689)	20,955	(0)	155	21,108
Capital Grants	(194)	-	(194)	(194)	-	(194)	-	32,222	5,945	-	-	5,945
Capital Contributions	480	1,585	(1,105)	480	1,585	(1,105)	2,026	28,152	19,024	-	-	19,024
Grants and Contributions Capital Received	286	1,585	(1,299)	286	1,585	(1,299)	2,026	60,374	24,969	-	-	24,969
Net Operating Result	2,466	(3,325)	5,791	2,466	(3,325)	5,791	159,381	21,685	45,924	(0)	155	46,079



06. Corporate Affairs Operating Statement - Internal

July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR				
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income												
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-
User Charges and Fees	830	710	(80)	830	710	(80)	797	14,810	13,238	-	-	13,238
Other Revenue	612	654	(42)	612	654	(42)	476	9,435	8,528	-	-	8,528
Interest	-	-	-	-	-	-	-	3	-	-	-	-
Grants and Contributions	133	182	(49)	133	182	(49)	154	2,890	2,492	-	-	2,492
Gain on Disposal	-	-	-	-	-	-	-	2,809	-	-	-	-
Internal Revenue	4,438	6,230	(1,792)	4,438	6,230	(1,792)	5,228	59,447	70,787	-	792	71,580
Total Income attributable to Operations	5,813	7,776	(1,963)	5,813	7,776	(1,963)	6,656	88,194	95,046		792	95,838
Operating Expenses												
Employee Costs	3,383	4,438	1,054	3,383	4,438	1,054	5,550	73,514	55,738	-	-	55,738
Borrowing Costs	-	-	-	-	-	-	-	84	-	-	-	-
Materials and Contracts	1,342	3,110	1,768	1,342	3,110	1,768	2,301	34,482	31,090	-	-	31,090
Depreciation and Amortisation	1,846	2,118	472	1,846	2,118	472	1,732	21,185	24,818	-	-	24,818
Other Expenses	6,817	8,649	1,832	6,817	8,649	1,832	5,893	48,696	51,290	-	-	51,290
Loss on Disposal	-	-	-	-	-	-	-	479	-	-	-	-
Internal Expenses	589	1,080	491	589	1,080	491	744	9,666	11,225	-	71	11,296
Overheads	(8,917)	(9,917)	-	(8,917)	(9,917)	-	(3,496)	(77,786)	(84,228)	-	-	(84,228)
Total Expenses attributable to Operations	3,860	9,477	5,617	3,860	9,477	5,617	12,723	108,321	109,734		71	109,805
Operating Result after Overheads and before Capital Amounts	1,953	(1,701)	3,654	1,953	(1,701)	3,654	(6,068)	(20,127)	(14,688)		721	(13,967)
Capital Grants	-	-	-	-	-	-	-	2,570	500	-	-	500
Capital Contributions	-	-	-	-	-	-	-	305	-	-	-	-
Grants and Contributions Capital Received								2,875	500			500
Net Operating Result	1,953	(1,701)	3,654	1,953	(1,701)	3,654	(6,068)	(17,252)	(14,188)		721	(13,467)

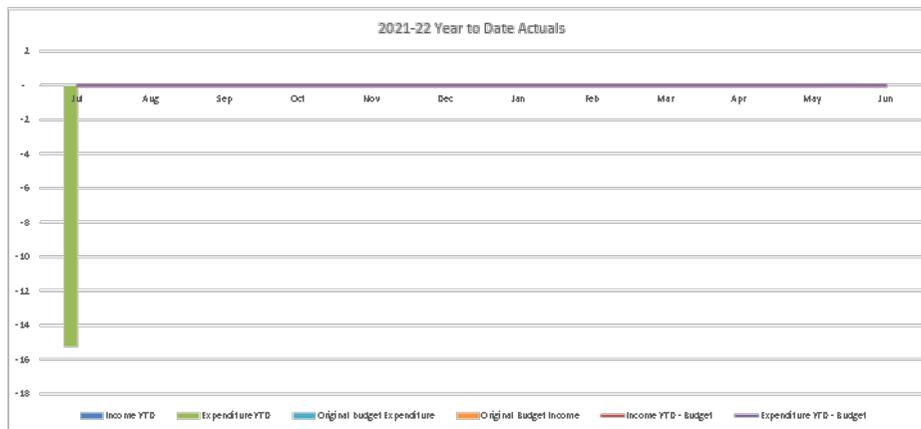


06.01. Corporate Affairs Executive Operating Statement - Internal



July 2021

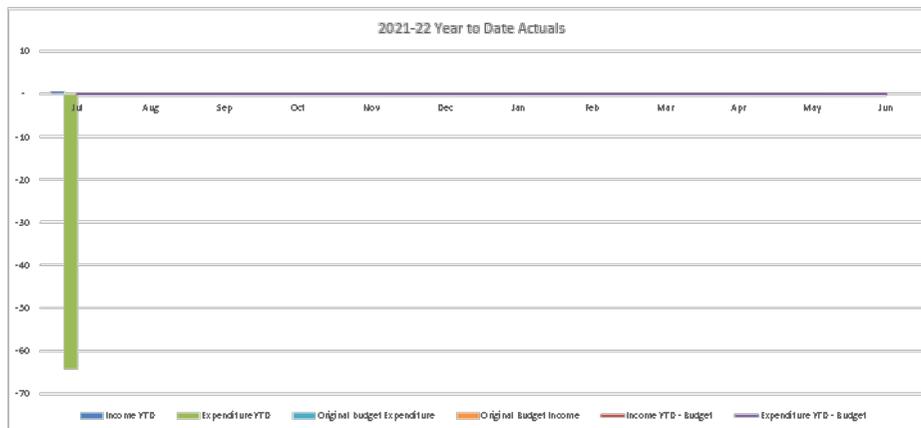
	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status Comments
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Income														
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Revenue	-	-	-	-	-	-	-	(196)	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Income attributable to Operations								(196)	-	-	-	-	-	
Operating Expenses														
Employee Costs	46	52	6	46	52	6	71	1,011	689	-	-	689		
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	
Materials and Contracts	-	-	-	-	-	-	24	635	521	-	-	521		
Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Expenses	-	7	7	-	7	7	0	22	88	-	-	88		
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Expenses	1	3	2	1	3	2	2	55	35	-	2	37		
Overheads	(63)	(63)	-	(63)	(63)	-	(58)	(1,859)	(1,331)	-	-	(1,331)		
Total Expenses attributable to Operations	(15)		15	(15)		15	39	(235)			2	2		
Operating Result after Overheads and before Capital Amounts	15		15	15		15	(39)	39			(2)	(2)		
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Operating Result	15		15	15		15	(39)	39			(2)	(2)		



06.02. Finance Operating Statement - Internal

July 2021

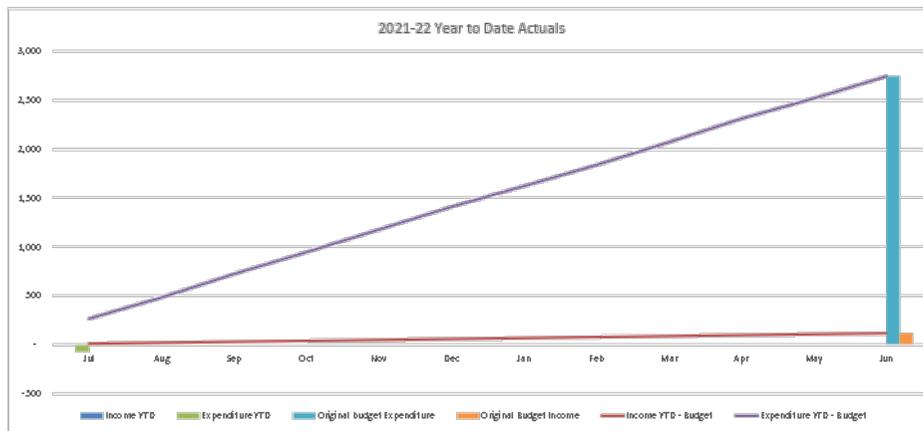
	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Comment (free text)
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Income														
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	-	-	-	-	-	-	(2)	-	-	-	-	-	-	
Other Revenue	1	-	1	1	-	1	1	6	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	9	-	-	-	-	-	
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on Disposal	-	-	-	-	-	-	-	148	-	-	-	-	-	
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Income attributable to Operations	1	-	1	1	-	1	(1)	157	-	-	-	-	-	
Operating Expenses														
Employee Costs	352	430	78	352	430	78	532	7,912	5,626	-	-	-	5,626	●
Borrowing Costs	-	-	-	-	-	-	-	1	-	-	-	-	-	
Materials and Contracts	58	41	(17)	58	41	(17)	(12)	782	493	-	-	-	493	●
Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Expenses	311	313	2	311	313	2	128	4,061	3,763	-	-	-	3,763	●
Loss on Disposal	-	-	-	-	-	-	-	2	-	-	-	-	-	
Internal Expenses	10	12	2	10	12	2	15	163	141	-	28	-	169	●
Overheads	(798)	(798)	-	(798)	(798)	-	(873)	(12,763)	(10,024)	-	-	-	(10,024)	●
Total Expenses attributable to Operations	(64)	-	64	(64)	-	64	(213)	157	-	-	28	28	28	
Operating Result after Overheads and before Capital Amounts	65	-	65	65	-	65	212	0	-	-	(28)	(28)	(28)	
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Operating Result	65	-	65	65	-	65	212	0	-	-	(28)	(28)	(28)	



06.03. Communications Marketing and Customer Engagement Operating Statement - Internal

July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status Comments
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Income														
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
User Charges and Fees	-	0	(0)	-	0	(0)	0	1	1	-	-	-	1	-
Other Revenue	1	3	(3)	1	3	(3)	0	9	42	-	-	-	42	Unfavourable variance \$2k due to closure of Visitor Information Centre due to COVID-19
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions	-	-	-	-	-	-	-	44	-	-	-	-	-	-
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	6	(6)	-	6	(6)	12	55	73	-	-	-	73	-
Total Income attributable to Operations	1	10	(9)	1	10	(9)	12	108	115	-	-	-	115	
Operating Expenses														
Employee Costs	372	513	141	372	513	141	543	7,728	6,721	-	-	-	6,721	-
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Materials and Contracts	10	120	110	10	120	110	6	1,154	1,870	-	-	-	1,870	-
Depreciation and Amortisation	9	10	1	9	10	1	7	117	120	-	-	-	120	-
Other Expenses	12	94	82	12	94	82	21	828	1,009	-	-	-	1,009	-
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal Expenses	12	15	3	12	15	3	12	132	178	-	2	2	180	-
Overheads	(488)	(488)	-	(488)	(488)	-	(1,009)	(7,827)	(6,956)	-	-	-	(6,956)	-
Total Expenses attributable to Operations	(71)	266	337	(71)	266	337	(421)	2,131	2,743	-	2	2,744		
Operating Result after Overheads and before Capital Amounts	72	(256)	328	72	(256)	328	433	(2,023)	(2,628)	-	(2)	(2,629)		
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result	72	(256)	328	72	(256)	328	433	(2,023)	(2,628)	-	(2)	(2,629)		

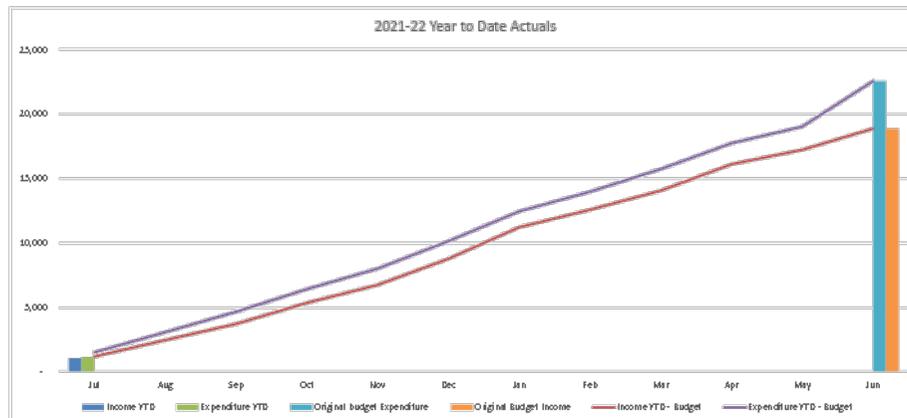


06.04. Economic Development and Property Operating Statement - Internal



July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status Comments
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Income														
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	441	554	(113)	441	554	(113)	658	12,813	11,365	-	-	11,365	●	All Holiday parks are closed and Gosford City Carpark utilisation is down due to COVID Shutdown which has negatively impacted budgeted income in July
Other Revenue	612	625	(14)	612	625	(14)	458	7,621	7,419	-	-	7,419	●	Central Coast Stadium, Patonga and Cemeteries Income is down due to COVID shutdown. Income losses will be offset throughout the year from Gain on sale of assets
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions	1	6	(5)	1	6	(5)	8	200	84	-	-	84	●	Operating contributions for Woy Woy Carpark not received in July. The operating contribution will need to be removed because the Electricity has now been transferred to TfNSW
Gain on Disposal	-	-	-	-	-	-	-	454	-	-	-	-	-	
Internal Revenue	1	-	1	1	-	1	-	1	-	-	-	-	-	
Total Income attributable to Operations	1,054	1,185	(130)	1,054	1,185	(130)	1,123	21,088	18,867	-	-	18,867		
Operating Expenses														
Employee Costs	216	295	79	216	295	79	350	4,740	3,881	-	-	3,881	●	
Borrowing Costs	-	-	-	-	-	-	-	14	-	-	-	-	-	
Materials and Contracts	86	286	199	86	286	199	296	5,901	4,091	-	-	4,091	●	
Depreciation and Amortisation	284	297	13	284	297	13	284	3,357	3,558	-	-	3,558	●	
Other Expenses	172	187	15	172	187	15	344	5,894	6,705	-	-	6,705	●	
Loss on Disposal	-	-	-	-	-	-	-	170	-	-	-	-	-	
Internal Expenses	78	151	73	78	151	73	93	2,000	1,813	-	13	1,827	●	
Overheads	295	295	-	295	295	-	61	3,890	2,522	-	-	2,522	-	
Total Expenses attributable to Operations	1,131	1,510	379	1,131	1,510	379	1,408	25,966	22,549	-	13	22,562		
Operating Result after Overheads and before Capital Amounts	(77)	(326)	249	(77)	(326)	249	(285)	(4,878)	(3,682)	-	(13)	(3,695)		
Capital Grants	-	-	-	-	-	-	-	2,380	500	-	-	500	-	
Capital Contributions	-	-	-	-	-	-	-	207	-	-	-	-	-	
Grants and Contributions Capital Received								2,587	500	-	-	500		
Net Operating Result	(77)	(326)	249	(77)	(326)	249	(285)	(2,291)	(3,182)	-	(13)	(3,195)		



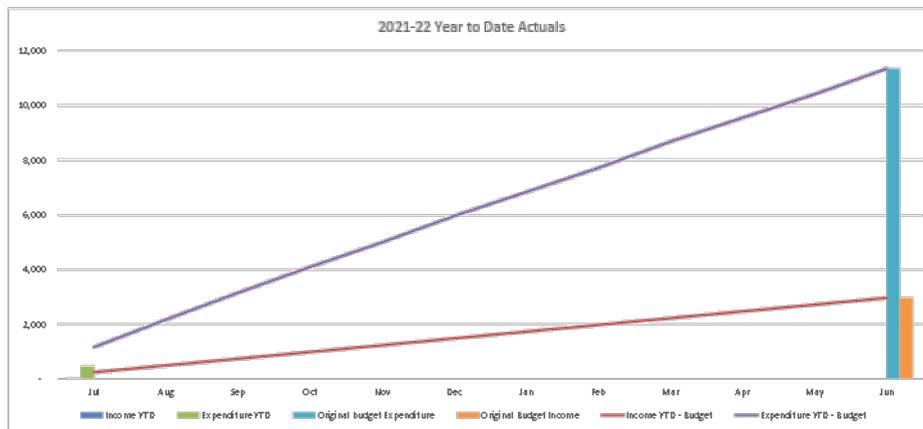
Dataset: COC General Ledger (Primary)
Loc:
Name: COC Operating Statement - 01 CEO

06.05. Facilities and Asset Management Operating Statement - Internal



July 2021

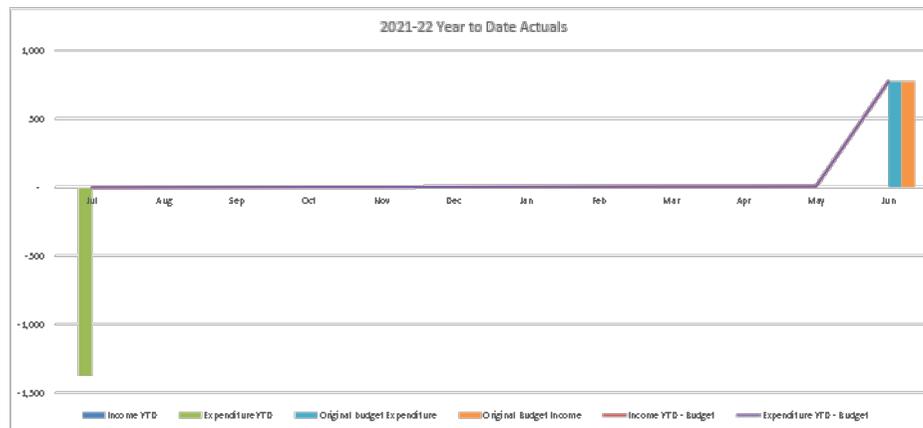
	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status Comments
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Income														
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
User Charges and Fees	-	0	(0)	-	0	(0)	-	-	2	-	-	-	2	
Other Revenue	3	2	0	3	2	0	2	24	29	-	-	-	29	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions	-	-	-	-	-	-	-	-	9	-	-	-	-	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Revenue	29	244	(215)	29	244	(215)	214	2,597	2,930	-	-	-	2,930	This budget has not been met due to changes in the internal re-charge of service contracts that have fund
Total Income attributable to Operations	31	247	(216)	31	247	(216)	216	2,630	2,961				2,961	
Operating Expenses														
Employee Costs	314	424	110	314	424	110	553	8,314	5,593	-	-	-	5,593	
Borrowing Costs	-	-	-	-	-	-	-	88	-	-	-	-	-	
Materials and Contracts	203	502	300	203	502	300	385	5,335	5,509	-	-	-	5,509	
Depreciation and Amortisation	248	259	11	248	259	11	234	3,235	3,101	-	-	-	3,101	
Other Expenses	0	8	7	0	8	7	1	131	81	-	-	-	81	
Loss on Disposal	-	-	-	-	-	-	-	48	-	-	-	-	-	
Internal Expenses	146	427	282	146	427	282	219	2,920	3,402	-	(21)	-	3,381	
Overheads	(454)	(454)	-	(454)	(454)	-	(998)	(9,365)	(8,346)	-	-	-	(8,346)	
Total Expenses attributable to Operations	456	1,166	710	456	1,166	710	394	10,684	11,340		(21)		11,319	
Operating Result after Overheads and before Capital Amounts	(424)	(919)	495	(424)	(919)	495	(178)	(8,054)	(8,379)		21		(8,358)	
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions Capital Received														
Net Operating Result	(424)	(919)	495	(424)	(919)	495	(178)	(8,054)	(8,379)		21		(8,358)	



06.06. Governance and Risk Operating Statement - Internal

July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Operating Income															
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	0	1	(0)	0	1	(0)	1	7	10	-	-	-	10		
Other Revenue	-	-	-	-	-	-	-	813	764	-	-	-	764		
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-		
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-		
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-		
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Income attributable to Operations	0	1	(0)	0	1	(0)	1	820	773	-	-	-	773		
Operating Expenses															
Employee Costs	425	588	161	425	588	161	433	4,454	4,937	-	-	-	4,937		
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-		
Materials and Contracts	44	49	5	44	49	5	19	988	535	-	-	-	535		
Depreciation and Amortisation	1	1	-	1	1	-	1	13	18	-	-	-	18		
Other Expenses	4,099	5,305	1,206	4,099	5,305	1,206	3,077	3,983	7,467	-	-	-	7,467		
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-		
Internal Expenses	5	6	0	5	6	0	7	97	69	-	-	2	72		
Overheads	(5,947)	(5,947)	0	(5,947)	(5,947)	0	(311)	(5,980)	(12,251)	-	-	-	(12,251)		
Total Expenses attributable to Operations	(1,373)	1	1,374	(1,373)	1	1,374	3,225	3,553	773	-	-	2	776		Variance will be adjusted to account for Administrator fees and to offset the other revenue of 764 k.
Operating Result after Overheads and before Capital Amounts	1,373	-	1,373	1,373	-	1,373	(3,224)	(2,733)	-	-	(2)	(2)			
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-		
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-		
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net Operating Result	1,373	-	1,373	1,373	-	1,373	(3,224)	(2,733)	-	-	(2)	(2)			

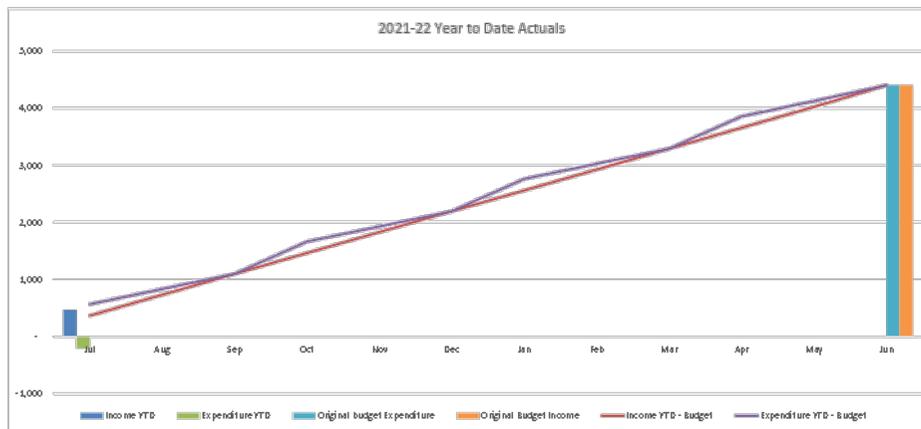


06.07. Information and Technology Operating Statement - Internal



July 2021

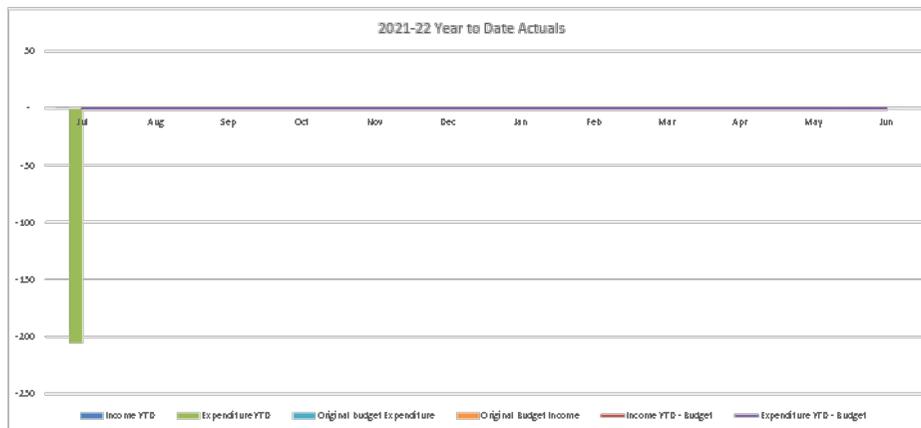
	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status Comments	
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Operating Income															
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	188	155	32	188	155	32	139	1,974	1,882	-	-	-	1,882	●	
Other Revenue	2	0	1	2	0	1	0	30	2	-	-	-	2	●	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	●	
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	●	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	●	
Internal Revenue	278	211	67	278	211	67	243	3,020	2,540	-	792	3,332	●		
Total Income attributable to Operations	467	366	101	467	366	101	382	5,024	4,404	-	792	5,196			
Operating Expenses															
Employee Costs	438	624	185	438	624	185	1,024	12,341	8,186	-	-	8,186	●		
Borrowing Costs	-	-	-	-	-	-	-	1	-	-	-	-	-	●	
Materials and Contracts	294	484	190	294	484	190	544	4,370	4,807	-	-	4,807	●		
Depreciation and Amortisation	510	739	228	510	739	228	525	8,598	8,751	-	-	8,751	●		
Other Expenses	951	1,111	160	951	1,111	160	859	13,068	12,815	-	-	12,815	●		
Loss on Disposal	-	-	-	-	-	-	-	1	-	-	-	-	-	●	
Internal Expenses	15	28	10	15	28	10	16	96	310	-	(19)	291	●		
Overheads	(2,417)	(2,417)	-	(2,417)	(2,417)	-	(428)	(21,449)	(20,484)	-	-	(30,484)	●		
Total Expenses attributable to Operations	(208)	566	773	(208)	566	773	2,543	5,024	4,404	-	(19)	4,385			
Operating Result after Overheads and before Capital Amounts	674	(200)	874	674	(200)	874	(2,160)	(0)	(0)	-	811	811			
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	●	
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	●	
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net Operating Result	674	(200)	874	674	(200)	874	(2,160)	(0)	(0)	-	811	811			



06.08. Legal Unit Operating Statement - Internal

July 2021

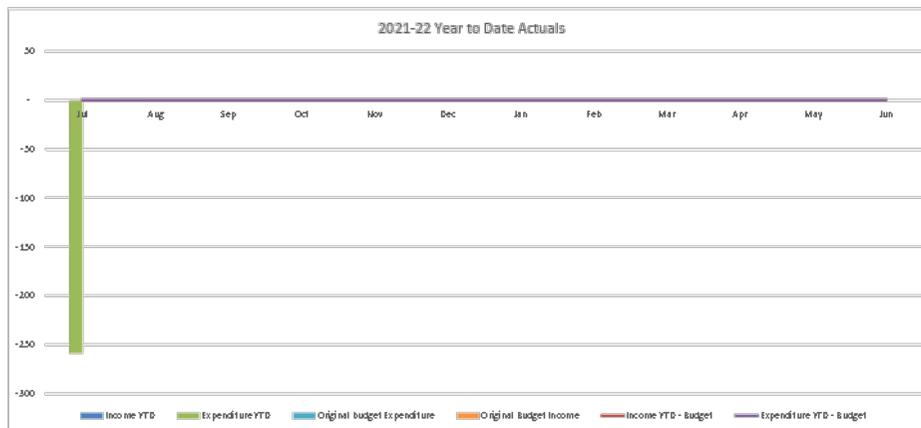
	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status Comments
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Income														
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	1	-	1	1	-	1	0	18	-	-	-	-	-	
Other Revenue	0	-	0	0	-	0	(14)	31	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Income attributable to Operations	1	-	1	1	-	1	(13)	47	-	-	-	-	-	
Operating Expenses														
Employee Costs	43	68	25	43	68	25	79	1,011	887	-	-	887		
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	
Materials and Contracts	30	206	176	30	206	176	(32)	1,447	2,432	-	-	2,432		
Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Expenses	2	6	4	2	6	4	0	33	67	-	-	67		
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Expenses	2	4	2	2	4	2	3	35	44	-	(5)	39		
Overheads	(283)	(283)	-	(283)	(283)	-	(108)	(2,478)	(3,429)	-	-	(3,429)		
Total Expenses attributable to Operations	(206)	-	206	(206)	-	206	(58)	47	-	-	(5)	(5)		
Operating Result after Overheads and before Capital Amounts	207	-	207	207	-	207	45	0	-	-	5	5		
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Operating Result	207	-	207	207	-	207	45	0	-	-	5	5		



06.09. People and Culture Operating Statement - Internal

July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status Comments
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Income														
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Revenue	-	-	-	-	-	-	4	(3)	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Income attributable to Operations							4	(3)	-	-	-	-	-	
Operating Expenses														
Employee Costs	391	480	89	391	480	89	544	7,990	6,302	-	-	6,302		
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	
Materials and Contracts	2	49	47	2	49	47	22	498	591	-	-	591		
Depreciation and Amortisation	0	0	0	0	0	0	0	4	4	-	-	4		
Other Expenses	20	138	117	20	138	117	50	1,028	1,735	-	-	1,735		
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Expenses	14	20	6	14	20	6	19	255	242	-	(8)	234		
Overheads	(888)	(888)	-	(888)	(888)	-	(927)	(9,778)	(8,874)	-	-	(8,874)		
Total Expenses attributable to Operations	(259)		259	(259)		259	(292)	(3)			(8)	(8)		
Operating Result after Overheads and before Capital Amounts	259		259	259		259	296	0			8	8		
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Operating Result	259		259	259		259	296	0			8	8		

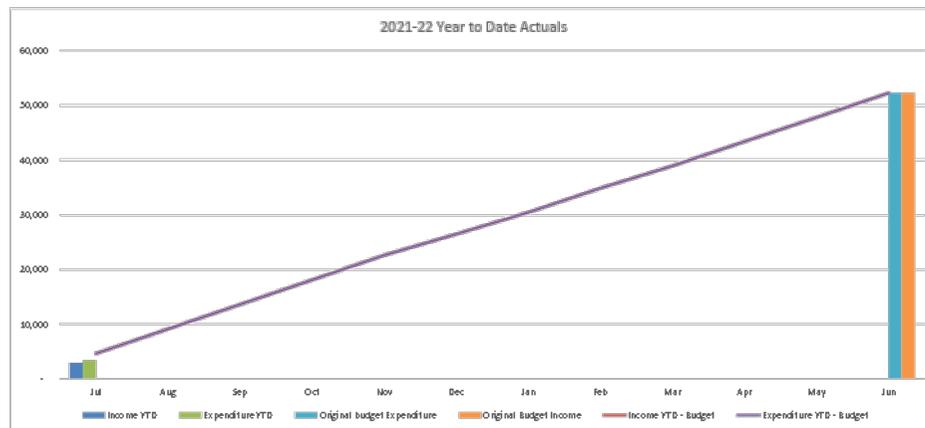


06.10. Plant and Fleet Operating Statement - Internal



July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status Comments
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Income														
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
User Charges and Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	(5)	18	(22)	(5)	18	(22)	26	1,073	213	-	-	-	213	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions	132	177	(44)	132	177	(44)	145	2,838	2,408	-	-	-	2,408	
Gain on Disposal	-	-	-	-	-	-	-	2,007	-	-	-	-	-	-
Internal Revenue	2,833	4,466	(1,833)	2,833	4,466	(1,833)	3,461	37,758	49,826	-	-	-	49,826	Reduced income for external plant. The recovery for period offset by reduced external fire expense.
Total Income attributable to Operations	2,960	4,660	(1,700)	2,960	4,660	(1,700)	3,633	43,476	52,247				52,247	
Operating Expenses														
Employee Costs	512	651	139	512	651	139	986	11,710	8,813	-	-	-	8,813	
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Materials and Contracts	663	1,373	711	663	1,373	711	1,037	13,256	10,452	-	-	-	10,452	
Depreciation and Amortisation	591	808	217	591	808	217	698	7,811	9,010	-	-	-	9,010	
Other Expenses	74	172	98	74	172	98	110	2,304	1,845	-	-	-	1,845	
Loss on Disposal	-	-	-	-	-	-	-	260	-	-	-	-	-	-
Internal Expenses	264	356	91	264	356	91	311	3,482	4,259	-	97	-	4,357	
Overheads	1,289	1,289	-	1,289	1,289	-	1,819	4,671	17,888	-	-	-	17,888	
Total Expenses attributable to Operations	3,403	4,660	1,257	3,403	4,660	1,257	4,767	43,495	52,247		97		52,344	
Operating Result after Overheads and before Capital Amounts	(443)	-	(443)	(443)	-	(443)	(1,134)	(20)	0		(97)		(97)	
Capital Grants	-	-	-	-	-	-	-	190	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	98	-	-	-	-	-	-
Grants and Contributions Capital Received	-	-	-	-	-	-	-	288	-	-	-	-	-	-
Net Operating Result	(443)	-	(443)	(443)	-	(443)	(1,134)	269	0		(97)		(97)	

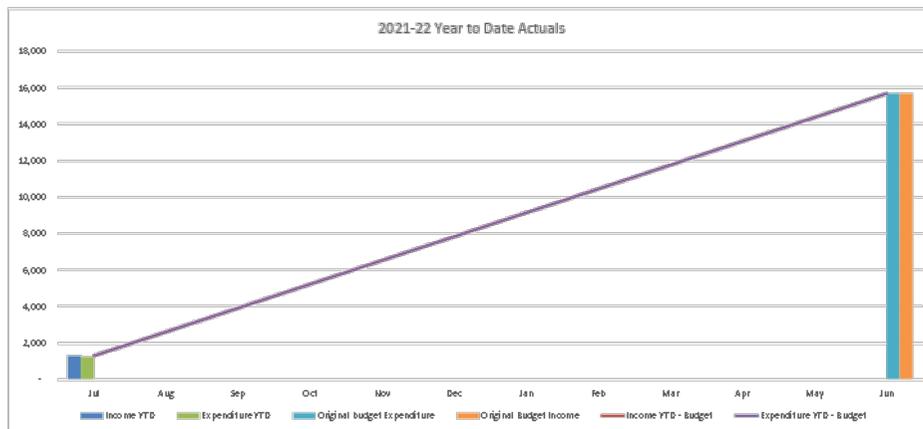


06.11. Procurement and Project Management Operating Statement - Internal



July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Status Comments
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Income														
Rates and Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	
User Charges and Fees	-	-	-	-	-	-	-	(0)	-	-	-	-	-	
Other Revenue	-	5	(5)	-	5	(5)	-	26	60	-	-	60	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Revenue	1,298	1,303	(5)	1,298	1,303	(5)	1,298	15,016	15,618	-	-	15,618	-	
Total Income attributable to Operations	1,298	1,308	(10)	1,298	1,308	(10)	1,298	15,042	15,678			15,678		
Operating Expenses														
Employee Costs	273	313	40	273	313	40	435	6,303	4,123	-	-	4,123	-	
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	
Materials and Contracts	8	(1)	(9)	8	(1)	(9)	13	117	(9)	-	-	(9)	-	
Depreciation and Amortisation	4	5	1	4	5	1	4	50	57	-	-	57	-	
Other Expenses	1,299	1,310	11	1,299	1,310	11	1,299	15,348	15,718	-	-	15,718	-	
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal Expenses	41	61	20	41	61	20	45	430	731	-	(21)	711	-	
Overheads	(380)	(380)	-	(380)	(380)	-	(485)	(4,747)	(4,942)	-	-	(4,942)	-	
Total Expenses attributable to Operations	1,244	1,308	63	1,244	1,308	63	1,331	17,500	15,678		(21)	15,657		
Operating Result after Overheads and before Capital Amounts	54	(0)	54	54	(0)	54	(33)	(2,458)			21	21		
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Operating Result	54	(0)	54	54	(0)	54	(33)	(2,458)			21	21		





Corporate Income and Expense Monthly Financial Report

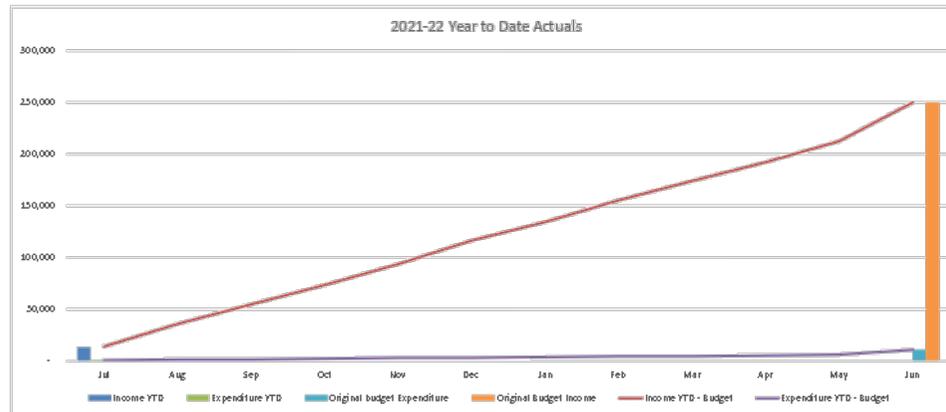
July 2021

07. Corporate Income and Expense Operating Statement - Internal



July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR				
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income												
Rates and Annual Charges	11,868	14,123	(2,255)	11,868	14,123	(2,255)	10,078	186,133	216,961	(0)	0	216,951
User Charges and Fees	1	-	1	1	-	1	0	0	(471)	-	-	(471)
Other Revenue	59	20	39	59	20	39	(1)	690	205	-	-	205
Interest	1,001	204	797	1,001	204	797	411	3,608	2,454	-	-	2,454
Grants and Contributions	(1)	-	(1)	(1)	-	(1)	1	21,455	28,476	-	-	28,476
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	108	108	2	108	108	2	114	1,895	2,470	-	-	2,470
Total Income attributable to Operations	13,035	14,454	(1,419)	13,035	14,454	(1,419)	10,603	213,581	250,084	(0)	0	250,084
Operating Expenses												
Employee Costs	133	172	39	133	172	39	149	1,859	1,204	-	-	1,204
Borrowing Costs	236	228	(8)	236	228	(8)	148	2,572	7,126	-	-	7,126
Materials and Contracts	-	30	30	-	30	30	-	736	1,889	-	-	1,889
Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	88	20	(48)	88	20	(48)	78	554	(528)	-	-	(528)
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Internal Expenses	0	-	(0)	0	-	(0)	0	1	-	-	-	-
Overheads	139	139	-	139	139	-	3,101	1,092	1,343	-	-	1,343
Total Expenses attributable to Operations	577	589	12	577	589	12	3,476	6,814	11,033	-	-	11,033
Operating Result after Overheads and before Capital Amounts	12,458	13,864	(1,406)	12,458	13,864	(1,406)	7,126	206,767	239,051	(0)	0	239,051
Capital Grants	-	-	-	-	-	-	-	3,696	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions Capital Received	-	-	-	-	-	-	-	3,696	-	-	-	-
Net Operating Result	12,458	13,864	(1,406)	12,458	13,864	(1,406)	7,126	210,463	239,051	(0)	0	239,051

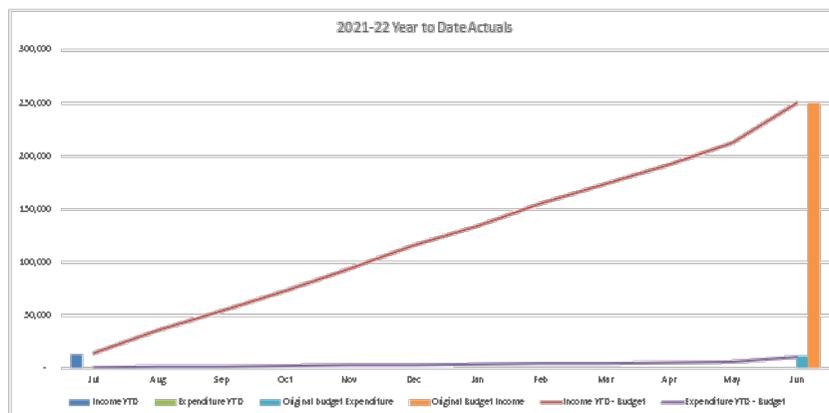


07.01. Corporate Income and Expense Operating Statement - Internal



July 2021

	CURRENT MONTH			YEAR TO DATE				FULL YEAR					Status	Internal Comment (free text)
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Income														
Rates and Annual Charges	11,993	14,123	(2,233)	11,993	14,123	(2,233)	10,078	186,133	216,951	(9)	0	216,951	●	Council subsidised pensioner rebates were omitted from rates SRV income calculation that was included in Operational Plan Budget. \$1.8M unfavourable in fact. Unfavourable variance in drainage annual charges to be investigated \$0.9M.
User Charges and Fees	1	-	1	1	-	1	0	0	(471)	-	-	(471)	●	
Other Revenue	59	20	39	59	20	39	(1)	690	205	-	-	205	●	Favourable variance relates to Legal Cost Recovery Rates Revenue.
Interest	1,001	204	797	1,001	204	797	411	3,608	2,454	-	-	2,454	●	Favourable variance relates to unrealised Gains and interest on Investments.
Grants and Contributions	(1)	-	(1)	(1)	-	(1)	1	21,435	28,476	-	-	28,476	●	
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	●	
Internal Revenue	108	106	2	108	106	2	114	1,895	2,470	-	-	2,470	●	
Total Income attributable to Operations	13,055	14,454	(1,419)	13,055	14,454	(1,419)	10,603	215,861	238,051	(9)	0	238,051		
Operating Expense														
Employee Costs	133	172	39	133	172	39	149	1,839	1,204	-	-	1,204	●	Variance relates to employer contributions to defined benefit super.
Borrowing Costs	236	228	(8)	236	228	(8)	148	2,372	7,126	-	-	7,126	●	Monthly budget is for legal costs recovered.
Materials and Contracts	-	30	30	-	30	30	-	736	1,899	-	-	1,899	●	
Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	●	
Other Expenses	68	20	(48)	68	20	(48)	76	534	(528)	-	-	(528)	●	Monthly actuals represent Authority system rates adjustments at time of 2021-22 rates generation.
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	●	
Internal Expenses	0	-	(0)	0	-	(0)	0	1	-	-	-	-	●	
Overheads	139	139	-	139	139	-	3,101	1,092	1,343	-	-	1,343	●	
Total Expenses attributable to Operations	577	569	12	577	569	12	5,476	6,814	11,053	-	-	11,053		
Operating Result after Overheads and before Capital Amounts	12,455	13,864	(1,406)	12,455	13,864	(1,406)	7,126	206,767	238,051	(9)	0	238,051		
Capital Grants	-	-	-	-	-	-	-	3,696	-	-	-	-	●	
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	●	
Grants and Contributions Capital Received	-	-	-	-	-	-	-	5,636	-	-	-	-	●	
Net Operating Result	12,455	13,864	(1,406)	12,455	13,864	(1,406)	7,126	216,463	238,051	(9)	0	238,051		





Item No: 2.3
Title: Draft Financial Statements for the period 1 July 2020 to 30 June 2021
Department: Corporate Affairs

14 September 2021 Audit Risk and Improvement Committee Meeting

Reference: F2020/03205 - D14825997
Author: Peter Correy, Unit Manager, Finance
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

Recommendation

- 1 *That the Committee note the report on Draft Financial Statements for the period 1 July 2020 to 30 June 2021.*
- 2 *That the Committee recommends that Council adopt the 2020-2021 Consolidated Financial Statements for Central Coast Council that include General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules.*
- 3 *That the Committee recommends that Council adopt the 2020-2021 Central Coast Council Water Supply Authority General Purpose Financial Statements*
- 4 *That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

The information provided in this report is current as at 31/08/2021.

Summary

This report presents the draft 2020-2021 Consolidated Financial Statements for Central Coast Council, which cover the period from 1 July 2020 to 30 June 2021, including analysis of the financial position and financial performance for the reporting period.

Background

The *Local Government Act 1993* ("LG Act") and the *Public Finance and Audit Act 1983* ("PF Act") require that Council prepare financial statements each year and refer them for audit. The requirement includes:

- Council form an opinion on the financial statements
- Council present its audited financial statements together with the external auditor's reports (scheduled to be presented to Council on 29 October 2021).

Adoption of financial statements

The financial statements for the 2020-2021 reporting period are the formal record of the business performance of all Council activities and are prepared in accordance with accounting standards and legislative requirements for the period from 1 July 2020 to 30 June 2021.

Council is required to formally resolve to refer the draft financial statements to audit and then at a later date to formally present (to the Community) the final statements complete with the auditor's reports.

Council's external auditor, The Audit Office of New South Wales ("Audit Office") will sign-off and hand the formal audit opinion to Council. This is the standard practice and is in accordance with these requirements.

Current Status

Audit Status

The draft 2020-2021 consolidated financial statements do not yet include a formal audit report or the reported financial impact of the water and sewer assets revaluation.

Once Council receives the formal audit opinion the financial statements will then be updated to include the audit opinions and notice of public meeting to be held in accordance with Section 418 (2) of the Local Government Act 1993, at which time Council can invite the external auditor, David Daniels of the Audit Office, or his delegate to formally present the report.

Analysis – 2020-2021 Financial Statements

This analysis aims to provide an overview of the financial performance and the financial position of Central Coast Council for the reporting period from 1 July 2020 to 30 June 2021.

Key statements and notes detailed in this analysis include:

- Income statement
- Statement of financial position
- Statement of performance measures (Note G5 to the financial statements)

Council's primary financial statements are in the format required by accounting standards and must conform to the provisions of the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) issued by the Office of Local Government (OLG).

In this report the General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules for the consolidated entity are referred to as "Consolidated Financial Statements".

2.3 Draft Financial Statements for the period 1 July 2020 to 30 June 2021 (contd)

Council is required to publish in the Consolidated Financial Statements the 2020-2021 original budget, in line with the Local Government Code of Accounting Practice and Financial Reporting 2020/21 issued in December 2020. To provide context for the actual results for the reporting period, the tables in this report also reference the original budget for 2020-2021.

This report provides commentary on significant items in the financial statements for Central Coast Council including the financial impact of COVID 19.

Consolidated Financial Statements

The comparison of the financial performance for Central Coast Council in the 2020-2021 Financial Statements (1 July 2020 to 30 June 2021) is to the 2019-2020 financial year (1 July 2019 to 30 June 2020).

Operating Result

The operating deficit before capital grants and contributions for the 2020-2021 financial year is \$61.1M. The operating result including capital grants and contributions of \$83.7M, is a surplus of \$22.6M.

	2020-21 Actual \$'000	2019-20 Actual \$'000
Income from operations	539,670	525,606
Expenditure from operations	600,797	614,344
Operating result for continuing operations (excluding capital grants and contributions)	(61,127)	(88,738)
Income from capital grants and contributions	83,702	66,901
Net operating result (including capital grants and contributions)	22,575	(21,837)

The below table compares the 2020-2021 actual results to the original budget adopted.

	2020-21 Actual \$'000	2020-21 Original Budget \$'000	Variance to Original Budget Favourable / (Unfavourable) (\$'000)
Income Statement			
Income from operations	539,670	551,036	(11,366)
Expenditure from operations	600,797	564,433	(36,364)
Net operating result (excluding capital grants and contributions)	(61,127)	(13,397)	(47,730)
Income from capital grants and contributions	83,702	39,287	44,415

2.3 Draft Financial Statements for the period 1 July 2020 to 30 June 2021 (contd)

Net operating result (including capital grants and contributions)	22,575	25,890	(3,315)
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The variance between the actual net operating result (excluding capital grants and contributions) of \$61.1M deficit and the original budgeted net operating result (excluding capital grants and contributions) of \$13.4M deficit is a \$47.7M unfavourable variance driven by the organisational restructure and additional depreciation impact.

Income from Operations

The following table reports income by category and is followed by explanations relating to variations between actual income to the original budget.

	2020-21 Actual \$'000	2020-21 Original Budget \$'000	Variance to Original Budget Favourable / (Unfavourable) \$'000	Variance to Original Budget Favourable / (Unfavourable) %
Income from Operations				
Rates and Annual Charges	331,384	335,480	(4,096)	(1.2%)
User Charges and Fees	139,103	140,550	(1,447)	(1.0%)
Interest and Investment Revenue	5,893	10,340	(4,447)	(43.0%)
Other Revenues	12,667	9,017	3,650	40.5%
Grants and Contributions - Operating	42,408	47,512	(5,104)	(10.7%)
Grants and Contributions - Capital	83,702	39,287	44,415	113.1%
Rental Income	8,215	8,137	78	1.0%
Total Income	623,372	590,323	33,049	5.6%

Rates and annual charges

The unfavourable variance of \$4.1M is largely attributable to a reduction in coal mine rates following the successful objection by a mine to its land valuations.

User charges and fees

The unfavourable variance of \$1.4M is attributable to:

- Reduction in water usage charges due to lower demand.
- Reduction in developer and tipping fees.
- The net COVID 19 impact was minimal as reductions in childcare and parking fees were offset by increased leisure centre and camping ground fees.

Interest and investment revenue

The unfavourable variance of \$4.4M was due to lower than budgeted official cash rate on investments.

2.3 Draft Financial Statements for the period 1 July 2020 to 30 June 2021 (contd)

Other revenue

The favourable variance in other revenue of \$3.6M is attributable to the quicker recovery from COVID 19 impacted operations, most notably Central Coast Stadium.

Grants and contributions - Operating

The unfavourable variance of \$5.1M was attributable to budgeted bio-certification scheme grant not received.

Grants and contributions - Capital

The favourable variance of \$44.4M for capital grants and contributions is largely attributable to donated assets of \$27.9M and additional RMS grants received for roads and bridges.

Rental Income

Rental income is in line with budget.

Expenditure from Operations

The following table reports expenditure by category and is followed by explanations relating to variations between actual expenses compared to the original budget.

	2020-21		Variance to Original Budget	Variance to Original Budget
	2020-21 Actual	Original Budget	Favourable / (Unfavourable)	Favourable / (Unfavourable)
Expenditure from Operations	\$'000	\$'000	\$'000	%
Employee benefits and on-costs	222,616	200,862	(21,754)	(10.8%)
Borrowing costs	16,708	15,038	(1,670)	(11.1%)
Materials and services	162,057	163,869	1,812	1.1%
Depreciation and amortisation	156,305	141,732	(14,573)	(10.3%)
Other expenses	36,059	42,932	6,873	16.0%
Net losses from the disposal of assets	7,052	-	(7,052)	N/A
Total Expenditure	600,797	564,433	(36,364)	(6.4%)

Employee costs

Unfavourable variance of \$21.8M due to organisational restructure costs and a reduction in labour recovered from capital works projects.

Borrowing costs

Unfavourable variance of \$1.7M due to additional \$150M increased external borrowings to cover overspend of unrestricted funds.

Materials and services

Favourable variance of \$1.8M attributable to tighter control over general expenditure.

2.3 Draft Financial Statements for the period 1 July 2020 to 30 June 2021 (contd)

Depreciation

Unfavourable variance of \$14.6M is due to increased capitalisation of completed projects in the General Fund, offset by decreased capitalisation for the Water Supply Authority.

Other expenses

Favourable variance of \$6.9M due to lower EPA Waste Management Levy resulting from a decrease in waste tonnages received at Waste Management facilities.

Net losses on disposal of assets

Net losses from the disposal of assets relates to the write down or disposal of roads, stormwater drainage, sewer, water and open space and recreation assets.

Statement of Financial Position

The Statement of Financial Position details the value of what Council owns ("assets") and what Council owes ("liabilities").

Within these headings, "Current" means an amount that is due to be realised within the next 12 months whilst "Non-current" indicates an asset or liability that is longer term in nature.

For the movement between financial years, a positive movement means that the values have increased from 30 June 2020 to 30 June 2021.

Statement of Financial Position	30 June 2021 \$'000	30 June 2020 \$'000	Movement \$'000
Assets			
Current Assets	337,443	347,765	(10,322)
Non-Current Assets*	7,565,350	7,357,199	208,151
Total Assets	7,902,793	7,704,964	197,829
Liabilities			
Current Liabilities	187,154	217,439	(30,285)
Non-Current Liabilities	397,462	282,679	114,783
Total Liabilities	584,616	500,118	84,498
Net Assets			
Accumulated Surplus	6,975,467	6,952,892	22,575
Revaluation Reserve*	342,710	251,954	90,756
Net Equity	7,318,177	7,204,846	113,331

* Subject to change following inclusion of water and sewer asset revaluation adjustment

Current assets

Current assets decreased by \$10.3M due to an \$18.7M reduction in Receivables through increased focus on debt recovery following the first COVID 19 wave and a change in the mix between current and non-current investment holdings. This decrease was offset in part by the

2.3 Draft Financial Statements for the period 1 July 2020 to 30 June 2021 (contd)

reallocation of \$39.4M land parcels from non-current assets to assets 'held for sale' as part of Council's financial recovery plan.

Non-current assets

Non-current assets increased by \$208.2M due in part to a \$89.7M revaluation increase of roads and drainage assets and a \$150M increase in Investments through the increase in external borrowings. This was offset as noted above by the reallocation of \$39.4M land parcels to current assets.

Current Liabilities

Current liabilities decreased by \$30.3M due primarily to a \$23.0M reduction in Payables through the reduction in Council expenditure and \$5.5M reduction in employee leave entitlements as part of the corporate restructure and voluntary redundancy program.

Non-Current Liabilities

Non-current liabilities increased by \$114.8M due to the increase in long term external borrowings offset by Sewer Fund borrowing repayments during the year and regular monthly borrowing principal repayments.

Consolidated external debt was \$348.2M at 30 June 2021 compared to \$236.6M at 30 June 2020.

Statement of Performance Measurement (Note G5)

Note G5 - Statement of Performance Measures, includes various indicators mandated by the Office of Local Government (OLG). The following indicators provide a 'snap-shot' of financial performance and comparability between Councils. The "benchmark" figures for the indicators reported represent the OLG's benchmarks.

Local Government Industry Indicators			OLG	
	2021	2020	Benchmark	2021 Result
Operating Performance Ratio	(10.10%)	(16.49%)	> 0.00%	x
Own Source Operating Revenue Ratio	79.75%	81.13%	> 60.00%	
Unrestricted Current Ratio	2.18x	(0.33)x	> 1.50	
Debt Service Cover Ratio	1.49x	1.38x	> 2.00x	x
Rates, Annual Charges, Interest Outstanding Percentage	5.41%	9.01%	< 5.00%	x
Cash Expense Cover Ratio	5.08 months	7.44 months	> 3 months	

Operating Performance Ratio - measures how well Council contained operating expenditure within operating revenue. Council has breached this benchmark in line with the reported \$61.1M operating loss before capital grants and contributions.

2.3 Draft Financial Statements for the period 1 July 2020 to 30 June 2021 (contd)

Own Source Operating Revenue Ratio - measures Council's fiscal flexibility and the degree of reliance on external funding sources such as operating grants and contributions. Council's performance is satisfactory as it is above the benchmark.

Unrestricted Current Ratio – measures the adequacy of working capital and Council's ability to satisfy obligations in the short term for the unrestricted activities of Council. Council has corrected the prior year breach of this benchmark through additional \$150M external borrowings to substantially cover the reported overspend of unrestricted funds.

Debt Service Cover Ratio - measures the availability of operating cash to service debt including interest, principal and lease payments. Council has breached this ratio as the operating result before capital excluding interest and depreciation does not adequately cover loan principal repayments and borrowing costs.

Rate and annual charges outstanding ratio - assesses the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of debt recovery efforts. Council has breached this ratio however Council's debt recovery efforts have shown significant improvement highlighted by the reduction in the ratio deficit from FY 2020. The primary driver for this breach continues to be the impact of COVID 19 on Council's residents.

The impact of COVID 19 has necessitated Council staff to pro-actively work with our ratepayers on financially affordable payment plans in accordance with the Policy for Debt Recovery and Hardship to move towards achieving industry benchmark for this measure.

Cash Expense Cover Ratio - this liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow. Council's performance is above the benchmark.

Water Supply Authority (WSA) Financial Statements

Operating Result

	2020-21 Actual \$'000	2019-20 Actual \$'000
Income from operations	161,666	161,019
Expenditure from operations	195,050	209,308
Net operating result (excluding capital grants and contributions)	(33,384)	(48,289)
Income from capital grants and contributions	24,630	16,765
Net operating result (including capital grants and contributions)	(8,754)	(31,524)

**2.3 Draft Financial Statements for the period 1 July 2020 to 30 June 2021
(contd)**

The below table compares the 2020-2021 actual results to the original budget.

	2020-21		Variance to Original Budget
	2020-21 Actual \$'000	Original Budget \$'000	Favourable / (Unfavourable) \$'000
Income Statement			
Income from operations	161,666	170,347	(8,681)
Expenditure from operations	195,050	181,184	(13,866)
Net operating result (excluding capital grants and contributions)	(33,384)	(10,837)	(22,547)
Income from capital grants and contributions	24,630	27,363	(2,733)
Net operating result (including capital grants and contributions)	(8,754)	16,526	(25,280)

Income from Operations

The following table reports income by category and is followed by explanations relating to variations between actual income compared to the 2020-2021 original budget.

	2020-21		Variance to Original Budget	Variance to Original Budget
	2020-21 Actual \$'000	Original Budget \$'000	Favourable / (Unfavourable) \$'000	Favourable / (Unfavourable) %
Annual Charges	81,825	84,957	(3,132)	(3.7%)
User Charges and Fees	76,942	80,212	(3,270)	(4.1%)
Interest and Investment Revenue	2,125	4,712	(2,587)	(54.9%)
Other Revenues	66	109	(43)	(39.4%)
Grants and Contributions - Operating	708	357	351	98.3%
Grants and Contributions - Capital	24,630	27,363	(2,733)	(10.0%)
Total Income	186,296	197,710	(11,414)	(5.8%)

Annual charges and user charges and fees

Unfavourable variance of \$6.4M million is due to reduction in water and sewer usage charges through lower demand.

Interest and investment revenue

Unfavourable variance of \$2.6M was due to lower than budgeted official cash rate on investments.

2.3 Draft Financial Statements for the period 1 July 2020 to 30 June 2021 (contd)

Other revenue

Other revenue was in line with budget.

Grants and contributions - Operating

Favourable variance of \$0.4 million in operating grants and contributions is attributable to employment, training and environmental grants received during the year.

Grants and contributions - Capital

Unfavourable variance of \$2.7M is due to a reduction in developer contributions offset in part through an increase in contributed assets.

Expenditure from Operations

The following table reports expenditure by category and is followed by explanations relating to variations between actual expenses compared to the 2020-21 original budget.

	2020-21 Actual \$'000	2020-21 Original Budget \$'000	Variance to Original Budget Favourable / (Unfavourable) \$'000	Variance to Original Budget Favourable / (Unfavourable) %
Expenditure from Operations				
Employee benefits and on-costs	36,218	31,895	(4,323)	(13.6%)
Borrowing costs	14,439	13,091	(1,348)	(10.3%)
Materials and services	69,668	60,039	(9,629)	(16.0%)
Depreciation and amortisation	72,309	76,159	3,850	5.1%
Other expenses	3	-	(3)	N/A
Net losses from the disposal of assets	2,413	-	(2,413)	N/A
Total Expenditure	195,050	181,184	(13,866)	(7.7%)

Employee costs

Unfavourable variance of \$4.3M due to organisational restructure costs and a reduction in labour recovered from capital works projects.

Borrowing costs

Unfavourable variance of \$1.3M due to interest payable to the General Fund for interfund loan.

Materials and contracts

Unfavourable variance of \$9.6M is attributable to an increase in the allocation of corporate overheads.

Depreciation

Favourable variance \$3.9M due to reduced capitalisation of completed projects.

2.3 Draft Financial Statements for the period 1 July 2020 to 30 June 2021 (contd)

Net losses on disposal of assets

The net losses from the disposal of assets relates to the write down of water and sewer infrastructure assets not included in the original budget.

Statement of Financial Position

For the movement between financial years a positive movement means that the values have increased from 30 June 2020 to 30 June 2021.

	30 June 2021 \$'000	30 June 2020 \$'000	Movement \$'000
Statement of Financial Position			
Assets			
Current Assets	93,386	205,116	(111,730)
Non-Current Assets*	3,826,059	3,706,737	119,322
Total Assets	3,919,445	3,911,853	7,592
Liabilities			
Current Liabilities	77,244	94,532	(17,288)
Non-Current Liabilities	180,584	203,449	(22,865)
Total Liabilities	257,828	297,981	(40,153)
Net Assets			
Retained Earnings	3,454,092	3,462,846	(8,754)
Revaluation Reserve*	207,525	151,026	56,499
Net Equity	3,661,617	3,613,872	(47,745)

* Subject to change following inclusion of water and sewer asset revaluation adjustment

Current assets

Current assets reduced by \$111.7M of which \$63M is attributable to a change in mix between current and non-current investment holdings. Receivables have reduced by \$12.7M through increased focus on debt recovery following the first COVID 19 wave and external Sewer loans of \$16M were repaid during the year. The balance of \$20M is reflective of reduced working capital in line with the operating loss

Non-current assets

Non-current assets increased by \$119.3M due to the change in mix between current and non-current investment holdings as noted above. Drainage assets were revalued \$56M higher at 30 June.

WSA's overall investment portfolio as at 30 June 2021 totalled \$141.1M compared to \$177.2M at 30 June 2020 a decrease of \$36.1M.

Current Liabilities

Current liabilities reduced by \$17.3M due primarily to a \$5.5M reduction in Payables through the reduction in WSA expenditure and \$9.9M reduction in external borrowings.

2.3 Draft Financial Statements for the period 1 July 2020 to 30 June 2021 (contd)

Non-Current Liabilities

Non-current liabilities reduced by \$22.9M due to the reduction in external borrowings.

WSA external debt was \$227.3M at 30 June 2021 compared to \$259.7M at 30 June 2020.

Attachments

1	Annual General Purpose Financial Statements 2021	D14826087
2	Annual Water Supply Authority Financial Statements 2021	D14826091
3	Annual Special Purpose Financial Statements 2021	D14826095
4	Annual Special Schedules 2021	D14826098

DRAFT

Central Coast Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021

A vibrant and sustainable Central Coast



Central Coast Council

General Purpose Financial Statements

for the year ended 30 June 2021

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Overview

Central Coast Council is constituted under the *Local Government Act 1993* (NSW) and has its principal place of business at:

2 Hely Street Wyong, NSW 2259
49 Mann Street Gosford, NSW 2250

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.centralcoast.nsw.gov.au

Central Coast Council

General Purpose Financial Statements

for the year ended 30 June 2021

Understanding Council's Financial Statements

Introduction

Each year NSW local governments are required to present audited financial statements to their council and community.

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2021.

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

About the Interim Administrator/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the five primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by the Audit Office of NSW.

In NSW the auditor provides 2 audit reports:

1. an opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the audit report.

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

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

Central Coast Council

General Purpose Financial Statements

for the year ended 30 June 2021

Statement by Interim Administrator and Management made pursuant to Section 413 (2c) of the Local Government Act 1993 (NSW)

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

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

- present fairly the Council's operating result and financial position for the year
- 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 29 October 2021

Rik Hart
Interim Administrator
29 October 2021

David Farmer
Chief Executive Officer
29 October 2021

Natalia Cowley
Responsible Accounting Officer
29 October 2021

Central Coast Council | Income Statement | For the year ended 30 June 2021

Central Coast Council

Income Statement

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Income from continuing operations				
335,480		B2-1	331,384	321,946
140,550		B2-2	139,103	129,480
9,017		B2-3	12,667	9,293
47,512		B2-4	42,408	44,436
39,287		B2-4	83,702	66,901
10,340		B2-5	5,893	12,727
8,137		B2-6	8,215	7,724
<u>590,323</u>			<u>623,372</u>	<u>592,507</u>
Expenses from continuing operations				
200,862		B3-1	222,616	220,882
163,869		B3-2	162,057	175,731
15,038		B3-3	16,708	16,151
141,732		B3-4	156,305	157,109
42,932		B3-5	36,059	39,540
-		B4-1	7,052	4,931
<u>564,433</u>			<u>600,797</u>	<u>614,344</u>
<u>25,890</u>			<u>22,575</u>	<u>(21,837)</u>
<u>25,890</u>			<u>22,575</u>	<u>(21,837)</u>
<u>(13,397)</u>			<u>(61,127)</u>	<u>(88,738)</u>

The above Income Statement should be read in conjunction with the accompanying notes.

Central Coast Council | Statement of Comprehensive Income | For the year ended 30 June 2021

Central Coast Council

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Net operating result for the year – from Income Statement		22,575	(21,837)
Other comprehensive income:			
Amounts that will not be reclassified subsequent to operating result			
Gain/(loss) on revaluation of infrastructure, property, plant and equipment	C1-8	<u>90,756</u>	<u>60,167</u>
Total other comprehensive income for the year		<u>90,756</u>	<u>60,167</u>
Total comprehensive income for the year attributable to Council		<u>113,331</u>	<u>38,330</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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Central Coast Council | Statement of Financial Position | For the year ended 30 June 2021

Central Coast Council

Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	65,709	92,296
Investments	C1-2	164,794	166,210
Receivables	C1-4	62,498	81,154
Inventories	C1-5	1,403	1,646
Current assets classified as 'held for sale'	C1-7	39,431	-
Other		3,608	6,459
Total current assets		337,443	347,765
Non-current assets			
Investments	C1-2	255,297	104,202
Receivables	C1-4	3,384	3,768
Infrastructure, property, plant and equipment	C1-8	7,251,005	7,217,178
Intangible Assets	C1-9	52,558	29,993
Right of use assets	C2-1	2,483	1,804
Other		623	254
Total non-current assets		7,565,350	7,357,199
Total assets		7,902,793	7,704,964
LIABILITIES			
Current liabilities			
Payables	C3-1	71,137	94,153
Income received in advance	C3-1	2,916	2,795
Contract liabilities	C3-2	13,527	10,644
Lease liabilities	C2-1	241	287
Borrowings	C3-3	40,554	44,790
Employee benefit provisions	C3-4	52,492	58,012
Provisions	C3-5	6,287	6,758
Total current liabilities		187,154	217,439
Non-current liabilities			
Income received in advance	C3-1	6,766	7,381
Contract liabilities	C3-2	2,254	2,352
Lease liabilities	C2-1	2,320	1,552
Borrowings	C3-3	307,674	191,798
Employee benefit provisions	C3-4	3,144	2,900
Provisions	C3-5	75,304	76,696
Total non-current liabilities		397,462	282,679
Total liabilities		584,616	500,118
Net assets		7,318,177	7,204,846
EQUITY			
Accumulated surplus	C4-1	6,975,467	6,952,892
IPPE revaluation reserve	C4-1	342,710	251,954
Council interest		7,318,177	7,204,846
Total equity		7,318,177	7,204,846

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Central Coast Council | Statement of Changes in Equity | For the year ended 30 June 2021

Central Coast Council

Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	as at 30/06/21			as at 30/06/20		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		6,952,892	251,954	7,204,846	6,989,141	191,787	7,180,928
Changes due to AASB 1058 and AASB 15 adoption		-	-	-	(14,412)	-	(14,412)
Restated opening balance		6,952,892	251,954	7,204,846	6,974,729	191,787	7,166,516
Net operating result for the year		22,575	-	22,575	(21,837)	-	(21,837)
Other comprehensive income							
- Gain / (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	-	90,756	90,756	-	60,167	60,167
Total comprehensive income		22,575	90,756	113,331	(21,837)	60,167	38,330
Closing balance at 30 June		6,975,467	342,710	7,318,177	6,952,892	251,954	7,204,846

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Central Coast Council | Statement of Cash Flows | For the year ended 30 June 2021

Central Coast Council

Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Cash flows from operating activities				
<i>Receipts:</i>				
337,078			335,536	321,075
143,054			149,855	119,666
11,795			5,757	10,274
87,525			101,348	90,445
–			83	–
15,239			56,144	56,479
<i>Payments:</i>				
(202,579)			(232,395)	(213,972)
(106,441)			(191,827)	(142,480)
(13,899)			(15,848)	(14,958)
(395)			–	(23)
(104,618)			(56,355)	(105,121)
166,759		G1-1a	152,298	121,385
Cash flows from investing activities				
<i>Receipts:</i>				
99,232			259,406	336,750
–			8,784	7,037
<i>Payments:</i>				
–			(408,524)	(170,230)
(224,990)			(122,800)	(227,511)
–			(27,020)	(22,461)
–			(294)	27
(125,758)			(290,448)	(76,388)
Cash flows from financing activities				
<i>Receipts:</i>				
50,000			174,618	50,000
<i>Payments:</i>				
(44,782)			(62,808)	(46,569)
–			(247)	(191)
5,218			111,563	3,240
46,219			(26,587)	48,237
37,877			92,296	44,059
84,096		C1-1	65,709	92,296
275,248		C1-2	420,091	270,412
359,344			485,800	362,708

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Central Coast Council

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Central Coast Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 29 October 2021. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2005 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not-for-profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain infrastructure, property, plant and equipment.

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying 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 Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- i. fair values of infrastructure, property, plant and equipment – refer Note C1-8
- ii. tip remediation provisions – refer Note C3-5
- iii. employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

COVID-19 Impact

The COVID-19 pandemic continues to impact the community where Council operates. This pandemic declared a global pandemic by the World Health Organisation on 11 March 2020, has had a financial impact for Council in the financial year ended 30 June 2021 which has impacted the comparability of some line items and amounts reported in this financial report.

COVID-19 has caused disruption to council's business practices with a number of staff working remotely from home away from the main administration buildings and other council facilities. Whilst this has caused some inconvenience it has not resulted in significant additional cost or significant reduced costs for Council.

The impacts on Council's financial performance and financial position are outlined below.

- Additional costs (although not material), in conjunction with public health order activities (e.g. cleaning, inventory purchases of face masks and hand sanitiser and other health and safety initiatives) have been incurred.

A1-1 Basis of preparation (continued)

- User charges and fee income including child care, holiday parks and swimming centres recovered as restrictions were lifted in 2020-21.
- Employee leave entitlements increased due to a reduction in leave taken due to COVID-19.

These Financial Statements reflect the financial impact of the Covid-19 pandemic to date, incorporating the above measures to the extent incurred, along with additional impacts to income collections resulting from financial hardship. Estimates of expected credit losses in respect of receivables have been updated to reflect expected impacts on debt collection.

No material changes have been noted in asset values.

Going Concern

The Financial Statements have been prepared on a going concern basis, which assumes Council will be able to meet its debts and other financial obligations as they fall due.

Since disclosing Council's serious financial situation on 6 October 2020, Council has achieved the following:

- Obtained \$150M in bank loans - which has returned Council to a positive unrestricted cash and investment position;
- Reduced staff numbers through an organisational restructure and redundancy program;
- Implemented strategies to reduce materials and contracts expenditure;
- Placed Council-identified underperforming assets for sale;
- Applied for a one-off 15% Special Rate Variation (SRV)

Council's forecast ten year long term financial plan is based on an expectation of receiving the one-off 15% SRV, (13% + 2% standard rate peg) which would be applied in 2021-2022 and remaining permanently in the rate base. IPART has approved this increase for three years through to 30 June 2024 during which time Council will seek to extend the SRV to ensure its recovery program continues.

Monies and other assets received by Council

The Consolidated Fund

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

The Consolidated Fund has been included in the financial statements of the Council.

Cash and other assets of the following entities have been included as part of the Consolidated Fund:

- general purpose operations
- water service
- sewerage service
- drainage
- domestic waste
- committees established under the *Local Government Act 1993 (NSW) S355*

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993*, a separate and distinct Trust Fund is maintained to account for all money and property received by 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 other assets held by Council in its capacity as a Trustee and not considered to be under the control of Council have been excluded from these financial statements.

A separate statement of monies held in trust fund is available for inspection at council office by any person free of charge.

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.

A1-1 Basis of preparation (continued)

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

Volunteer services

Volunteer services are services received by Council from individuals or other entities without charge or for consideration significantly less than the fair value of those services. These may include:

- Committees with volunteer members,
- Volunteers at art galleries or museums,
- Library volunteers,
- Childcare volunteers,
- Outdoor space volunteers, and
- Volunteers at special Council events.

Volunteer services will only be recognised when:

- such services would be purchased if they had not been donated, and
- the fair value of those services can be reliably measured.

Council has recognised the cost and associated income of volunteer services in relation to Council's Art Gallery and Theatre as Other Income and Other Expenses in Notes B2-3 and B3-2 respectively.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2021 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

As at the date of authorisation of these financial statements Council does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

New accounting standards adopted during the year

During the year Council adopted the following accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from 1 July 2020:

- AASB 1059 Service Concession Arrangements: Grantor and associated amendments
- AASB 2018- 6 Amendments to Australian Accounting Standards – Definition of a business
- AASB 2018 – 7 Amendments to Australian Accounting Standards – Definition of material
- AASB 2019 – 3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- AASB 2019 -5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia
- AASB 2019 – 7 Amendments to Australian Accounting Standards – Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP / GFS Reconciliations
- AASB 2020 – 4 Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions

None of these Standards had a significant impact on Council's reported position or performance.

B Financial Performance**B1 Functions or activities****B1-1 Functions or activities – income, expenses and assets**

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions or activities										
Responsible	376,720	353,713	447,479	461,867	(70,759)	(108,154)	105,512	50,732	7,364,865	7,054,242
Liveable	35,625	28,049	88,560	91,271	(52,935)	(63,222)	14,824	8,371	454,385	549,504
Belonging	4,418	3,573	18,187	19,851	(13,769)	(16,278)	55	169	29,051	28,673
Smart	15,669	10,805	25,089	21,267	(9,420)	(10,462)	2,813	997	29,488	40,226
Green	3,642	4,591	21,482	20,088	(17,840)	(15,497)	2,906	4,146	25,004	32,319
General Purpose Income	187,298	191,776	-	-	187,298	191,776	-	-	-	-
Total functions and activities	623,372	592,507	600,797	614,344	22,575	(21,837)	126,110	64,415	7,902,793	7,704,964

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B1-2 Components of functions or activities

Details relating to the Council's functions or activities as reported in B1-1 are as follows:

Responsible

- Governance
- Partnerships - Plans into practice
- Communicate with community
- Engage with community
- Serve the community
- Delivering essential Infrastructure (Roads, Carparks, Energy, Water, Telecommunications)

Liveable

- Public transport connections
- Plans transport management options
- Shared pathways
- Signage, public facilities, amenities, playgrounds, public areas
- Waterways, wharves, jetties, boat ramps and ocean baths
- Sport, leisure, recreational facilities, open space
- Healthcare
- Learning and knowledge
- Community facilities
- Heritage
- Land use planning
- Environmental
- Housing

Belonging

- Community spirit
- Connect people
- Inclusion and well being
- Social and health issues
- Community safety
- Activate places
- Events
- Sporting, cultural, festivals
- Arts

Smart

- Economic development
- CBD, town centres
- Tourism
- Innovation and futures

Green

- Natural areas
- Biodiversity
- Water quality
- Litter and landfill
- Renewable energy
- Protection of environment

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B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2021	2020
Ordinary rates		
Residential	148,957	145,920
Farmland	785	779
Mining	755	943
Business	21,030	20,311
Less: pensioner rebates (State Government funded)	(2,206)	(2,230)
Less: pensioner rebates (Council funded)	(1,806)	(1,826)
Rates levied to ratepayers	167,515	163,897
Pensioner rate subsidies received	2,209	2,243
Total ordinary rates	169,724	166,140
Special rates		
Town improvement	1,319	1,328
Parking	190	186
Tourism / business development	936	914
Rates levied to ratepayers	2,445	2,428
Total special rates	2,445	2,428
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	75,168	72,464
Water supply services	12,701	12,396
Drainage	14,940	14,325
Sewerage services	55,032	53,152
Waste management services (non-domestic)	3,471	3,607
Section 611 charges	122	184
Liquid trade waste	453	461
Less: pensioner rebates (State Government funded)	(3,328)	(3,349)
Less: pensioner rebates (Council funded)	(3,085)	(3,102)
Annual charges levied	155,474	150,138
Pensioner subsidies received:		
– Water	1,238	1,004
– Sewerage	1,272	994
– Domestic waste management	1,231	1,242
Total annual charges	159,215	153,378
Total rates and annual charges	331,384	321,946

Council has used 2019 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

B2-2 User charges and fees

\$ '000	2021	2020
User charges		
Water supply services	54,438	55,871
Sewerage services	15,920	15,468
Waste management services (non-domestic)	13	36
Liquid trade waste	1,905	2,043
COVID-19 waivers and refunds	-	(41)
Total user charges	72,276	73,377
Fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Building services – other	2,088	1,939
Development applications	3,608	2,908
Inspection services	724	551
Private works – section 67	430	469
Registration fees	116	137
Regulatory/statutory fees	258	189
Rezoning fees	181	82
Section 10.7 certificates (EP&A Act)	1,059	809
Other	379	275
Section 603 certificates	826	606
Town planning	295	234
Total fees and charges – statutory/regulatory	9,964	8,199
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Aerodrome	23	28
Camping ground	759	416
Child care	6,951	5,183
Companion animals	791	307
Engineering design fees	1,215	409
Holiday parks	11,583	9,077
On site sewer management (OSSM)	514	479
Parking fees	419	562
Parks and recreation	791	455
Sewerage Connection Income	580	345
Swimming centres	4,101	3,297
Theatres	367	772
Tipping fees	20,970	18,397
Transport for NSW works (state roads not controlled by Council)	5,040	5,479
Other	1,697	1,690
Water connection fees	1,062	1,008
Total fees	56,863	47,904
Total user charges and fees	139,103	129,480
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	37	20
User charges and fees recognised at a point in time	139,066	129,440
Total user charges and fees	139,103	129,460

Accounting policy

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as caravan parks, the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

B2-2 User charges and fees (continued)

Where an upfront fee is charged such as joining fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.

B2-3 Other revenue

\$ '000	2021	2020
Fines – parking	1,960	2,647
Fines – other	645	229
Event revenue	1,703	1,248
Landfill sale of scrap metal	1,220	1,025
Sales – general	1,471	777
Insurance claims recoveries	878	24
Diesel rebate	834	609
Legal fees recovery – other	669	244
Recreation	526	280
Cemetery income	448	333
Landfill gas royalty payment	439	401
Arts centre	28	98
Section 355 Committee income	229	228
Other (includes volunteer services)	1,817	1,718
COVID-19 waivers and refunds	(200)	(568)
Total other revenue	12,667	9,293
Timing of revenue recognition for other revenue		
Other revenue recognised over time	–	–
Other revenue recognised at a point in time	12,667	9,293
Total other revenue	12,667	9,293

Accounting policy for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory 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 occurs first.

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

B2-4 Grants and contributions

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
General purpose grants and non-developer contributions (untied)				
Current year allocation				
Financial assistance – general component	10,247	10,706	–	–
Financial assistance – local roads component	2,178	2,204	–	–
Payment in advance - future year allocation ¹				
Financial assistance – general component	10,961	11,337	–	–
Financial assistance – local roads component	2,338	2,341	–	–
Amount recognised as income during current year	25,724	26,588	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Aged and disabled	24	23	–	1
Bushfire and emergency services	3,473	4,625	522	256
Child care	863	2,027	81	24
Community care	–	9	–	–
Employment and training programs	108	118	–	–
Environmental programs	2,352	1,526	1,347	971
Health services	21	33	–	–
Heritage and cultural	95	86	–	–
Library	893	856	631	61
LIRS subsidy	599	733	–	–
Recreational facilities	56	448	7,368	8,531
Roads and bridges	–	–	15,842	10,632
Security equipment (CCTV)	–	–	–	5
Sewerage (excl. section 64 contributions)	–	–	200	132
Somersby Industrial Park	–	–	420	–
Street lighting	986	986	–	–
Transport (roads to recovery)	–	–	2,772	2,772
Transport for NSW contributions (regional roads, block grant)	3,772	3,939	–	–
Transport (other roads and bridges funding)	120	119	2,133	723
Vehicle contributions by employees	2,626	2,007	–	–
Water / Sewer Infrastructure	–	–	5,816	2,788
Water supplies (excl. section 64 contributions)	–	–	134	73
Youth services	78	39	–	–
Other	618	274	434	2,313
Total special purpose grants and non-developer contributions – cash	16,684	17,848	37,700	29,282
Non-cash contributions				
Other	–	–	27,908	17,052
Total other contributions – non-cash	–	–	27,908	17,052
Total special purpose grants and non-developer contributions (tied)	16,684	17,848	65,608	46,334
Total grants and non-developer contributions	42,408	44,436	65,608	46,334
Comprising:				
– Commonwealth funding	26,851	27,282	12,536	12,614
– State funding	3,111	8,899	28,465	15,618
– Other funding	12,446	8,255	24,607	18,102
	42,408	44,436	65,608	46,334

(1) \$13.299M of the 2021 - 2022 Financial Assistance Grant from Commonwealth Government was received by Council in June 2021 and hence is reported as 2020 - 2021 income although it relates to 2021 - 2022 financial year.

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Developer contributions:	G5				
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services		-	-	371	54
S 7.12 – fixed development consent levies		-	-	1,628	2,470
S 64 – water supply contributions		-	-	3,392	3,429
S 64 – sewerage service contributions		-	-	3,010	3,639
Other developer contributions		-	-	206	320
S 7.11 – stormwater contributions		-	-	1,153	1,424
S 7.11 – roadworks		-	-	2,489	2,094
S 7.11 – open space		-	-	3,283	4,430
S 7.11 – community facilities		-	-	2,039	2,213
Total developer contributions – cash		-	-	17,571	20,073
Non-cash contributions					
S 7.11 – contributions towards amenities/services		-	-	-	241
S 7.12 – fixed development consent levies		-	-	145	-
S 7.11 - drainage assets		-	-	251	171
S 64 – water supply contributions		-	-	127	82
Total developer contributions non-cash		-	-	523	494
Total developer contributions	G5	-	-	18,094	20,567
Total contributions		-	-	18,094	20,567
Total grants and contributions		42,408	44,436	83,702	66,901
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time		13,490	10,624	2,254	2,352
Grants and contributions recognised at a point in time		28,918	33,812	81,448	64,549
Total grants and contributions		42,408	44,436	83,702	66,901

B2-4 Grants and contributions (continued)

Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Grants				
Unspent funds at 1 July	3,770	2,345	7,990	8,869
Add: Funds received and not recognised as revenue in the current year	2,607	2,628	7,509	3,639
Less: Funds received in prior year but revenue recognised and funds spent in current year	(2,154)	(1,203)	(4,763)	(4,518)
Unspent funds at 30 June	4,223	3,770	10,736	7,990

Various capital grants unspent and held as a restriction at year end.

Most significant include Climate Change Fund (Water Supply Authority) \$2.4M, Woy Woy Wharf development \$1.3M, Glenrock Pde roadworks \$0.8M, Stronger Community Fund grants \$0.5M and Regional playspace at Sun Valley Reserve, Green Point \$0.4M.

Contributions

Unspent funds at 1 July	511	522	194,085	189,981
Add: contributions received and not recognised as revenue in the current year	191	63	-	16,128
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(212)	(74)	(31,710)	(12,024)
Unspent contributions at 30 June	490	511	162,375	194,085

Various developer contributions unspent and held as a restriction at year end.

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement but include differing performance obligations within AASB 15, for example, event milestones. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Capital grants

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

B2-4 Grants and contributions (continued)

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by Council.

Developer contributions

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but Council may apply contributions according to the priorities established in work schedules for the contribution plan.

Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

B2-5 Interest and investment income

\$ '000	2021	2020
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	821	1,671
– Cash and investments	4,508	8,547
Fair value adjustments		
– Movements in investments (other)	561	2,476
Amortisation of premiums and discounts		
– Interest free (and interest reduced) loans provided	–	27
Other	3	6
Total interest and investment income	5,893	12,727

Accounting policy

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

B2-6 Other income

\$ '000	Notes	2021	2020
Rental income			
Other lease income			
Properties not held for investment		4,752	4,966
Room/Facility Hire		3,178	2,615
Outdoor space		260	118
Other		25	25
Total Other lease income		8,215	7,724
Total rental income	C2-2	8,215	7,724
Total other income		8,215	7,724

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2021	2020
Salaries and wages	154,398	180,017
Employee termination costs	15,870	490
Employee leave entitlements (ELE)	37,806	31,168
Superannuation	18,898	19,749
Workers Compensation	3,005	3,790
Fringe benefit tax (FBT)	353	405
Payroll tax	2,592	2,610
Other	-	648
Total employee costs	232,922	238,877
Less: capitalised costs	(10,306)	(17,995)
Total employee costs expensed	222,616	220,882

Accounting policy

Employee benefit expenses are recorded when the service has been provided by the employee.

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.

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.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note E3-1 for more information.

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Central Coast Council | Notes to the Financial Statements 30 June 2021

B3-2 Materials and services

\$ '000	Notes	2021	2020
Raw materials and consumables		25,387	26,461
Contractor and consultancy costs		31,445	29,619
Contract costs Garbage collection		30,050	30,287
Contract costs Green waste processing		5,147	4,392
Contract costs Corporate systems		1,364	3,643
Contract costs Agency hire		3,106	9,658
Contract costs Roads		7,568	11,529
Audit Fees	F2-1	781	371
Previously other expenses:			
Advertising		667	1,125
Bank charges		1,469	1,386
Commissions		4,709	3,374
Computer software charges		13,828	10,515
Election expenses		177	-
Councillor and Mayoral fees and associated expenses	F1-2	459	593
Electricity and heating		12,570	12,400
Events and promotions		1,585	1,843
Gas charges		368	490
Insurance		3,906	4,814
Licences		1,576	787
Planning NSW development application fees		498	443
Postage		1,230	1,088
Printing and stationery		746	1,249
Street lighting		4,910	4,371
Subscriptions and publications		769	236
Telephone and communications		1,475	2,785
Tip rehabilitation provision adjustment		(2,002)	3,235
Travel expenses		41	45
Training costs		942	1,767
Valuer general fees		917	888
Vehicle registrations		770	801
Other expenses		2,943	2,402
Legal expenses:			
- Legal expenses: planning and development		2	254
- Legal expenses: other		763	577
Expenses from Peppercorn leases		73	194
Expenses from short-term leases		187	418
Expenses from leases of low value assets		1,631	1,691
Total materials and services		162,057	175,731

Accounting policy

Expenses are recorded on an accruals basis as the Council receives the goods or services.

Central Coast Council | Notes to the Financial Statements 30 June 2021

B3-3 Borrowing costs

\$ '000	Notes	2021	2020
(i) Interest bearing liability costs			
Interest on leases		125	76
Interest on loans		15,097	15,024
Interest on other debts		2	45
Total interest bearing liability costs		15,224	15,145
Total interest bearing liability costs expensed		15,224	15,145
(ii) Other borrowing costs			
Amortisation of discounts and premiums			
- Floating Rate Notes		294	-
Remediation liabilities	G3-5	1,190	1,005
Other liabilities		-	1
Total other borrowing costs		1,484	1,006
Total borrowing costs expensed		16,708	16,151

Accounting policy

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 as incurred.

B3-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2021	2020
Depreciation and amortisation			
Plant and equipment		8,187	7,811
Office equipment		2,742	2,569
Furniture and fittings		1,377	1,130
Land improvements (depreciable)		1,847	1,903
Infrastructure:	C1-8		
- Buildings – specialised		13,731	11,769
- Other structures		2,135	1,601
- Roads		36,369	36,464
- Bridges		618	679
- Footpaths		2,532	2,659
- Stormwater drainage		14,569	15,858
- Water supply network		24,217	26,833
- Sewerage network		32,684	35,143
- Swimming pools		346	215
- Other open space/recreational assets		4,992	4,120
- Other infrastructure		1,537	1,346
Other assets:			
- Library books		810	770
- Other		173	73
Reinstatement, rehabilitation and restoration assets:			
- Tip assets	C3-4,11(a)	2,694	1,745
Right of use assets	C2-1	290	226
Intangible assets	C1-9	4,455	4,195
Total depreciation, amortisation and impairment for non-financial assets		156,305	157,109

Accounting policy

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

B3-4 Depreciation, amortisation and impairment of non-financial assets (continued)

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets that do not meet the criteria above 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.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

B3-5 Other expenses

\$ '000	Notes	2021	2020
Impairment of receivables		190	404
Contributions/levies to other levels of government			
– NSW Fire and rescue levy		3,150	2,821
– NSW rural fire service levy		2,108	1,477
– Waste levy		27,831	29,893
– Holiday Park levy		608	439
– NSW State emergency services levy		661	528
Donations, Contributions and assistance to other organisations (Section 356)			
– The Art House		1,016	1,075
– Wyong Town Centre		–	30
– Surf Life Saving Clubs		214	213
– Gosford Town Centre		(30)	60
– Stronger communities fund		(3)	383
– Community grants		(86)	1,671
– Other contributions and donations		400	546
Total other expenses		36,059	39,540

Accounting policy

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

B4 Gains or losses

B4-1 Gain or loss from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2021	2020
Gain (or loss) on disposal of property			
Proceeds from disposal – property		–	–
Less: carrying amount of property assets sold/written off		<u>(639)</u>	<u>(3,510)</u>
Gain (or loss) on disposal		<u>(639)</u>	<u>(3,510)</u>
Gain (or loss) on disposal of plant and equipment			
	C1-8		
Proceeds from disposal – plant and equipment		5,754	3,058
Less: carrying amount of plant and equipment assets sold/written off		<u>(4,008)</u>	<u>(2,991)</u>
Gain (or loss) on disposal		<u>1,746</u>	<u>67</u>
Gain (or loss) on disposal of infrastructure assets			
	C1-8		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		<u>(6,048)</u>	<u>(866)</u>
Gain (or loss) on disposal		<u>(6,048)</u>	<u>(866)</u>
Gain (or loss) on disposal of investments			
	C1-2		
Proceeds from disposal/redemptions/maturities – investments		259,406	336,750
Less: carrying amount of investments sold/redeemed/matured		<u>(259,406)</u>	<u>(336,750)</u>
Gain (or loss) on disposal		<u>–</u>	<u>–</u>
Gain (or loss) on disposal of land			
	C1-8		
Proceeds from disposal – community and operational Land		3,030	3,979
Less: carrying amount of community and operational Land assets sold/written off		<u>(2,569)</u>	<u>(2,037)</u>
Gain (or loss) on disposal		<u>461</u>	<u>1,942</u>
Gain (or loss) on disposal of stormwater drainage assets			
	C1-8		
Proceeds from disposal – Stormwater Drainage		–	–
Less: carrying amount of stormwater drainage assets sold/written off		<u>(35)</u>	<u>(293)</u>
Gain (or loss) on disposal		<u>(35)</u>	<u>(293)</u>
Gain (or loss) on disposal of sewerage network assets			
	C1-8		
Proceeds from disposal – Sewerage Network		–	–
Less: carrying amount of sewerage network assets sold/written off		<u>(1,385)</u>	<u>(1,258)</u>
Gain (or loss) on disposal		<u>(1,385)</u>	<u>(1,258)</u>
Gain (or loss) on disposal of water supply assets			
	C1-8		
Proceeds from disposal – water supply assets		–	–
Less: carrying amount of water supply assets sold/written off		<u>(994)</u>	<u>(1,004)</u>
Gain (or loss) on disposal		<u>(994)</u>	<u>(1,004)</u>
Gain (or loss) on disposal of other assets			
	C1-8		
Proceeds from disposal – Other assets		–	–
Less: carrying amount of other assets sold/written off		<u>(158)</u>	<u>(9)</u>
Gain (or loss) on disposal		<u>(158)</u>	<u>(9)</u>
Net gain (or loss) on disposal of assets		<u>(7,052)</u>	<u>(4,931)</u>

Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 27 July 2020 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, the impact of COVID 19 and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

Material variations of more than 10% between original budget and actual results or where the variance is considered material by nature are explained below.

Variation Key: **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2021 Budget	2021 Actual	2021 Variance	
REVENUES				
Other revenues	9,017	12,667	3,650	40% F
Favourable variance due to additional National Rugby League games at Central Coast Stadium, successful claim for diesel fuel back-payments, insurance recoveries and increased sales of recycled scrap metals at Council's Waste Management facilities.				
Operating grants and contributions	47,512	42,408	(5,104)	(11)% U
Unfavourable variance due to bio-certification scheme income that was expected but not received during the financial year. This was partially offset by additional grants funds received throughout the year for Environmental Management and Bushfire Prevention programs and operating contributions of received for Child Care services from Federal and State Governments in relation to COVID19.				
Capital grants and contributions	39,287	83,702	44,415	113% F
Favourable variance through an increase in infrastructure, water and sewer and open space and recreation grants. Unbudgeted contributed and dedicated roads and drainage infrastructure assets of \$27.9M were recognised during the year.				
Interest and investment revenue	10,340	5,893	(4,447)	(43)% U
Unfavourable variance due to Council's cash and investment holdings being less than expected due to the financial situation of prior year.				
EXPENSES				
Employee benefits and on-costs	200,862	222,616	(21,754)	(11)% U
Unfavourable variance relates to organisational restructure costs and a reduction in labour recovered from capital works projects.				
Borrowing costs	15,038	16,708	(1,670)	(11)% U
Unfavourable variance due to increased borrowings to cover overspend of unrestricted funds.				
Depreciation, amortisation and impairment of non-financial assets	141,732	156,305	(14,573)	(10)% U
Unfavourable variance due to increased capitalisation of completed projects.				
Other expenses	42,932	36,059	6,873	16% F
Favourables variance due to reduced EPA Waste Management Levy resulting from a decrease in waste tonnages received at Council's Waste Management facilities.				
Net losses from disposal of assets	-	7,052	(7,052)	∞ U
Net losses from the disposal of assets relates to the write down and disposal of roads, stormwater drainage, sewer, water and open space and recreation assets that were not forecast in the 2020-21 original budget.				

Central Coast Council | Notes to the Financial Statements 30 June 2021

B5-1 Material budget variations (continued)

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
STATEMENT OF CASH FLOWS				
Cash flows from investing activities	(125,758)	(290,448)	(164,690)	131% U
Variance due to increased investments following receipt of \$150M bank loans.				
Cash flows from financing activities	5,218	111,563	106,345	2,038% F
Variance due to additional loans funds of \$150M.				

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C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2021	2020
Cash and cash equivalents		
Cash on hand and at bank	35,527	12,422
Deposits at call	30,182	79,874
Total cash and cash equivalents	65,709	92,296

Accounting policy

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: 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.

C1-2 Financial Investments

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Financial assets at fair value through the profit and loss				
Government and semi-government bonds	–	56,978	–	19,077
NCD's, FRN's	38,657	153,319	9,018	10,125
Total	38,657	210,297	9,018	29,202
Debt securities at amortised cost				
Long term deposits	126,137	45,000	157,192	75,000
Total	126,137	45,000	157,192	75,000
Total financial investments	164,794	255,297	166,210	104,202
Total cash assets, cash equivalents and investments	230,503	255,297	258,506	104,202

Accounting policy

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

C1-2 Financial Investments (continued)

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in FRN's and NCD's in the Statement of Financial Position.

C1-3 Restricted cash, cash equivalents and investments

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	230,503	255,297	258,506	104,202
attributable to:				
External restrictions	146,162	255,297	317,743	104,202
Internal restrictions	93,994	-	111,158	-
Unrestricted	(9,653)	-	(170,395)	-
	230,503	255,297	258,506	104,202

Central Coast Council | Notes to the Financial Statements 30 June 2021

\$ '000	2021	2020
Details of restrictions		
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	99,614	93,434
Developer contributions – water	1,666	27,529
Developer contributions – sewer	19,510	20,032
Developer contributions – drainage	34,655	34,583
Developer contributions – VPA – general	2,713	2,679
Developer contributions – VPA – water	1,053	1,045
Developer contributions – VPA – sewer	495	491
Developer contributions – VPA - drainage	1,369	1,359
Developer contributions – bonus provisions	5,452	5,407
Developer Contributions – Sec 94A Levy	17,678	17,526
Specific purpose unexpended grants – general	12,834	8,724
Specific purpose unexpended grants – water	2,255	2,550
Specific purpose unexpended grants - sewer	–	153
Specific purpose unexpended grants - drainage	9	873
Cemeteries	733	666
Contributions to works including COSS	6,587	6,539
Crown land	1,346	1,881
Domestic waste management	88,636	86,184
Gosford CBD special rate levies	1,076	1,142
Holiday parks	15,663	11,429
Self insurance claims – general	5,667	6,519
Self insurance claims – water	1,087	1,208
Self insurance claims – sewer	2,164	2,027
Stormwater management	755	766
Tourism levies	2,830	3,278
Water Supply Authority - other	74,966	83,198
Other External Restrictions	646	723
Total external restrictions	401,459	421,945
Internal restrictions		
Council has internally restricted cash, cash equivalents and investments as follows:		
Carbon emission reserve	–	322
Davistown Wetlands	1,436	1,436
Drainage Licence Fee	552	491
Emergency services levy	339	432
Employees leave entitlement	10,987	12,554
Employment generating projects	3,155	3,155
Property development	5,251	15,251
Regional Library	11,570	11,570
Revolving energy	–	253
Section 355/advances/deposits	594	620
Tip replacement/rehabilitation	35,054	33,907
Waste disposal facility	24,831	25,489
Other restrictions	225	5,678
Total internal restrictions	93,994	111,158
Total restrictions	495,453	533,103

Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected Council.

Central Coast Council | Notes to the Financial Statements 30 June 2021

C1-4 Receivables

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Rates	7,381	–	9,950	–
Interest and extra charges	2,141	–	2,736	–
User charges and fees	8,465	2,827	19,839	3,034
Accrued revenues				
– User charges and fees	12,468	–	13,650	–
– Government subsidies	2,346	–	2,182	–
– Other income accruals	3,134	–	1,211	–
Government grants and subsidies	5,223	–	4,791	–
Net GST receivable	2,408	–	5,005	–
Waste management annual charge	3,635	–	4,519	–
Drainage annual charge	1,512	–	2,636	–
Water annual charge	1,068	–	2,082	–
Sewerage annual charge	5,004	–	9,886	–
Other debtors	9,568	557	5,161	734
Total	64,353	3,384	83,648	3,768
Less: provision of impairment				
Sewerage annual charges	(6)	–	(6)	–
User charges and fees	(62)	–	(414)	–
Other debtors	(1,787)	–	(2,074)	–
Total provision for impairment – receivables	(1,855)	–	(2,494)	–
Total net receivables	62,498	3,384	81,154	3,768

\$ '000	2021	2020
Movement in provision for impairment of receivables		
Opening impairment allowance	2,494	2,394
Movement through provision	(32)	–
Impairment loss recognised during the year	–	525
Amounts written off as uncollectible	(607)	(425)
Balance at the end of the year	1,855	2,494

Accounting policy

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.

Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When estimating ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

When considering the ECL for rates and annual charges debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Credit losses are measured at the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy

C1-4 Receivables (continued)

proceedings, or when the receivables are beyond the applicable statute of limitations period, whichever occurs first. None of the receivables that have been written off are subject to enforcement activity.

Where Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

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Central Coast Council | Notes to the Financial Statements 30 June 2021

C1-5 Inventories

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
(i) Inventories at cost				
Stores and materials	1,403	-	1,646	-
Total inventories at cost	1,403	-	1,646	-
Total inventories	1,403	-	1,646	-

Accounting policy

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. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

C1-7 Non-current assets classified as held for sale

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Non-current assets held for sale				
Land	39,431	-	-	-
Total non-current assets classified as held for sale	39,431	-	-	-

Details of assets held for sale

Non-current assets held for sale comprises 33 parcels of land excess to Council's operational requirements, that were available for sale and actively marketed as at 30 June 2021.

Accounting policy

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 continued use and are measured at the lower of their carrying amount and fair value less costs to sell.

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.

Central Coast Council | Notes to the Financial Statements 30 June 2021

C1-8 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period							At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	223,948	–	223,948	146,933	–	–	(189,851)	(26,780)	–	–	154,250	–	154,250
Plant and equipment	105,440	(47,371)	58,069	560	(4,008)	(8,187)	2,551	823	–	–	103,656	(53,848)	49,808
Office equipment	24,549	(14,812)	9,737	–	(1)	(2,742)	681	–	–	–	17,686	(10,011)	7,675
Furniture and fittings	22,477	(13,256)	9,221	–	(158)	(1,377)	1,614	–	–	–	14,866	(5,566)	9,300
Land:													
– Operational land	443,343	–	443,343	–	(2,337)	–	7	(39,431)	–	–	401,582	–	401,582
– Crown and Community land	422,992	–	422,992	207	(232)	–	128	–	–	1,393	424,488	–	424,488
– Land under roads (post 30/6/08)	1,586	–	1,586	–	–	–	–	–	–	563	2,149	–	2,149
Land improvements – depreciable	46,153	(17,830)	28,323	–	–	(1,847)	3,768	–	–	–	49,921	(19,677)	30,244
Infrastructure:													
– Buildings – specialised	805,452	(333,817)	471,635	361	(639)	(13,731)	13,778	(835)	(2,248)	–	813,905	(345,584)	468,321
– Other structures	44,156	(13,639)	30,517	–	(17)	(2,135)	7,131	(690)	–	–	48,724	(13,918)	34,806
– Roads	2,042,041	(655,907)	1,386,134	6,958	(5,957)	(36,369)	37,203	6,923	–	32,981	2,043,454	(615,581)	1,427,873
– Bridges	57,126	(20,021)	37,105	–	(75)	(618)	129	–	–	1,365	62,004	(24,098)	37,906
– Footpaths	129,223	(30,111)	99,112	1,846	–	(2,532)	10,403	–	–	34,219	233,503	(90,455)	143,048
– Bulk earthworks (non-depreciable)	382,751	–	382,751	486	–	–	242	4,686	(34,126)	–	354,039	–	354,039
– Stormwater drainage	1,514,849	(484,217)	1,030,632	9,931	(35)	(14,569)	9,951	–	–	56,292	1,556,754	(464,552)	1,092,202
– Water supply network	1,857,037	(821,298)	1,035,739	–	(994)	(24,217)	33,696	7	–	–	1,887,686	(843,455)	1,044,231
– Sewerage network	2,346,757	(935,034)	1,411,723	–	(1,385)	(32,684)	43,435	690	(688)	–	2,386,464	(965,373)	1,421,091
– Swimming pools	11,215	(6,078)	5,137	–	–	(346)	118	13	–	–	11,373	(6,451)	4,922
– Other open space/recreational assets	120,017	(42,679)	77,338	5,162	–	(4,992)	14,660	–	–	–	139,839	(47,671)	92,168
– Other infrastructure	48,508	(19,570)	28,938	167	–	(1,537)	6,029	(6,756)	–	–	42,520	(15,679)	26,841
Other assets:													
– Library books	8,260	(6,073)	2,187	–	–	(810)	509	–	–	–	4,126	(2,240)	1,886
– Other	1,957	(1,099)	858	2,134	–	(173)	2,061	–	–	1,005	7,126	(5,927)	1,199
Reinstatement, rehabilitation and restoration assets (refer Note 15):													
– Tip assets	39,743	(19,590)	20,153	1,760	–	(2,694)	1,757	–	–	–	43,260	(22,284)	20,976
Total infrastructure, property, plant and equipment	10,699,580	(3,482,402)	7,217,178	176,505	(15,838)	(151,560)	–	(61,350)	(37,062)	127,818	10,803,375	(3,552,370)	7,251,005

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C1-8 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2019			Asset movements during the reporting period							At 30 June 2020		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	237,238	–	237,238	243,416	–	–	(234,245)	(22,461)	–	–	223,948	–	223,948
Plant and equipment	100,253	(50,403)	49,850	–	(2,991)	(7,811)	19,537	(516)	–	–	105,440	(47,371)	58,069
Office equipment	18,885	(14,470)	4,415	–	–	(2,569)	7,966	(75)	–	–	24,549	(14,812)	9,737
Furniture and fittings	18,847	(12,139)	6,708	–	–	(1,130)	3,665	(22)	–	–	22,477	(13,256)	9,221
Land:													
– Operational land	430,967	–	430,967	–	(2,032)	–	14,390	18	–	–	443,343	–	443,343
– Crown and Community land	383,795	–	383,795	111	(5)	–	308	(579)	–	39,362	422,992	–	422,992
– Land under roads (post 30/6/08)	1,586	–	1,586	–	–	–	–	–	–	–	1,586	–	1,586
Land improvements – depreciable	41,415	(15,927)	25,488	–	–	(1,903)	4,177	561	–	–	46,153	(17,830)	28,323
Infrastructure:													
– Buildings – specialised	800,422	(329,723)	470,699	–	(3,510)	(11,769)	16,757	351	(893)	–	805,452	(333,817)	471,635
– Other structures	36,343	(11,909)	24,434	–	(7)	(1,601)	7,449	242	–	–	44,156	(13,639)	30,517
– Roads	1,974,503	(619,648)	1,354,855	9,603	(670)	(36,464)	58,806	4	–	–	2,042,041	(655,907)	1,386,134
– Bridges	54,431	(19,414)	35,017	–	(38)	(679)	2,805	–	–	–	57,126	(20,021)	37,105
– Footpaths	117,288	(27,452)	89,836	1,857	–	(2,659)	10,078	–	–	–	129,223	(30,111)	99,112
– Other road assets (including bulk earthworks)	5	–	5	–	–	–	–	(5)	–	–	–	–	–
– Bulk earthworks (non-depreciable)	377,894	–	377,894	1,027	(70)	–	3,900	–	–	–	382,751	–	382,751
– Stormwater drainage	1,489,091	(468,579)	1,020,512	590	(293)	(15,858)	25,681	–	–	–	1,514,849	(484,217)	1,030,632
– Water supply network	1,823,426	(790,130)	1,033,296	1,053	(1,004)	(26,833)	19,504	682	–	9,041	1,857,037	(821,298)	1,035,739
– Sewerage network	2,305,734	(895,441)	1,410,293	2,688	(1,258)	(35,143)	21,886	600	–	12,657	2,346,757	(935,034)	1,411,723
– Swimming pools	8,685	(5,063)	3,622	–	(7)	(215)	1,471	266	–	–	11,215	(6,078)	5,137
– Other open space/recreational assets	111,351	(38,639)	72,712	–	–	(4,120)	8,994	(248)	–	–	120,017	(42,679)	77,338
– Other infrastructure	42,831	(18,380)	24,451	–	(80)	(1,346)	5,913	–	–	–	48,508	(19,570)	28,938
Other assets:													
– Library books	17,930	(15,805)	2,125	–	(1)	(770)	833	–	–	–	8,260	(6,073)	2,187
– Other	1,833	(1,026)	807	–	–	(73)	124	–	–	–	1,957	(1,099)	858
Reinstatement, rehabilitation and restoration assets (refer Note 15):													
– Tip assets	34,345	(17,846)	16,499	5,398	–	(1,745)	1	–	–	–	39,743	(19,590)	20,153
Total infrastructure, property, plant and equipment	10,429,098	(3,351,994)	7,077,104	265,743	(11,966)	(152,688)	–	(21,182)	(893)	61,060	10,699,580	(3,482,402)	7,217,178

C1-8 Infrastructure, property, plant and equipment (continued)

Accounting policy

Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

When infrastructure, property, plant and equipment is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

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.

Useful lives of IPPE

Land and bulk earthworks are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	3 to 12	Playground equipment	10 to 40
Office furniture	5 to 30	Benches, seats etc.	10 to 50
Computer equipment	2 to 26		
Vehicles	2 to 10	Buildings	6 to 170
Heavy plant/road making equipment	5 to 50		
Other plant and equipment	2 to 40		
		Stormwater assets	
Water and sewer assets		Drains	120
Dams and reservoirs	80 to 100	Culverts	120
Bores	15 to 30	Flood control structures	80
Reticulation pipes	25 to 256		
Pumps and telemetry	15 to 66		
		Other infrastructure assets	
Transportation assets		Swimming pools	5 to 100
Sealed roads: surface	5 to 96	Other open space/recreational assets	5 to 100
Sealed roads: structure	16 to 180	Other infrastructure	10 to 109
Unsealed roads	20 to 100		
Bridges	15 to 100		
Road pavements	16 to 125		
Kerb, gutter and footpaths	5 to 116		

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

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Planning, Industry and Environment – Water.

Increases in the carrying amounts arising on revaluation are credited to the IPPE 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 as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against IPPE revaluation reserve to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

C1-8 Infrastructure, property, plant and equipment (continued)

Crown reserves

Crown reserves under Council's care and control are recognised as assets of 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.

Where the Crown reserves are under a lease arrangement they are accounted for under AASB 16 *Leases*, refer to Note C2-1.

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed".

These Rural Fire Service assets are recognised as assets of the Council in these financial statements.

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C1-9 Intangible assets

Intangible assets

Software

\$ '000	2021	2020
Opening values at 1 July		
Gross book value	44,472	22,011
Accumulated amortisation	(16,182)	(11,987)
Net book value – opening balance	28,290	10,024
Movements for the year		
Development costs	27,020	22,461
Amortisation charges	(4,455)	(4,195)
Gross book value written off	(11,294)	–
Accumulated amortisation charges written off	11,294	–
Closing values at 30 June		
Gross book value	60,198	44,472
Accumulated amortisation	(9,343)	(16,182)
Total software – net book value	50,855	28,290
Other		
Drainage easements		
Opening values at 1 July		
Gross book value	1,703	1,703
Net book value – opening balance	1,703	1,703
Closing values at 30 June		
Gross book value	1,703	1,703
Total Drainage easements – net book value	1,703	1,703
Total intangible assets – net book value	52,558	29,993

Accounting policy

IT development and software

Software development costs include only those costs directly attributable to the development phase (including external direct costs of materials and services, direct payroll and payroll-related costs of employees' time spent on the project) and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

Drainage Easements

Easements (the right of access over land) are recognised as intangible assets.

Easements are determined to have indefinite lives, as there is no finite period over which their use is fully consumed. They convey a right to the Council to enable it to gain access to its infrastructure assets over an indefinite period of time. Unlike the infrastructure assets themselves, which are consumed over a finite period and undergo replacement to enable continuity of service, an easement can exist continuously throughout this period and beyond, and thus may never need to be released. Easements are only derecognised when a management decision has been made to relocate the relevant infrastructure asset and the need for the easement no longer exists. Since easements are viewed as having an indefinite life, they are not amortised, however, they are tested for impairment.

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over a range of assets including land and buildings and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Buildings

Council leases land and buildings to support some of its operational activities. The leases are generally between 3 and 50 years with one containing a renewal option to allow Council to renew the non-cancellable lease term at their discretion. A number of leases contain an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items. The leases are for between 1 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

Extension options

Council includes options in the building leases to provide flexibility and certainty to Council operations; the extension options are at Council's discretion. At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

(a) Right of use assets

\$ '000	Plant and Equipment	Land and Buildings	Total
2021			
Opening balance at 1 July	21	1,783	1,804
Adoption of AASB 16 at 1 July 2019	-	-	-
Additions to right-of-use assets	-	-	-
Depreciation charge	(8)	(282)	(290)
Balance at 30 June	13	2,470	2,483
2020			
Opening balance at 1 July	-	-	-
Adoption of AASB 16 at 1 July 2019	28	1,338	1,366
Additions to right-of-use assets	-	663	663
Depreciation charge	(7)	(218)	(225)
Balance at 30 June	21	1,783	1,804

(b) Lease liabilities

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Lease liabilities	241	2,320	287	1,552
Total lease liabilities	241	2,320	287	1,552

C2-1 Council as a lessee (continued)

(c) Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2021					
Cash flows	241	1,464	856	2,561	2,561
2020					
Cash flows	287	726	826	1,839	1,839

(d) Income Statement

\$ '000	2021	2020
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The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

Interest on lease liabilities	125	76
Depreciation of right of use assets	290	226
Expenses relating to short-term leases	187	418
Expenses relating to low-value leases	1,631	1,691
Expenses relating to Peppercorn leases	73	194
	2,306	2,605

(e) Statement of Cash Flows

Total cash outflow for leases	1,891	2,433
	1,891	2,433

(f) Leases at significantly below market value – concessionary / peppercorn leases

Council has a number of leases at significantly below market for land and buildings which are used for:

- libraries
- university
- child care centres
- youth centres
- boat ramps

The leases are generally between 10 and 99 years and require payments of a maximum amount of \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases. None of the leases in place are individually material from a statement of financial position or performance perspective.

Accounting policy

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

At the lease commencement, Council recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

C2-1 Council as a lessee (continued)

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / Concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

C2-2 Council as a lessor

Operating leases

Council leases out a number of outdoor spaces and properties to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

- property, plant and equipment – where the rental is incidental, or the asset is held to meet Council's service delivery objective (refer note C1-8).

\$ '000	2021	2020
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Assets held as property, plant and equipment

Council provides operating leases on Council buildings for the purpose of recreational activities, the table below relates to operating leases on assets disclosed in C1-8.

Properties not held for investment	4,752	4,966
Room / Facility hire	3,178	2,615
Outdoor space	260	118
Other	25	25
Total income relating to operating leases for Council assets	8,215	7,724

C2-2 Council as a lessor (continued)

\$ '000	2021	2020
(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:		
< 1 year	2,928	3,137
1–2 years	2,510	2,690
2–3 years	2,149	2,278
3–4 years	1,655	2,002
4–5 years	1,302	1,488
> 5 years	7,296	9,126
Total undiscounted lease payments to be received	17,840	20,721

Accounting policy

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components, the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term for an operating lease and if applicable, as finance income using amortised cost basis for finance leases.

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Central Coast Council | Notes to the Financial Statements 30 June 2021

C3 Liabilities of Council**C3-1 Payables**

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Payables				
Goods and services	24,058	-	29,230	-
Prepaid rates and annual charges	15,026	-	13,443	-
Accrued expenses:				
– Salaries and wages	2,969	-	7,472	-
– Other expenditure accruals	16,035	-	32,267	-
Security bonds, deposits and retentions	4,718	-	4,635	-
Developer bonds	6,430	-	6,273	-
Overpayments	1,513	-	670	-
Other	388	-	163	-
Total payables	71,137	-	94,153	-
Income received in advance				
Payments received in advance	2,916	973	2,795	1,067
Other	-	5,793	-	6,314
Total income received in advance	2,916	6,766	2,795	7,381
Total payables	74,053	6,766	96,948	7,381

Current payables not expected to be settled within the next twelve months

\$ '000	2021	2020
Payables – overpayments, security bonds, deposits and retentions	26,040	25,115
Total payables	26,040	25,115

Accounting policy

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

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

C3-2 Contract Liabilities

\$ '000	Notes	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	8,634	2,254	5,638	2,352
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	4,210	-	3,770	-
Unexpended capital contributions (to construct Council controlled assets)	(i)	170	-	705	-
Unexpended operating contributions (received prior to performance obligation being satisfied)	(ii)	476	-	511	-
Total grants and contributions received in advance		13,490	2,254	10,624	2,352

continued on next page ...

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Central Coast Council | Notes to the Financial Statements 30 June 2021

C3-2 Contract Liabilities (continued)

\$ '000	Notes	2021 Current	2021 Non-current	2020 Current	2020 Non-current
User fees and charges received in advance:					
Upfront fees – leisure centre	(iii)	37	–	20	–
Total user fees and charges received in advance		37	–	20	–
Total contract liabilities		13,527	2,254	10,644	2,352

Notes

(i) Council has received funding to construct assets including sporting facilities, open space areas and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(ii) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

(iii) Upfront membership fees for Council's leisure centres do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue over the expected average membership life.

Revenue recognised that was included in the contract liability balance at the beginning of the period

\$ '000	2021	2020
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	5,504	6,436
Operating grants (received prior to performance obligation being satisfied)	1,508	1,202
Capital contributions (to construct Council controlled assets)	8	28
Operating contributions (received prior to performance obligation being satisfied)	212	53
User fees and charges received in advance:		
Upfront fees – leisure centre	20	21
Total revenue recognised that was included in the contract liability balance at the beginning of the period	7,252	7,740

Significant changes in contract liabilities

During the financial year Council received a \$3.7M grant for Local Roads and Community Infrastructure to be spent during the financial year ended 30 June 2022.

Accounting policy

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

C3-3 Borrowings

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Loans – secured ¹	40,554	307,674	44,790	191,798
Total borrowings	40,554	307,674	44,790	191,798

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 21.

C3-3 Borrowings (continued)

(a) Changes in liabilities arising from financing activities

	2020		Non-cash movements				2021
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
\$'000							
Loans – secured	236,588	111,640	–	–	–	–	348,228
Lease liability (Note C2-1b)	1,839	(287)	–	–	–	1,009	2,561
Total liabilities from financing activities	238,427	111,353	–	–	–	1,009	350,789

	2019		Non-cash movements				2020
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
\$'000							
Loans – secured	233,157	3,431	–	–	–	–	236,588
Lease liability (Note C2-1b)	–	–	–	–	1,839	–	1,839
Total liabilities from financing activities	233,157	3,431	–	–	1,839	–	238,427

(b) Financing arrangements

\$ '000	2021	2020
Total facilities		
Bank overdraft facilities	500	500
Credit cards/purchase cards	1,240	1,240
Master lease facilities	2,000	2,000
Total financing arrangements	3,740	3,740
Drawn facilities		
– Credit cards/purchase cards	49	73
Total drawn financing arrangements	49	73
Undrawn facilities		
– Bank overdraft facilities	1,000	500
– Credit cards/purchase cards	2,381	1,167
– Lease facilities	4,000	2,000
Total undrawn financing arrangements	7,381	3,667

Additional financing arrangements information

Breaches and defaults

During the current and prior year, there were no defaults or breaches on any of the loans.

Security over loans

Loans are secured over future cash flows of the Council
Lease liabilities are secured by the underlying leased assets.

Bank overdrafts

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

Accounting policy

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

C3-3 Borrowings (continued)

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.

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 borrowing costs.

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C3-4 Employee benefit provisions

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Annual leave	17,411	–	17,231	–
Sick leave	6,129	–	9,465	–
Long service leave	27,624	3,144	30,069	2,900
Other leave	1,328	–	1,247	–
Total employee benefit provisions	52,492	3,144	58,012	2,900

Current employee benefit provisions not expected to be settled within the next twelve months

\$ '000	2021	2020
	Provisions – employees benefits	29,468
	29,468	31,454

Description of and movements in non-employee benefit provisions

Accounting policy

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

C3-5 Provisions

\$ '000	2021	2021	2020	2020
	Current	Non-Current	Current	Non-Current
Other provisions				
Self insurance – workers compensation	1,741	7,177	2,301	7,453
Self insurance – public liability	495	–	885	–
Self insurance – other	15	–	84	–
Payroll tax	437	–	518	21
Other	662	–	573	–
Sub-total – other provisions	3,350	7,177	4,361	7,474

Asset remediation/restoration:

continued on next page ...

Central Coast Council | Notes to the Financial Statements 30 June 2021

C3-5 Provisions (continued)

\$ '000	2021 Current	2021 Non-Current	2020 Current	2020 Non-Current
Asset remediation/restoration (future works)	2,937	68,127	2,397	69,222
Sub-total – asset remediation/restoration	2,937	68,127	2,397	69,222
Total provisions	6,287	75,304	6,758	76,696

Description of and movements in provisions

\$ '000	Other provisions			Net carrying amount
	Self insurance	Asset remediation	Payroll Tax and Other	
2021				
At beginning of year	10,723	71,619	1,112	83,454
Changes to provision:				
– Amounts capitalised	–	1,760	–	1,760
– Revised discount rate	–	(624)	–	(624)
– Revised costs	–	(1,378)	–	(1,378)
Unwinding of discount	–	1,190	–	1,190
Additional provisions	–	–	626	626
Amounts used (payments)	(779)	(1,503)	(638)	(2,920)
Unused amounts reversed	(1,346)	–	–	(1,346)
Other	830	–	–	830
Total other provisions at end of year	9,428	71,064	1,100	81,592
2020				
At beginning of year	9,465	63,305	2,595	75,365
– Amounts capitalised	–	5,397	–	5,397
– Revised discount rate	–	188	–	188
– Revised costs	–	3,047	–	3,047
Unwinding of discount	–	1,005	–	1,005
Additional provisions	4,741	–	2,643	7,384
Amounts used (payments)	(3,483)	(1,323)	(4,126)	(8,932)
Total other provisions at end of year	10,723	71,619	1,112	83,454

Nature and purpose of provisions

Asset remediation

The asset remediation provision represents the present value estimate of future costs that Council will incur to restore, rehabilitate and reinstate tips as a result of past operations.

Self-insurance

To recognise liabilities for outstanding claims (uninsured losses) arising from Council's decision to undertake self-insurance for certain risks faced.

Payroll tax and other

To recognise liabilities for outstanding payroll tax arising from Council's water, sewer, cemetery and parking station activities.

Accounting policy

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

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C3-5 Provisions (continued)

Asset remediation - tips

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 cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

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.

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 infrastructure, property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Self-insurance

Council has decided to self-insure for various risks, including public liability, workers compensation and professional indemnity. A provision for self-insurance has been made to recognise outstanding claims. Council also maintains cash and investments to meet expected future claims; refer to Note C1-3.

Self Insurance Provisions represent both (i) claims incurred but not reported and (ii) claims reported and estimated as a result of Council being a self insurer for Workers Compensation Claims.

Public Liability and Professional Indemnity claims are expensed as they meet the recognition criteria as set out in AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Specific uncertainties relating to the final costs and the assumptions made in determining Provisions for Self Insurance include:

- Claims escalation of 2.5% in 2021/2022, 2.25% in 2022/2023 and 2.0% per annum thereafter. A bond yield of between -0.030% and 3.762% per annum over a 50 year period.
- All monetary amounts for past Workers Compensation claims were indexed to bring them to 'standardised' values at 30 June 2021.
- Workers Compensation claim payments projected into the future by the adopted actuarial model are in 'standardised' values as at 30 June 2021.

The last actuarial assessment of Workers Compensation Claims was undertaken in July 2021 and was performed by David A Zaman Pty Ltd. Director David Zaman, BSc, FIA, FIAA, MBA.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

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D Council structure**D1 Results by fund**

General fund refers to all Council activities other than water, sewer, drainage and domestic waste. All amounts disclosed in this note are gross i.e. inclusive of internal charges and recoveries made between the funds. Assets and liabilities shown in the water, sewer, drainage and domestic waste columns are restricted for use for these activities.

D1-1 Income Statement by fund

\$ '000	Drainage 2021	Domestic Waste 2021	General 2021	Water 2021	Sewer 2021
Income from continuing operations					
Rates and annual charges	15,008	74,163	175,762	11,930	54,866
User charges and fees	–	10	63,862	57,623	19,525
Interest and investment revenue	29	112	4,996	315	2,250
Other revenues	–	3	12,598	7	59
Grants and contributions provided for operating purposes	242	–	41,701	3	462
Grants and contributions provided for capital purposes	11,967	–	59,070	8,398	4,267
Other income	–	–	8,215	–	–
Total income from continuing operations	27,246	74,288	366,204	78,276	81,429
Expenses from continuing operations					
Employee benefits and on-costs	1,465	410	185,987	16,877	17,877
Borrowing costs	568	–	3,607	9,559	4,783
Materials and services	7,059	51,774	43,649	31,179	30,634
Depreciation, amortisation and impairment of non-financial assets	14,567	–	83,995	24,599	33,144
Other expenses	–	15,675	19,423	985	–
Net losses from the disposal of assets	35	–	4,638	994	1,385
Total expenses from continuing operations	23,694	67,859	341,299	84,193	87,823
Operating result from continuing operations	3,552	6,429	24,905	(5,917)	(6,394)
Net operating result for the year	3,552	6,429	24,905	(5,917)	(6,394)
Net operating result attributable to each council fund	3,552	6,429	24,905	(5,917)	(6,394)
Net operating result for the year before grants and contributions provided for capital purposes	(8,415)	6,429	(34,165)	(14,315)	(10,661)

D1-2 Statement of Financial Position by fund

\$ '000	Drainage 2021	Domestic Waste 2021	General 2021	Water 2021	Sewer 2021
ASSETS					
Current assets					
Cash and cash equivalents	11	6,443	49,889	65	9,301
Investments	61	89,455	22,987	1,232	51,059
Receivables	1,613	3,786	51,041	20,673	9,543
Inventories	-	-	1,403	-	-
Other	-	-	3,386	112	110
Non-current assets classified as held for sale	-	-	39,431	-	-
Total current assets	1,685	99,684	168,137	22,082	70,013
Non-current assets					
Investments	95	-	175,921	547	78,734
Receivables	1	-	21,738	230	10,453
Infrastructure, property, plant and equipment	1,112,047	-	3,509,095	1,156,003	1,473,860
Intangible assets	1,703	-	50,855	-	-
Right of use assets	-	-	2,483	-	-
Other	-	-	623	-	-
Total non-current assets	1,113,846	-	3,760,715	1,156,780	1,563,047
TOTAL ASSETS	1,115,531	99,684	3,928,852	1,178,862	1,633,060
LIABILITIES					
Current liabilities					
Payables	891	6,319	52,101	4,487	2,448
Income received in advance	-	-	2,846	4,888	73
Contract liabilities	109	-	11,118	2,300	-
Borrowings	23,406	-	12,738	18,309	10,259
Lease liabilities	-	-	241	-	-
Employee benefit provision	74	291	43,308	4,581	4,238
Provisions	-	-	4,726	481	1,080
Total current liabilities	24,480	6,610	127,078	35,046	18,098
Non-current liabilities					
Income received in advance	1,260	-	4,501	-	1,005
Contract liabilities	-	-	2,254	-	-
Lease liabilities	-	-	2,320	-	-
Borrowings	8,118	-	153,370	137,345	37,879
Employee benefit provision	4	-	2,764	189	187
Provisions	-	-	73,073	851	1,380
Total non-current liabilities	9,382	-	238,282	138,385	40,451
TOTAL LIABILITIES	33,862	6,610	365,360	173,431	58,549
Net assets	1,081,669	93,074	3,563,492	1,005,431	1,574,511
EQUITY					
Accumulated surplus	1,024,787	93,074	3,428,307	942,898	1,486,401
Revaluation reserves	56,882	-	135,185	62,533	88,110
Council equity interest	1,081,669	93,074	3,563,492	1,005,431	1,574,511
Total equity	1,081,669	93,074	3,563,492	1,005,431	1,574,511

D1-3 Details of internal loans

(in accordance with s410 of the *Local Government Act 1993*)

	Council ID / Ref 2013 GF-WF	Council ID / Ref 2015 SF-WF	Council ID / Ref 2015 GF-WF
Details of individual internal loans			
Borrower (by purpose)	Water Fund	Water Fund	Water Fund
Lender (by purpose)	General Fund	Sewer Fund	General Fund
Date of Minister's approval	N/A	27/05/2015	N/A
Date raised	30/06/2013	27/05/2015	31/05/2015
Term years	20	20	20
Dates of maturity	30/06/2033	21/02/2035	26/05/2035
Rate of interest (%)	5.72	5.72	5.72
Amount originally raised	20,000,000	10,000,000	10,000,000
Total repaid during year (principal and interest)	1,687,831	845,585	844,916
Principal outstanding at end of year	14,581,503	8,012,588	8,101,690

	Council ID / Ref 2020 GF-DF
Details of individual internal loans	
Borrower (by purpose)	Drainage Fund
Lender (by purpose)	General Fund
Date of Minister's approval	N/A
Date raised	30/06/2021
Term years	1
Dates of maturity	30/06/2022
Rate of interest (%)	Nil
Amount originally raised	22,500,000
Total repaid during year (principal and interest)	22,960,000

D2 Interests in other entities

D2-1 Subsidiaries

Council's consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with AASB 128 using the equity method and the accounting policy notes below.

Name of Operation/Entity	Principal activity
The Art House, Wyong Shire Performing Arts and Conference Centre Limited	Operations undertaken - Performing Arts Place of business - 19-21 Margaret Street, Wyong

Interests in Subsidiary	Ownership 2021	Ownership 2020	Voting rights 2021	Voting rights 2020
Council's interest in Subsidiary	100%	100%	100%	100%

The nature of risks associated with Council's interests in the Subsidiary

The Art House is managed by an independent Incorporated Association with Council as a board member via a funding agreement with Council. The Art House delivers its services through a formal agreement with Council. This provides The Art House with the required autonomy and sector peer involvement to service the creative, media and business sectors as well as deliver a creative entertainment program for local, regional and national markets. Its performance is monitored via clear Key Performance Indicators (KPIs). Business Plan targets are reported to Council as required.

Council provided financial support of \$1.016M during the financial year (\$1.0M indexed per annum for ten years from 2015/16 onwards).

Reporting dates of Subsidiary

The Art House prepares audited financial statements on a calendar year basis.

Summarised financial information for the Subsidiary

\$ '000	2021	2020
Summarised statement of comprehensive income		
Revenue	2,245	2,309
Expenses	(1,876)	(2,391)
Profit/(loss) for the period	369	(82)
Total comprehensive income	369	(82)
Summarised statement of financial position		
Current assets	1,448	391
Non-current assets	38	221
Total assets	1,486	612
Current liabilities	839	287
Non-current liabilities	24	71
Total liabilities	863	358
Net assets	623	254

D2-1 Subsidiaries (continued)

\$ '000	2021	2020
Summarised statement of cash flows		
Cash flows from operating activities	906	(163)
Cash flows from investing activities	(45)	-
Cash flows from financing activities	(12)	-
Net increase (decrease) in cash and cash equivalents	849	(163)

Accounting policy for subsidiaries

Subsidiaries are all entities (including structured entities) over which the Council has control. Control is established when the Council is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

These consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements. Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity.

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E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance team manages the cash and Investments portfolio with the assistance of independent advisors. Council has an investment policy which complies with the s 625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up performance of the portfolio as required by local government regulations.

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 the finance team under policies approved by Council.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

The risks associated with the financial instruments held are:

- interest rate risk – the risk that movements in interest rates could affect returns
- liquidity risk – the risk that Council will not be able to pay its debts as and when they fall due.
- credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to the Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers before placing any cash and investments.

(a) Market risk – interest rate and price risk

\$ '000	2021	2020
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	4,858	3,627
Impact of a 10% movement in price of investments		
– Equity / Income Statement	48,580	36,271

E1-1 Risks relating to financial instruments held (continued)

(b) Credit risk

Council's major receivables comprise rates, annual charges, user charges and fees.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery policies.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk other than Council has significant credit risk exposures in its local area given the nature of Council activities.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance. The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet due	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2021						
Gross carrying amount	1	16,580	940	640	439	18,600
2020						
Gross carrying amount	173	23,790	3,928	897	285	29,073

Receivables - non-rates and annual charges and contract assets

Council applies the simplified approach for non-rates and annual charges debtors and contract assets to provide for expected credit losses, which permits the use of the lifetime expected loss provision at inception. To measure the expected credit losses, non-rates and annual charges debtors and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet due	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2021						
Gross carrying amount	25,187	12,483	1,354	1,595	8,518	49,137
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	21.78%	3.78%
ECL provision	-	-	-	-	1,855	1,855
2020						
Gross carrying amount	5,539	33,094	1,514	5,535	12,662	58,344
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	19.70%	4.28%
ECL provision	-	-	-	-	2,494	2,494

E1-1 Risks relating to financial instruments held (continued)

(c) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk; that is, 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 by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

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

The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
2021							
Trade/other payables	0.00%	11,149	44,910	43	9	56,111	56,111
Loans and advances	3.25%	–	51,984	209,348	145,617	406,949	348,228
Total financial liabilities		11,149	96,894	209,391	145,626	463,060	404,339
2020							
Trade/other payables	0.00%	10,908	69,730	61	11	80,710	80,710
Loans and advances	5.70%	–	57,862	111,521	141,660	311,043	236,588
Total financial liabilities		10,908	127,592	111,582	141,671	391,753	317,298

E2-1 Fair value measurement

Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment

During the reporting period Council has also measured the following assets at fair value on a non-recurring basis:

- Non-current assets classified as held for sale

Fair value hierarchy

All assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by Council:

\$ '000	Notes	Fair value measurement hierarchy							
		Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
Recurring fair value measurements									
Infrastructure, property, plant and equipment C1-8									
Plant and equipment		12/05/16	12/05/16	–	–	49,808	58,069	49,808	58,069
Office equipment		12/05/16	12/05/16	–	–	7,675	9,737	7,675	9,737
Furniture and fittings		12/05/16	12/05/16	–	–	9,300	9,221	9,300	9,221
Operational land		30/06/18	30/06/18	401,582	443,343	–	–	401,582	443,343
Crown and Community land		01/07/20	01/07/19	424,488	422,992	–	–	424,488	422,992
Land under Roads		30/06/20	12/05/16	2,149	–	–	1,586	2,149	1,586
Land improvements – depreciable		30/06/18	30/06/18	–	–	30,244	28,323	30,244	28,323
Buildings – specialised		30/06/18	30/06/18	–	–	468,321	471,635	468,321	471,635
Other structures		12/05/16	12/05/16	–	–	34,806	30,517	34,806	30,517
Roads		30/06/21	12/05/16	–	–	1,427,873	1,386,134	1,427,873	1,386,134
Bridges		30/06/21	12/05/16	–	–	37,906	37,105	37,906	37,105
Footpaths		30/06/21	12/05/16	–	–	143,048	99,112	143,048	99,112
Bulk earthworks – non depreciable		30/06/21	12/05/16	–	–	354,039	382,751	354,039	382,751
Stormwater drainage		30/06/21	12/05/16	–	–	1,092,202	1,030,632	1,092,202	1,030,632
Water supply network		30/06/16	30/06/16	–	–	1,044,231	1,035,739	1,044,231	1,035,739
Sewerage network		30/06/16	30/06/16	–	–	1,421,091	1,411,723	1,421,091	1,411,723
Swimming pools		12/05/16	12/05/16	–	–	4,922	5,137	4,922	5,137
Other open space/recreational assets		12/05/16	12/05/16	–	–	92,168	77,338	92,168	77,338
Other infrastructure		12/05/16	12/05/16	–	–	26,841	28,938	26,841	28,938
Library books		12/05/16	12/05/16	–	–	1,886	2,187	1,886	2,187
Other		12/05/16	12/05/16	–	–	1,199	858	1,199	858
Tip assets		12/05/16	12/05/16	–	–	20,976	20,153	20,976	20,153
Total infrastructure, property, plant and equipment	10			828,219	866,335	6,268,536	6,126,895	7,096,755	6,993,230

E2-1 Fair value measurement (continued)

Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are based on the valuation techniques employed by the former Councils.

Infrastructure, property, plant and equipment (IPPE)

Plant and equipment, office equipment, furniture and fittings

Plant and equipment, office equipment, furniture and fittings assets are recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items. Therefore these assets are disclosed at fair value in the notes.

These asset categories include:

- plant and equipment
 - Major plant items – tractors, excavators, street sweepers, tippers, rollers, forklifts, backhoes, beach cleaners and weed harvester
 - Minor plant items – generators, mowers, trailers, chainsaws, wood chippers and power hand tools
 - Fleet vehicles – trucks, commercial vehicles and passenger vehicles
- office equipment – computer hardware, communications equipment, digital cameras, photocopiers
- furniture and fittings – work stations, storage cabinets, CCTV, air conditioning units.

The unobservable level 3 inputs used include:

- pattern of consumption
- useful life
- residual value.

Council reviews the value of these assets based on the gross replacement cost of similar assets.

There has been no change to the valuation process during the reporting period.

Operational land

This asset class is comprised of all Council's land classified as Operational Land under the *Local Government Act 1993*. Council's accounting policy is to value the freehold land at market value basis.

Council engaged Scott Fullarton Valuation Pty Ltd to value operational land in 2018. The land was valued using level 2 inputs that would be taken into account by buyers and sellers in setting the price, including but not limited to dimensions, land use and zoning, exposure to traffic and topography.

There has been no change to the valuation process during the reporting period.

Crown and Community land

Community Land assets are comprised of Council owned land classified as Community Land under the *Local Government Act 1993*. Crown land is under the care and management of Council on behalf of the Crown.

Council's accounting policy is to value Crown and Community land based on the unimproved land values provided by the Valuer General or an average unit rate based on the land values for similar properties (land use, land size, shape and location) where the Valuer General has not provided a land value based on the highest and best use for the land.

These are considered level 2 observable inputs.

Crown and Community land have been valued at 30 June 2020 using the VG valuations published on 1 July 2019.

Land under roads

Land under roads consists of land under roadways and road reserves including land under footpaths, nature strips and median strips as per AASB 1051. Council has elected not to recognise as an asset land under roads acquired before 1 July 2008.

Land under roads acquired since 1 July 2008 has been recognised in accordance with AASB 116 Property, Plant and Equipment. Where Council has acquired land under roads it is recognised at cost where the cost represents fair value. Where the land under roads is dedicated or acquired at nominal value the land is recognised at its fair value.

E2-1 Fair value measurement (continued)

Land under roads has been valued at 30 June 2020 using the Englobo method (which is a discounted method) and VG valuations published on 1 July 2019. This asset class is classified as Level 2 as significant inputs used are observable.

There has been no change to the valuation process during the reporting period.

Land improvements

This asset class is comprised of landscaping, estuary protection works, access works, water features and paved public areas.

This asset class is classified as Level 3 as significant inputs used in the valuation are unobservable.

Buildings – specialised

It is Council's accounting policy to value buildings for which a market exists using the best estimate of the price reasonably obtainable in the market at the date of valuation. Where there is no depth in market the buildings will be determined on the depreciated current replacement cost basis.

The valuation of buildings, structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and firefighting equipment, and general lighting). The buildings and site improvements will be physically inspected and measured.

This asset class is categorised as Level 3 as some of the inputs used in the valuation of these assets require significant professional judgement and are unobservable.

Council engaged Scott Fullarton Valuation Pty Ltd to value all buildings in 2018. The approach estimated the replacement cost of each building and componentising of significant parts of specific buildings with different useful lives and taking into account Council's asset management practices.

Where the unit rates could be supported by market evidence, Level 2 inputs were utilised. Other outputs (such as estimates of residual value, useful life, asset condition and componentisation including the split between short and long life components) required extensive professional judgement and impacted significantly on the final determination of fair value. As such, this asset class has been valued utilising Level 3 inputs.

Other structures

This asset class is comprised of shade shelters, retaining walls, playground equipment, fencing, fountains, sea walls and structures which did not meet the definition of a building.

Council's accounting policy is to value other structures based on the technical knowledge and experience of engineers and asset management staff. Unobservable Level 3 inputs used include useful life, asset condition and pattern of consumption.

There has been no change to the valuation process during the reporting period.

Roads

This asset class is comprised of the road carriageway, car parks, and other road related assets. Council's roads are separated into segments for inspection and valuation and componentised into the surface, sub-base, base and associated earthworks. Other road related assets include bus shelters, footpaths, guard rails, speed humps, kerb and gutter, medians, pedestrian refuges and roundabouts.

Council engaged Morrison Low to value all Roads Infrastructure assets at 30 June 2021. The gross replacement cost for each asset was calculated using the Modern Engineering Equivalent Replacement Asset (MEERA) approach.

Unit rates were developed for each road classification and traffic volume, based on data available including the cost to construct similar assets from actual contract rates and industry unit rates. Some of the other significant inputs are remaining useful life, pattern of consumption, dimensions and road classification.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Bridges

This asset class is comprised of road and foot bridges.

Council engaged Morrison Low to value all bridges at 30 June 2021. The gross replacement cost for each asset was calculated using the MEERA approach.

Bridges are assessed by physical inspection in accordance with Roads and Maritime Services guidelines. Condition information is updated as changes are observed through regular inspections.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

E2-1 Fair value measurement (continued)

Footpaths

This asset class is comprised of pedestrian walkways and cycle ways (shared paths).

Council engaged Morrison Low to value all footpaths as at 30 June 2021. The gross replacement cost for each asset was calculated using the MEERA approach.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Bulk earthworks (non-depreciable)

This asset class contains the formation costs for roads and buildings. Buildings and sporting facilities are recognised and valued at cost and Council assumes that the carrying amount reflects the fair value of these assets.

This asset class has been recognised as non-depreciable as it is not expected that bulk earthworks will need to be renewed during the normal operational use of the assets.

Bulk earthworks were revalued as part of the valuation of Roads, Bridges and Transport assets by Morrison Low at 30 June 2021.

Stormwater drainage

The Stormwater drainage asset class consists of Council's pits, pipes, detention basins, open drains, culverts, floodgates, wetlands, headwalls and gross pollutant traps.

The valuation of this asset class uses the cost assets approach. Council engaged Morrison Low to value all Stormwater Drainage assets at 30 June 2021. The gross replacement cost for each asset was calculated using the MEERA approach.

Significant inputs considered in the valuation of these assets are asset condition, remaining useful life and pattern of consumption.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Water supply network

This asset class is comprised of water treatment plants, water pump stations, reservoirs, water mains, tunnels, dams, weirs and water meters.

The gross replacement cost approach will be utilised to value the water supply network. This approach estimates the gross replacement cost based on MEERA techniques and equipment that would result in recognising an asset to serve the same function as the existing asset, rather than replicate the existing asset.

Assets have been componentised as per AASB 116 Property, Plant and Equipment.

Based on the technical nature of the assets, Council will engage technical experts as required.

Unobservable Level 3 inputs used include materials used in the construction of the asset, useful life, asset condition, unit rates and pattern of consumption.

Asset values have been indexed using the annual indexation rate from the Rates Reference Manual issued by the Department of Planning, Industry and Environment to reflect changes the gross replacement cost of these infrastructure assets.

There has been no change to the valuation process during the reporting period.

Sewerage network

This asset class is comprised of sewer treatment plants, sewer pump stations, sewer vacuum systems and sewer mains.

The gross replacement cost approach will be utilised to value the sewerage network. This approach estimates the gross replacement cost based on MEERA techniques and equipment that would yield an asset to serve the same function as the existing asset, rather than replicate the existing asset. Assets have been componentised as per AASB 116 Property, Plant and Equipment.

Unobservable Level 3 inputs include materials used in the construction of the asset, residual value, useful life, asset condition, unit rates and pattern of consumption.

E2-1 Fair value measurement (continued)

Asset values have been indexed using the annual indexation rate from the Rates Reference Manual issued by the Department of Planning, Industry and Environment to reflect changes the gross replacement cost of these infrastructure assets.

There have been no other changes to the valuation process during the reporting period.

Swimming pools

Assets within this class are comprised of ocean baths, swimming pools and associated structures.

The gross replacement cost approach will be utilised to value this asset class. This approach estimates the gross replacement cost based on MEERA techniques. Significant unobservable inputs considered in the valuation of these assets are remaining useful life, pattern of consumption and asset condition.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Other open space/recreational assets

This asset class is comprised of life guard towers, tennis courts, athletics tracks, picnic shelters, playground equipment, skate parks, fencing and sporting facilities.

This asset class will be valued using the gross replacement cost approach based on MEERA techniques.

Significant unobservable inputs considered in the valuation of these assets are remaining useful life, pattern of consumption and asset condition. Asset conditions are determined by field inspections using ratings of 1 (Excellent) to 5 (Very Poor).

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. There has been no change to the valuation process during the reporting period.

Library books

Assets included in this asset class consist of library books, journals, magazines, CDs and DVDs which are recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items. There are no major variances between the fair value and carrying amount of these assets and these assets are disclosed at fair value in the notes.

Whilst these assets are recognised at cost with supporting supplier invoices (observable input) the remaining significant inputs (useful life, pattern of consumption and asset condition) are unobservable and therefore categorised as Level 3. There has been no change to the valuation process during the reporting period.

Other assets

Other assets include miscellaneous assets which are recognised and valued at cost including the Heritage Collection which comprises artwork and sculptures. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items.

The replacement cost or insured value approach will be utilised to value other assets. Significant unobservable inputs considered in the valuation of these assets are useful life, pattern of consumption and asset condition and therefore categorised as Level 3. There has been no change to the valuation process during the reporting period.

Tip asset

This asset class includes the tip cells at Council's Waste Facilities which is recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the item. Significant unobservable inputs considered in the valuation of these assets are useful life and pattern of consumption and therefore categorised as Level 3. There has been no change to the valuation process during the reporting period.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

\$ '000	Plant and equipment		Office equipment		Furniture and fittings		Land under Roads	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	58,069	49,850	9,737	4,415	9,221	6,708	1,586	1,586
Transfers from/(to) another asset class	823	(515)	-	(75)	-	(22)	-	-
Purchases (GBV)	3,111	19,536	681	7,966	1,614	3,665	-	-
Disposals (WDV)	(4,008)	(2,991)	(1)	-	(158)	-	-	-
Depreciation and impairment	(8,187)	(7,811)	(2,742)	(2,569)	(1,377)	(1,130)	-	-
Revaluation increments to Equity (ARR)	-	-	-	-	-	-	563	-
Closing balance	49,808	58,069	7,675	9,737	9,300	9,221	2,149	1,586

\$ '000	Tip assets		Land improvements		Buildings		Other structures	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	20,153	16,499	28,323	25,488	471,634	470,699	30,517	24,434
Transfers from/(to) another asset class	-	-	-	561	(835)	352	(690)	243
Purchases (GBV)	3,517	5,399	3,768	4,177	14,139	16,755	7,131	7,448
Disposals (WDV)	-	-	-	-	(639)	(3,510)	(17)	(7)
Depreciation and impairment	(2,694)	(1,745)	(1,847)	(1,903)	(13,731)	(11,769)	(2,135)	(1,601)
Revaluation increments to Equity (ARR)	-	-	-	-	(2,248)	(893)	-	-
Closing balance	20,976	20,153	30,244	28,323	468,320	471,634	34,806	30,517

E2-1 Fair value measurement (continued)

\$ '000	Roads		Bridges		Footpaths		Bulk earthworks	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	1,386,134	1,354,860	37,105	35,017	99,112	89,836	382,751	377,894
Transfers from/(to) another asset class	6,923	-	-	-	-	-	4,686	-
Purchases (GBV)	44,161	68,408	129	2,805	12,249	11,935	728	4,927
Disposals (WDV)	(5,957)	(670)	(75)	(38)	-	-	-	(70)
Depreciation and impairment	(36,369)	(36,464)	(618)	(679)	(2,532)	(2,659)	-	-
Revaluation increments to Equity (ARR)	32,981	-	1,365	-	34,219	-	(34,126)	-
Closing balance	1,427,873	1,386,134	37,906	37,105	143,048	99,112	354,039	382,751

\$ '000	Stormwater drainage		Water supply network		Sewerage network		Swimming pools	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	1,030,632	1,020,512	1,035,739	1,033,296	1,411,723	1,410,293	5,137	3,622
Transfers from/(to) another asset class	-	-	7	682	690	600	13	266
Purchases (GBV)	19,882	26,271	33,696	20,557	43,435	24,574	118	1,471
Disposals (WDV)	(35)	(293)	(994)	(1,004)	(1,385)	(1,258)	-	(7)
Depreciation and impairment	(14,569)	(15,858)	(24,217)	(26,833)	(32,684)	(35,143)	(346)	(215)
Revaluation increments to Equity (ARR)	56,292	-	-	9,041	(688)	12,657	-	-
Closing balance	1,092,202	1,030,632	1,044,231	1,035,739	1,421,091	1,411,723	4,922	5,137

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E2-1 Fair value measurement (continued)

\$ '000	Open space / recreational		Other infrastructure		Library books		Other	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	77,338	72,712	28,938	24,451	2,187	2,125	858	807
Transfers from/(to) another asset class	-	(248)	(6,756)	-	-	-	-	-
Purchases (GBV)	19,822	8,994	6,196	5,913	509	833	4,195	124
Disposals (WDV)	-	-	-	(80)	-	(1)	-	-
Depreciation and impairment	(4,992)	(4,120)	(1,537)	(1,346)	(810)	(770)	(173)	(73)
Revaluation increments to Equity (ARR)	-	-	-	-	-	-	1,005	-
Closing balance	92,168	77,338	26,841	28,938	1,886	2,187	5,885	858

\$ '000	Total	
	2021	2020
Opening balance	6,126,894	6,025,104
Transfers from/(to) another asset class	4,861	1,844
Purchases (GBV)	219,081	241,758
Disposals (WDV)	(13,269)	(9,929)
Depreciation and impairment	(151,560)	(152,688)
Revaluation increments to Equity (ARR)	89,363	20,805
Closing balance	6,275,370	6,126,894

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E2-1 Fair value measurement (continued)

b. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

\$ '000	Fair value (30/6/21) 2021	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Plant and equipment	49,808	Cost approach	Pattern of consumption, useful life and residual value
Office equipment	7,675	Cost approach	Pattern of consumption, useful life and residual value
Furniture and fittings	9,300	Cost approach	Pattern of consumption, useful life and residual value
Land under Roads	2,149	Cost approach	The market value of land varies significantly depending on the location of the land and current market conditions
Land improvements	30,244	Cost approach	Pattern of consumption, useful life and residual value
Buildings	468,321	Market value	Pattern of consumption, useful life, residual value, asset condition and componentisation
Other structures	34,806	Cost approach	Useful life, pattern of consumption and asset condition
Roads	1,427,873	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Bridges	37,906	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Footpaths	143,048	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Bulk earthworks	354,039	Cost approach	Useful life, pattern of consumption and asset condition
Stormwater drainage	1,092,202	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Water supply network	1,044,231	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Sewerage network	1,421,091	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Swimming pools	4,922	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Open space / recreational	92,168	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Other infrastructure	26,841	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Library books	1,886	Cost approach	Useful life, pattern of consumption and asset condition
Other	1,199	Cost approach	Useful life, pattern of consumption and asset condition
Tip assets	20,976	Cost approach	Pattern of consumption and useful life

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E2-1 Fair value measurement (continued)

Highest and best use

The following non-financial assets of Council are being utilised for purposes that do not generate commercial revenues:

Community based assets

Council undertakes a number of services with a strong focus of providing community benefits to its constituents. These services are based on meeting essential community needs and are not of a nature that would be provided in a commercially competitive environment.

Crown land under Council's care and control as well as Council-owned land that has been classified as community land under the provisions of the *Local Government Act 1993*.

Futhermore, Council has a number of buildings that are applied in delivering community services. The restrictions on the land and the community use of the buildings in delivering community based services is considered to be the "highest and best use" of those assets to Council.

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E3-1 Contingencies

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

CONTINGENT LIABILITIES

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 *Employee Benefits* for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

Pooled employers are required to pay future service employer contributions and past service employer contributions to the Fund.

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working lifetime of a typical new entrant is calculated. The current standard employer contribution rates are:

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members *
Division C	2.5% salaries
Division D	1.64 times member contributions

* For 180 Point Members, Employers are required to contribute 7% of salaries for the year ending 30 June 2021 (increasing to 7.5% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0 million for 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These past service contributions are used to fund the deficit of assets to accrued liabilities. It is estimated that there are \$1,779,700 past service contributions remaining.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2021 was \$2,840,977. The last valuation of the Scheme was performed by Fund Actuary, Richard Boyfield FIAA as at 30 June 2020.

Council's expected contribution to the plan for the next annual reporting period is \$2,424,953.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2021 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,620.5	
Past Service Liabilities	2,445.6	107.2%
Vested Benefits	2,468.7	106.2%

- excluding other accumulation accounts and reserves in both assets and liabilities.

Council's share of the deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member Councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	5.75% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the pooled employers group.

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30 June this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) Other guarantees

Council has provided no other guarantees other than those listed above.

2. Other liabilities

(i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

Developer Contributions

Council has significant obligations to provide section 7.11 infrastructure across the local government area, and levies fees accordingly. It is possible that funds contributed may be less than the cost of this infrastructure requiring Council to borrow or use general revenue to fund the difference.

These future expenses do not yet qualify as liabilities as at the reporting date but represent Council's intention to spend funds in the manner and timing set out in those plans (refer Note G4).

E3-1 Contingencies (continued)

Contaminated lands

Council is required by law to remediate its contaminated sites. The projected costs associated with this remediation are provided for within the financial statements at Note C3-5 and are based on certain estimates and assumptions. Prior to remediation works being carried out, monitoring works are required to manage site risks while post remediation there is a period of validation to ensure that the remediation has been successful. These costs are included within the projections provided for within the financial statements at Note C3-5. Post remediation and validation, Council will continue to monitor each site for at least an additional 10 years. This monitoring will vary between each site and cannot be reliably estimate at this time however may approximate \$911,170. This estimate is based on the former landfill sites actual monitoring costs for 2020-21 of \$91,117 multiplied by 10 years.

Waste Remediation

In 2018-2019 Council made notifications to the NSW Environmental Protection Authority (NSW EPA) under Section 60 of the *Contaminated Land Management Act 1997* for six retired landfill sites. In March 2020 Council was advised that three of these sites (Hylton Moore Oval, Frost Reserve and Adcock Park) are significant enough to warrant regulation under the *Contaminated Land Management Act 1997*. In August 2020 the NSW EPA approved Council's Voluntary Management Proposals for each of these three sites. In 2020-2021 the community consultation plans and site management plans were completed and the detailed site investigation stage commenced. The estimated cost to undertake the detailed site investigations and their review by NSW EPA accredited contaminated site auditor across all three sites is an additional \$663,150 and this has been fully provided for within the financial statements at Note C3-5. At this stage there is no reliable way to estimate the cost of any further remediation activities that may be required at these sites.

Legal Expenses

The Council is a party to a number of legal proceedings in various jurisdictions. All known costs have been recognised, however as the various legal proceedings are still in progress, it is not possible to estimate the ultimate financial impact. For example, legal costs that the Council may be awarded, or ordered to pay; and other financial penalties that may be imposed, subject to the powers of the Court or Tribunal in the relevant jurisdiction.

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F People and relationships**F1 Related party disclosures****F1-1 Key management personnel (KMP)**

Key management personnel (KMP) of Council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly. KMP include the following positions: Councillors, Interim Administrator, Chief Executive Officer and Executive Leadership Team members.

The aggregate amount of KMP compensation included in the Income Statement is:

\$ '000	2021	2020
Compensation:		
Short-term benefits	3,329	4,308
Other long-term benefits	387	346
Termination benefits	776	445
Total	4,492	5,099

F1-1 Key management personnel (KMP) (continued)

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council delivering a public service objective (e.g. rates and annual charges, water usage, access to library services or Council leisure centres by KMP) will not be disclosed.

Nature of the transaction			Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref	Transactions during the year				
2021						
Supply of apprentices and support services	1	25	-	7 days	-	-
Insurance services	2	3,227	-	7 days	-	-
2020						
Supply of apprentices and support services	1	459	6	7 days	-	-
Insurance services	2	109	58	7 days	-	-
1	On 1 October 2019 Council entered into a new 3 year contract with Central Coast Group Training Limited, a company which is controlled by a member of the KMP of Council. The contract was awarded through a competitive tender process based on market rates for these services. Amounts are payable based on 7 day terms for the duration of the contract.					
2	The Council paid for insurance services during the year from Statewide Mutual, a company which has a member of Councils KMP as an elected Board Member. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms.					

Central Coast Council | Notes to the Financial Statements 30 June 2021

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2021	2020
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	39	89
Councillors' fees	175	456
Other Councillors' expenses (including Mayor)	36	48
Interim Administrator fee	209	-
Total	459	593

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Central Coast Council | Notes to the Financial Statements 30 June 2021

F1-3 Other related parties

\$ '000	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
2021						
Funding and in-kind support services 2020	1	1,016	-	Funding and support services provided in line with the funding agreement	-	-
Funding and in-kind support services	1	1,075	-	Funding and support services provided in line with the funding agreement	-	-
1	The former Wyong Shire Council entered into a funding and service level agreement with The Art House, Wyong Shire Performing Arts and Conference Centre Limited in 2016 to provide funding and in-kind services.					

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F2 Other relationships

F2-1 Audit fees

\$ '000	2021	2020
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	781	281
Remuneration for audit and other assurance services	781	281
Total Auditor-General remuneration	781	281
Non NSW Auditor-General audit firms		
(ii) Non-assurance services		
Other services	-	90
Remuneration for non-assurance services	-	90
Total remuneration of non NSW Auditor-General audit firms	-	90
Total audit fees	781	371

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G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of net operating result to cash provided from operating activities

\$ '000	2021	2020
Net operating result from Income Statement	22,575	(21,837)
Adjust for non-cash items:		
Depreciation, amortisation and impairment	156,305	157,109
Net losses/(gains) on disposal of assets	7,052	4,931
Non-cash capital grants and contributions	(27,268)	(17,052)
Adoption of AASB 15/1058	-	(14,412)
Investments classified as 'at fair value'	(561)	(2,476)
- Interest-free advances made by Council (deferred debtors)	294	-
Interest on all fair value adjusted interest free advances made by Council	-	(27)
Unwinding of discount rates on reinstatement provisions	566	1,193
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	19,679	(12,806)
Increase/(decrease) in provision for impairment of receivables	(639)	100
Decrease/(increase) in inventories	243	(255)
Decrease/(increase) in other current assets	2,482	(896)
Increase/(decrease) in payables	(5,172)	(1,500)
Increase/(decrease) in other accrued expenses payable	(20,735)	5,428
Increase/(decrease) in other liabilities	2,397	(114)
Increase/(decrease) in contract liabilities	2,785	12,996
Increase/(decrease) in provision for employee benefits	(5,276)	4,108
Increase/(decrease) in other provisions	(2,429)	6,895
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	152,298	121,385
(b) Non-cash investing and financing activities		
Other dedications	27,098	17,052
Total non-cash investing and financing activities	27,098	17,052

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2021	2020
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Plant and equipment	338	2,289
Land and buildings	1,254	10,900
Technology	674	5,264
Tip assets	8,118	1,187
Stormwater Management infrastructure	159	406
Open Space infrastructure	1,283	3,372
Road infrastructure	2,480	4,641
Sewerage and water infrastructure	13,488	41,294
Total commitments	27,794	69,353
These expenditures are payable as follows:		
Within the next year	27,794	69,353
Sources for funding of capital commitments:		
Unrestricted general funds	10,589	69,353
Unexpended grants and contributions	9,846	-
Externally restricted reserves	7,359	-
Total sources of funding	27,794	69,353

Details of capital commitments

Major projects to continue next year include:

- * Annual water main renewal program
- * Buttoderry Waste Management Facility - Cell 4.4
- * Water treatment plant major upgrade - Mardi
- * Water and sewer infrastructure reinforcements - Gosford CBD
- * Critical sewer main rehabilitation - reticulation system
- * Water and sewer infrastructure - Warnervale town centre
- * Peninsula Leisure Centre - Air handling system upgrade
- * Serwe pump station upgrade - Clarke Road, Norville
- * Del Monte Place road upgrade - Copacabana

G3-1 Events occurring after the reporting date

To be updated in October prior to Audit sign off

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G4 Statement of developer contributions as at 30 June 2021

G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	(Expenditure) / Reimbursements during year	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Drainage	23,002	518	-	203	(1,150)	-	22,573	-
Roads	14,357	2,157	-	200	(97)	72	16,689	(183)
Parking	5,445	6	-	59	(48)	77	5,539	-
Open space	13,438	2,113	-	231	(1,290)	(342)	14,150	(841)
Community facilities	26,176	1,797	-	246	-	193	28,412	(747)
Other	443	205	-	4	(170)	-	482	-
Drainage Capital	6,756	348	-	82	(219)	-	6,967	-
Drainage Land	3,132	80	-	38	(52)	-	3,198	-
Storm Water/Flood Mitigation	1,692	208	-	21	(4)	-	1,917	-
Roads Capital	5,626	324	-	68	(116)	-	5,902	-
Roads Land	86	2	-	2	(7)	-	83	-
Open Space Land	7,299	508	-	90	(160)	-	7,737	-
Open Space Embellishment	1,851	562	-	23	(741)	-	1,695	-
Community Capital	7,907	233	-	94	(430)	-	7,804	-
Community Land	435	10	-	6	(1)	-	450	-
Recreation	2,497	100	-	29	(129)	-	2,497	-
Footpaths	699	47	-	10	(32)	-	724	-
Environment Protection	818	15	-	10	(5)	-	838	-
Towncentre Improvements	1,383	309	-	16	(96)	-	1,612	-
Car Parking Administration	71	-	-	1	-	-	72	-
S7.11 contributions – under a plan	123,113	9,542	-	1,433	(4,747)	-	129,341	(1,771)
S7.12 levies – under a plan	17,526	1,628	-	191	(1,668)	-	17,677	-
Total S7.11 and S7.12 revenue under plans	140,639	11,170	-	1,624	(6,415)	-	147,018	(1,771)
S7.11 not under plans	4,903	-	-	65	(38)	-	4,930	-
S7.4 planning agreements	5,575	-	-	55	-	-	5,630	1,771
S64 contributions - Water	27,529	3,392	-	226	(29,482)	-	1,665	-
S64 contributions - Sewer	20,031	3,010	-	284	(3,816)	-	19,509	-
Total contributions	198,677	17,572	-	2,254	(39,751)	-	178,752	-

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

G4-1 Summary of developer contributions (continued)

Under the *Local Government Act 1993*, Council levies S64 contributions for Water and Sewer Infrastructure assets. These contributions are outlined in the relevant Development Servicing Plans (DSPs) and in accordance with the *Water Management Act 2000*.

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

G4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	(Expenditure) / Reimbursements during year	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CONTRIBUTION PLAN NUMBER 5 - WEST NARARA								
Drainage Capital	999	4	-	12	(25)	-	990	-
Drainage Land	123	-	-	2	(3)	-	122	-
Roads Capital	261	1	-	3	(7)	-	258	-
Open Space Land	424	2	-	5	(5)	-	426	-
Community Capital	384	-	-	5	(12)	-	377	-
Recreation	202	2	-	2	(12)	-	194	-
Total	2,393	9	-	29	(64)	-	2,367	-
CONTRIBUTION PLAN NUMBER 7 - NIAGARA PARK								
Drainage Capital	307	-	-	4	(9)	-	302	-
Roads Capital	62	-	-	1	(4)	-	59	-
Open Space Land	41	-	-	-	-	-	41	-
Community Capital	107	-	-	1	(10)	-	98	-
Recreation	33	-	-	-	-	-	33	-
Total	550	-	-	6	(23)	-	533	-

G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	(Expenditure) / Reimbursements during year	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CONTRIBUTION PLAN NUMBER 8 - LISAROW								
Drainage Capital	568	6	-	7	(18)	-	563	-
Drainage Land	850	12	-	10	(22)	-	850	-
Roads Capital	593	20	-	7	(10)	-	610	-
Open Space Land	141	6	-	3	(7)	-	143	-
Community Capital	3,211	10	-	37	(106)	-	3,152	-
Recreation	223	2	-	3	(19)	-	209	-
Total	5,586	56	-	67	(182)	-	5,527	-
CONTRIBUTION PLAN NUMBER 16 - KINCUMBER								
Drainage Capital	424	-	-	5	(6)	-	423	-
Drainage Land	57	-	-	1	(5)	-	53	-
Roads Capital	514	-	-	5	(16)	-	503	-
Open Space Land	552	-	-	7	(30)	-	529	-
Total	1,547	-	-	18	(57)	-	1,508	-
CONTRIBUTION PLAN NUMBER 21 - KARIONG								
Drainage Capital	381	41	-	5	(39)	-	388	-
Roads Capital	31	19	-	-	(2)	-	48	-
Open Space Land	1,013	16	-	12	(2)	-	1,039	-
Community Capital	511	13	-	6	(209)	-	321	-
Total	1,936	89	-	23	(252)	-	1,796	-
CONTRIBUTION PLAN NUMBER 23 - SPRINGFIELD								
Drainage Capital	41	4	-	-	(1)	-	44	-
Drainage Land	35	1	-	-	(1)	-	35	-
Roads Capital	343	33	-	5	(8)	-	373	-
Open Space Land	471	63	-	6	(11)	-	529	-
Total	890	101	-	11	(21)	-	981	-

G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	(Expenditure) / Reimbursements during year	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CONTRIBUTION PLAN NUMBER 31 - PENINSULA								
Drainage Capital	2,885	173	-	35	(70)	-	3,023	-
Drainage Land	1,695	44	-	21	(12)	-	1,748	-
Roads Capital	392	64	-	5	(35)	-	426	-
Open Space Land	3,072	192	-	38	(88)	-	3,214	-
Community Land	435	10	-	6	(1)	-	450	-
Open Space Embellishment	866	534	-	10	(678)	-	732	-
Community Capital	1,686	164	-	21	(20)	-	1,851	-
Total	11,031	1,181	-	136	(904)	-	11,444	-
CONTRIBUTION PLAN NUMBER 36 - ERINA VALLEY								
Other	30	-	-	1	(2)	-	29	-
Total	30	-	-	1	(2)	-	29	-
CONTRIBUTION PLAN NUMBER 42 - ERINA								
Drainage Capital	1,151	120	-	14	(51)	-	1,234	-
Drainage Land	372	23	-	4	(9)	-	390	-
Roads Capital	416	103	-	5	-	-	524	-
Roads Land	86	2	-	2	(7)	-	83	-
Open Space Land	1,166	227	-	15	(2)	-	1,406	-
Community Capital	1,118	17	-	13	(66)	-	1,082	-
Recreation	1,374	61	-	16	(93)	-	1,358	-
Total	5,683	553	-	69	(228)	-	6,077	-
CONTRIBUTION PLAN NUMBER 43 - EAST GOSFORD (PARTIALLY REPEALED)								
Roads Capital	294	12	-	4	(1)	-	309	-
Open Space Embellishment	805	14	-	10	(36)	-	793	-
Footpaths	269	18	-	3	(15)	-	275	-
Total	1,368	44	-	17	(52)	-	1,377	-

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G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	(Expenditure) / Reimbursements during year	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CONTRIBUTION PLAN NUMBER 47A - TERRIGAL								
Storm Water/Flood Mitigation	1,692	208	-	21	(4)	-	1,917	-
Open Space Embellishment	7	9	-	-	(20)	-	(4)	-
Footpaths	298	24	-	4	(8)	-	318	-
Towncentre Improvements	1,383	309	-	16	(96)	-	1,612	-
Total	3,380	550	-	41	(128)	-	3,843	-
CONTRIBUTION PLAN NUMBER 48 - AVOCA								
Open Space Embellishment	138	-	-	2	(6)	-	134	-
Footpaths	39	-	-	1	(2)	-	38	-
Total	177	-	-	3	(8)	-	172	-
CONTRIBUTION PLAN NUMBER 49 - NORTH GOSFORD								
Open Space Land	419	2	-	4	(15)	-	410	-
Open Space Embellishment	2	5	-	-	-	-	7	-
Footpaths	93	5	-	2	(7)	-	93	-
Total	514	12	-	6	(22)	-	510	-
CONTRIBUTION PLAN NUMBER 52 - SPRINGFIELD / ERINA CREEK								
Roads Capital	6	-	-	-	-	-	6	-
Total	6	-	-	-	-	-	6	-
CONTRIBUTION PLAN NUMBER 57 - JOHN WHITEWAY DRIVE (REPEALED)								
Roads Capital	49	4	-	1	-	-	54	-
Total	49	4	-	1	-	-	54	-
CONTRIBUTION PLAN NUMBER 58 - ERINA FAIR								
Roads Capital	957	18	-	11	(18)	-	968	-
Total	957	18	-	11	(18)	-	968	-
CONTRIBUTION PLAN NUMBER 67 - WOY WOY PARKING								
Parking	1,368	-	-	16	(30)	-	1,354	-
Total	1,368	-	-	16	(30)	-	1,354	-

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G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	(Expenditure) / Reimbursements during year	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CONTRIBUTION PLAN NUMBER 68 - UMINA PARKING								
Parking	452	-	-	6	(4)	-	454	-
Total	452	-	-	6	(4)	-	454	-
CONTRIBUTION PLAN NUMBER 69 - TERRIGAL PARKING								
Parking	1,532	-	-	19	(7)	-	1,544	-
Car Parking Administration	71	-	-	1	-	-	72	-
Total	1,603	-	-	20	(7)	-	1,616	-
CONTRIBUTION PLAN NUMBER 70 - EAST GOSFORD PARKING								
Parking	223	6	-	3	(5)	-	227	-
Total	223	6	-	3	(5)	-	227	-
CONTRIBUTION PLAN NUMBER 71 - CAR PARKING AVOCA BEACH								
Parking	5	-	-	-	-	-	5	-
Total	5	-	-	-	-	-	5	-
CONTRIBUTION PLAN NUMBER 72 - ETTALONG CAR PARKING								
Parking	118	-	-	1	(2)	-	117	-
Total	118	-	-	1	(2)	-	117	-
CONTRIBUTION PLAN NUMBER 98 - BENSVILLE								
Roads Capital	7	-	-	-	(3)	-	4	-
Open Space Embellishment	33	-	-	1	(1)	-	33	-
Total	40	-	-	1	(4)	-	37	-
CONTRIBUTION PLAN NUMBER 164 - GOSFORD								
Roads Capital	1,701	50	-	21	(12)	-	1,760	-
Community Capital	890	29	-	11	(7)	-	923	-
Recreation	665	35	-	8	(5)	-	703	-
Environment Protection	818	15	-	10	(5)	-	838	-
Total	4,074	129	-	50	(29)	-	4,224	-

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G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	(Expenditure) / Reimbursements during year	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CONTRIBUTION PLAN NUMBER 1 - WYONG								
Drainage	2,122	-	-	16	-	-	2,138	-
Roads	881	20	-	34	1,646	-	2,581	-
Parking	1,729	-	-	13	-	-	1,742	-
Open space	2,792	107	-	24	-	-	2,923	-
Community facilities	2,441	154	-	23	-	-	2,618	500
Other	53	-	-	-	-	-	53	-
Total	10,018	281	-	110	1,646	-	12,055	500
CONTRIBUTION PLAN NUMBER 2 - SOUTHERN LAKES								
Drainage	1,313	5	-	10	-	-	1,328	-
Roads	929	3	-	7	-	-	939	-
Open space	2,420	457	-	23	-	-	2,900	325
Community facilities	1,623	382	-	19	-	-	2,024	599
Other	3	56	-	-	(56)	-	3	-
Total	6,288	903	-	59	(56)	-	7,194	924
CONTRIBUTION PLAN NUMBER 3 - THE ENTRANCE								
Drainage	5	-	-	-	-	-	5	-
Roads	3,683	240	-	28	(97)	-	3,854	-
Parking	11	-	-	1	-	77	89	-
Open space	1,688	135	-	15	-	108	1,946	-
Community facilities	642	199	-	11	-	33	885	(1,146)
Total	6,029	574	-	55	(97)	218	6,779	(1,146)
CONTRIBUTION PLAN NUMBER 5 - OURIMBAH								
Roads	261	2	-	2	-	-	265	-
Open space	108	14	-	1	(34)	105	194	-
Community facilities	1,938	12	-	16	-	135	2,101	-
Other	1	1	-	-	(1)	-	1	-
Total	2,308	29	-	19	(35)	240	2,561	-

G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	(Expenditure) / Reimbursements during year	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CONTRIBUTION PLAN NUMBER 6 - TOUKLEY								
Drainage	4	2	-	-	-	-	6	-
Roads	16	-	-	-	-	-	16	-
Parking	7	-	-	-	-	-	7	-
Open space	1,017	91	-	8	-	-	1,116	106
Community facilities	1,901	92	-	15	-	-	2,008	-
Total	2,945	185	-	23	-	-	3,153	106
CONTRIBUTION PLAN NUMBER 7 - GOROKAN								
Roads	77	-	-	6	-	-	83	-
Open space	643	126	-	11	(382)	499	897	183
Community facilities	582	106	-	5	-	36	729	-
Other	3	17	-	-	(17)	-	3	-
Total	1,305	249	-	22	(399)	535	1,712	183
CONTRIBUTION PLAN NUMBER 8 - SAN REMO								
Drainage	358	-	-	2	-	-	360	-
Roads	355	16	-	9	-	-	380	-
Open space	1,515	50	-	15	(322)	-	1,258	-
Community facilities	2	42	-	-	-	-	44	-
Other	3	6	-	-	(6)	-	3	-
Total	2,233	114	-	26	(328)	-	2,045	-
CONTRIBUTION PLAN NUMBER 9 - BUDGEWOI								
Roads	14	-	-	-	-	72	86	(183)
Open space	403	66	-	4	-	-	473	-
Community facilities	925	55	-	15	-	-	995	1,146
Other	1	9	-	-	(8)	-	2	-
Total	1,343	130	-	19	(8)	72	1,556	963

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G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	(Expenditure) / Reimbursements during year	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CONTRIBUTION PLAN NUMBER - 13 SHIRE WIDE								
Open space	968	213	-	10	-	-	1,191	-
Community facilities	72	163	-	-	-	(135)	100	(3,301)
Other	13	31	-	1	(31)	-	14	-
Total	1,053	407	-	11	(31)	(135)	1,305	(3,301)
CONTRIBUTION PLAN NUMBER 15 - NORTHERN DISTRICTS								
Roads	2,142	45	-	16	-	-	2,203	-
Open space	838	77	-	10	(505)	432	852	-
Community facilities	2,560	65	-	21	-	124	2,770	-
Other	4	9	-	-	(9)	-	4	-
Total	5,544	196	-	47	(514)	556	5,829	-
CONTRIBUTION PLAN NUMBER 17 - WARNERVALE DISTRICT								
Drainage	19,200	511	-	175	(1,150)	-	18,736	-
Roads	5,999	1,831	-	98	(1,646)	-	6,282	-
Open space	1,046	777	-	110	(47)	(1,486)	400	(1,455)
Community facilities	13,490	527	-	121	-	-	14,138	1,455
Other	332	76	-	2	(40)	-	370	-
Total	40,067	3,722	-	506	(2,883)	(1,486)	39,926	-
S7.12 Levies – under a plan								
CONTRIBUTION PLAN NUMBER GCIP								
Towncentre Improvements	13,548	1,023	-	161	(685)	-	14,047	-
Total	13,548	1,023	-	161	(685)	-	14,047	-
CONTRIBUTION PLAN NUMBER WYONG								
Other	3,978	605	-	30	(983)	-	3,630	-
Total	3,978	605	-	30	(983)	-	3,630	-

Central Coast Council | Notes to the Financial Statements 30 June 2021

G4-3 Contributions not under plans

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	(Expenditure) / Reimbursements during year	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
GOSFORD CITY IMPROVEMENT & ERINA PARKING								
Parking	2,905	-	-	35	(6)	-	2,934	-
Roads Capital	518	-	-	6	(4)	-	520	-
Open Space Land	610	-	-	13	(24)	-	599	-
Open Space Embellishment	259	-	-	3	(4)	-	258	-
Community Capital	529	-	-	7	-	-	536	-
Environment Protection	82	-	-	1	-	-	83	-
Total	4,903	-	-	65	(38)	-	4,930	-

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G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2021	Indicator 2021	Prior period 2020	Benchmark
1. Operating performance ratio				
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(54,446)	(10.10)%	(16.49)%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	539,109			
2. Own source operating revenue ratio				
Total continuing operating revenue excluding all grants and contributions ¹	496,701	79.75%	81.13%	>60.00%
Total continuing operating revenue inclusive of all grants and contributions ¹	622,811			
3. Unrestricted current ratio				
Current assets less all external restrictions	155,840	2.18x	(0.33)x	>1.50x
Current liabilities less specific purpose liabilities	71,580			
4. Debt service cover ratio				
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	118,567	1.49x	1.38x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	79,763			
5. Rates, annual charges and interest outstanding percentage				
Rates, annual charges and interest outstanding ³	19,629	5.41%	9.01%	<5.00%
Rates, annual charges and interest collectible ³	362,902			
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	236,846	5.08 mths	7.44 mths	>3.00 mths
Monthly payments from cash flow of operating and financing activities	46,623			

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

(3) Excludes Water Supply Authority Annual Charges not yet due as at 30 June 2021

G5-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2021	2020	2021	2020	2021	2020	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses	(8.12)%	(14.70)%	(19.07)%	(25.94)%	(12.04)%	(16.45)%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ^{1,2}							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	75.60%	77.41%	89.27%	92.12%	94.19%	90.06%	>60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	1.97x	(1.94)x	No liabilities	111.59x	(0.16)x	(20.28)x	>1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ^{1,2}	2.06x	5.39x	0.96x	0.42x	1.14x	2.83x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates, annual charges and interest outstanding percentage							
Rates, annual charges and interest outstanding ³	4.90%	6.77%	8.27%	17.44%	7.26%	17.21%	<5.00%
Rates, annual charges and interest collectible ³							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	5.20 mths	5.15 mths	0.17 mths	3.78 mths	10.79 mths	28.61 mths	>3.00 mths
Monthly payments from cash flow of operating and financing activities							

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets, and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies.

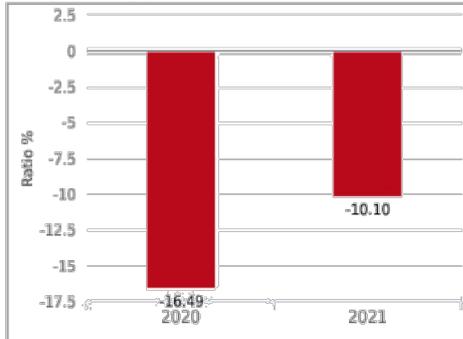
(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets, and net loss on share of interest in joint ventures and associates using the equity method.

(3) Excludes Water Supply Authority Annual Charges not yet due as at 30 June 2021

H Additional Council disclosures (unaudited)

H1-1 Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2020/21 result

2020/21 ratio (10.10)%

This ratio focuses on operating performance. Capital grants and contributions, loss on sale of assets and fair value adjustments are excluded from the ratio. Council's operating performance ratio was under the benchmark for 2020-21 but showed significant improvement on the prior year. Council will continue to take the necessary actions as part of its Financial Recovery Plan to achieve the benchmark in the future.

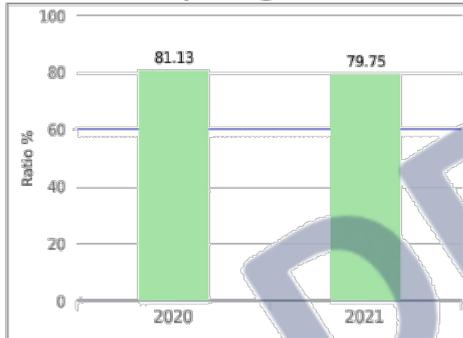
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2020/21 result

2020/21 ratio 79.75%

Council's Own Source Operating Revenue Ratio has remained well above the benchmark of >60% in the last four years. Council has a sufficient level of financial flexibility, in the event of being faced with unforeseen events.

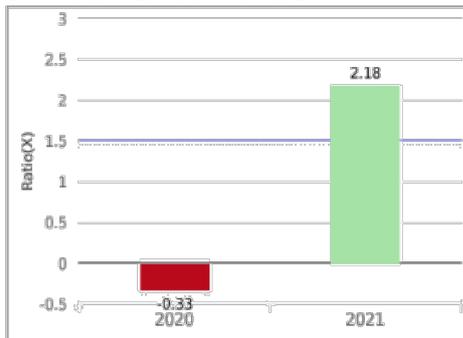
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2020/21 result

2020/21 ratio 2.18x

Council's Unrestricted Current Ratio is above the benchmark of >1.5x in 2020-21. Council's liquidity has significantly improved on the prior year and demonstrates Council's ability to again meet short-term obligations as they fall due. This will remain a priority for Council.

Benchmark: — > 1.50x

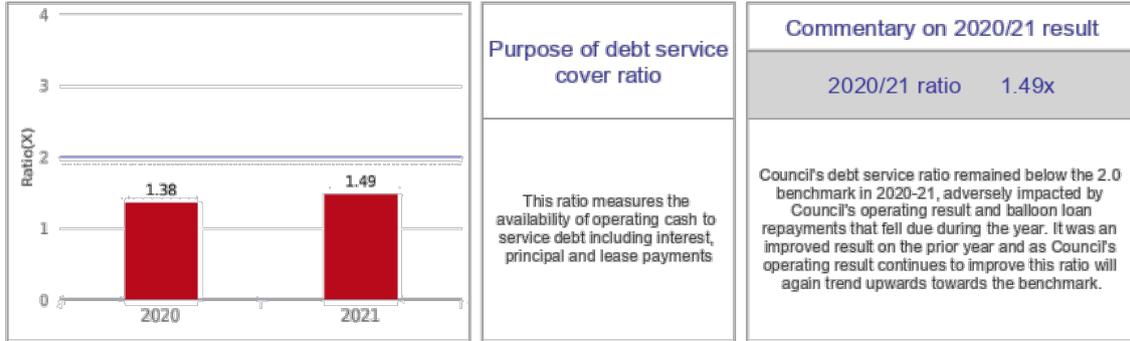
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-1 Statement of performance measures – consolidated results (graphs) (continued)

4. Debt service cover ratio



Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2020/21 result

2020/21 ratio 1.49x

Council's debt service ratio remained below the 2.0 benchmark in 2020-21, adversely impacted by Council's operating result and balloon loan repayments that fell due during the year. It was an improved result on the prior year and as Council's operating result continues to improve this ratio will again trend upwards towards the benchmark.

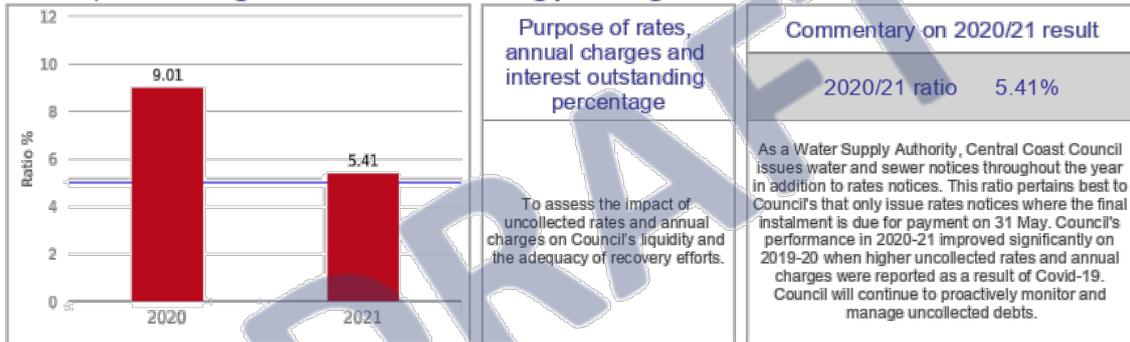
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates, annual charges and interest outstanding percentage



Purpose of rates, annual charges and interest outstanding percentage

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2020/21 result

2020/21 ratio 5.41%

As a Water Supply Authority, Central Coast Council issues water and sewer notices throughout the year in addition to rates notices. This ratio pertains best to Council's that only issue rates notices where the final instalment is due for payment on 31 May. Council's performance in 2020-21 improved significantly on 2019-20 when higher uncollected rates and annual charges were reported as a result of Covid-19. Council will continue to proactively monitor and manage uncollected debts.

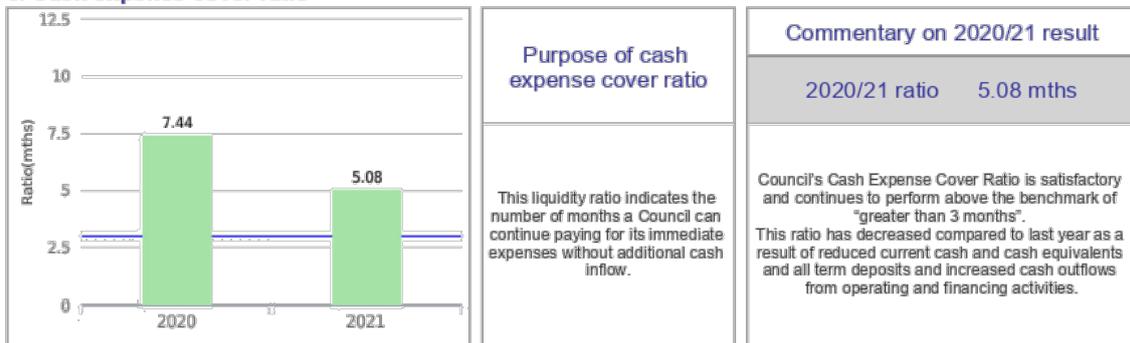
Benchmark: — < 5.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on 2020/21 result

2020/21 ratio 5.08 mths

Council's Cash Expense Cover Ratio is satisfactory and continues to perform above the benchmark of "greater than 3 months". This ratio has decreased compared to last year as a result of reduced current cash and cash equivalents and all term deposits and increased cash outflows from operating and financing activities.

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-2 Council information and contact details

Principal place of business
2 Hely Street Wyong, NSW 2259
49 Mann Street Gosford, NSW 2250

Contact details

Mailing Address:
PO Box 20, Wyong NSW 2259
PO Box 21, Gosford NSW 2250

Telephone: 1300 463 954

Opening hours:
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Monday to Friday

Internet: www.centralcoast.nsw.gov.au
Email: ask@centralcoast.nsw.gov.au

Officers
CHIEF EXECUTIVE OFFICER
David Farmer

Interim Administrator
Rik Hart

RESPONSIBLE ACCOUNTING OFFICER
Natalia Cowley

PUBLIC OFFICER
Edward Hock

AUDITORS
Audit Office of NSW
Level 19, Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000

Other information
ABN: 73 149 644 003

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Central Coast Council**General Purpose Financial Statements**for the year ended 30 June 2021

Independent Auditor's Report

Please uplift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).

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Central Coast Council**General Purpose Financial Statements**for the year ended 30 June 2021

Independent Auditor's Report

Please uplift Council's Audit Report PDF (commentary) for inclusion in the GPFS report (via the Home screen).

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Central Coast Council - Water Supply Authority

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Central Coast Council - Water Supply Authority

General Purpose Financial Statements

for the year ended 30 June 2021

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Overview

Central Coast Council Water Supply Authority has its principal place of business at :

2 Hely Sreet, Wyong NSW 2259
49 Mann Street, Gosford NSW 2250

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All media releases, financial statements and other information are publicly available on our website : www.centralcoast.nsw.gov.au

Central Coast Council - Water Supply Authority

General Purpose Financial Statements

for the year ended 30 June 2021

Statement by Interim Administrator and Management made pursuant to Section 41B of the Public Finance and Audit Act 1983 (PF&A Act)

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

- section 45 of the *Government Sector Audit Act 1983* and the Public Finance and Audit Regulation 2015,
- the Australian Accounting Standards and professional pronouncements

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

- present fairly the Central Coast Council Water Supply Authority's operating result and financial position for the year
- accord with Central Coast Council Water Supply Authority'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 29 October 2021.

Rik Hart
Interim Administrator
29 October 2021

David Farmer
Chief Executive Officer
29 October 2021

Natalia Cowley
Responsible Accounting Officer
29 October 2021

Central Coast Council - Water Supply Authority | Income Statement | For the year ended 30 June 2021

Central Coast Council - Water Supply Authority

Income Statement

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Income from continuing operations				
84,957		B1-1	81,825	78,370
80,212		B1-2	76,942	77,507
109		B1-3	66	179
357		B1-4	708	593
27,363		B1-4	24,630	16,765
4,712		B1-5	2,125	4,370
197,710			186,296	177,784
Expenses from continuing operations				
31,895		B2-1	36,218	37,267
60,039		B2-2	69,668	75,441
13,091		B2-3	14,439	15,302
76,159		B2-4	72,309	78,675
-		B2-5	3	64
-		B3-1	2,413	2,559
181,184			195,050	209,308
16,526			(8,754)	(31,524)
(10,836)			(33,384)	(48,289)

The above Income Statement should be read in conjunction with the accompanying notes.

Central Coast Council - Water Supply Authority | Statement of Comprehensive Income | For the year ended 30 June 2021

Central Coast Council - Water Supply Authority

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Net operating result for the year – from Income Statement		(8,754)	(31,524)
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	<u>56,499</u>	<u>24,459</u>
Total items which will not be reclassified subsequently to the operating result		56,499	24,459
Total comprehensive income for the year attributable to Central Coast Council Water Supply Authority		<u>47,745</u>	<u>(7,065)</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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Central Coast Council - Water Supply Authority | Statement of Financial Position | For the year ended 30 June 2021

Central Coast Council - Water Supply Authority

Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	9,377	52,160
Investments	C1-2	52,352	108,614
Receivables	C1-4	31,435	44,181
Other		222	161
Total current assets		93,386	205,116
Non-current assets			
Investments	C1-2	79,376	16,377
Receivables	C1-4	3,067	3,328
Infrastructure, property, plant and equipment	C1-5	3,741,913	3,685,329
Intangible Assets	C1-8	1,703	1,703
Total non-current assets		3,826,059	3,706,737
Total assets		3,919,445	3,911,853
LIABILITIES			
Current liabilities			
Payables	C2-1	12,714	18,215
Income received in advance	C2-1	71	76
Contract liabilities	C2-2	2,409	3,721
Borrowings	C2-3	51,578	61,486
Employee benefit provisions	C2-4	8,713	9,496
Provisions	C2-5	1,759	1,538
Total current liabilities		77,244	94,532
Non-current liabilities			
Income received in advance	C2-1	2,266	2,467
Borrowings	C2-3	175,725	198,173
Employee benefit provisions	C2-4	379	380
Provisions	C2-5	2,214	2,429
Total non-current liabilities		180,584	203,449
Total liabilities		257,828	297,981
Net assets		3,661,617	3,613,872
EQUITY			
Accumulated surplus	C3-1	3,454,092	3,462,846
IPPE revaluation reserve	C3-1	207,525	151,026
Equity interest		3,661,617	3,613,872
Total equity		3,661,617	3,613,872

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Central Coast Council - Water Supply Authority | Statement of Changes in Equity | For the year ended 30 June 2021

Central Coast Council - Water Supply Authority

Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	as at 30/06/21			as at 30/06/20		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		3,462,846	151,026	3,613,872	3,496,873	126,567	3,623,440
Changes due to AASB 1058 and AASB 15 adoption		-	-	-	(2,503)	-	(2,503)
Restated opening balance		3,462,846	151,026	3,613,872	3,494,370	126,567	3,620,937
Net operating result for the year		(8,754)	-	(8,754)	(31,524)	-	(31,524)
Restated net operating result for the period		(8,754)	-	(8,754)	(31,524)	-	(31,524)
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	-	56,499	56,499	-	24,459	24,459
Other comprehensive income		-	56,499	56,499	-	24,459	24,459
Total comprehensive income		(8,754)	56,499	47,745	(31,524)	24,459	(7,065)
Closing balance at 30 June		3,454,092	207,525	3,661,617	3,462,846	151,026	3,613,872

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Central Coast Council - Water Supply Authority | Statement of Cash Flows | For the year ended 30 June 2021

Central Coast Council - Water Supply Authority

Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Cash flows from operating activities				
<i>Receipts:</i>				
84,207	Rates and annual charges		82,460	78,986
79,954	User charges and fees		82,352	73,217
7,476	Investment and interest revenue received		1,115	4,451
28,115	Grants and contributions		14,095	14,246
-	Bonds, deposits and retention amounts received		-	13
346	Other		7,107	-
<i>Payments:</i>				
(32,350)	Employee benefits and on-costs		(36,982)	(36,955)
(56,991)	Materials and services		(69,730)	(23,793)
(14,903)	Borrowing costs		(14,439)	(15,302)
-	Bonds, deposits and retention amounts refunded		(3)	-
(1,797)	Other		(6,140)	(72,947)
94,057	Net cash flows from operating activities	F1-1a	59,835	21,916
Cash flows from investing activities				
<i>Receipts:</i>				
54,025	Sale of investment securities		10,790	131,307
374	Deferred debtors receipts		-	-
<i>Payments:</i>				
-	Purchase of investment securities		(17,525)	(73,322)
(90,844)	Purchase of infrastructure, property, plant and equipment		(64,876)	(61,012)
(36,445)	Net cash flows from investing activities		(71,611)	(3,027)
Cash flows from financing activities				
<i>Receipts:</i>				
10,000	Proceeds from borrowings		19,809	39,453
<i>Payments:</i>				
(38,980)	Repayment of borrowings		(50,816)	(18,970)
(28,980)	Net cash flows from financing activities		(31,007)	20,483
28,632	Net change in cash and cash equivalents		(42,783)	39,372
29,573	Plus: cash and cash equivalents – beginning of period		52,160	12,788
58,205	Cash and cash equivalents at end of year	C1-1	9,377	52,160
142,566	plus: Investments on hand at end of year	C1-2	131,728	124,991
200,771	Total cash, cash equivalents and investments		141,105	177,151

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Central Coast Council - Water Supply Authority

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Central Coast Council - Water Supply Authority

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Central Coast Council Water Supply Authority (CCCWSA) on 29 October 2021.

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations and the *Public Finance and Audit Act 1983*.

Central Coast Council, within its overall statutory responsibilities, is a statutory authority for water supply and related purposes, under the *Water Management Act 2000*. CCCWSA controls resources to carry out water supply, sewerage, stormwater drainage and ancillary activities within Central Coast Council local government area and these functions have been consolidated in these financial statements.

CCCWSA is a not for profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of infrastructure, property, plant and equipment.

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying CCCWSA'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 CCCWSA and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

CCCWSA 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 include:

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note D2
- (ii) employee benefit provisions – refer Note C2-4

Significant judgements in applying the Central Coast Council Water Supply Authority's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B1-2 – B1-4.

COVID-19 Impact

The COVID-19 pandemic continues to impact the community where CCCWSA operates. This pandemic has had a financial impact for CCCWSA in the financial year ended 30 June 2020 which has impacted the comparability of some line items and amounts reported in this financial report.

COVID-19 has caused disruption to CCCWSA's business practices with a number of staff working remotely from home away from the main administration buildings and other CCCWSA facilities. Whilst this has caused some inconvenience it has not resulted in significant additional cost.

The impact on CCCWSA's financial performance and financial position was restricted to a decrease in developer contributions.

Additional costs (although not material), in conjunction with public health activities (e.g. cleaning, inventory purchases and other health and safety initiatives) have also been incurred.

A1-1 Basis of preparation (continued)

The financial difficulty experienced by many ratepayers led to a higher than normal level of outstanding collections for the financial year.

No material changes have been noted in asset values.

Going Concern

The Financial Statements have been prepared on a going concern basis, which assumes CCCWSA will be able to meet its debts and other financial obligations as they fall due.

Since disclosing Council's serious financial situation on 6 October 2020, Council has achieved the following:

- Obtained \$150M in bank loans - which has returned Council to a positive unrestricted cash and investment position;
- Reduced staff numbers through an organisational restructure and redundancy program;
- Implemented strategies to reduce materials and contracts expenditure;
- Placed CCCWSA-identified in underperforming assets for sale;
- Applied for a one-off 15% Special Rate Variation (SRV)

Council's forecast ten year long term financial plan is based on an expectation of receiving a one-off 15% Special Rate Variation (SRV), (13% + 2% standard rate peg) which would be applied in 2021-2022 and remaining permanently in the rate base. IPART has approved this increase for three years through to 30 June 2024 during which time Council will seek to extend the SRV to ensure its recovery program continues.

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.

CCCWSA's Statement of Cash Flows is not grossed up for GST.

Volunteer services

Volunteer services are services received from individuals or other entities without charge or for consideration significantly less than the fair value of those services. These may include:

- Committees with volunteer members,
- Outdoor space volunteers, and
- Volunteers at special Council events.

Volunteer services will only be recognised when:

- such services would be purchased if they had not been donated, and
- the fair value of those services can be reliably measured.

CCCWSA has not received the benefit of volunteer services throughout the reporting period.

Monies and other assets received by Central Coast Council Water Supply Authority

The Consolidated Fund

These Financial Statements represent the consolidation of Water, Sewerage and Drainage funds.

The notional cash and investment assets of CCCWSA are represented in practice by an equity interest in the general cash and investment assets of Central Coast Council as a whole and all investment assets and bank accounts are held in the name of Central Coast Council.

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2021 reporting period.

CCCWSA has elected not to apply any of these pronouncements in these financial statements before their operative dates.

As at the date of authorisation of these financial statements CCCWSA does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on CCCWSA's future financial statements, financial position, financial performance or cash flows.

A1-1 Basis of preparation (continued)

New and amended standards adopted by Central Coast Council Water Supply Authority

During the year CCCWSA adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2021.

None of these Standards had a significant impact on reported position or performance.

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Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

B Financial Performance**B1 Sources of income****B1-1 Rates and annual charges**

\$ '000	2021	2020
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Water supply services	12,781	12,415
Sewerage services	55,250	53,343
Drainage	15,008	14,345
Other	-	14
Liquid trade waste	453	461
Less: pensioner rebates (State Government funded)	(2,099)	(2,115)
Less: pensioner rebates (CCCWSA funded)	(2,078)	(2,091)
Annual charges levied	79,315	76,372
Pensioner subsidies received:		
- Water	1,238	1,004
- Sewerage	1,272	994
Total annual charges	81,825	78,370
Total rates and annual charges	81,825	78,370

Accounting policy

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

B1-2 User charges and fees

\$ '000	2021	2020
User charges		
Water supply services	55,629	57,351
Sewerage services	16,214	15,468
Liquid trade waste	2,104	2,212
Total specific user charges	73,947	75,031
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Building services – other	336	209
Inspection services	94	243
Regulatory/ statutory fees	312	241
Registration fees	5	7
Total fees and charges – statutory/regulatory	747	700

B1-2 User charges and fees (continued)

\$ '000	2021	2020
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Water connection fees	1,062	1,008
Sewer connection fees	587	350
Sewer diagrams	379	275
Special water meter reading fees	32	18
Water carters licence fees	79	51
Other	109	74
Total fees and charges – other	2,248	1,776
Total user charges and fees	76,942	77,507
Timing of revenue recognition for user charges and fees		
User charges and fees recognised at a point in time	76,942	77,507
Total user charges and fees	76,942	77,507

Accounting policy

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. There is no material obligation for CCCWSA in relation to refunds or returns.

Where an upfront fee is charged such as joining fees, the fee is recognised on a straight-line basis over the expected life to which the fee relates.

Licences granted by CCCWSA are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.

B1-3 Other revenue

\$ '000	2021	2020
Insurance claims recoveries	7	–
Sales – general	25	73
Property rents	–	25
Other supply/ services	34	81
Total other revenue	66	179
Timing of revenue recognition for other revenue		
Other revenue recognised at a point in time	66	179
Total other revenue	66	179

Accounting policy for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory 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 occurs first.

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

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

B1-4 Grants and contributions

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Drainage / environment	-	-	505	599
Environmental programs	207	127	97	-
LIRS subsidy	387	446	-	-
Water / sewer infrastructure	-	-	5,816	2,788
Other specific grants	13	20	-	-
Sewerage (excl. section 64 contributions)	-	-	200	132
Water supplies (excl. section 64 contributions)	-	-	134	73
Other contributions	101	-	14	98
Total special purpose grants and non-developer contributions – cash	708	593	6,766	3,690
Non-cash contributions				
Other	-	-	9,931	4,330
Total other contributions – non-cash	-	-	9,931	4,330
Total special purpose grants and non-developer contributions (tied)	708	593	16,697	8,020
Total grants and non-developer contributions	708	593	16,697	8,020
Comprising:				
- Commonwealth funding	101	-	10,186	599
- State funding	607	593	6,511	2,788
- Other funding	-	-	-	4,633
	708	593	16,697	8,020
Developer contributions				
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):				
Cash contributions				
S 64 – water supply contributions	-	-	3,392	3,429
S 64 – sewerage service contributions	-	-	3,010	3,639
S 7.11 – drainage assets	-	-	1,153	1,424
Total developer contributions – cash	-	-	7,555	8,492
Non-cash contributions				
S 64 – water supply contributions	-	-	127	82
S 7.11 – stormwater contributions	-	-	251	171
Total developer contributions non-cash	-	-	378	253
Total developer contributions	-	-	7,933	8,745
Total contributions	-	-	7,933	8,745
Total grants and contributions	708	593	24,630	16,765
Timing of revenue recognition for grants and contributions				
Grants and contributions recognised at a point in time	708	593	24,630	16,765
Total grants and contributions	708	593	24,630	16,765

continued on next page ...

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Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

B1-4 Grants and contributions (continued)

Unspent grants and contributions

Certain grants and contributions are obtained by CCCWSA on condition that they be spent in a specified manner:

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Unspent grants and contributions				
Unspent funds at 1 July	72	3	3,504	2,352
Add: Funds received and not recognised as revenue in the current year	9	72	-	1,152
Less: Funds received in prior year but revenue recognised and funds spent in current year	(72)	(3)	(1,249)	-
Unspent funds at 30 June	9	72	2,255	3,504

Capital grant unspent and held as a restriction at year end relates to the Climate Change Fund.

Contributions

Unspent funds at 1 July	-	-	86,099	91,245
Add: contributions received and not recognised as revenue in the current year	-	-	7,517	4,632
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	-	-	(34,447)	(9,778)
Unspent contributions at 30 June	-	-	59,169	86,099

Various developer contributions unspent and held as a restriction at year end.

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement but may include specific trigger events. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Capital grants

Capital grants received by CCCWSA under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under CCCWSA's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by CCCWSA.

B1-4 Grants and contributions (continued)

Developer contributions

CCCWSA has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

While CCCWSA generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by CCCWSA, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to CCCWSA.

Developer contributions may only be expended for the purposes for which the contributions were required, but CCCWSA may apply contributions according to the priorities established in work schedules for the contribution plan.

Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. CCCWSA considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

B1-5 Interest and investment income

\$ '000	2021	2020
Interest on financial assets measured at amortised cost		
– Overdue annual charges	445	884
– Cash and investments	1,677	3,480
Other	3	6
Total interest and investment income	2,125	4,370

Accounting policy

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

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

B2 Costs of providing services**B2-1 Employee benefits and on-costs**

\$ '000	2021	2020
Salaries and wages	27,322	32,037
Employee termination costs	1,676	121
Employee leave entitlements (ELE)	5,487	4,295
Superannuation	2,411	2,489
Payroll tax	2,577	2,595
Workers Compensation	343	615
Total employee costs	39,816	42,152
Less: capitalised costs	(3,598)	(4,885)
Total employee costs expensed	36,218	37,267

Accounting policy

Employee benefit expenses are recorded when the service has been provided by the employee.

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

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.

CCCWSA participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore CCCWSA accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note D3-1 for more information.

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Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

B2-2 Materials and services

\$ '000	Notes	2021	2020
Raw materials and consumables		9,377	10,491
Contractor and consultancy costs		9,478	10,045
Audit Fees ¹	E2-1	-	12
Agency Hire		661	1,696
Previously other expenses:			
Administration support		28,361	28,946
Advertising		13	20
Computer software charges		631	220
Electricity and heating		9,214	8,947
Gas charges		125	91
Insurance		77	192
Licences		503	404
Plant hire		4,975	7,782
Printing and stationery		13	31
Subscriptions and publications		18	13
Telephone and communications		6	22
Tipping fees		4,407	5,773
Training costs (other than salaries and wages)		18	22
Water purchases		1,398	586
Other expenses		393	148
Total materials and services		69,668	75,441
Total materials and services		69,668	75,441

Accounting policy

Expenses are recorded on an accruals basis as CCCWSA receives the goods or services.

B2-3 Borrowing costs

\$ '000	2021	2020
(i) Interest bearing liability costs		
Interest on loans	14,430	15,277
Other debts	9	25
Total interest bearing liability costs expensed	14,439	15,302
Total borrowing costs expensed	14,439	15,302

Accounting policy

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 as incurred.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

B2-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2021	2020
Depreciation and amortisation			
Plant and equipment		27	41
Office equipment		32	35
Furniture and fittings		13	13
Land improvements (depreciable)		14	14
Infrastructure:			
	C1-5		
– Buildings – specialised		704	683
– Other structures		53	54
– Roads		1	1
– Stormwater drainage		14,561	15,858
– Water supply network		24,217	26,833
– Sewerage network		32,682	35,143
Other assets:			
– Other		5	–
Total depreciation, amortisation and impairment for non-financial assets		72,309	78,675

Accounting policy

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

Impairment of non-financial assets

CCCWSA assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets that do not meet the criteria above 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.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

B2-5 Other expenses

\$ '000	Notes	2021	2020
Impairment of receivables			
Other		3	64
Total impairment of receivables	C1-4	3	64
Total other expenses		3	64

Accounting policy

Other expenses are recorded on an accruals basis when CCCWSA has an obligation for the expense.

Impairment expenses are recognised when identified.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

B3 Gains or losses**B3-1 Gain or loss from the disposal, replacement and de-recognition of assets**

\$ '000	Notes	2021	2020
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		–	–
Less: carrying amount of property assets sold/written off		–	(4)
Gain (or loss) on disposal		–	(4)
Gain (or loss) on disposal of infrastructure			
	C1-5		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		(2,413)	(2,555)
Gain (or loss) on disposal		(2,413)	(2,555)
Gain (or loss) on disposal of investments			
	C1-2		
Proceeds from disposal/redemptions/maturities – investments		10,790	131,307
Less: carrying amount of investments sold/redeemed/matured		(10,790)	(131,307)
Gain (or loss) on disposal		–	–
Net gain (or loss) on disposal of assets		(2,413)	(2,559)

Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

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Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2021	2020
Cash and cash equivalents		
Cash-equivalent assets		
– Deposits at call	9,377	52,160
Total cash and cash equivalents	9,377	52,160

Accounting policy

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: 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.

C1-2 Financial investments

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Financial assets at fair value through the profit and loss				
Government and semi-government bonds	–	17,715	–	2,998
NCD's, FRN's	12,019	47,670	5,890	1,591
Total	12,019	65,385	5,890	4,589
Debt securities at amortised cost				
Long term deposits	40,333	13,991	102,724	11,788
Total	40,333	13,991	102,724	11,788
Total financial investments	52,352	79,376	108,614	16,377
Total cash assets, cash equivalents and investments	61,729	79,376	160,774	16,377

Accounting policy

Financial instruments are recognised initially on the date that the CCCWSA becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, CCCWSA classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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C1-2 Financial investments (continued)

CCCWSA's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than three months are classified as investments rather than cash and cash equivalents.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

CCCWSA's financial assets measured at fair value through profit or loss comprise investments in FRN's and NCD's in the Statement of Financial Position.

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Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

C1-3 Restricted cash, cash equivalents and investments

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	61,729	79,376	160,774	16,377
attributable to:				
External restrictions	25,214	39,193	75,618	16,377
Internal restrictions	1,732	-	1,958	-
Unrestricted	34,783	40,183	83,198	-
	61,729	79,376	160,774	16,377

\$ '000	2021	2020
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Details of restrictions

External restrictions

External restrictions included in cash, cash equivalents and investments above comprise:

Developer contributions – water fund	1,665	27,529
Developer contributions – sewer fund	19,510	20,032
Developer contributions – drainage	34,655	34,583
Developer contributions – VPA – water	1,053	1,045
Developer contributions – VPA – sewer	495	491
Developer contributions - VPA - drainage	1,369	1,359
Specific purpose unexpended grants (recognised as revenue) – water fund	2,255	2,550
Specific purpose unexpended grants (recognised as revenue) – sewer fund	-	153
Specific purpose unexpended grants (recognised as revenue) – drainage fund	9	873
Water fund	45	45
Drainage	100	100
Self insurance – sewer	2,164	2,027
Self insurance – water	1,087	1,208
External restrictions	64,407	91,995
Total external restrictions	64,407	91,995

Internal restrictions

Council has internally restricted cash, cash equivalents and investments as follows:

Employee leave entitlement – water	924	1,026
Employee leave entitlement – drainage	794	55
Employee leave entitlement – sewer	14	877
Total internal restrictions	1,732	1,958
Total restrictions	66,139	93,953

Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected Council.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

C1-4 Receivables

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Interest and extra charges	836	–	1,177	–
User charges and fees	7,668	2,827	13,122	3,034
Accrued revenues				
– User charges and fees	12,420	–	13,255	–
– Government grants and subsidies	2,824	–	2,182	–
– Other income accruals	–	–	36	–
Drainage annual charges	1,512	–	2,636	–
Sewerage annual charges	5,004	–	9,692	–
Water annual charges	1,068	–	2,082	–
Other debtors	157	240	60	294
Total	31,489	3,067	44,242	3,328
Less: provision of impairment				
Rates and annual charges	(6)	–	–	–
User charges and fees	–	–	(45)	–
Other debtors	(48)	–	(16)	–
Total provision for impairment – receivables	(54)	–	(61)	–
Total net receivables	31,435	3,067	44,181	3,328

\$ '000	2021	2020
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	61	–
Movement through provision	(6)	–
+ new provisions recognised during the year	–	61
Balance at the end of the year	55	61

Accounting policy

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.

Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When estimating ECL, CCCWSA considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on CCCWSA's historical experience and informed credit assessment, and including forward-looking information.

CCCWSA uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

When considering the ECL for annual charges debtors, CCCWSA takes into account that unpaid annual charges represent a charge against the rateable property that will be recovered when the property is next sold.

Credit losses are measured at the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

CCCWSA writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are beyond the applicable statute of limitations period, whichever occurs first.

Where CCCWSA renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

C1-5 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period							At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	92,192	–	92,192	64,792	–	–	(87,932)	79	–	–	69,131	–	69,131
Plant and equipment	1,320	(1,126)	194	–	–	(27)	–	–	–	–	1,320	(1,153)	167
Office equipment	196	(149)	47	–	–	(32)	71	–	–	–	173	(87)	86
Furniture and fittings	866	(749)	117	–	–	(13)	–	–	–	–	183	(79)	104
Land:													
– Operational land	68,946	–	68,946	–	–	–	–	–	–	–	68,946	–	68,946
– Crown and Community land	12,249	–	12,249	–	–	–	–	–	–	161	12,410	–	12,410
Land improvements – depreciable	146	(14)	132	–	–	(14)	516	–	–	–	662	(28)	634
Infrastructure:													
– Buildings – specialised	51,689	(19,624)	32,065	–	–	(704)	219	–	–	–	51,909	(20,329)	31,580
– Other structures	1,716	(460)	1,256	–	–	(53)	–	–	–	–	1,716	(513)	1,203
– Roads	42	(21)	21	–	–	(1)	–	–	(20)	–	–	–	–
– Bulk earthworks (non-depreciable)	16	–	16	–	–	–	–	–	(16)	–	–	–	–
– Stormwater drainage	1,514,849	(484,217)	1,030,632	9,929	(34)	(14,561)	9,862	–	–	56,374	1,556,754	(464,552)	1,092,202
– Water supply network	1,857,037	(821,298)	1,035,739	–	(994)	(24,217)	33,696	7	–	–	1,887,686	(843,455)	1,044,231
– Sewerage network	2,346,757	(935,034)	1,411,723	–	(1,385)	(32,682)	43,435	–	–	–	2,386,464	(965,373)	1,421,091
Other assets:													
– Other	–	–	–	–	–	(5)	133	–	–	–	133	(5)	128
Total infrastructure, property, plant and equipment	5,948,021	(2,262,692)	3,685,329	74,721	(2,413)	(72,309)	–	86	(36)	56,535	6,037,487	(2,295,574)	3,741,913

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Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

C1-5 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2019			Asset movements during the reporting period						At 30 June 2020		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	101,799	-	101,799	65,485	-	-	(69,334)	(5,759)	-	92,192	-	92,192
Plant and equipment	1,133	(1,085)	48	-	-	(41)	187	-	-	1,320	(1,126)	194
Office equipment	609	(600)	9	-	-	(35)	72	-	-	196	(149)	47
Furniture and fittings	854	(731)	123	-	-	(13)	7	-	-	866	(749)	117
Land:												
- Operational land	70,793	-	70,793	-	-	-	-	(1,847)	-	68,946	-	68,946
- Crown and Community land	7,351	-	7,351	-	-	-	290	1,847	2,761	12,249	-	12,249
Land improvements – depreciable	-	-	-	-	-	(14)	146	-	-	146	(14)	132
Infrastructure:												
- Buildings – specialised	50,167	(18,960)	31,207	-	(4)	(683)	1,544	-	-	51,689	(19,624)	32,065
- Other structures	1,699	(406)	1,293	-	-	(54)	17	-	-	1,716	(460)	1,256
- Roads	42	(20)	22	-	-	(1)	-	-	-	42	(21)	21
- Bulk earthworks (non-depreciable)	16	-	16	-	-	-	-	-	-	16	-	16
- Stormwater drainage	1,489,091	(468,579)	1,020,512	590	(293)	(15,858)	25,681	-	-	1,514,849	(484,217)	1,030,632
- Water supply network	1,823,426	(790,130)	1,033,296	1,053	(1,004)	(26,833)	19,503	682	9,041	1,857,037	(821,298)	1,035,739
- Sewerage network	2,305,734	(895,441)	1,410,293	2,688	(1,258)	(35,143)	21,887	600	12,657	2,346,757	(935,034)	1,411,723
Total infrastructure, property, plant and equipment	5,852,714	(2,175,952)	3,676,762	69,816	(2,559)	(78,675)	-	(4,477)	24,459	5,948,021	(2,262,692)	3,685,329

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C1-5 Infrastructure, property, plant and equipment (continued)

Accounting policy

Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

When infrastructure, property, plant and equipment is acquired by CCCWSA at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

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 CCCWSA 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.

Useful lives of IPPE

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:

Plant and equipment	Years	Buildings	Years
Office furniture	10	Buildings	6 to 167
Other plant and equipment	6		
Water and sewer assets		Stormwater assets	
Dams and reservoirs	12 to 333	Drains	120
Bores	15 to 30	Culverts	120
Reticulation pipes	25 to 256	Flood control structures	80
Transportation assets			
Bridge: concrete	100		
Bridge: other	50		

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

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by CCCWSA at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Planning, Industry and Environment – Water.

Increases in the carrying amounts arising on revaluation are credited to the IPPE 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 as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against IPPE revaluation reserve to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

C1-6 Intangible assets

Intangible assets are as follows:

Drainage Easements

\$ '000	2021	2020
Opening values at 1 July		
Gross book value	4,172	4,172
Accumulated amortisation	(2,469)	(2,469)
Net book value – opening balance	1,703	1,703
Closing values at 30 June		
Gross book value	4,172	4,172
Accumulated amortisation	(2,469)	(2,469)
Total drainage easements – net book value	1,703	1,703

Accounting policy

Drainage easements

Easements (the right of access over land) are recognised as intangible assets.

Easements are determined to have indefinite lives, as there is no finite period over which their use is fully consumed. They convey a right to CCCWSA to enable it to gain access to its infrastructure assets over an indefinite period of time. Unlike the infrastructure assets themselves, which are consumed over a finite period and undergo replacement to enable continuity of service, an easement can exist continuously throughout this period and beyond, and thus may never need to be released. Easements are only derecognised when a management decision has been made to relocate the relevant infrastructure asset and the need for the easement no longer exists. Since easements are viewed as having an indefinite life, they are not amortised, however, they are tested for impairment.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

C2 Liabilities of Council

C2-1 Payables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Payables				
Prepaid annual charges	4,891	-	4,262	-
Goods and services – operating expenditure	3,855	-	3,917	-
Accrued expenses:				
– Salaries and wages	20	-	-	-
– Other expenditure accruals	3,663	-	9,748	-
Security bonds, deposits and retentions	285	-	288	-
Total payables	12,714	-	18,215	-
Income received in advance				
Payments received in advance	71	500	76	569
Other	-	1,766	-	1,898
Total income received in advance	71	2,266	76	2,467
Total payables	12,785	2,266	18,291	2,467

Current payables not expected to be settled within the next twelve months

\$ '000	2021	2020
Payables – overpayments, security bonds, deposits and retentions	4,548	3,560
Total payables and borrowings	4,548	3,560

Accounting policy

CCCWSA measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Payables

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

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

C2-2 Contract Liabilities

\$ '000	Notes	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Funds to construct CCCWSA controlled assets	(i)	2,255	-	3,504	-
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15	(ii)	9	-	72	-
Unexpended capital contributions (to construct CCCWSA controlled assets)	(i)	145	-	145	-
Total grants received in advance		2,409	-	3,721	-
Total contract liabilities		2,409	-	3,721	-

Notes

(i) CCCWSA has received funding to construct assets including environmental and other infrastructure. The funds received are under an enforceable contract which require CCCWSA to construct an identified asset which will be under CCCWSA's control on completion. The revenue is recognised as CCCWSA constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(ii) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

Revenue recognised that was included in the contract liability balance at the beginning of the period

\$ '000	2021	2020
Grants and contributions received in advance:		
Funds to construct CCCWSA controlled assets	1,249	3
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15	72	3
Total revenue recognised that was included in the contract liability balance at the beginning of the period	1,321	6

Significant changes in contract liabilities

There was no significant change to contract liabilities aside from the current year recognised revenue noted above.

Accounting policy

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to CCCWSA transferring a good or service to the customer, CCCWSA presents the funds which exceed revenue recognised as a contract liability.

C2-3 Borrowings

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Loans – secured	27,816	154,304	37,334	175,490
Loans – unsecured	23,762	21,421	24,152	22,683
Total borrowings	51,578	175,725	61,486	198,173

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

C2-3 Borrowings (continued)

(a) Changes in liabilities arising from financing activities

	2020		Non-cash movements				2021
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
\$'000							
Loans – secured	212,824	(30,704)	–	–	–	–	182,120
Loan – unsecured	46,835	(1,652)	–	–	–	–	45,183
Total liabilities from financing activities	259,659	(32,356)	–	–	–	–	227,303

	2019		Non-cash movements				2020
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
\$'000							
Loans – secured	214,173	(1,349)	–	–	–	–	212,824
Loan – unsecured	25,003	21,832	–	–	–	–	46,835
Total liabilities from financing activities	239,176	20,483	–	–	–	–	259,659

(b) Financing arrangements

Additional financing arrangements information

Breaches and defaults

During the current and prior year, there were no defaults or breaches on any of the loans.

Security over loans

Loans are secured over future cash flows of CCWSA.

Accounting policy

CCCWSA measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate 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.

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 borrowing costs.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

C2-4 Employee benefit provisions

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Annual leave	3,008	–	2,761	–
Sick leave	1,019	–	1,379	–
Long service leave	4,302	379	5,046	380
Other leave	384	–	310	–
Total employee benefit provisions	8,713	379	9,496	380

Current employee benefit provisions not expected to be settled within the next twelve months

\$ '000	2021	2020
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	4,649	4,904
	<u>4,649</u>	<u>4,904</u>

Description of and movements in non-employee benefit provisions

Accounting policy

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if CCCWSA does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

C2-5 Provisions

\$ '000	2021	2021	2020	2020
	Current	Non-Current	Current	Non-Current
Self insurance – workers compensation	1,037	2,214	827	2,408
Self insurance – public liability	106	–	64	–
Self insurance – other	–	–	21	–
Payroll tax	437	–	518	21
Other	179	–	108	–
Sub-total – other provisions	1,759	2,214	1,538	2,429

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C2-5 Provisions (continued)

Total provisions	1,759	2,214	1,538	2,429
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\$ '000	Other provisions		Net carrying amount
	Self insurance	Other (Payroll Tax)	
2021			
At beginning of year	3,320	647	3,967
Additional provisions	37	180	217
Amounts used (payments)	-	(210)	(210)
Total other provisions at end of year	3,357	617	3,974
2020			
At beginning of year	2,952	945	3,897
Additional provisions	-	2,649	2,649
Amounts used (payments)	-	(2,947)	(2,947)
Other	368	-	368
Total other provisions at end of year	3,320	647	3,967

Nature and purpose of provisions

Self-insurance

To recognise liabilities for outstanding claims (uninsured losses) arising from CCCWSA's decision to undertake self-insurance for certain risks faced.

Accounting policy

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

Self-insurance

CCCWSA has decided to self-insure for various risks, including public liability, workers compensation and professional indemnity. A provision for self-insurance has been made to recognise outstanding claims. CCCWSA also maintains cash and investments to meet expected future claims; refer to Note C1-3.

Self Insurance provisions represent both (i) claims incurred but not reported and (ii) claims reported and estimated as a result of CCCWSA being a self-insurer for Workers Compensation claims. Public Liability and Professional Indemnity claims are expensed as they meet the recognition criteria as set out in AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Specific uncertainties relating to the final costs and the assumptions made in determining Provisions for Self Insurance include:

- Claims escalation of 2.5% in 2021/2022, 2.25% in 2022/2023 and 2.0% per annum thereafter. A bond yield of between -0.030% and 3.762% per annum over a 50 year period.
- All monetary amounts for past Workers Compensation claims were indexed to bring them to 'standardised' values at 30 June 2021.
- Workers Compensation claim payments projected into the future by the adopted actuarial model are in 'standardised' values as at 30 June 2021.

The last actuarial assessment of Workers Compensation Claims was undertaken in July 2021 and was performed by David A Zaman Pty Ltd. Director David Zaman, BSc, FIA, FIAA, MBA.

C3 Reserves

C3-1 Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

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D Risks and accounting uncertainties

D1-1 Risks relating to financial instruments held

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

Council's objective on behalf of CCCWSA is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance team manages the cash and investments portfolio with the assistance of independent advisors. Council has an investment policy which complies with the s 625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up performance of the portfolio as required by local government regulations.

CCCWSA 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 the finance team under policies approved by Council.

The fair value of CCCWSA's financial assets and financial liabilities approximates their carrying amount.

The risks associated with the financial instruments held are:

- interest rate risk – the risk that movements in interest rates could affect returns
- liquidity risk – the risk that CCCWSA will not be able to pay its debts as and when they fall due.
- credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to CCCWSA.

CCCWSA manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. CCCWSA also seeks advice from independent advisers before placing any cash and investments.

(a) Market risk – interest rate and price risk

\$ '000	2021	2020
The impact on the result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	1,411	1,771
Impact of a 10% movement in price of investments		
– Equity / Income Statement	14,111	17,709

(b) Credit risk

CCCWSA's major receivables comprise annual charges, user charges and fees.

CCCWSA manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk other than CCCWSA has significant credit risk exposures in its local area given the nature of CCCWSA's activities.

The level of outstanding receivables is reported to CCCWSA monthly and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

D1-1 Risks relating to financial instruments held (continued)

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

Credit risk profile

Receivables – annual charges

Credit risk on annual charges is minimised by the ability of CCCWSA to recover these debts as a secured charge over the land; that is, the land can be sold to recover the debt. CCCWSA is also able to charge interest on overdue annual charges at higher than market rates which further encourages the payment.

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2021						
Gross carrying amount	1	6,622	391	398	173	7,585
2020						
Gross carrying amount	166	13,275	653	409	101	14,604

Receivables - non annual charges

CCCWSA applies the simplified approach for non-annual charges debtors to provide for expected credit losses, which permits the use of the lifetime expected loss provision at inception. To measure the expected credit losses, non-annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2021						
Gross carrying amount	15,315	7,386	363	242	3,666	26,972
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	1.50%	0.20%
ECL provision	-	-	-	-	55	55
2020						
Gross carrying amount	3,381	16,340	577	5,005	7,663	32,966
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.79%	0.18%
ECL provision	-	-	-	-	61	61

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

D1-1 Risks relating to financial instruments held (continued)

(c) Liquidity risk

Payables and borrowings are both subject to liquidity risk; that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. CCCWSA manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. CCCWSA manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows. The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2021							
Trade/other payables	0.00%	285	7,538	–	–	7,823	7,823
Loans and advances	4.94%	–	62,025	98,920	124,170	285,115	182,120
Total financial liabilities		285	69,563	98,920	124,170	292,938	189,943
2020							
Trade/other payables	0.00%	288	36,625	–	–	36,913	13,953
Loans and advances	5.77%	–	50,548	109,067	147,839	307,454	259,659
Total financial liabilities		288	87,173	109,067	147,839	344,367	273,612

D2 Fair value measurement

CCCWSA measures the following asset and liability classes at fair value on a recurring basis:

– Infrastructure, property, plant and equipment

Fair value hierarchy

All assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by CCCWSA:

\$ '000	Notes	Fair value measurement hierarchy							
		Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
Recurring fair value measurements									
Infrastructure, property, plant and equipment C1-5									
Plant and equipment	12/05/16	12/05/16	–	–	167	194	167	194	
Office equipment	12/05/16	12/05/16	–	–	86	47	86	47	
Furniture and fittings	12/05/16	12/05/16	–	–	104	117	104	117	
Crown and Community land	01/07/20	01/07/19	12,410	12,249	–	–	12,410	12,249	
Operational land	30/06/18	30/06/18	68,946	68,946	–	–	68,946	68,946	
Land improvements - depreciable	30/06/18	30/06/18	–	–	634	132	634	132	
Buildings – specialised	30/06/18	30/06/18	–	–	31,580	32,065	31,580	32,065	
Other structures	12/05/16	12/05/16	–	–	1,203	1,256	1,203	1,256	
Roads	30/06/21	12/05/16	–	–	–	21	–	21	
Bulk earthworks (non depreciable)	30/06/21	12/05/16	–	–	–	16	–	16	
Stormwater drainage	30/06/21	12/05/16	–	–	1,092,202	1,030,632	1,092,202	1,030,632	
Water supply network	30/06/21	30/06/16	–	–	1,044,231	1,035,739	1,044,231	1,035,739	
Sewerage network	30/06/21	30/06/16	–	–	1,421,091	1,411,723	1,421,091	1,411,723	
Other assets			–	–	128	–	128	–	
Total infrastructure, property, plant and equipment			81,356	81,195	3,591,426	3,511,942	3,672,782	3,593,137	

Transfers between level 1 and level 2 fair value hierarchies

The following transfers occurred between level 1 and level 2 fair value hierarchies during the year:

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

D2 Fair value measurement (continued)

Valuation techniques

Where CCCWSA is unable to derive fair valuations using quoted market prices of identical assets (ie. Level 1 inputs), or observable inputs (Level 2 inputs), it utilises unobservable inputs (Level 3 inputs).

The fair valuation techniques CCCWSA has employed while utilising level 2 and level 3 inputs are as follows:

Infrastructure, property, plant and equipment (IPPE)

Plant and equipment, office equipment and furniture and fittings

Plant and equipment, office equipment and furniture and fittings assets are recognised and valued at cost. CCCWSA assumes that the carrying amount reflects the fair value of the assets due to the nature of the items. Therefore these assets are disclosed at fair value in the notes.

These asset categories include:

- plant and equipment
 - o Major plant items – tractors, excavators, street sweepers, tippers, rollers, forklifts, backhoes, beach cleaners
 - o Minor plant items – generators, mowers, weed harvester, trailers, chainsaws, wood chippers, power hand tools
 - o Fleet vehicles – trucks, commercial vehicles and passenger vehicles
- office equipment – computer hardware, communications equipment, digital cameras, photocopiers
- furniture and fittings – work stations, storage cabinets, CCTV, air conditioning units.

The unobservable level 3 inputs used include:

- pattern of consumption
- useful life
- residual value.

CCCWSA reviews the value of these assets based on the gross replacement cost of similar assets.

There has been no change to the valuation process during the reporting period.

Operational land

This asset class is comprised of all CCCWSA's land classified as operational land under the *Local Government Act 1993*. CCCWSA's accounting policy is to value the freehold land on a market value basis.

CCCWSA engaged Scott Fullarton Valuation Pty Ltd to value operational land in 2018. The land was valued using level 2 inputs that would be taken into account by buyers and sellers in setting the price, including but not limited to dimensions, land use and zoning, exposure to traffic and topography.

There has been no change to the valuation process during the reporting period.

Crown and Community land

Community Land assets are comprised of CCCWSA owned land classified as Community Land under the *Local Government Act 1993*. Crown land is under the care and management of CCCWSA on behalf of the Crown.

CCCWSA accounting policy is to value Crown and Community land based on the unimproved land values provided by the Valuer General or an average unit rate based on the land values for similar properties (land use, land size, shape and location) where the Valuer General has not provided a land value based on the highest and best use for the land.

These are considered level 2 observable inputs.

Crown and Community land have been valued at 30 June 2021 using the VG valuations published on 1 July 2020.

Buildings – specialised

It is CCCWSA's accounting policy to value buildings for which a market exists using the best estimate of the price reasonably obtainable in the market at the date of valuation. Where there is no depth in market the buildings will be determined on the depreciated current replacement cost basis.

The valuation of buildings, structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and firefighting

D2 Fair value measurement (continued)

equipment, and general lighting). The buildings and site improvements were physically inspected and measured. The building valuations incorporate a gross current value, net current value and residual value for each asset.

This asset class is categorised as Level 3 as some of the inputs used in the valuation of these assets require significant professional judgement and are unobservable.

CCCWSA engaged Scott Fullarton Valuation Pty Ltd to value all buildings in 2018. The approach estimated the replacement cost of each building and componentising of significant parts of specific buildings with different useful lives and taking into account CCCWSA's asset management practices.

Where the unit rates could be supported by market evidence, Level 2 inputs were utilised. Other outputs (such as estimates of residual value, useful life, asset condition and componentisation including the split between short and long life components) required extensive professional judgement and impacted significantly on the final determination of fair value. As such, this asset class has been valued utilising Level 3 inputs.

Other structures

This asset class is comprised of fencing and structures which did not meet the definition of a building.

CCCWSA's accounting policy is to value other structures based on the technical knowledge and experience of engineers and asset management staff. Unobservable Level 3 inputs used include useful life, asset condition and pattern of consumption.

There has been no change to the valuation process during the reporting period.

Stormwater drainage

The Stormwater drainage asset class consists of CCCWSA's pits, pipes, detention basins, open drains, culverts, floodgates, wetlands, headwalls and gross pollutant traps.

CCCWSA engaged Morrison Low to value all stormwater drainage assets as at 30 June 2021. The approach used the cost assets approach. Replacement cost was assessed using the Modern Engineering Equivalent Replacement Asset (MEERA) approach.

Significant inputs considered in the valuation of these assets are asset condition, remaining useful life and pattern of consumption.

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Water supply network

This asset class is comprised of water treatment plants, water pump stations, reservoirs, water mains, tunnels, dams, weirs and water meters.

The gross replacement cost approach has been utilised to value the water supply network. This approach estimates the gross replacement cost based on MEERA techniques and equipment that would result in recognising an asset to serve the same function as the existing asset, rather than replicate the existing asset.

Assets have been componentised as per AASB 116 *Property, Plant and Equipment*.

Based on the technical nature of the assets, CCCWSA will engage technical experts as required.

Unobservable Level 3 inputs used include materials used in the construction of the asset, useful life, asset condition, unit rates and pattern of consumption.

There has been no change to the valuation process during the reporting period.

Sewerage network

This asset class is comprised of sewer treatment plants, sewer pump stations, sewer vacuum systems and sewer mains.

The gross replacement cost approach has been utilised to value the sewerage network. This approach estimates the gross replacement cost based on MEERA techniques and equipment that would yield an asset to serve the same function as the existing asset, rather than replicate the existing asset. Assets have been componentised as per AASB 116 *Property, Plant and Equipment*.

Unobservable Level 3 inputs used include materials used in the construction of the asset, residual value, useful life, asset condition, unit rates and pattern of consumption.

D2 Fair value measurement (continued)

There have been no other changes to the valuation process during the reporting period.

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D2 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

\$ '000	Fair value (30/6/21) 2021	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Plant and equipment	167	Cost approach	Pattern of consumption, useful life and residual value
Office equipment	86	Cost approach	Pattern of consumption, useful life and residual value
Furniture and fittings	104	Cost approach	Pattern of consumption, useful life and residual value
Land improvements - depreciable	634	Cost approach	Pattern of consumption, useful life and residual value
Buildings specialised	31,580	Market value	Pattern of consumption, useful life, residual value, asset condition and componentisation
Other structures	1,203	Cost approach	Useful life, pattern of consumption and asset condition
Stormwater drainage	1,092,202	Cost approach	Current replacement cost of modern equivalent asset, asset condition and remaining lives
Water supply network	1,044,231	Cost approach	Current replacement cost of modern equivalent asset, asset condition and remaining lives
Sewerage network	1,421,091	Cost approach	Current replacement cost of modern equivalent asset, asset condition and remaining lives
Other assets	128	Cost approach	Current replacement cost of modern equivalent asset, asset condition and remaining lives

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

\$ '000	Plant and equipment		Office equipment		Furniture and fittings		Buildings specialised	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	194	50	47	9	117	123	32,065	31,207
Purchases (GBV)	-	185	71	73	-	7	219	1,545
Disposals (WDV)	-	-	-	-	-	-	-	(4)
Depreciation and impairment	(27)	(41)	(32)	(35)	(13)	(13)	(704)	(683)
Closing balance	167	194	86	47	104	117	31,580	32,065

\$ '000	Other structures		Roads		Bulk earthworks		Stormwater drainage	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	1,256	1,293	21	22	16	16	1,030,632	1,020,512
Purchases (GBV)	-	17	-	-	-	-	19,791	26,271
Disposals (WDV)	-	-	-	-	-	-	(34)	(293)
Depreciation and impairment	(53)	(54)	(1)	(1)	-	-	(14,561)	(15,858)
Revaluation increments / (decrements) to equity (ARR)	-	-	(20)	-	(16)	-	56,374	-
Closing balance	1,203	1,256	-	21	-	16	1,092,202	1,030,632

continued on next page ...

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D2 Fair value measurement (continued)

\$ '000	Water supply network		Sewerage network		Other assets		Land improvement - depreciable	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	1,035,739	1,033,296	1,411,723	1,410,293	-	-	132	-
Transfers from/(to) another asset class	7	682	-	600	-	-	-	-
Purchases (GBV)	33,696	20,557	43,435	24,574	133	-	516	146
Disposals (WDV)	(994)	(1,004)	(1,385)	(1,258)	-	-	-	-
Depreciation and impairment	(24,217)	(26,833)	(32,682)	(35,143)	(5)	-	(14)	(14)
Revaluation increments / (decrements) to equity (ARR)	-	9,041	-	12,657	-	-	-	-
Closing balance	1,044,231	1,035,739	1,421,091	1,411,723	128	-	634	132

\$ '000	Total	
	2021	2020
Opening balance	3,511,942	3,496,821
Transfers from/(to) another asset class	7	1,282
Purchases (GBV)	97,861	73,375
Disposals (WDV)	(2,413)	(2,559)
Depreciation and impairment	(72,309)	(78,675)
Revaluation increments / (decrements) to equity (ARR)	56,338	21,698
Closing balance	3,591,426	3,511,942

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D2 Fair value measurement (continued)

Highest and best use

The following non-financial assets of CCCWSA are being utilised at other than their highest and best use:

Community based assets

CCCWSA undertakes a number of services with a strong focus of providing community benefits to its constituents. These services are based meeting essential community needs and are not of a nature that would be provided in a commercially competitive environment.

Crown land under CCCWSA's care and control as well as CCCWSA - owned land that has been classified as community land under the provisions of the Local Government Act 1993.

Furthermore, CCCWSA has a number of buildings that are applied in delivering community services. The restrictions on the land and the community use of the buildings in delivering community based services is considered to be the 'highest and best use' of those assets to CCCWSA.

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D3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

Defined benefit superannuation contribution plans

Council, on behalf of CCCWSA is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a “multi-employer fund” for purposes of AASB119 *Employee Benefits*. Sufficient information is not available to account for the Scheme as a defined benefit plan in accordance with AASB119 because the assets to the Scheme are pooled together for all Councils.

Employer contributions paid to the defined benefit section of the Scheme during 2020-21 were recognised as an expense. The last valuation of the Scheme was performed by Fund Actuary, Richard Boyfield FIAA as at 30 June 2020.

The position is monitored annually and the actuary has estimated that, as at 30 June 2021, a deficit still exists. Effective from 1 July 2009, employers are required to make additional contributions to assist in extinguishing this deficit.

CCCWSA's share of the deficit cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all members. For this reason, no liability for the deficit has been recognised in CCCWSA's accounts. CCCWSA has a possible obligation that may arise should the Scheme require immediate payment to correct the deficit.

2. Other liabilities

Developer contributions

CCCWSA levies Section 64 contributions upon various developments across the local government area through the required contributions plans. As part of these plans, CCCWSA 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 CCCWSA, which will be funded by making levies and receipting funds in future years. It is possible that funds contributed may be less than the cost of the infrastructure requiring CCCWSA to borrow or use general revenue to fund the difference.

These future expenses do not yet qualify as liabilities as of the reporting date, but represent the intention to spend funds in the manner and timing set out in those plans.

E People and relationships**E1 Related party disclosures****E1 Key management personnel (KMP)**

Key management personnel (KMP) of Central Coast Council Water Supply Authority (CCCWSA) are those persons having the authority and responsibility for planning, directing and controlling the activities of the CCCWSA, directly or indirectly. KMP include the following positions Councillors, Interim Administrators, Chief Executive Officer and Executive Leadership Team members.

The aggregate amount of KMP compensation included in the Income Statement is:

\$ '000	2021	2020
Compensation:		
Short-term benefits	1,091	1,198
Other long-term benefits	55	56
Termination benefits	131	133
Total	1,277	1,387

Other transactions with KMP and their related parties

CCCWSA has determined that there were no transactions between KMP and CCCWSA.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

E2 Other relationships

E2-1 Audit fees

\$ '000	2021	2020
During the year, the following fees were incurred for services provided by the auditor of CCCWSA, related practices and non-related audit firms		
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Audit and review of financial statements	-	12
Remuneration for audit and other assurance services	-	12
Total remuneration of non NSW Auditor-General audit firms	-	12
Total audit fees	-	12

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Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

F Other matters**F1-1 Statement of Cash Flows information****(a) Reconciliation of net operating result to cash provided from operating activities**

\$ '000	2021	2020
Net operating result from Income Statement	(8,754)	(31,524)
Adjust for non-cash items:		
Depreciation and amortisation	72,309	78,675
Net losses/(gains) on disposal of assets	2,413	2,559
Non-cash capital grants and contributions	(11,280)	(4,330)
Adoption of AASB 15/1058	-	(2,503)
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	13,014	(5,159)
Increase/(decrease) in provision for impairment of receivables	(7)	61
Decrease/(increase) in other current assets	(61)	(161)
Increase/(decrease) in payables	(62)	(1,549)
Increase/(decrease) in other accrued expenses payable	(6,065)	6,222
Increase/(decrease) in other liabilities	420	(24,478)
Increase/(decrease) in contract liabilities	(1,312)	3,721
Increase/(decrease) in provision for employee benefits	(784)	312
Increase/(decrease) in other provisions	6	70
Net cash provided from operating activities from the Statement of Cash Flows	59,837	21,916

(b) Non-cash investing and financing activities

Other dedications	9,931	4,330
Total non-cash investing and financing activities	9,931	4,330

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

F2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2021	2020
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Other – Stormwater Management	159	406
Infrastructure	13,488	41,229
Total commitments	13,647	41,635
These expenditures are payable as follows:		
Within the next year	13,647	41,635
Total payable	13,647	41,635
Sources for funding of capital commitments:		
Unrestricted general funds	7,662	41,635
Unexpended grants and contributions	5,967	–
Externally restricted reserves	18	–
Total sources of funding	13,647	41,635

Details of capital commitments

Major projects include:

- Annual water main renewal program
- Water treatment plant major upgrade - Mardi
- Water and sewer infrastructure reinforcements - Gosford CBD
- Water and sewer infrastructure - Warnervale Town Centre
- Critical sewer main rehabilitation - reticulation system
- Sewer pump station upgrade - Clarke Road, Norville

F3-1 Events occurring after the reporting date

To be updated in October prior to Audit sign off

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Central Coast Council - Water Supply Authority

General Purpose Financial Statements
for the year ended 30 June 2021

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Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2021

Central Coast Council - Water Supply Authority

General Purpose Financial Statements
for the year ended 30 June 2021

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Central Coast Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021

A vibrant and sustainable Central Coast



Central Coast Council

Special Purpose Financial Statements

for the year ended 30 June 2021

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Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities), and **(c)** those activities with a turnover of less than \$2 million that Council has formally declared as a business activity (defined as Category 2 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Central Coast Council

Special Purpose Financial Statements

for the year ended 30 June 2021

Statement by Interim Administrator and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- the NSW Government Policy Statement *Application of National Competition Policy to Local Government*,
- the Division of Local Government Guidelines *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*,
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water *Best-Practice Management of Water and Sewerage Guidelines*.

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records, and
- present overhead reallocation charges to businesses as fair and reasonable.

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 29 October 2021.

Rik Hart
Interim Administrator
29 October 2021

David Farmer
Chief Executive Officer
29 October 2021

Natalia Cowley
Responsible Accounting Officer
29 October 2021

Central Coast Council | Income Statement of water supply business activity | For the year ended 30 June 2021

Central Coast Council

Income Statement of water supply business activity

for the year ended 30 June 2021

\$ '000	2021	2020
Income from continuing operations		
Access charges	11,930	11,325
User charges	55,790	57,452
Fees	1,833	1,607
Interest	315	1,211
Grants and contributions provided for non-capital purposes	3	17
Other income	7	82
Total income from continuing operations	69,878	71,694
Expenses from continuing operations		
Employee benefits and on-costs	16,877	18,010
Borrowing costs	9,559	11,315
Materials and services	31,179	33,304
Depreciation, amortisation and impairment	24,599	27,198
Water purchase charges	982	464
Loss on sale of assets	994	1,004
Calculated taxation equivalents	646	612
Other expenses	3	2
Total expenses from continuing operations	84,839	91,909
Surplus (deficit) from continuing operations before capital amounts	(14,961)	(20,215)
Grants and contributions provided for capital purposes	8,398	6,117
Surplus (deficit) from continuing operations after capital amounts	(6,563)	(14,098)
Surplus (deficit) from all operations before tax	(6,563)	(14,098)
Surplus (deficit) after tax	(6,563)	(14,098)
Opening accumulated surplus	948,814	964,704
Changes due to AASB 1058 and AASB 15 adoption	-	(2,404)
Adjustments for amounts unpaid:		
- Taxation equivalent payments	646	612
Closing accumulated surplus	942,897	948,814
Return on capital %	(0.5)%	(0.8)%
Subsidy from Council	22,626	19,039
Calculation of dividend payable:		
Surplus (deficit) after tax	(6,563)	(14,098)
Less: capital grants and contributions (excluding developer contributions)	(8,398)	(6,117)
Surplus for dividend calculation purposes	-	-
Potential dividend calculated from surplus	-	-

Central Coast Council | Income Statement of sewerage business activity | For the year ended 30 June 2021

Central Coast Council

Income Statement of sewerage business activity

for the year ended 30 June 2021

\$ '000	2021	2020
Income from continuing operations		
Access charges	54,866	52,685
User charges	16,228	15,398
Liquid trade waste charges	2,136	2,180
Fees	1,161	868
Interest	2,250	3,659
Grants and contributions provided for non-capital purposes	462	399
Other income	59	79
Total income from continuing operations	77,162	75,268
Expenses from continuing operations		
Employee benefits and on-costs	17,877	17,577
Borrowing costs	4,783	3,906
Materials and services	30,634	30,492
Depreciation, amortisation and impairment	33,144	35,614
Loss on sale of assets	1,385	1,262
Calculated taxation equivalents	239	227
Other expenses	-	62
Total expenses from continuing operations	88,062	89,140
Surplus (deficit) from continuing operations before capital amounts	(10,900)	(13,872)
Grants and contributions provided for capital purposes	4,267	7,866
Surplus (deficit) from continuing operations after capital amounts	(6,633)	(6,006)
Surplus (deficit) from all operations before tax	(6,633)	(6,006)
Surplus (deficit) after tax	(6,633)	(6,006)
Opening accumulated surplus	1,492,793	1,498,572
Adjustments for amounts unpaid:		
- Taxation equivalent payments	239	227
Closing accumulated surplus	1,486,399	1,492,793
Return on capital %	(0.4)%	(0.7)%
Subsidy from Council	28,078	23,245
Calculation of dividend payable:		
Surplus (deficit) after tax	(6,633)	(6,006)
Less: capital grants and contributions (excluding developer contributions)	(4,267)	(7,866)
Surplus for dividend calculation purposes	-	-
Potential dividend calculated from surplus	-	-

Central Coast Council | Income Statement – Drainage | For the year ended 30 June 2021

Central Coast Council

Income Statement – Drainage

for the year ended 30 June 2021

\$ '000	2021 Category 1	2020 Category 1
Income from continuing operations		
Access charges	15,008	14,345
Interest	29	53
Grants and contributions provided for non-capital purposes	242	177
Other income	–	18
Total income from continuing operations	15,279	14,593
Expenses from continuing operations		
Employee benefits and on-costs	1,465	1,969
Borrowing costs	568	635
Materials and services	7,059	10,879
Depreciation, amortisation and impairment	14,567	15,863
Loss on sale of assets	35	293
Calculated taxation equivalents	74	69
Total expenses from continuing operations	23,768	29,708
Surplus (deficit) from continuing operations before capital amounts	(8,489)	(15,115)
Grants and contributions provided for capital purposes	11,967	2,784
Surplus (deficit) from continuing operations after capital amounts	3,478	(12,331)
Surplus (deficit) from all operations before tax	3,478	(12,331)
SURPLUS (DEFICIT) AFTER TAX	3,478	(12,331)
Opening accumulated surplus	1,021,235	1,033,595
Changes due to AASB 1058 and AASB 15 adoption	–	(98)
Adjustments for amounts unpaid:		
– Taxation equivalent payments	74	69
Closing accumulated surplus	1,024,787	1,021,235
Return on capital %	(0.7)%	(1.4)%
Subsidy from Council	24,491	23,862

Central Coast Council | Income Statement – Holiday Parks | For the year ended 30 June 2021

Central Coast Council

Income Statement – Holiday Parks

for the year ended 30 June 2021

\$ '000	2021 Category 1	2020 Category 1
Income from continuing operations		
User charges	11,583	9,077
Total income from continuing operations	11,583	9,077
Expenses from continuing operations		
Employee benefits and on-costs	181	264
Materials and services	8,239	6,524
Depreciation, amortisation and impairment	676	678
Loss on sale of assets	30	17
Calculated taxation equivalents	285	280
Other expenses	663	472
Total expenses from continuing operations	10,074	8,235
Surplus (deficit) from continuing operations before capital amounts	1,509	842
Surplus (deficit) from continuing operations after capital amounts	1,509	842
Surplus (deficit) from all operations before tax	1,509	842
Less: corporate taxation equivalent [based on result before capital]	(392)	(232)
SURPLUS (DEFICIT) AFTER TAX	1,117	610
Opening accumulated surplus	28,928	26,749
Adjustments for amounts unpaid:		
– Taxation equivalent payments	285	280
– Corporate taxation equivalent	392	232
– Subsidy paid/contribution to operations	1,606	1,057
Closing accumulated surplus	32,328	28,928
Return on capital %	7.5%	4.3%
Subsidy from Council	–	–

Central Coast Council | Income Statement – Leisure Centres | For the year ended 30 June 2021

Central Coast Council

Income Statement – Leisure Centres

for the year ended 30 June 2021

\$ '000	2021 Category 1	2020 Category 1
Income from continuing operations		
User charges	6,450	5,246
Other income	467	383
Total income from continuing operations	6,917	5,629
Expenses from continuing operations		
Employee benefits and on-costs	6,470	5,922
Materials and services	3,419	3,568
Depreciation, amortisation and impairment	1,485	1,256
Loss on sale of assets	–	653
Calculated taxation equivalents	506	412
Other expenses	–	2
Total expenses from continuing operations	11,880	11,813
Surplus (deficit) from continuing operations before capital amounts	(4,963)	(6,184)
Grants and contributions provided for capital purposes	570	263
Surplus (deficit) from continuing operations after capital amounts	(4,393)	(5,921)
Surplus (deficit) from all operations before tax	(4,393)	(5,921)
SURPLUS (DEFICIT) AFTER TAX	(4,393)	(5,921)
Opening accumulated surplus	38,372	40,686
Adjustments for amounts unpaid:		
– Taxation equivalent payments	506	412
– Subsidy payable/contribution to operations by Council	7,173	3,195
Closing accumulated surplus	41,658	38,372
Return on capital %	(10.2)%	(13.6)%
Subsidy from Council	5,685	6,589

Central Coast Council | Income Statement – Child Care | For the year ended 30 June 2021

Central Coast Council

Income Statement – Child Care

for the year ended 30 June 2021

\$ '000	2021 Category 1	2020 Category 1
Income from continuing operations		
User charges	6,952	5,188
Grants and contributions provided for non-capital purposes	930	2,130
Other income	11	–
Total income from continuing operations	7,893	7,318
Expenses from continuing operations		
Employee benefits and on-costs	6,873	6,686
Borrowing costs	13	13
Materials and services	2,275	2,227
Depreciation, amortisation and impairment	158	66
Calculated taxation equivalents	350	381
Other expenses	–	(10)
Total expenses from continuing operations	9,669	9,363
Surplus (deficit) from continuing operations before capital amounts	(1,776)	(2,045)
Grants and contributions provided for capital purposes	81	32
Surplus (deficit) from continuing operations after capital amounts	(1,695)	(2,013)
Surplus (deficit) from all operations before tax	(1,695)	(2,013)
SURPLUS (DEFICIT) AFTER TAX	(1,695)	(2,013)
Opening accumulated surplus	(828)	(617)
Plus/less: other adjustments (prior year subsidy payable by Council)	–	–
Adjustments for amounts unpaid:		
– Taxation equivalent payments	350	381
– Subsidy payable/contribution to operations by Council	8,744	1,422
Closing accumulated surplus	6,571	(827)
Return on capital %	(22.1)%	(259.5)%
Subsidy from Council	1,882	2,040

Central Coast Council | Income Statement – Commercial Waste | For the year ended 30 June 2021

Central Coast Council

Income Statement – Commercial Waste

for the year ended 30 June 2021

\$ '000	2021 Category 1	2020 Category 1
Income from continuing operations		
Access charges	4,090	4,055
Interest	<u>2</u>	<u>3</u>
Total income from continuing operations	<u>4,092</u>	<u>4,058</u>
Expenses from continuing operations		
Materials and services	2,321	1,947
Other expenses	<u>2,834</u>	<u>2,153</u>
Total expenses from continuing operations	<u>5,155</u>	<u>4,100</u>
Surplus (deficit) from continuing operations before capital amounts	<u>(1,063)</u>	<u>(42)</u>
Surplus (deficit) from continuing operations after capital amounts	<u>(1,063)</u>	<u>(42)</u>
Surplus (deficit) from all operations before tax	<u>(1,063)</u>	<u>(42)</u>
SURPLUS (DEFICIT) AFTER TAX	<u>(1,063)</u>	<u>(42)</u>
Opening accumulated surplus	549	(243)
Adjustments for amounts unpaid:		
– Subsidy paid/contribution to operations	975	834
Closing accumulated surplus	<u>461</u>	<u>549</u>
Return on capital %	0.0%	0.0%
Subsidy from Council	1,063	42

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Central Coast Council | Income Statement – Building Certification | For the year ended 30 June 2021

Central Coast Council

Income Statement – Building Certification

for the year ended 30 June 2021

\$ '000	2021 Category 2	2020 Category 2
Income from continuing operations		
Fees	1,960	1,263
Other income	7	10
Total income from continuing operations	1,967	1,273
Expenses from continuing operations		
Employee benefits and on-costs	3,481	3,013
Materials and services	1,153	1,236
Calculated taxation equivalents	99	24
Other expenses	-	(5)
Total expenses from continuing operations	4,733	4,268
Surplus (deficit) from continuing operations before capital amounts	(2,766)	(2,995)
Surplus (deficit) from continuing operations after capital amounts	(2,766)	(2,995)
Surplus (deficit) from all operations before tax	(2,766)	(2,995)
SURPLUS (DEFICIT) AFTER TAX	(2,766)	(2,995)
Opening accumulated surplus	(1,375)	(611)
Adjustments for amounts unpaid:		
– Taxation equivalent payments	99	24
– Subsidy payable/contribution to operations by Council	2,760	2,207
Closing accumulated surplus	(1,282)	(1,375)
Return on capital %	0.0%	0.0%
Subsidy from Council	2,766	2,995

Central Coast Council | Statement of Financial Position of water supply business activity | For the year ended 30 June 2021

Central Coast Council

Statement of Financial Position of water supply business activity

as at 30 June 2021

\$ '000	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	65	7,378
Investments	1,232	16,027
Receivables	20,673	26,470
Other	112	–
Total current assets	22,082	49,875
Non-current assets		
Investments	547	11,713
Receivables	230	275
Infrastructure, property, plant and equipment	1,156,003	1,139,183
Total non-current assets	1,156,780	1,151,171
Total assets	1,178,862	1,201,046
LIABILITIES		
Current liabilities		
Contract liabilities	2,300	2,596
Provisions	481	649
Payables	4,487	9,262
Income received in advance	4,888	4,241
Borrowings	18,309	30,351
Employee benefit provisions	4,581	4,945
Total current liabilities	35,046	52,044
Non-current liabilities		
Provisions	851	917
Borrowings	137,345	136,675
Employee benefit provisions	189	237
Total non-current liabilities	138,385	137,829
Total liabilities	173,431	189,873
Net assets	1,005,431	1,011,173
EQUITY		
Accumulated surplus	942,898	948,814
Revaluation reserves	62,533	62,359
Total equity	1,005,431	1,011,173

Central Coast Council | Statement of Financial Position of sewerage business activity | For the year ended 30 June 2021

Central Coast Council

Statement of Financial Position of sewerage business activity

as at 30 June 2021

\$ '000	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	9,301	44,781
Investments	51,059	92,584
Receivables	9,543	15,503
Other	110	–
Total current assets	70,013	152,868
Non-current assets		
Investments	78,734	4,512
Receivables	10,453	11,065
Infrastructure, property, plant and equipment	1,473,860	1,492,019
Total non-current assets	1,563,047	1,507,596
Total assets	1,633,060	1,660,464
LIABILITIES		
Current liabilities		
Contract liabilities		153
Provisions	1,080	766
Payables	2,448	3,119
Income received in advance	73	96
Borrowings	10,259	6,333
Employee benefit provisions	4,238	4,385
Total current liabilities	18,098	14,852
Non-current liabilities		
Provisions	1,380	1,511
Income received in advance	1,005	1,074
Borrowings	37,879	61,944
Employee benefit provisions	187	141
Total non-current liabilities	40,451	64,670
Total liabilities	58,549	79,522
Net assets	1,574,511	1,580,942
EQUITY		
Accumulated surplus	1,486,401	1,492,793
Revaluation reserves	88,110	88,149
Total equity	1,574,511	1,580,942

Central Coast Council | Statement of Financial Position – Drainage | For the year ended 30 June 2021

Central Coast Council

Statement of Financial Position – Drainage

as at 30 June 2021

\$ '000	2021 Category 1	2020 Category 1
ASSETS		
Current assets		
Cash and cash equivalents	11	1
Investments	61	3
Receivables	1,613	2,744
Total current assets	1,685	2,748
Non-current assets		
Investments	95	154
Receivables	1	1
Infrastructure, property, plant and equipment	1,112,047	1,054,123
Intangible assets	1,703	1,703
Total non-current assets	1,113,846	1,055,981
Total assets	1,115,531	1,058,729
LIABILITIES		
Current liabilities		
Contract liabilities	109	973
Payables	891	1,574
Borrowings	23,406	25,177
Employee benefit provisions	74	275
Provisions	–	15
Total current liabilities	24,480	28,014
Non-current liabilities		
Income received in advance	1,260	1,393
Borrowings	8,118	7,567
Employee benefit provisions	4	2
Total non-current liabilities	9,382	8,962
Total liabilities	33,862	36,976
NET ASSETS	1,081,669	1,021,753
EQUITY		
Accumulated surplus	1,024,787	1,021,235
Revaluation reserves	56,882	518
Total equity	1,081,669	1,021,753

Central Coast Council | Statement of Financial Position – Holiday Parks | For the year ended 30 June 2021

Central Coast Council

Statement of Financial Position – Holiday Parks

as at 30 June 2021

\$ '000	2021 Category 1	2020 Category 1
ASSETS		
Current assets		
Investments	14,604	11,429
Receivables	162	266
Total current assets	14,766	11,695
Non-current assets		
Infrastructure, property, plant and equipment	20,036	19,506
Total non-current assets	20,036	19,506
Total assets	34,802	31,201
LIABILITIES		
Current liabilities		
Payables	713	856
Income received in advance	1,723	1,395
Employee benefit provisions	38	22
Total current liabilities	2,474	2,273
Non-current liabilities		
Employee benefits provisions	-	-
Total non-current liabilities	-	-
Total liabilities	2,474	2,273
NET ASSETS	32,328	28,928
EQUITY		
Accumulated surplus	32,328	28,928
Total equity	32,328	28,928

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Central Coast Council | Statement of Financial Position – Leisure Centres | For the year ended 30 June 2021

Central Coast Council

Statement of Financial Position – Leisure Centres

as at 30 June 2021

\$ '000	2021 Category 1	2020 Category 1
ASSETS		
Current assets		
Cash and cash equivalents	–	4
Receivables	24	35
Total current assets	24	39
Non-current assets		
Infrastructure, property, plant and equipment	48,473	45,456
Total non-current assets	48,473	45,456
Total assets	48,497	45,495
LIABILITIES		
Current liabilities		
Contract liabilities	37	–
Payables	191	769
Employee benefit provisions	1,061	818
Total current liabilities	1,289	1,587
Non-current liabilities		
Employee benefit provisions	62	48
Total non-current liabilities	62	48
Total liabilities	1,351	1,635
NET ASSETS	47,146	43,860
EQUITY		
Accumulated surplus	41,658	38,372
Revaluation reserves	5,488	5,488
Total equity	47,146	43,860

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Central Coast Council | Statement of Financial Position – Child Care | For the year ended 30 June 2021

Central Coast Council

Statement of Financial Position – Child Care

as at 30 June 2021

\$ '000	2021 Category 1	2020 Category 1
ASSETS		
Current assets		
Receivables	171	8
Total current assets	171	8
Non-current assets		
Infrastructure, property, plant and equipment	7,986	783
Total non-current assets	7,986	783
Total assets	8,157	791
LIABILITIES		
Current liabilities		
Contract liabilities	153	61
Payables	223	246
Income received in advance	–	158
Employee benefit provisions	1,142	1,096
Total current liabilities	1,518	1,561
Non-current liabilities		
Employee benefit provisions	68	58
Total non-current liabilities	68	58
Total liabilities	1,586	1,619
NET ASSETS	6,571	(828)
EQUITY		
Accumulated surplus	6,571	(828)
Total equity	6,571	(828)

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Central Coast Council | Statement of Financial Position – Commercial Waste | For the year ended 30 June 2021

Central Coast Council

Statement of Financial Position – Commercial Waste

as at 30 June 2021

\$ '000	2021 Category 1	2020 Category 1
ASSETS		
Current assets		
Receivables	690	766
Total current assets	690	766
Non-current assets		
Receivables	–	2
Total non-current assets	–	2
Total assets	690	768
LIABILITIES		
Current liabilities		
Payables	220	210
Income received in advance	9	9
Total current liabilities	229	219
Non-current liabilities		
Payables	–	–
Total non-current liabilities	–	–
Total liabilities	229	219
NET ASSETS	461	549
EQUITY		
Accumulated surplus	461	549
Total equity	461	549

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Central Coast Council | Statement of Financial Position – Building Certification | For the year ended 30 June 2021

Central Coast Council

Statement of Financial Position – Building Certification

as at 30 June 2021

\$ '000	2021 Category 2	2020 Category 2
ASSETS		
Current assets		
Cash and cash equivalents	-	-
Total current assets	-	-
Non-current assets		
Investments	-	-
Total non-current assets	-	-
Total assets	-	-
LIABILITIES		
Current liabilities		
Employee benefit provisions	1,242	1,339
Total current liabilities	1,242	1,339
Non-current liabilities		
Employee benefit provisions	40	36
Total non-current liabilities	40	36
Total liabilities	1,282	1,375
NET ASSETS	(1,282)	(1,375)
EQUITY		
Accumulated surplus	(1,282)	(1,375)
Total equity	(1,282)	(1,375)

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Note – Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the special purpose financial statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these special purpose financial statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993* (Act), the *Local Government (General) Regulation 2005* (Regulation) and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, fair value of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in 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 NSW Government Policy statement titled 'Application of National Competition Policy to Local Government'. *The Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, and returns on investments (rate of return and dividends paid).

Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

a. Water supplies

Water catchment, treatment and supply.

b. Sewerage services

Sewerage collection, treatment and disposal.

c. Stormwater drainage services

Provide and maintain stormwater drainage services.

d. Commercial waste management

Collection and disposal of commercial waste.

e. Care and Education

Provision of child care services.

f. Holiday Parks

Provision of holiday parks.

g. Leisure Centres

Provision of leisure centres.

Category 2

(where gross operating turnover is less than \$2 million)

a. Building Certification

continued on next page ...

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Note – Significant Accounting Policies (continued)

Provision of building certification services.

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs. However, where Council does not pay some taxes, which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in special purpose 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 – 26% (19/20 27.5%)

Land tax – the first \$755,000 of combined land values attracts 0%. For the combined land values in excess of \$755,000 up to \$4,616,000 the rate is \$100 + 1.6%. For the remaining combined land value that exceeds \$4,616,000 a premium marginal rate of 2.0% applies.

Payroll tax – 4.85% on the value of taxable salaries and wages in excess of \$1,200,000.

In accordance with the Department of Planning, Industry & Environment – Water guidelines, 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 to in the Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act. Achievement of substantial compliance to the DPIE – Water guidelines 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 the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account 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 26% (19/20 27.5%).

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the 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 the SPFS. The rate applied of 26% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face 'true' commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statements of business activities.

(ii) Return on investments (rate of return)

The NCP 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'.

Note – Significant Accounting Policies (continued)

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Income Statement.

(iii) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses, or to any external entities.

A local government water supply and sewerage businesses is permitted to pay annual dividends from their water supply or sewerage business surpluses.

Each dividend must be calculated and approved in accordance with the DPIE - Water guidelines and must not exceed:

- 50% of the relevant surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2021 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Best Practice Management of Water Supply and Sewer Guidelines, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to DPIE - Water.

End of Audited Special Purpose Financial Statements.

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Central Coast Council

Special Purpose Financial Statements
for the year ended 30 June 2021

Please upload Council's Audit Report PDF (opinion) for inclusion in the SPFS report (via the Home screen).

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Central Coast Council

SPECIAL SCHEDULES
for the year ended 30 June 2021

A vibrant and sustainable Central Coast



Central Coast Council

Special Schedules
for the year ended 30 June 2021

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Permissible income for general rates (Merger Councils)	3
Report on infrastructure assets as at 30 June 2021	4

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Central Coast Council | Permissible income for general rates (Merger Councils) | For the year ended 30 June 2021

Central Coast Council

Permissible income for general rates

\$ '000	Notes	2020/21 Wyong Shire Council	2020/21 Gosford City Council	2020/21 Central Coast Council	2021/22 Central Coast Council
Notional general income calculation ¹					
Last year notional general income yield	a	90,498	80,006	170,504	175,459
Plus or minus adjustments ²	b	333	105	438	(879)
Notional general income	c = a + b	90,831	80,111	170,942	174,580
Permissible income calculation					
Special variation percentage	d	0.00%	0.00%		13.00%
Rate peg percentage	e	2.60%	2.60%		2.00%
Plus special variation amount	$h = d \times (c + g)$	-	-	-	22,695
Plus rate peg amount	$i = e \times (c + g)$	2,362	2,083	4,445	3,492
Sub-total	k = (c + g + i + j)	93,193	82,194	175,387	200,767
Plus (or minus) last year's carry forward total	l	382	841	1,223	480
Less valuation objections claimed in the previous year	m	-	-	-	(9)
Sub-total	n = (l + m)	382	841	1,223	471
Total permissible income	o = k + n	93,575	83,035	176,610	201,238
Less notional general income yield	p	93,056	82,403	175,459	202,333
Catch-up or (excess) result	q = o - p	518	632	1,150	(1,095)
Plus income lost due to valuation objections claimed	r	9	-	9	1,368
Less unused catch-up ⁴	s	(168)	(511)	(679)	-
Carry forward to next year ⁵	t = q + r + s	359	121	480	273

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (4) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (5) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible Income for general rates Statement in the financial data return (FDR) to administer this process.

Central Coast Council | Report on infrastructure assets as at 30 June 2021 | For the year ended 30 June 2021

Central Coast Council

Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory level of service set by Council		2020/21 Required maintenance ³	2020/21 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost					
		Estimated cost to bring assets to satisfactory level of service set by Council	Estimated cost to bring assets to satisfactory level of service set by Council					1	2	3	4	5	
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000						
Buildings	Buildings	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Sub-total	-	-	-	-	468,321	-	0.0%	0.0%	0.0%	0.0%	0.0%	
Other structures	Other structures	-	-	-	-	34,806	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Sub-total	-	-	-	-	34,806	-	0.0%	0.0%	0.0%	0.0%	0.0%	
Roads	Roads	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Sealed roads	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Unsealed roads	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Bridges	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Footpaths	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Other road assets	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Bulk earthworks	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Other road assets (incl. bulk earth works)	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Sub-total	-	-	-	-	1,962,866	-	0.0%	0.0%	0.0%	0.0%	0.0%	
Water supply network	Water supply network	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Sub-total	-	-	-	-	1,044,231	-	0.0%	0.0%	0.0%	0.0%	0.0%	
Sewerage network	Sewerage network	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Sub-total	-	-	-	-	1,421,091	-	0.0%	0.0%	0.0%	0.0%	0.0%	
Stormwater drainage	Stormwater drainage	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Sub-total	-	-	-	-	1,092,202	-	0.0%	0.0%	0.0%	0.0%	0.0%	
Open space / recreational assets	Swimming pools	-	-	-	-	97,090	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Open Space/Recreational Assets	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Sub-total	-	-	-	-	97,090	-	0.0%	0.0%	0.0%	0.0%	0.0%	
Other infrastructure assets	Other	-	-	-	-	26,841	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Sub-total	-	-	-	-	26,841	-	0.0%	0.0%	0.0%	0.0%	0.0%	
Total – all assets		-	-	-	-	6,147,448	-	0.0%	0.0%	0.0%	0.0%	0.0%	

continued on next page ...

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Central Coast Council

Report on infrastructure assets as at 30 June 2021 (continued)

(a) Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

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Central Coast Council | Report on infrastructure assets as at 30 June 2021 | For the year ended 30 June 2021

Central Coast Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2021	Indicator 2021	Prior period 2020	Benchmark
Buildings and infrastructure renewals ratio				
Asset renewals ¹	-	0.00%	156.69%	>=100.00%
Depreciation, amortisation and impairment	133,730			
Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	-	0.00%	3.30%	<2.00%
Net carrying amount of infrastructure assets	6,301,698			
Asset maintenance ratio				
Actual asset maintenance	-	∞	110.49%	>100.00%
Required asset maintenance	-			
Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	-	∞	2.19%	
Gross replacement cost	-			

(*) All asset performance indicators are calculated using classes identified in the previous table.

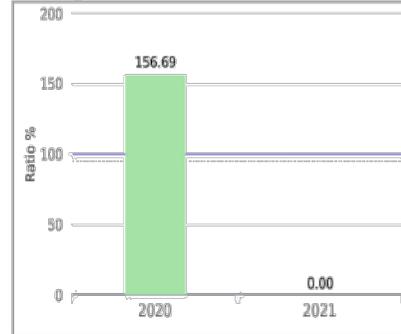
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

DRAFT

Central Coast Council

Report on infrastructure assets as at 30 June 2021

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

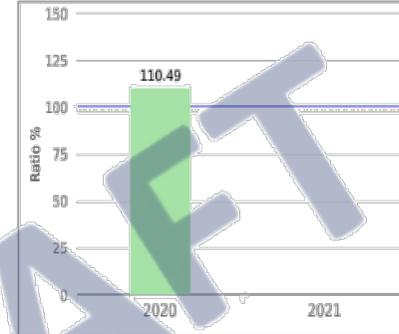
Commentary on result	
20/21 ratio	0.00%

Benchmark: — $\geq 100.00\%$

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark
Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

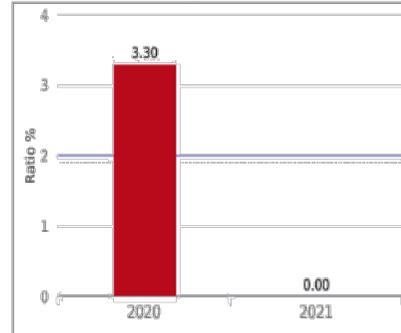
Commentary on result	
20/21 ratio	∞

Benchmark: — $> 100.00\%$

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark
Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

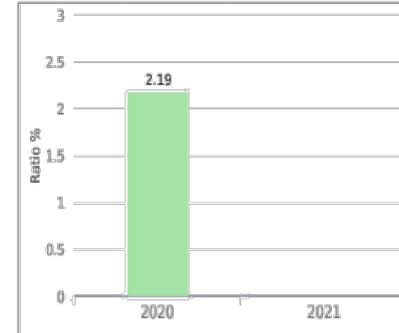
Commentary on result	
20/21 ratio	0.00%

Benchmark: — $< 2.00\%$

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark
Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Commentary on result	
20/21 ratio	∞

Central Coast Council | Report on infrastructure assets as at 30 June 2021 | For the year ended 30 June 2021

Central Coast Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2021	2020	2021	2020	2021	2020	
Buildings and infrastructure renewals ratio							
Asset renewals ¹	0.00%	232.90%	0.00%	77.04%	0.00%	55.50%	>=100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	0.00%	2.22%	0.00%	4.66%	0.00%	5.19%	<2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	∞	106.02%	∞	83.31%	∞	175.59%	>100.00%
Required asset maintenance							
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council	∞	1.63%	∞	2.60%	∞	3.12%	
Gross replacement cost							

(1) Asset renewals represent the replacement and/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.



Item No: 5.1
Title: Update on Public Inquiry
Department: Corporate Affairs

14 September 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00859 - D14797615
Author: Sarah Georgiou, Section Manager.Civic Support
Manager: Edward Hock, Unit Manager.Governance and Legal Counsel
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

Recommendation

- 1 *That the Committee note the report on Update on Public Inquiry.*
- 2 *That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

The information provided in this report is current as at 20/08/2021.

Summary

The purpose of this report is to provide the Committee with an update on the Public Inquiry.

Provision of documentation

All requested documents have been provided to the Commission. Generally, documents or information is provided the same day. The exception was where Council was confirming the provision of documents to which privilege applies and collation of historical information.

Communication

Council's website is up to date with OLG information, with FAQs to be developed in response to questions received. To date, staff have not received questions.

OLG Page: <https://www.olg.nsw.gov.au/public-inquiries/central-coast-council-public-inquiry/>

Council Page: <https://www.centralcoast.nsw.gov.au/council/about-council/public-inquiry>

Customer service have a point of contact and a standard customer response has been prepared.

Submissions

Submissions were required by 21 June 2021. The Commissioner determined that written submissions are not to be made public. A list of submitters has been made available on the OLG website.

Public Hearings

Public Hearing were anticipated to be held in September, however due to the evolving COVID-19 situation a date for hearings is yet to be determined.

The Commissioner is exploring options to hold the hearings online.

Members of the Audit, Risk and Improvement Committee were not identified as a group from which the Commissioner encourages submissions specifically. However, the Commission has requested contact details for the independent members of ARIC.

Ongoing management

Key staff continue to meet weekly to discuss requirements and changes. A weekly meeting with the Administrator and Section Manager Civic Support is occurring.

Briefing notes are being provided to the Chief Executive Officer and Director, Corporate Affairs and Chief Financial Officer as information comes to hand.

Contact with Commissioner and Personnel Assisting

There is regular communication between the Section Manager Civic Support and Personnel Assisting the Commission.

Resourcing

At this time, the requirements to assist the Inquiry is having minimal resource impacts. This will continue to be monitored. Given the decision to not publish written submission there has been limited resourcing required to support this. Pending the hosting requirements for remote Public Hearings, some council staff may be required to support this.

Risk Management

The Public Inquiry represents an ongoing risk with regard to reputational risk. Council's Enterprise Risk Management Framework limits reputational risk to moderate being substantial customer/community dissatisfaction with reputation recoverable in the long term.

A mitigation of this risk has been identified as the potential proactive release of information which is being provided to the Commissioner. This process has continued.

Attachments

Nil.



Item No: 7.1
Title: Q4 2020/ 2021 - Complaints and Compliments Report
Department: Corporate Affairs

14 September 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00030 - D14810865
Author: Ellen Suarez, Customer Experience Coordinator
Manager: Sue Ledingham, Unit Manager Communications Marketing and Customer Engagement
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

Recommendation

- 1 *That the Committee note the report on Q4 2020/ 2021 - Complaints and Compliments Report – Complaints and Compliments Report.*
- 2 *That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

The information provided in this report is current as at 24/08/2021.

Summary

Central Coast Council has a Customer Feedback Management Policy adopted March 2017. This policy sets out the approach that Council takes to ensuring that all customers are given the opportunity to make complaint or provide feedback about issues they may have regarding potentially inappropriate, unethical or unfair behaviours or practices committed by Council Officials. This policy incorporates the principles of the Australian / New Zealand standard: Guidelines for Complaint Management in Organisations (AS/NZS 10002:2014) and the NSW Ombudsman's Complaint Management Framework (2015).

Report

The purpose of this report is to provide an overview of complaints and compliments received during the fourth quarter period, 1 April to 30 June 2021 and progress towards customer experience improvement, to the Audit Risk and Improvement Committee (Committee). The information included in this report is based on reports from Council's Customer Experience (CX) system.

Feedback from our community provides Council with valuable insights into areas where service standards are meeting customer's expectations or where service standards have not been met and improvements need to be made.

Complaints and Compliments are categorised at a high level as follows:

- Council Decision
- General Feedback
- Level of Service
- Quality of Work
- Response Time
- Value of Fees and Charges
- Staff Performance

Overall Performance in 2020/2021

There have been significantly fewer complaints and compliments recorded in CX in 2020/21 compared to 2019/20. Due to a temporary reduction in staff resourcing, feedback received at the start of fiscal 2019/20 (July and August) was not being reviewed and triaged appropriately, resulting in reporting that was not reflective of the true number of community complaints and compliments received. Complaints in the first quarter of 2019/2020 were on average 59% higher than the remaining quarters in that year.

Since September 2019 there has been a dedicated resource managing and reviewing the complaints and compliments process. The Customer Feedback and Improvement Officer is responsible for triaging community and sensitive complaints, assisting customers with complaint issues and ensuring the requests are forwarded to the correct departments and management for follow up and resolution. The figures have remained consistent throughout this time with a maximum variation of only 13%.

Complaints and Compliments Received Comparison
2019/20 and 2020/21 Financial Years



7.1 Q4 2020/ 2021 - Complaints and Compliments Report (contd)

There was a 36% decrease in community complaints for 2020/21 over the previous year with a 32% decrease in community compliments. The reduction in community compliments is not surprising given the challenges faced by the Central Coast over the past year.

From January-March 2020, (Q3 2019/20) flooding, storms and bushfires generated many community complaints and resulted in higher quarterly figures. With fewer natural events during fiscal 2020/21, there have been fewer community complaints.

For transparency we looked at the General Enquiry category, there has been a significant number of general enquiries regarding the Special Rate Variation throughout the year, the majority of these were requesting information or providing general comments and were not categorised specifically as community complaints.

Customers sought specific information about their property and how the rate increase would affect them. As such the request was directed to the Council team able to resolve the issue at first point of contact and provide the information the customer was seeking.

To be able to track and report on issues raised by the community, Council implemented a 'Significant Issue' flag within CX in Q4 so any customer request related to a significant issue like an emergency event or high impact like financial crisis can be identified and tracked when not specifically registered as a complaint. More information about this is detailed in the Improvements Program.

Council has seen a 40% reduction in sensitive (staff) complaints and a 15% reduction in staff compliments over the previous fiscal year. The reduction in sensitive complaints may be due to the greater focus placed on customer experience and the reduction of sensitive complaints in Q2 (October-December)

Staff Feedback Received Comparison
2019/20 and 2020/21 Financial Years



Compliment Types

A total of 110 compliments were received in Q4 (including 48 relating to staff performance):

- Like Q3, most compliments, 43% relate to Staff Performance, followed by Quality of Work and General Feedback.
- An average of 16 staff compliments were received per month in Q4.
- There was an overall decrease of 16% in compliments from the previous quarter.

Complaint Types

A total of 126 complaints were received in the Q4 2020/21 (including 42 sensitive complaints):

- There was a 5% decrease in Q4 in the overall number of complaints but a 26% increase the number of sensitive (staff) complaints. Contractor complaints are now being included in sensitive complaints as recommended by the Internal Ombudsman.
- Sensitive complaints account for 33% of all complaints received with Level of Service community complaints at 21%.
- On average in Q4 20/21 approximately 42 complaints were received per month (including sensitive complaints) which is a slight decrease from Q3 that had an average of 47 per month.
- On average 14 sensitive complaints were received per month for Q4 period.
- The lowest number of complaints received relate to Value and Fees and Charges and Quality of Work at 1 and 6 respectively.

Service Levels

The average response rate to customers within service level of 10 -20 days for all compliments and complaints for the 2020/21 was 75%. Data for Q4 is in the attached report.

Feedback Received by Channel

Overall customers prefer to use email to submit complaints and phone to submit compliments, with the online Customer Portal increasing in usage each quarter. Channel preference is not surprising given that good news is easy to provide over the phone whereas customers often want a written record of a complaint and seek email or the online Customer Portal to do this.

In Q4 the preferred channels to submit feedback were:

- Complaints – Email 40%, Phone 32% and Customer Portal 19%.
- Compliments – Phone 37%, Email 34% and Customer Portal 17%.

Staff Feedback Received Comparison 2019/20 and 2020/21 Financial Years



Improvement Program

The Online Customer Service Centre (CX Portal) has been operating for nine months and the Google Analytics page views for Feedback is now at 98% conversion rate, meaning that almost all customers who visit the page submit a feedback request. This indicates how successful the use of this channel has become and that there is an increasing trend of customers using the online Customer Portal.

The Customer Effort Score (CES) survey was implemented to gather feedback from customers about their ease of use and satisfaction when using the online Customer Portal. The survey has been running since September 2020 and shows 59% of customers state it was moderately or extremely easy to use, and 68% stating they are likely or very likely to use the portal again. This is based on 188 survey responses received to the end of June.

Council implemented a 'Significant Issue' flag within CX in Q4 so that any customer request related to a significant issue like emergency event or high impact issue can be identified and tracked when it is not specifically registered as a complaint. This flag was used when the Public Inquiry was announced and has been used again for iPART when the new rates notices were sent late July. Whilst these are both activities run independently of Council, our community will contact Council for information or to register their concerns. Reporting on 'Significant Issue' will commence in the first quarter of 2021/22.

The policy and procedure for Complaints and Feedback Management and Unreasonable Complainant Conduct have been reviewed and revised based on recommendations from the Centium Internal Audit Report, consultation with David Farmer, CEO, and Council's Internal Ombudsman and Senior Management has been included in the review. This has resulted in some minor changes to both policies and some significant changes to the procedures.

The revised Policies and Procedures will be reported to Council for endorsement and recommendation to place on public exhibition in October 2021.

Internal Complaints Management

The Centium Internal Audit Report - Complaints Management identified several areas for improvement and highlighted internal complaints as an area for review. As this relates to internal staff complaints, this is not part of the community complaints or customer staff conduct complaints that are managed within CX, nor by the Customer Feedback and Improvement Officer. Internal staff complaints are managed by the People and Culture team at Council and are not under the purview of Customer Experience, therefore not included in this report.

External Complaints Management

The Centium Internal Audit Report - Complaints Management also identified several recommendations to improve the effective management of external customer complaints about service delivery and staff conduct. Work continues to implement high and medium risk recommendations to improve the overall management of community complaints and improving the sensitive complaints management processes within Council.

This work includes:

Recommendation	Action
1. Reconfigure one central reporting inbox, telephone number, online form and mailing address	Complete
2. Include clear directions into the Complaints and Compliments procedure registering all feedback into CX	Final draft policy and procedure for consideration at an October Council meeting
3. Provide training on new complaints procedure	Upon final approval of policy/procedure
4. Expand complaints management role to include quality assurance and improved reporting	Ongoing
5. Establish library of complaints templates	Complete
6. Unit Managers and Directors to quality assure community and staff complaints before being sent to customers	Ongoing
7. Establish live tracking of complaints reporting in CX	Complete
14. Adopt comprehensive complaints report format	Commenced with changes in 2020/21. A further look at report content is

Recommendation	Action
	underway to simplify how data is presented and summarised.
17. Update Complaint and Feedback Management procedure to include additional detail based on other recommendations within report.	Final draft progressing to Council endorsement

Attachments

- 1 Q4 2020 - Complaints and Compliments Data – 1 April to 30 June 2021 D14810890

Q4 Complaints and Compliments 1 April 2021 – 30 June 2021

The below is the data report of the complaints and compliments as registered in CX system for the fourth quarter period 1 April 2021 to 30 June 2021.

Feedback is captured in Council's Customer Experience (CX) system.

Complaints and Compliments are categorised at a high level as follows:

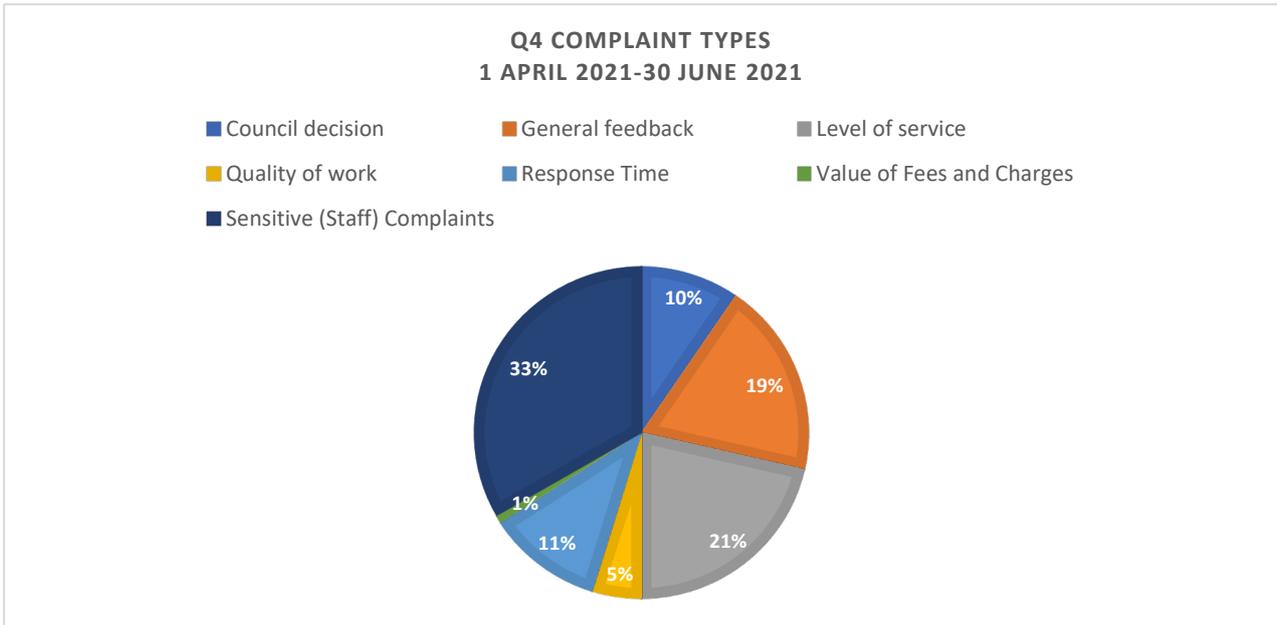
- Council Decision
- General Feedback
- Level of Service
- Quality of Work
- Response Time
- Value of Fees and Charges
- Staff Performance

Complaints and Compliments from CX system 1 April – 30 June 2021

LIST BY COMPLAINT TYPES	No	LIST BY COMPLIMENT TYPES	No
Council Decision	12	Council Decision	1
General Feedback	24	General Feedback	15
Level of Service	27		
Quality of Work	6	Quality of Work	32
Response Time	14	Response Time	14
Value of Fees and Charges	1	Value of Fees and charges	0
Sensitive (staff) Complaints	42	Staff Performance	48
Total Exc Sensitive	84	Total	110

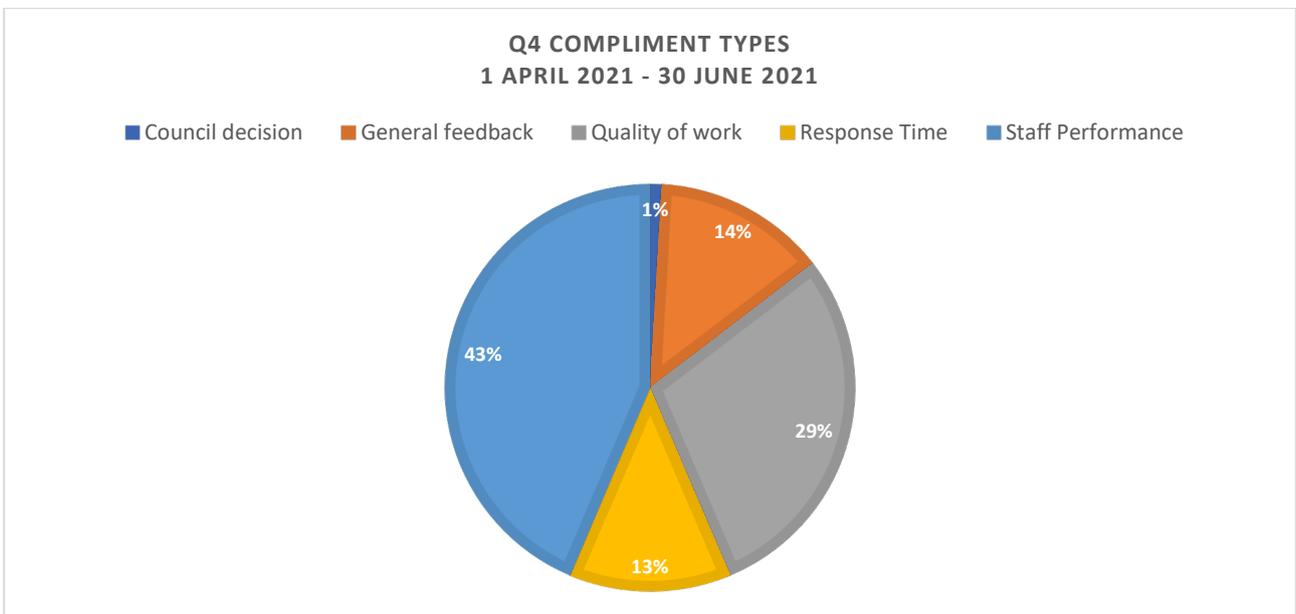
Complaint Types

- On average in quarter four of 2020/21 approximately 42 complaints were received per month (incl sensitive complaints). There was a 15% reduction in community complaints from the previous quarter but a 26% increase in staff complaints.
- There was no real change in the number of complaints regarding General Feedback, Level of Service and Quality of work since the previous quarter however there was a 30% reduction in the number of complaints regarding Response Time. As with previous quarters, another low number in relation to fees and charges with only one complaint received.



Compliment Types

- Staff performance made up 43% of the compliments followed by Quality of Work (29%), General Feedback (14%) and Response Time (13%)



Community Complaints Received by Directorate Q4 2020/2021

Community Complaints by Directorate	Received	Completed within SLA
Environment & Planning	26	55%
Community & Recreation Services	15	93%
Infrastructure Services	15	60%
Water & Sewer	7	86%
CEO	7	57%
Corporate Affairs & CFO	14	50%
Total Exc Sensitive	84	Avg 67%

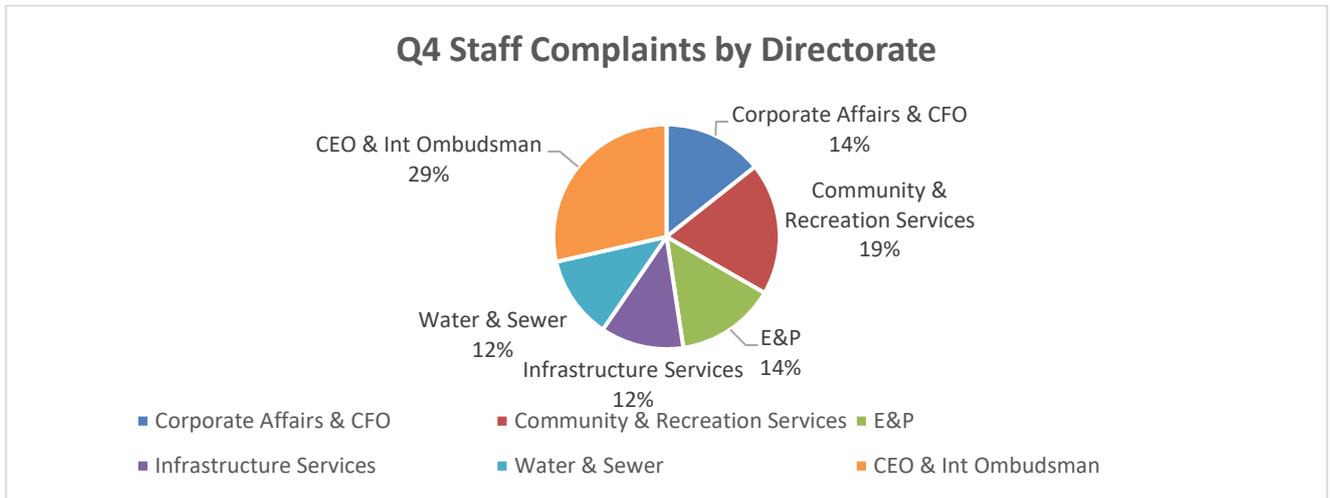
Community Compliments Received by Directorate Q4 2020/2021

Community Compliments by Directorate	Received	Completed within SLA
Environment & Planning	24	38%
Community & Recreation Services	32	70%
Infrastructure Services	25	74%
Water & Sewer	17	82%
Corporate Affairs & CFO	12	83%
Total	110	Avg 69%

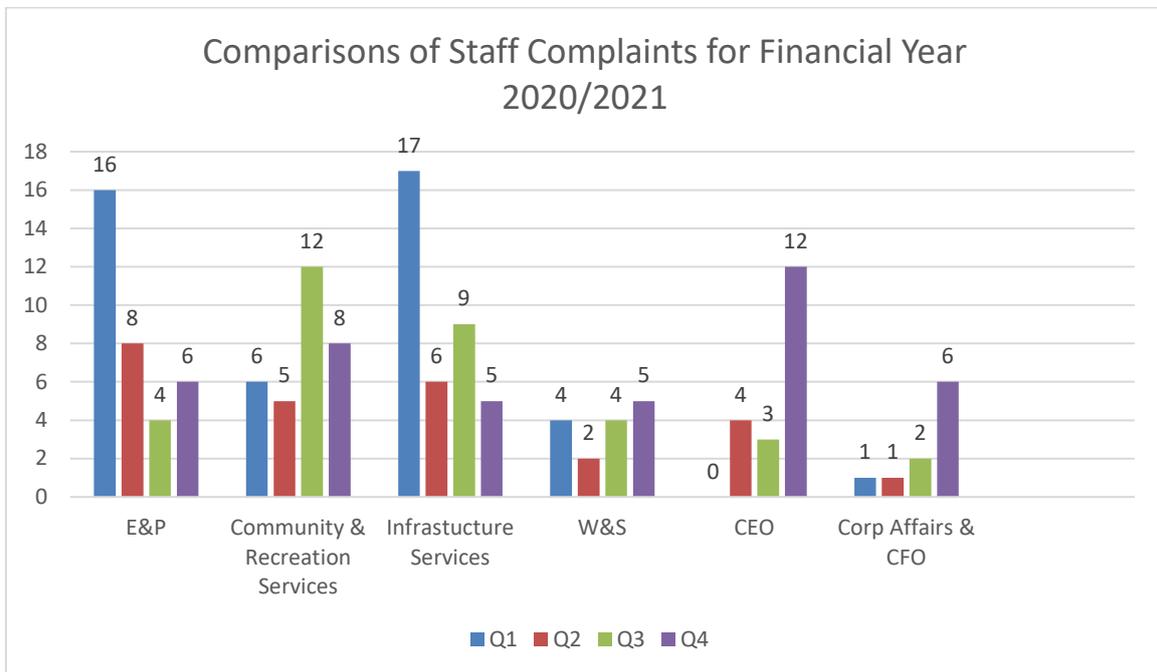
Staff Complaints Received by Directorate Q4 2020/2021

Complaints by Directorate	Received	Completed within SLA
Environment & Planning	6	25%
Community & Recreation Services	8	100%
Infrastructure Services	5	0
Water & Sewer	5	67%
CEO & Internal Ombudsman	12	80%
Corporate Affairs and CFO	6	20%
Total	42	Avg 49%

The following graph shows a breakdown of the percentage of staff complaints received by each Directorate. The Directorate names for Q4 reflect the new organisational structure.



The following compares staff complaints for each quarter in the Financial Year 2020/2021. Due to the change in Directorate names and responsibilities mid-year, the former Directorate names have been used. The process for staff complaints also changed mid-year with complaints now allocated to the Internal Ombudsman first (CEO office) and therefore may not indicate final allocation.



Mode of Contact

Email and phone continue to be the preferred mode of contact for both complaints and compliments followed by the customer portal. We expect to see an increase in the use of the customer portal as we promote and educate our customers about this channel through our generic email responses, portal promotion and website improvements.

Mode of Contact Q4 2020/21

COMPLAINTS (incl. staff complaints)	No	COMPLIMENTS	No
In Person	2	In Person	9
Customer Portal	27	Customer Portal	19
Email	51	Email	37
Letter	6	Letter	2
Phone	40	Phone	41
Mayor's Office	0	Council Event	0
Internal	0	Internal	0
Social Media	0	Social Media	1
After Hours Provider	0	After Hours Provider	1
TOTAL	126	TOTAL	110

The following tables show community complaints received in Q4 for the Financial Year 2020/21. The groups in CX represent the business units and sections under each Directorate. The tables provide a breakdown of the feedback received in each of those areas.

Complaints by Group Q4 2020/21

COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
Environment & Planning		Environment & Planning	
Director	1	Building Certification	1
Building Certification North & South	3	Community Safety	1
Business Support	1	Business Support	1
Business Support & Systems	11	Business Support & Systems	4
Community Safety	2	Development Control	9
Development Assessment (u)	3	Environment & Planning (Director)	1
Development Assessment North	1	Natural Assets Management	1
Environmental Management Unit	1	Natural Assets & Biodiversity	1
Environmental Infrastructure	2	Waterways	2
Parks & Reserves	1	Development Assessment	1
		Engineering Infrastructure	1
		Parks & Reserves	1
TOTAL	26	TOTAL	24

COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
Community & Recreation Services		Community & Recreation Services	
Community Infrastructure	1	Community Partnerships	1
Community Partnerships	1	Community & Cultural Development	1
Sports Facilities	1	Asset Management & Maintenance	1
Libraries Learning & Education	1	Leisure & Pools	1
Library Ops	7	Library Strategy & Connection	1
Leisure & Pools	4	Libraries Learning & Education	10
		Facilities & Asset Management	4
		Sports Facilities	2
		Place Activation	1
		Community Planning & Services	1
		Open Space & Recreation	9
TOTAL	15	TOTAL	32

COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
CEO			
Office of the CEO (Director)	4		
Governance Services	2		
Office of the Administrator	1		
TOTAL	7	TOTAL	0

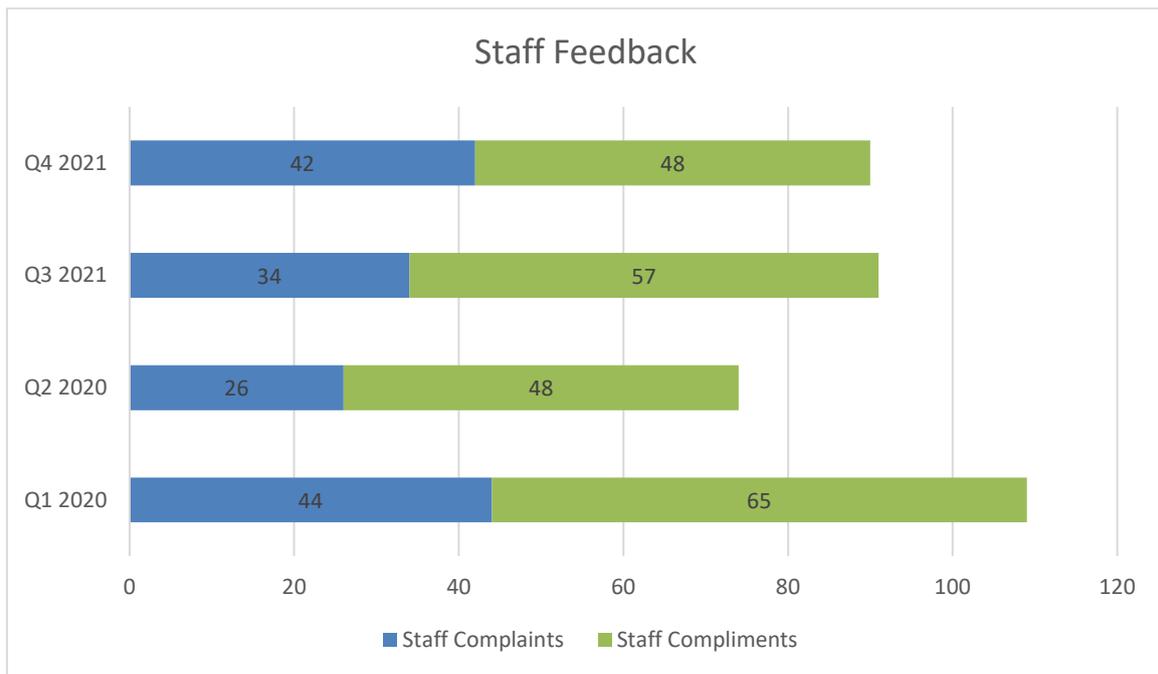
COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
Corporate Affairs & CFO		Corporate Affairs & CFO	
Comms Marketing & Cust Engagement	1	Corporate Affairs Director	1
Rates & Revenue	5	Customer Service	8
Information & Technology	2	Rates & Revenue	1
Economic Development & property	1	Plant & Fleet	2
Governance Services	2		
Customer Service	3		
TOTAL	14	TOTAL	12

COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
Infrastructure Services		Infrastructure Services	
Program Delivery	1	Roads & Drain Maint North & South	1
Engineering Services (U)	2	Local Roadsides	1
Roads Technical Services	2	Roads Construction & Maintenance	22
Local Roadsides	2	Waste & Resource Recovery	1
Road Construction and Maintenance (U)	4		
Pavements	1		
Waste Services	3		
TOTAL	15	TOTAL	25

COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
Water and Sewer		Water and Sewer	
Maintenance Services	1	Water & Sewer (Director)	1
Network Maintenance	3	Planning & Delivery	2
Network Ops & Maintenance	3	Compliance Water Systems	2
		Network Maintenance	1
		Network Operations & Maintenance	11
TOTAL	7	TOTAL	17

The following is a comparison of staff feedback (complaints and compliments) between all four quarters in 20/21. Feedback has remained consistent throughout the year apart from the drop in staff complaints in Q2.

Complaints and Compliments Received Quarterly Comparisons 2020/21





Item No: 8.2
Title: Integrated Planning and Reporting Activities for 2021-22
Department: Environment and Planning

14 September 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00508 - D14812097
Author: Sharon McLaren, Section Manager, Corporate Planning and Reporting
Manager: David Milliken, Unit Manager Strategic Planning
Executive: Scott Cox, Director Environment and Planning

Recommendation

- 1 *That the Committee note the report on Integrated Planning and Reporting Activities for 2021-22.*
- 2 *That the Committee make a recommendation that this report and/or the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

The information provided in this report is current as at 20/08/2021.

Summary

The purpose of this report is to provide an update on the Integrated Planning and Reporting (IP&R) activities planned for the next 12 months and the status of each.

Background

All local councils in NSW are required to undertake their planning and reporting activities in accordance with Chapter 13 - Part 2 and Part 4 of the *Local Government Act 1993*. This is known as the Integrated Planning and Reporting (IP&R) Framework and includes the following elements:



IP&R Element	Details
Community Strategic Plan (CSP)	The CSP identifies the main priorities and aspirations of the community and is a minimum of 10 years. It is usually reviewed every four years following the local government elections.
Delivery Program (DP)	The DP is a 4-year plan detailing the overarching strategies of Council down to the specific actions council will undertake each financial year. It is based on the community's aspirations and linked to the objectives of the CSP. It is usually developed following the local government elections.
Operational Plan (OP)	The OP is a 1-year plan derived from the DP. It details specific actions to be undertaken and detailed budgets within the financial year. Generally, year 1 of the DP is consistent with the OP. It is again linked to the objectives of the CSP.
Resourcing Strategy	<p>The three elements of the Resourcing Strategy are the:</p> <ul style="list-style-type: none"> • Long Term Financial Plan – a 10-year plan that details Council's financial projections and is based on key assumptions • Asset Management Strategy – a 10-year strategy that details Council's asset portfolio and proposed actions necessary to manage the portfolio, including the maintenance and disposal of existing assets and construction of new assets • □ Workforce Management Strategy – a 4-year strategy that details the workforce challenges and the actions that will be undertaken to ensure continued service delivery

IP&R Element	Details
Annual Report (AR)	The AR is a report on the achievements in implementing the DP and OP and includes other statutory reporting requirements as described in the <i>Local Government Act 1993</i> and <i>Local Government (General) Regulations 2005</i> . In the year of a local government election a State of Environment (SOE) Report and End of Term (EOT) Report are also required to be prepared. The SOE is a report on environmental issues relevant to the objectives of the CSP. The EOT is a report on the council's achievements in implementing the CSP over the term and progress against the indicators established in the CSP.

Current Status

Community Strategic Plan (CSP)

The inaugural Central Coast Council CSP, *One - Central Coast*, was endorsed by Council on 25 June 2018. Under usual circumstances a full review of the CSP would have occurred in 2021 following the local government elections and driven by the newly elected body. However, as Council is currently under Administration and subject to a public inquiry, the elections have been postponed to 2022. Therefore, a comprehensive review of the CSP won't occur until the elections have been held for the Central Coast.

Since the adoption of the CSP, Council's financial situation has significantly changed. The CSP as it stands does not reflect the current community sentiment or acknowledgement of Council's commitment to financial acuity. To accommodate this situation, but to also recognise the full CSP review once elections are held, the following Phases will be undertaken.

Phase 1: Desktop Review. As part of this Phase, community engagement data based on the financial situation will be analysed to understand what the community is feeling and what the community wants from their council. Amendments to the CSP to reflect and acknowledge this will be contained in this revised version. No other changes will be made to the CSP as part of this Phase. Exhibition of the Phase 1 revisions is planned for April 2022, with adoption in June 2022.

Phase 2: Comprehensive Review. This Phase is in accordance with the *Local Government Act 1993* and is triggered by a local government election. A date of the election is yet to be announced but is expected to occur sometime in 2022. This Phase will include community engagement to determine if the CSP is still what the community aspire to. This Phase will be completely focussed on the feedback from the community, with any changes directly as a result of their feedback. The newly elected Council would adopt the Phase 2 CSP following their election and commencement.

8.2 Integrated Planning and Reporting Activities for 2021-22 (contd)

Delivery Program

The development of a Delivery Program is again triggered by the local government elections and driven by the newly elected body. It is also usually a 4-year plan, but due to COVID-19 the next Delivery Program cycle will only be 3 years. Although the elections have been postponed a Delivery Program will still be developed covering the 2022-23, 2023-24 and 2024-25 financial years. Exhibition of the Delivery Program is planned for April 2022, with adoption in June 2022.

Operational Plan

The Operational Plan (1-year plan) is derived from the Delivery Program. The first year will be the Delivery Program and combined Operational Plan (2022-23). Years two and three (2023-24 and 2024-25) will essentially be draft. It will be reviewed annually and revised as necessary.

Delivery Program 2022-23 to 2024-25		
Year 1	Year 2	Year 3
Delivery Program (2022-23 to 2024-25) and combined Operational Plan 2022-23	Revised Delivery Program and Operational Plan 2023-24	Revised Delivery Program and Operational Plan 2024-25

Resourcing Strategy

The three elements of the Resourcing Strategy will be developed as follows:

- Long Term Financial Plan (LTFP) – as per legislative requirements this will be reviewed and updated in line with the development the Delivery Program and Operational Plan. The LTFP is a 10-year plan, however, is updated annually
- Asset Management Strategy (AMS) – this is required to be reviewed and updated in line with the CSP review. Therefore, this will be carried out following the local government elections in 2022. Council is undertaking planning activities to support and inform the AMS review in 2022
- Workforce Management Strategy (WFMS) – the 2021-22 financial year is the final year of the current WFMS. A new 4-year WFMS will be developed covering the 2022-23, 2023-24, 2024-25 and 2025-26 financial years. It will be reviewed following the local government elections and revised as necessary to ensure it aligns with the LTFP and AMS.

Annual Report

The reporting requirements of the IP&R Framework will be carried out as follows:

- The Annual Report for the 2020-21 financial year is currently being prepared. It is required to be prepared within 5 months of the end of the financial year i.e. 30 November 2021.

8.2 Integrated Planning and Reporting Activities for 2021-22 (contd)

Month	Code	Activity
JANUARY 2022		
FEBRUARY 2022		
	QTRLY	Q2 Progress Report to Council
MARCH 2022		
	CSP	Document preparation and adoption to exhibit
	DP&OP	Document preparation and adoption to exhibit
	LTFP	Document preparation and adoption to exhibit
	WFMS	Document preparation and adoption to exhibit
APRIL 2022		
	CSP	Exhibition
	DP&OP	Exhibition
	LTFP	Exhibition
	WFMS	Exhibition
MAY 2022		
	CSP	Amendments based on exhibition
	DP	Amendments based on exhibition
	DP&OP	Amendments based on exhibition
	LTFP	Amendments based on exhibition
	QTRLY	Q3 Progress Report to Council
JUNE 2022		
	CSP	Adoption
	DP	Adoption
	DP&OP	Adoption
	LTFP	Adoption

Attachments

Nil.