



**MIDCOAST**  
council



# **ANNUAL REPORT**

**2021-22**





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Front cover image: Mark Gutterson





## **ACKNOWLEDGEMENT OF COUNTRY**

We acknowledge the traditional custodians of the land on which we work and live, the Gathang-speaking people and pay our respects to all Aboriginal and Torres Strait Islander people who now reside in the MidCoast Council area.

We extend our respect to elders past and present, and to all future cultural-knowledge holders.





PART ONE

# INTRODUCTION





**MidCoast Council's Annual Report provides a summary of Council's performance over the 2021-22 financial year. It outlines Council's achievements in implementing the final year of the 2018 - 2022 Delivery Program through the 2021-22 Operational Plan.**

### **How to read this document**

The report is separated into five main parts. The first part sets the scene for the MidCoast area and provides information about Council and the Integrated, Planning & Reporting framework.

The second part provides a summary of the highlights achieved by Council during 2021-22 organised by the five value areas in the 2018-2030 Community Strategic Plan (MidCoast 2030 - Shared Vision, Shared Responsibility).

The third part provides statutory information Council is required to publish in the Annual Report, with the exception of the Financial Statements which are in Part 4. Part 5 is a report on our Annual Carbon Emissions and summarises the key initiatives currently being implemented by Council to lower its emissions.

### **Intended Audience**

This report provides information to our residents and ratepayers, government and non-government organisations, our partners and local businesses. It also provides staff with information on how Council has performed over the year and how their efforts are contributing to achieve our community's vision to be recognised as a place of unique environmental and cultural significance.





# INTEGRATED PLANNING & REPORTING

All NSW councils are required by legislation to develop long-term, medium-term and short-term plans as part of the NSW Integrated Planning and Reporting Framework.

The framework ensures that plans are transparent and easy to understand for the community.

Council's integrated planning documents include the following:

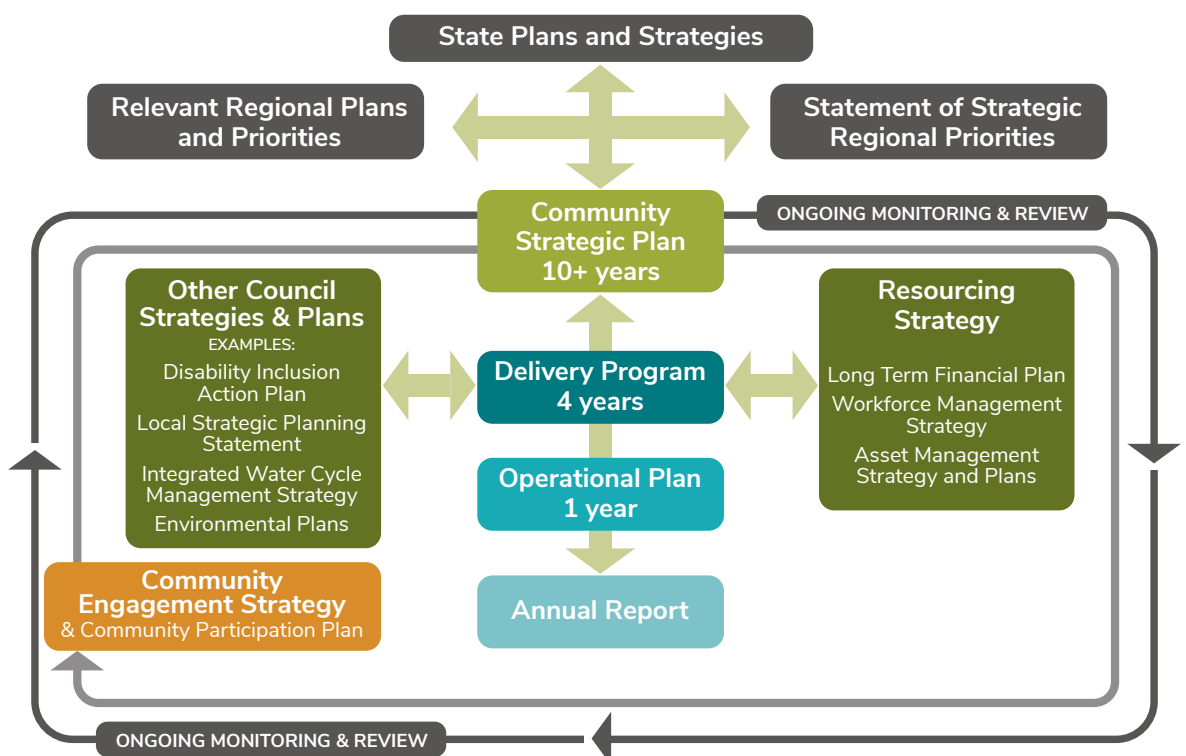
- Community Strategic Plan
- Delivery Program
- Operational Plan
- Resourcing Strategy (including Long Term Financial Plan, Asset Management Strategy and Plans, Workforce Management Strategy and Information & Communications Technology (ICT) Strategy)

## Progress reports on Delivery Program (six-monthly)

The six-monthly progress reports provide Council with an update of our progress against the activities detailed in the Delivery Program.

## Annual Report

The Annual Report provides the community, Councillors and staff with a summary of Council's performance over the previous financial year highlighting Council's achievements in implementing the Delivery Program and Operational Plan. It also includes statutory information required to be published by legislation.





# MAYOR'S MESSAGE

**In presenting the first annual report of MidCoast Council for my term of Mayor, I want to take this opportunity to assure the community of my dedication, and that of your elected Councillors, to delivering improved outcomes for our community.**

I acknowledge we have challenges and have dedicated much of my time to finding out what is important to the community and working with the Councillors and the administration to put in place strategies to improve how we deliver on these priorities.

This report shows our progress against the commitments we have made during our 2021-22 delivery program and operational plan.

Over the past year as a Council we have adopted several significant documents, including an Ageing Strategy, Child Safe Action Plan and Disability Inclusion Action Plan.

We also spoke to our community about our draft Rural Lands Strategy - a foundational document to guide the preparation of our consolidated MidCoast Local Environmental Plan.

We are continuing to deliver on improvements to community infrastructure with programs for our community halls, playgrounds and amenities.

We also acknowledge that the condition of our roads is something that concerns our community. During this past year we again invested heavily in our roads, through capital projects, maintenance and emergency repairs.

The weather conditions have continued to play havoc with our ability to complete substantial road repairs, with resources focusing on emergency pothole repairs during and after the many large rain events we have experienced.

Our current delivery program and operational plan makes commitments to several priority areas, of which roads is one, as we continue to focus on the priorities of the community.

I encourage everyone to keep up to date with Council's activities by signing up for Council's weekly e-newsletter, keeping an eye on our Facebook page and using the 'have your say' section on our website.

I would like to thank Councillors for their collegiate approach to achieving positive outcomes, and I also thank Council staff for their commitment to the community and acknowledge staff involved in the number of industry awards received during the year.

**Cr Claire Pontin**  
Mayor





# GENERAL MANAGER'S MESSAGE

Delivering services to help and support our community has been the focus of the past 12 months, despite the number of challenges that have come our way.

We have once again battled large rain events which have had a large impact on our road network, and continue to support our community to recover from the natural disasters experienced over the last two years.

In December 2021 we welcomed a new elected Council, following several COVID caused delays to local government elections across the State.

We have been working closely with the new Councillors to reflect community priorities in our planning and activities.

We have continued to deliver a vast range of services to the community and continue to focus on the way we work with our community to ensure they are informed and have opportunities to provide feedback to us.

It has been pleasing to be able to celebrate with key groups in our community during the year, including Youth Week, NAIDOC Week and Volunteers Week.

Our volunteers are key to the delivery of many of our services and we thank them for their devotion to their community.

During the past year we have invested in maintaining our roads, improving our water and sewer systems and delivering community infrastructure upgrades.

The environmental rate has contributed \$4 million to projects to improve water quality and environmental outcomes across the region.

We have also made improvements to the way we manage development applications and construction certificates with the implementation of the NSW Planning Portal.

Our focus on our fast-track development application service has allowed us to reduce determination times for low impact, non-complex applications to an average time of 11 days.

We continue to focus on sustainable ways of managing our waste and water resources.

Finally, along with thanking staff for their ongoing contributions, I would also like to thank the elected body for their continued commitment to the community.

**Adrian Panuccio**  
General Manager





# OUR REGION

Home to around 96,425 people, the MidCoast region offers our diverse community a wide range of lifestyle opportunities.

Located on the mid north coast of NSW, the geographical area covers more than 10,000 km<sup>2</sup> and extends from the coastline, west to the escarpment of the Great Dividing Range. The Biripi and Worimi people are the traditional owners of the land.

The region is well known for its natural beauty and is a key holiday destination that attracts a large number of tourists and visitors throughout the seasons. The area spans from sparkling beaches on the coast to mountains in the hinterland, with expansive national parks and green spaces in between. It includes the Manning River valley, the Wallis, Smiths and Myall Lakes systems, the northern foreshore of Port Stephens, the agricultural hinterland and rugged, forested ranges of the Woko and Tapin Tops National Parks, and the World Heritage-listed Barrington Tops National Park.

These natural features contribute to our lifestyles, livelihoods and wellbeing, and protecting and celebrating them is an important focus for our future.







**10,052 km<sup>2</sup>**



**192km**  
of coastline



**3,643km**  
**ROADS**  
**666**  
**BRIDGES**





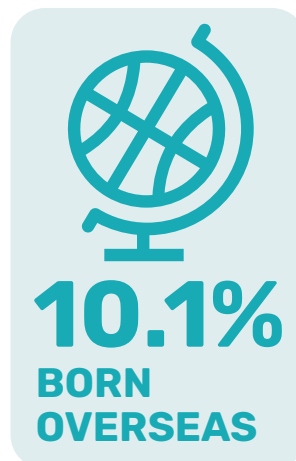
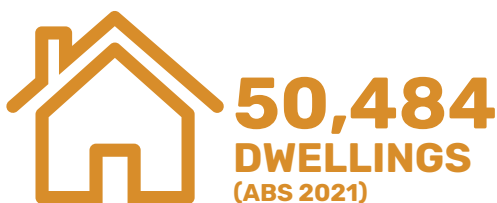
# OUR COMMUNITY

The MidCoast region is home to a diverse community that is expected to grow by almost 30% to 122,962 people by 2036. Our current population is spread across 195 of towns and villages, all of which have their own unique qualities.

The region is a popular location for retirees, and our ageing community enriches us with its diversity and experience, and supports our strong volunteer sector. This segment of our community is also responsible for our large, and growing aged care sector, providing a specialised service industry in our region.

The region is also a popular place for raising young children, and families are an important and valued part of our community. While educational opportunities are increasing, there is often a need for young people to leave the area to pursue higher education or employment opportunities.

With 7.3% of our community identifying as Aboriginal or Torres Strait Islander, the MidCoast has significant opportunity to embrace Indigenous cultures and enhance the inclusiveness of our community.





## Our Community Vision

The vision describes the kind of place the MidCoast community wants our region to be in the future.



MidCoast is a place of unique environmental and cultural significance. Our strong community connection, coupled with our innovative development and growing economy, builds the quality of life we value.





## Our Community Values

Our values describe what is important to us and how we would like to live as a community. What we value is important to the way we plan for our future. These are the values our community identified during consultations between 2016 and 2018.

### We value... our unique, diverse and culturally rich communities

Our diverse communities offer active and social opportunities, are safe and are places where we work together with a creative focus acknowledging our rich history and culture.

### We value... a connected community

We are socially and physically connected with each other, by ensuring we have activities, facilities, roads, footpaths and technology that are upgraded and well maintained.

### We value... our environment

Our natural environment is protected and enhanced, while we maintain our growing urban centres and manage our resources wisely.

### We value... our thriving and growing economy

We are a place where people want to live, work and play, business is resilient and adaptable to change by utilising knowledge and expertise that supports innovation.

### We value... strong leadership and shared vision

We work in partnerships towards a shared vision, that provides value for money and is community focused.







**Yalawanyi Ganya**

**ABOUT  
COUNCIL**



# OUR COUNCILLORS

MidCoast Council has 11 elected Councillors whose role is to oversee the strategic direction and governance of the organisation.

The NSW Local Government Elections that were due to be held in September 2020 were delayed due to the risks posed by the COVID-19 pandemic. The elections took place on 4 December 2021, with the new Council being declared on 22 December 2021. As a result, there were two different Councils operating during the reporting period. Of the 11 newly elected Councillors pictured below, six Councillors were re-elected and the following Councillors retired: Cr Christensen, Cr Hutchinson and Cr Roberts.



Mayor  
Claire Pontin



Deputy Mayor  
Alan Tickle



Kathryn Bell



Peter Epov



Troy Fowler



Peter Howard



Jeremy Miller



Paul Sandilands



Dheera Smith



Katheryn Smith



David West

## Get in touch

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## OUR EXECUTIVE TEAM

## SERVICES



**Paul De Szell**  
Director Liveable  
Communities



**Adrian Panuccio**  
General Manager



**Robert Scott**  
Director  
Infrastructure  
and Engineering  
Services



**Steve Embry**  
Director Corporate  
Services

### Liveable Communities

- Aged Care Support
- Arts & Culture
- Building Services
- Business
- Community Assets
- Community Development
- Customer Service
- Development Assessment
- Disability Services
- Engagement, Communication & Education
- Environmental Health
- Land Use Planning
- Libraries
- Natural Systems
- Open Spaces & Recreation
- Regulatory Services
- Resilience & Recovery Services
- Waste Services

### Infrastructure and Engineering

- Emergency Management
- Sewer Services
- Stormwater Drainage, Flooding & Coastal Engineering
- Transport Network
- Water Supply & Treatment

### Corporate Services

- Corporate Performance & Development
- Finance
- Governance
- Human Resources
- Information & Communications Technology
- Legal & Property
- Procurement, Fleet & Stores

# ORGANISATION VISION, MISSION AND VALUES

## Our Vision

**TO BE A HIGH PERFORMING  
ORGANISATION WHERE  
WE ARE ALWAYS STRIVING  
TO BE BETTER.  
ONE WHERE WE WORK  
COLLABORATIVELY  
AND ARE TRUSTED.**

## Our Mission

To deliver benefits for our community in a way that adds value and builds trust.

## Our Values

### Wellbeing

We value safety, security, health and happiness

### Integrity

We are open, honest, accountable and take pride in all we do

### Sustainability

We use efficiencies, innovation and cooperation to achieve sustainable results

### Respect

We work together respectfully ensuring inclusion, equality and open communication

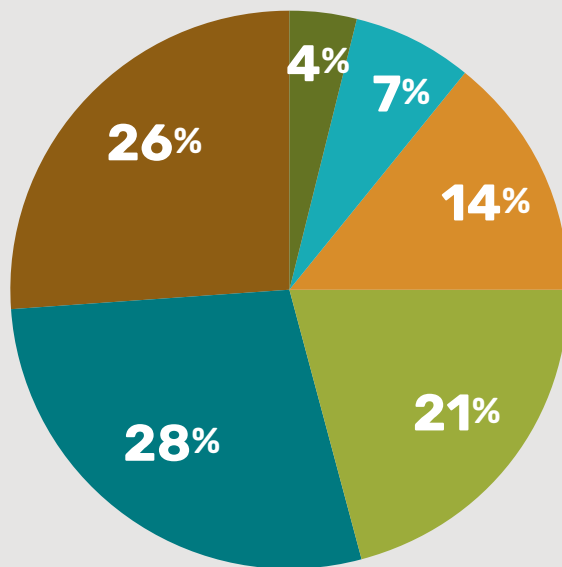


# WORKFORCE PROFILE

Includes all full time and part time employees (permanent, fixed term, apprenticeship and traineeship) and casual employees at 30 June 2022.

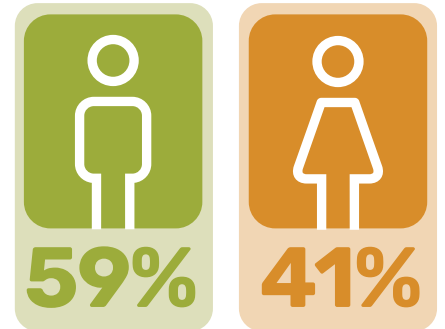
Headcount at 30 June 2022	1,058
Corporate Services	136
Infrastructure & Engineering	405
Liveable Communities	517

## AGE PROFILE OF OUR WORKFORCE



- Employees aged 15 to 25
- Employees aged 26 to 35
- Employees aged 36 to 45
- Employees aged 46 to 55
- Employees aged 56 to 65
- Employees aged over 65

## GENDER DIVERSITY OVERALL



## GENDER DIVERSITY AT LEADERSHIP LEVEL

Level	Male	Female
GM	100%	0%
Director	100%	0%
Manager	72%	28%

**FULL TIME EQUIVALENT (FTE) STAFF**  
899.7  
(Includes full time & part-time staff)

**GRADUATE POSITIONS 8**

(at 30 June 2022)

**APPRENTICE POSITIONS 26**  
(Registered at 30 June 2022)

**TRAINEE POSITIONS 35**  
(Registered at 30 June 2022)

**31 WORK EXPERIENCE STUDENTS**  
1 July 2021 to 30 June 2022

# ENGAGING WITH OUR COMMUNITY

We are committed to engaging with our community to ensure we reflect the aspirations and views of our residents in our decision making.

Our Community Engagement Strategy recognises that community information sharing, education, consultation and engagement are important ways we can make sure we are planning for the future to meet the aspirations of our community.

There are a range of ways our community can have their say on our plans, policies and services. Community members can have their say on the governance of their Council by voting in government elections. Other avenues to provide feedback are when plans, policies and strategies are on exhibition or when we are actively seeking input to help us understand your views.

We are continuously working to keep our community informed and gain their feedback through a range of ongoing activities, including:



During 2021-22 our major community engagement projects included:

**Focus on our Future** – a review of our Community Strategic Plan

**Rural Lands Strategy** – in preparation for the development of our MidCoast Local Environmental Plan

**Aboriginal Action Plan** – to guide our efforts to ensure improved outcomes for Aboriginal people on the MidCoast

**Tuncurry Water Playground** – first open space all-age, all-ability water playground of its size undertaken in the MidCoast

**Disability Inclusion Action Plan** – support our commitment to creating more inclusive communities

**MidCoast Ageing Strategy** – to help the MidCoast become an age-friendly place in which to live, work and play

**Child Safe Action Plan** – outlines actions Council will take to ensure it meets the 10 standards which form the basis of new legislation as part of the NSW Child-Safe Scheme





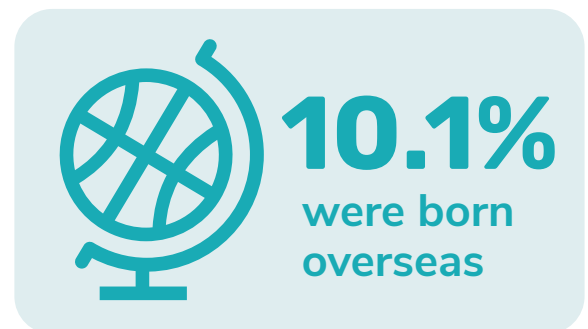
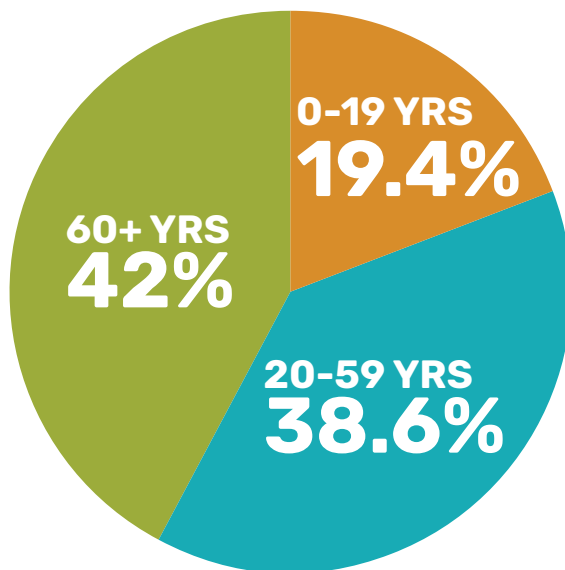
PART TWO

# 2021-22 HIGHLIGHTS



# 1 OUR UNIQUE, DIVERSE & CULTURALLY RICH COMMUNITIES

We are approximately 96,425 people, living in 195 unique towns and villages, spread across 10,052km<sup>2</sup>. Our needs, backgrounds, interests, skills, ambitions and aspirations are diverse, and this is reflected in the broad range of services and facilities available across the MidCoast.





# ARTS & CULTURE

## Manning Regional Art Gallery

### A Virtual Naked & Nude Art Prize 2021

A large number of high calibre entries were received for this year's Naked & Nude Art Prize. Of the 61 finalists, nine were from the Mid North Coast region.

Due to COVID-19 restrictions, for the first time in the 30-year history of the biennial prize, the winner was announced via the Gallery's social media channel and website and had over 23,000 views. The winner of the \$30,000 prize was Loribelle Spirovski for her work 'Moving House'. Judging also took place virtually for the first time with this year's judge, Wendy Sharpe, unable to travel due to public health orders.

A digital walk-through of the exhibition was made available to allow visitors from far and wide to enjoy the exhibition. It was also installed at the gallery with the hope of being able to open to the public. The Gallery shut down for the third time due to COVID-19 on 14 August 2021 but re-opened on the 14 September 2021 in time for people to visit Naked & Nude 2021 until the exhibition closed on 10 October 2021.

The 'Naked & Nude Art Prize' is the only award of its kind in Australia and attracts entries from across the country from artists at all stages of their careers and working in all mediums.





Artwork by Pastor Russell Saunders OAM

Bathu Buyi 'water life'

- family camps, turtles, stingrays, shark, fish, Biripi Totem

From the 'Walk Softly' exhibition by Raechel Saunders and Russell Saunders

## Exhibitions by local artists and curator

Exhibitions featuring local artists this year included:

### *Walk Softly 'stand tall, look them in the eye'*

A collection of works by Biripi artists Pastor Russell Saunders OAM and daughter Raechel Saunders that celebrate the beauty of Biripi land, its people and the animals that live alongside us. The works explored issues of Reconciliation, connection to land, and revival of Aboriginal language and culture.

### *Mostly Useful*

Steve Williams creates unique ceramic pieces using local clays, rocks and timbers. His works have a raw Australian character and capture the playful and responsive qualities of clay.

### *Observations – now and then*

Helga Visser's sculptures, paintings and drawings capture local scenes and stories and highlight many of the environmental and social issues our society is facing. 'Observing is what we do, whether it's landscapes, animals, people or beliefs and attitudes'. The exhibition featured some of Helga's observations from 'now and then'.

### *For the Love of DOG*

Curated by the Gallery's Assistant Director Jane Hosking, For the Love of Dog was a hugely popular exhibition highlighting depictions of the dog by Australian artists. The exhibition featured paintings, limited edition prints, drawings and sculpture by Michael Bell, Geoff Harvey, Stephen Bird, Robbie Crane, Michelle Dawson, Jane Grealy, Fiona Knox, Penny Ruthberg, Zoe Tweedale, Emily Valentine and Deborah Williams.



## Manning Entertainment Centre

### Mamma Mia

After being postponed several times due to COVID-19, the Manning Entertainment Centre was finally able to host Taree Arts Council's Mamma Mia.

It was a roller coaster for the Taree Arts Council with rehearsals cancelled due to changing COVID-19 restrictions. Taree Arts Council were successful in receiving a grant of \$59,000 from Create NSW to compensate for the losses that resulted from two postponements of the show.



The touring schedules of arts companies all around the state were thrown into turmoil with the emergence of the COVID-19 delta strain. Despite cancellation of long-planned events the support of our local patrons remained steadfast and sympathetic. When given the option of transferring tickets or a refund, the overwhelming majority opted for transferring to a later date.

# COMMUNITY DEVELOPMENT

## Volunteer Week

Council has over 1,400 volunteers assisting with a range of activities across libraries, MidCoast Assist and outdoor spaces. These volunteers provide valuable support to deliver Council services to the community.

During Volunteer Week in May, four events were held across the MidCoast area to thank volunteers engaged in Council activities. Approximately 250 volunteers attended and, in addition to the opportunity to socialise with other volunteers, enjoyed lunch and lucky door prizes.

## Aboriginal Action Plan

Council worked with communities to develop an Aboriginal Action Plan for our region.

The Action Plan aims to support, strengthen, enrich and celebrate our Aboriginal community and will promote improved outcomes for Aboriginal people.

Despite being impacted by COVID-19, 248 people provided input into the development of the plan, including via online and hard copy surveys; pop-up sessions and yarn-ups.

The plan will be finalised and presented to Council in the 2022-23 financial year.





## Youth Week 2022

Youth Week is an annual celebration that recognises the valuable contribution young people make to our community. Activities and events put on during the week were jointly funded by Council and the Department of Communities and Justice, and were provided free to young people. These included:

- **Youth Week Photo Exhibition** – A showcase of the perspectives of our young people through photography. The theme this year was 'It Starts with YOUth'. The photos were exhibited at the Manning Regional Art Gallery and participants and their families were invited to the exhibition launch. Businesses in Forster and Gloucester also supported the exhibition by displaying the images in shop front windows.
- **Art Workshops** – A series of art workshops were supported by the Manning Regional Art Gallery throughout Youth Week. These included two workshops in Taree by Wattle Ceramics, two Skateboard Deck Art Workshops in Tuncurry and Gloucester and three Drawing with Scissors drop-in sessions in Taree.
- **Parkour Workshops** – Passionate community members in Hawks Nest Tea Gardens arranged a series of parkour workshops for young people in the area. These workshops involved running, jumping, and climbing to negotiate obstacles and were run by Newcastle Parkour.
- **YOUth Speak Forum** – All schools were invited to be part of a Youth Forum designed to bring students together to have a say on decisions and projects that affect them. Four schools opted to participate with the focus being the Child Safe Standards.
- **School event funding** – All schools were offered the opportunity to access funding to support an in-school event or activity to celebrate Youth Week. Four schools opted to participate and delivered a variety of activities throughout Youth Week.



## MidCoast Youth Awards

The MidCoast Youth Awards are another important part of Youth Week. They are held annually in partnership with PCYC Taree to recognise the valuable contributions of young people in our region. The goal is to connect young people with their peers and the wider community, improve youth wellbeing, create opportunities, give our younger residents a voice and recognise that young people are the heart and soul of the community.

An awards ceremony was held at the MidCoast Council Chambers at Yalawanyi Ganya in Taree in December 2021 for young people aged between 12 and 24 to recognise their contributions to the community and encourage our future leaders to keep up the great work.

Each winner received a \$250 cash prize, sponsored by a local community group or business. Winners are listed below with sponsors listed in brackets.

- **Leadership Award** (Cluster 4 Rotary District 9650) – Seleana Murphy, Lucas Kloosterhoof
- **Arts Award** (Friends of the Gallery) – Sally Curnow, Georgia Hudson
- **Entrepreneur Award** (LJ Hooker Taree) – Jake Davey
- **Resilience Award** (Compass Housing) – Tess Hoadley, Molly Mitchell
- **Community Service** (Club Taree) – Amber Kelleher, Tristan Smith
- **Sports Award** (MidCoast Council) – Hannah Carmichael, Kye Cornall
- **Wellbeing Award** (ARACY, Educator Impact, Taree University Campus) – Amber O'Bryan, Crystal Maynard, Hailey Trudgeon







## Becoming a child-safe organisation

Ensuring that children feel safe at all times when in our facilities and when accessing our services is an important priority. In 2018, Council committed to become a child safe organisation when it adopted the Child Protection policy. Since then, we've developed a Child Safe Action Plan which was placed on public exhibition from 30 November 2021 to 15 February 2022.

Our Child Safe Action Plan outlines actions Council will take to work towards meeting the 10 standards which form the basis of new legislation, the Children's Guardian Amendment (Child Safe Scheme) Bill 2021.

Feedback from the Office of the Children's Guardian said that that our plan is one of the first that has been shared online and recognised that our standards are truly focused on outcomes and intended to make the Council a child safe organisation.

The Child Safe Action Plan details actions for all sections of Council to ensure young people are considered in all activities and Council services accessed by young people are as safe as possible. The plan will be implemented over the next four years.

## Community Donations

A funding round for the Community Donations program was conducted from 14 February to 13 March 2022 with applications invited for two categories: annual donations and seed funding. The annual donations program offers up to \$2,000, or up to \$10,000 over a two-year period towards establishing self-sustaining activities under the seed funding program.

A total of 21 applications were received under the 2021 Community Donations program. Council resolved to allocate \$29,427 to 15 organisations for projects ranging from training to build capacity of community groups, to replacement of equipment and facility improvements.

One of the successful applications was from Booral Rural Fire Service (RFS), for funding to run a Large Animal Rescue Course for their service and surrounding RFS brigades. This specialist training increased the capacity of the RFS to deal with large animals in emergency situations. Booral RFS provided feedback to Council saying: "It was an incredible day and everyone (nine different fire brigades, three RFS Group Captains, two SES Crews and two veterinarians) found it to be well worth completing. Due to the high number of horse floats that travel through our areas, we made sure to incorporate a horse float accident scenario.





# COMMUNITY SPACES

## Forster Pelican Boardwalk

Upgrades to the Pelican Boardwalk, Forster commenced in May 2022.

The existing timber on the boardwalk had deteriorated and was replaced with a new longer lasting fibre-reinforced product. The boardwalk forms part of the scenic Forster-Tuncurry Foreshore Walk. It offers plenty of seating and has a pontoon for boaties and swimmers to enter the waters.

The boardwalk upgrade was made possible through funding provided by Australian Government Local Roads, Community and Infrastructure grants program.



## Nabiac Town Creek revival

The Nabiac Town Creek revival project provided a fresh update to a 125m section of Town Creek in Nabiac's town centre.

The project included flood mitigation and a new public picnic area complete with picnic tables and public waste bins. Two shade sails were also installed at Memorial Park so the space can be enjoyed by the community at any time of the day.



## Community halls improvement program

A large investment is being made in improving community halls with projects underway, or scheduled, for many of the community halls across the MidCoast.

Our community halls played an incredibly important role during the 2019 Black Summer bushfire disaster by providing a focal point for communities to come together to get through the devastation of the event, and to gain support in the aftermath.

\$1.2 million in Australian Government funding has been invested into the program, with works such as electrical upgrades, improvements to water supplies, installation of generators and rainwater tanks and construction of better facilities such as toilet blocks and storage sheds.

The improvements will cover a massive geographical spread ranging from Little Plain Recreation and Public Hall in Elands to Hawks Nest Community Centre and many locations in between.

During the 2021-22 financial year, work included 38 power board upgrades, installation of 16 generators and various other improvements including: gyprock repairs, weatherboard replacements, accessibility ramps, building of a Community Outdoor Meeting Area (COMA), shelters, sheds, concrete tanks, water tanks, guttering replacements, emergency door repairs, Tesla batteries, boosters, solar panels, LPG storage, defibrillators, window locks, showers and amenities, electrical and lighting, and hot water systems.

Funding for the community halls improvement program has been provided through the Australian Government's Bushfire Recovery Exceptional Assistance Immediate Support Package.

*Right: Community Outdoor Meeting Area (COMA) built at Bobin*



*Above: Solar panels installed at Johns River Hall*



*Right: New generator installed at Moorall Creek*



## Flood repairs

The March 2021 floods damaged many places that are important to our community, and left a total repair bill of \$20 million. Some of the backlog of repairs to flood-damaged public facilities had to wait until funding became available and resources could be committed but the aim was to get our public facilities back in working order as soon as possible.

Council worked with the State Government to secure funding to repair a range of public facilities including the riverbank wall in central Taree. Repairs were also required to every floating pontoon along the Manning River, including the pontoon at the Wingham boat ramp and car park. The barbecues, picnic area and toilets along with the boat ramp at the Wingham Riverside Reserve, had to be cleared of debris before they could be used.

Some of the repair work at the Wingham Riverside Reserve was delayed due to an endangered flying fox colony that lives in the Brush. NSW Government guidelines for protecting flying fox colonies advised that sudden movement and loud noises could disturb the flying foxes and cause females to drop their young. From September to February absolutely no work could be conducted in close proximity to the colony.



Damaged Wingham Brush Pontoon



Flood rectification works at the River Stage in Taree

# LAND USE PLANNING

## Local Heritage Fund

This year a 'helping hand' was provided to 15 owners of heritage places through our annual Local Heritage Fund (jointly funded by Council and NSW Government).

The heritage funding program offered grants of up to \$2,000, with up to \$5,000 for some special cases. As part of the application process, eligible property owners demonstrated their contribution to the project, as the grant could not make up more than 50% of the total project cost. A total of \$27,500 was funded, which provides up to \$200,000 worth of value for our heritage places and our local economy.

Projects included painting and repairs to shopfronts in Wingham and a number of heritage houses in Taree, Gloucester, Nabic and Tinonee, all with the aim of preserving our region's heritage and creating sympathetic renovations and improvements to our buildings and places.



Maitland Building in Wingham before and after painting and repairs







## Restoration of Coopersook War Memorial

Restoration of the 100-year old Coopersook War Memorial was completed following a mystery surrounding a missing small plaque on the memorial.

After a public appeal the mystery wording on one of the plaques was solved. Stone mason Ken Ellis cleaned up the plaque and took an etching of it. Sharon Knight, local resident and member of the adjoining Coopersook Memorial Hall Committee, investigated the wording.

Together they worked through a process of elimination. After recognising the last few letters, it didn't take long to recognise the words to be 'EDSTEIN & SONS', local stone masons who worked on many of the war memorials across the MidCoast.

Thank you to Sharon and Ken for taking the time to work through letter options to solve the mystery. The lead lettering has now been restored and is now clearly visible on the memorial. The work was funded by the State Government, and followed restoration works on war memorials over the last few years in Nahiab, Taree and Wingham.

# MIDCOAST ASSIST

## Aged Care Support And Disability Services

MidCoast Assist continued to deliver quality aged care support and disability services to vulnerable members of the community despite the significant challenges posed to staff and clients resulting from the COVID-19 pandemic. Some highlights included:

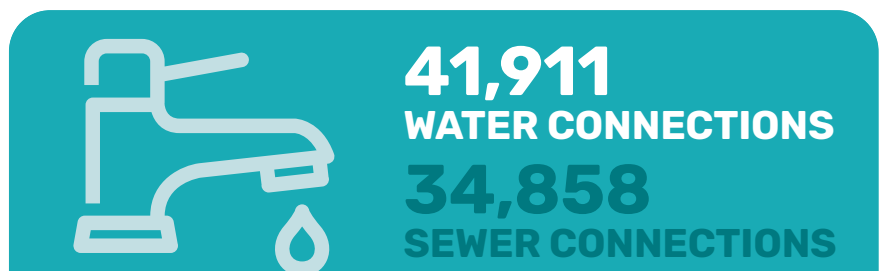
- Supporting ageing clients and disability participants through the 2021 flood event
- Engaging with the Department of Health to prepare for changes resulting from the Government's aged care reform program
- Implementing new client management systems for both aged care and disability services to streamline and improve the management of client information.





## 2 A CONNECTED COMMUNITY

Our physical and social connections are key to our strong sense of community. It's our infrastructure and facilities, and services delivered by people who work with and alongside council, that connect us. Among others, it's our roads and bridges, water and sewer connections, recreational facilities and our rangers.



# FOCUS ON OUR ROADS AND BRIDGES

When it comes to improving the roads that connect local communities, we're making significant progress through the continuation of our \$100 million roads program.

In 2021-22 over \$8 million was invested as part of the \$100 million roads program to upgrade:

- Avalon Road (Dyers Crossing)
- Old Bar Road (Pampoolah)
- The Lakes Way (Mayers Flat).

In addition, over \$6 million was invested in upgrading our local roads including:

- Likely Street (Forster)
- Diamond Beach Road (Diamond Beach)
- Farquhar Street (Wingham)
- Coorilla Street access (Hawks Nest)
- Gloucester Tops Road (Faukland)
- Bullocky Way (Failford)
- Deep Creek Road (Hannam Vale)
- Tinonee Road (Wingham).



Top: Upgrade of Farquhar Street, Wingham

Middle: Upgrade of Diamond Beach Road, Diamond Beach

Bottom: Upgrade of Tinonee Road, Wingham



# FOCUS ON OUR ROADS AND BRIDGES

\$3.2 million was spent on urban and rural improvement programs that saw 142,000m<sup>2</sup> of urban roads and 156,000m<sup>2</sup> of rural roads resurfaced.

As well as the bigger projects on the roads that connect our towns and villages, maintenance crews were out across the region every day, slashing along roadsides, pothole patching, and resheeting gravel roads.

There was a continued focus on replacing ageing timber bridges during 2021-22 with six bridges completed and another 14 bridges in the design phase. Bridges completed include:

- Cox Bridge
- Killabakh Creek Bridge
- Little Tiri Bridge
- Willina Road Bridge over Parsons Creek
- Sheathers Bridge
- Fairbairns Bridge.



Top: Cox Bridge Caparra Road, Wherrol Flat

Bottom: Sheathers Bridge, Hannam Vale Road, Hannam Vale

# COMMUNITY SPACES

## Playground Upgrades - Tuncurry Rockpool Playground and Old Bar Beach Reserve Playground

Council manages 84 playgrounds across the region, with 10 identified as high use regional parks, and the remainder either categorised as high use district parks, or lower use neighbourhood parks.

Council's plan for playground upgrades focuses on maintenance, providing structured or natural shade over playground equipment and improving accessibility to play equipment.

Two new inclusive play spaces were opened in December 2021 at Barry Stoneham Park (near Tuncurry's Rockpool) and at Old Bar Beach Reserve. Both playgrounds provide local children and visitors with creative play suitable for all ages and abilities and were made possible by funding from the Australian Government's Local Roads and Community Infrastructure Program.

At Barry Stoneham Park near the Tuncurry Rockpool, the new playground includes an eight-metre accessible slide tower for all ability play, linked by an access ramp and lookout, and incorporating three grades of slides. There's also a triple play swing with nest, cub, toddler and strap seats, as well as a flying fox. The playground also includes nature discovery play such as timber hopping logs, balance beams and a two-metre rope traverse unit. Completing the playground is a shade sail, additional picnic facilities and extensive landscaping with accessible pathways linking the playground to the existing carpark and accessways.



Barry Stoneham Park in Tuncurry before and after the upgrades



# COMMUNITY SPACES

The inclusive playground at Old Bar Beach Reserve was also completed during the year which includes a tower with slides, combination swing including nest swing, strap swing and an expression swing, musical and sensory play equipment and a junior play area. It also includes additional shelters, seating and shade sails.



Above and right: Upgraded Old Bar Park complete with new shade sails

Below: Manning Aquatic Leisure Centre Gym



## Gym equipment replaced at Manning Aquatic Leisure Centre

Upgrades at the Manning Aquatic Leisure Centre included brand new equipment in the gym area such as cardio machines, stationary bikes and weights.

A new UV filtration system cleans the water in the pool with UV rays, reducing the amount of chemical treatment needed. The system makes the pool cheaper to run and better for the environment, and with less chlorine, is more comfortable to swim in. The ceiling lining in the gym has also been repaired, with the original internal ceiling tiles upgraded.

# EMERGENCY MANAGEMENT

## Emergency practice exercise at Manning Regional Airport

An emergency practice exercise was held at Manning Regional Airport in June 2022.

Local emergency service personnel and their vehicles headed to the airport for a simulated exercise to allow emergency teams to practice responding to an emergency call out and get first-hand experience to help them be well prepared for any emergency at the airport. The day was a success and identified areas to improve emergency responses.

Image: Harley B Photography



# ENVIRONMENTAL HEALTH

Council is now the regulatory authority for Underground Petroleum Storage Systems (UPSS).

This function was previously regulated by the State Government Environmental Protection Authority (EPA). Council has developed an inspection procedure and program for managing this service and has completed the majority of initial inspections for the MidCoast area. Facilities inspected included petrol stations and other sites where fuel is stored underground to ensure safety and environmental health standards are met.



## LIBRARIES

### Harrington Library access model success

One of the great news stories for our Libraries, and putting Harrington Library on the global map, is a new unstaffed library access model. Harrington Library officially became the first community access library in NSW following a successful 12 month trial period.

The library now offers a combination of staffed and community access hours, with staff present until 1pm each weekday. From 1pm to 5pm on weekdays and on weekends from 8am to 5pm, library members can access the unstaffed library via a swipe card.

Harrington Library has gone from being an under-utilised facility to an active community hub that has impressed our local library users and caught the attention of other libraries and local authorities across NSW.

There has been a 23% increase in total loans, an increase of 17% in visitor numbers and membership has doubled. Self-lending technology allows people to process loans themselves with 25% of all loans done this way.

### Tech savvy senior's workshops

The popular and free tech savvy senior's workshops were back in 2021-22 with a total of 45 sessions held and 193 participants.

Hosted by MidCoast Libraries the sessions aimed at helping seniors become more familiar with their smartphone. Confidence with technology makes a real difference to staying independent, keeping in touch with friends and family, accessing government services, enjoying library e-services and meeting new people.



## REGULATORY SERVICES

Council is committed to maintaining and improving partnerships with animal welfare agencies.

Together we rehomed 137 companion animals over the year. Through our efforts, 116 companion animals were reunited with their owners. In addition, it is now possible to adopt animals directly from our facilities.

# SEWER SERVICES

## Concept plans completed for sewer upgrades

Concept plans are now complete for three sewer upgrade projects at Tea Gardens, Hawks Nest and Gloucester. Completion of these projects is expected in 2025-26.

The next stage for the significant upgrade to the Tea Gardens sewer network will involve producing detailed designs and reviewing potential environmental impacts. A new rising main will transfer sewage from Tea Gardens directly to the Hawks Nest Sewage Treatment Plant, which is also set for an upgrade. The new main will relieve pressure on the existing network and significantly reduce the risk of sewer overflows during wet weather events.

A concept design has also been completed and detailed designs are underway to upgrade the Hawks Nest Sewage Treatment Plant. This will improve efficiency of the sewerage scheme and allow for future growth and development in the area.

In Gloucester, the treatment plant will be completely replaced. This will improve the service for the Gloucester and Barrington communities until at least 2050 and will also improve environmental outcomes.

Right: Aerial photograph of the Tea Gardens area



Left: Concept layout for the new Gloucester Sewage Treatment Plant





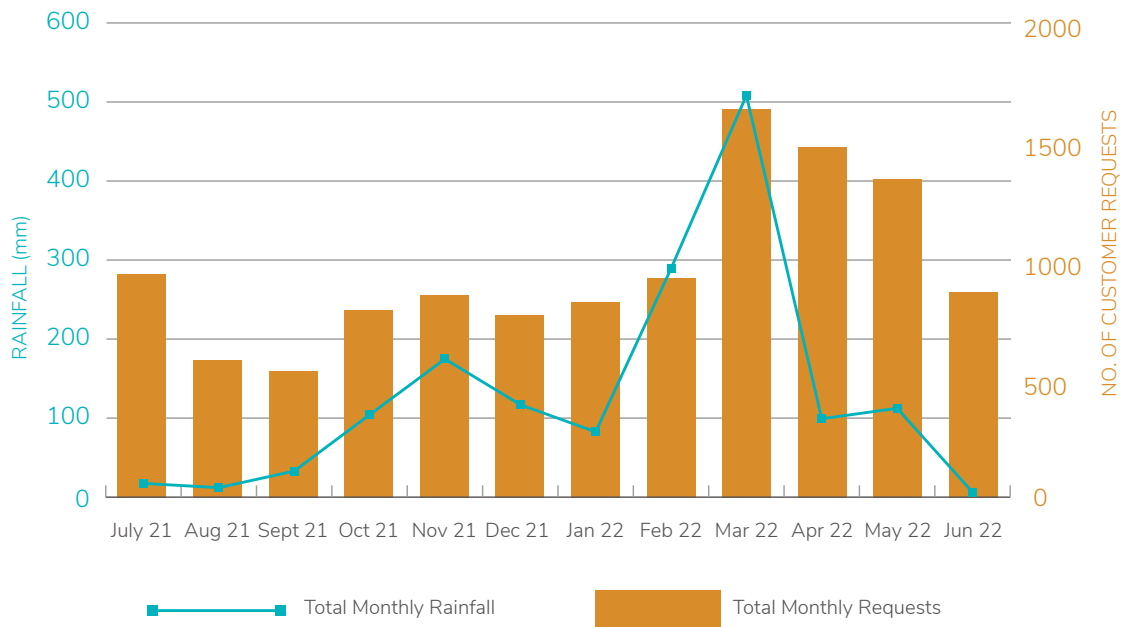
# TRANSPORT NETWORK

## Impact of weather events on our roads

The number of customer requests and enquiries in relation to roads and bridges increased due to the unprecedented number of wet weather events during 2021-22.

The graph below shows the relationship between the number of service calls received by Council and the amount of rainfall experienced in the area.

Transport Customer Requests



## Northern Gateway Project

The Northern Gateway is a high priority project in both the Hunter Regional Plan 2036 and the MidCoast Regional Economic Development Strategy.

The NSW Government committed \$15 million for infrastructure works to allow the first stage of the project to proceed. This project is one of 12 regional roads projects to receive a funding boost as part of the NSW Government’s \$3 billion stimulus package announced in 2020.

The project is part of the Northern Gateway Transport Hub which focuses on encouraging business investment in the MidCoast.

Stage 1 included the roundabout at the intersection of Princes Street and Emerton Close, Cundletown. This new multi-lane concrete roundabout will allow future access to the industrial area. The next stage of the project will involve construction of the new road west of the roundabout to facilitate industrial development.



# WATER SUPPLY & TREATMENT

## Gloucester reservoirs and associated mains

The upgrade of the Gloucester water network is well under way.

The reservoir site at Cemetery Road has been excavated to the required level. The excavated material has been stockpiled at the location of the proposed future Sewage Treatment Plant (STP) in Showground Road. This material will be used as fill to raise the surface level of parts of the new STP site above the flood level.

The rising main construction has also started, however progress has been slow due to rock encountered during excavation. Currently about 300 metres of the 6 kilometres has been laid with works beginning at the Gloucester Water Treatment Plant end of the main. The overall project schedule has not been affected by this.

The endangered babbler bird has been observed onsite and measures are in place to ensure protection of the species during construction. Excavation of reservoir footings is expected to start soon.





# 3 OUR ENVIRONMENT

Our region spans 10,052 km<sup>2</sup> and boasts the world heritage listed Barrington Tops mountain range at its highest point.

We're famous for our forests, waterways and beaches. Our lands are watered by 38 rivers including the only double delta in the southern hemisphere. We boast the state's tallest single drop waterfall, and enjoy an incredible triple lakes system. We are committed to protecting our stunning natural environment.



**58**  
NATIONAL  
PARKS



**192km**  
of coastline



**ONE**  
WORLD  
HERITAGE  
LISTED  
AREA



WALLIS LAKE  
**20%**  
OF NSW  
SEAGRASS



**13** MAJOR  
WATER  
CATCHMENTS



**5** COASTAL  
LAKES &  
LAGOONS

**5** WETLANDS  
OF NATIONAL  
SIGNIFICANCE



**20** LISTED  
THREATENED  
ECOLOGICAL  
COMMUNITIES



**45,793**  
DOMESTIC  
WASTE  
SERVICES

# YOUR ENVIRONMENTAL RATE AT WORK

Protecting and enhancing our natural environment was nominated as one of the community's highest priorities in our Community Strategic Plan, MidCoast 2030.

During the past 12 months, the environmental rate contributed \$4.306 million to projects that attracted additional investment from a range of partners including the NSW Environmental Trust, NSW Marine Estate Management Strategy, Landcare Australia, NSW Coast and Estuary Program and Rescuing our Waterways.

Projects include:

- Water quality/environmental impact assessment for planning proposals, development applications and Council managed projects
- Waterway Health Assessment Reporting
- Water Sensitive Urban Design projects and priorities
- Implementation of the Karuah Catchment Management Plan
- Implementation of the Manning Estuary Coastal Management Program
- Smith's Lake Estuary opening
- Dunn's Creek (South Forster) Catchment water quality improvement project
- Maintenance (bush regeneration/habitat enhancement) of Council's Natural Area Reserves
- Bushfire Wildlife and Habitat Recovery Projects
- Big Swamp/Cattai Wetlands management and project development
- Development of the Southern Estuaries Coastal Management Program
- Farquhar Park Inlet Maintenance Dredging
- Threatened species conservation and management focusing on the koala, grey-headed flying fox, squirrel glider, shorebirds, Manning River helmeted turtle
- Riverbank restoration and water quality improvement projects
- Vegetation surveys and mapping including corridor and urban canopy mapping
- Catchment and Marine Discovery Program
- Climate change and sustainability initiatives.



At 30 June 2022 \$5.436 million in funding remained restricted for the purposes for which the rate was approved. Many of the programs listed above will be delivered over multiple years, for which the funds on hand are allocated.



# NATURAL SYSTEMS

## Celebrating 10 years of monitoring waterway health

Healthy waterways and catchments are vital systems that keep our local towns and communities thriving and ensure a healthy and vibrant future.

The Waterway and Catchment Report Card celebrated its 10th anniversary in 2021. The Report Card provides a high-level assessment of the ecological health of our waterways. It helps us track their condition over time and understand how our waterways are faring when compared to estuaries across NSW. The results identify 'problem areas' for further investigation and on-ground action is targeted to those areas.

In the past decade over 1,900 individual water quality samples have been taken across our six major catchments and we now have a greater understanding of the patterns, trends and cycles of our waterways.

As part of the anniversary celebrations the spotlight was shone on the Wallamba River where 10 years of successful water quality projects have been undertaken. Bank stabilisation works, wetland rehabilitation, weed control and over 19,000 native plantings has resulted in water quality improvements at the site. The Wallamba River received a D grade in 2011 but in 2021 achieved a B grade for waterway health. The results in the Wallamba River show just how much can be achieved when we are working together across industry and agencies towards a common goal. It is something our community can be proud of.

The Report Card is also an important opportunity to connect with the community and the results were released to the public on 5 December at a breakfast event on the banks of the Wallamba River (Darawank War Memorial Park) followed by a Nature Tour through Darawank Wetlands.

2021 saw eight sites improve their grade and 10 maintain their results from the previous year. There was no site which decreased in grade. This was despite the impact of high rainfall which affected water quality across our region's waterways as the environment began to recover from extended drought, bushfires and flooding conditions over previous years.

The MidCoast Community values the health of our environment and continued monitoring through the Report Card program will allow us to protect our waterways into the future.



Michael Orr from DPIE sampling water

# NATURAL SYSTEMS

## Strategic plans in place to protect the Manning River and its estuary

The Manning River (Djarri Bila) is the lifeblood of our community. From the mountains to the sea, (Balgarr-abirang-Gurrwa-gu), freshwater to saltwater (Bathu-garibang-Girambit-gu) – the river connects our landscape and our community.

In July 2021, Council adopted the Manning River Estuary and Catchment Management Program, a 10 year, whole of catchment program to protect water quality and ecosystem health in this mighty river. The program contains 36 actions to promote stewardship, restore coastal wetlands and riverbank habitats, remediate acid sulfate soils, prepare for climate change, conserve biodiversity and engage the Aboriginal community in custodianship of the river.

The plan was developed by Council’s Natural Systems team with strong collaboration from a community reference group and a technical advisory group, as well as input from farmers, the Biripi community, special interest groups and delivery partners.

Implementation was commenced on 24 of the 36 actions, helping to protect and enhance the environmental, social and economic values of the river and its tributaries.



*The Manning River Estuary Community Reference Group*



# NATURAL SYSTEMS

## River Revival restoring refuge pools for Manning River wildlife

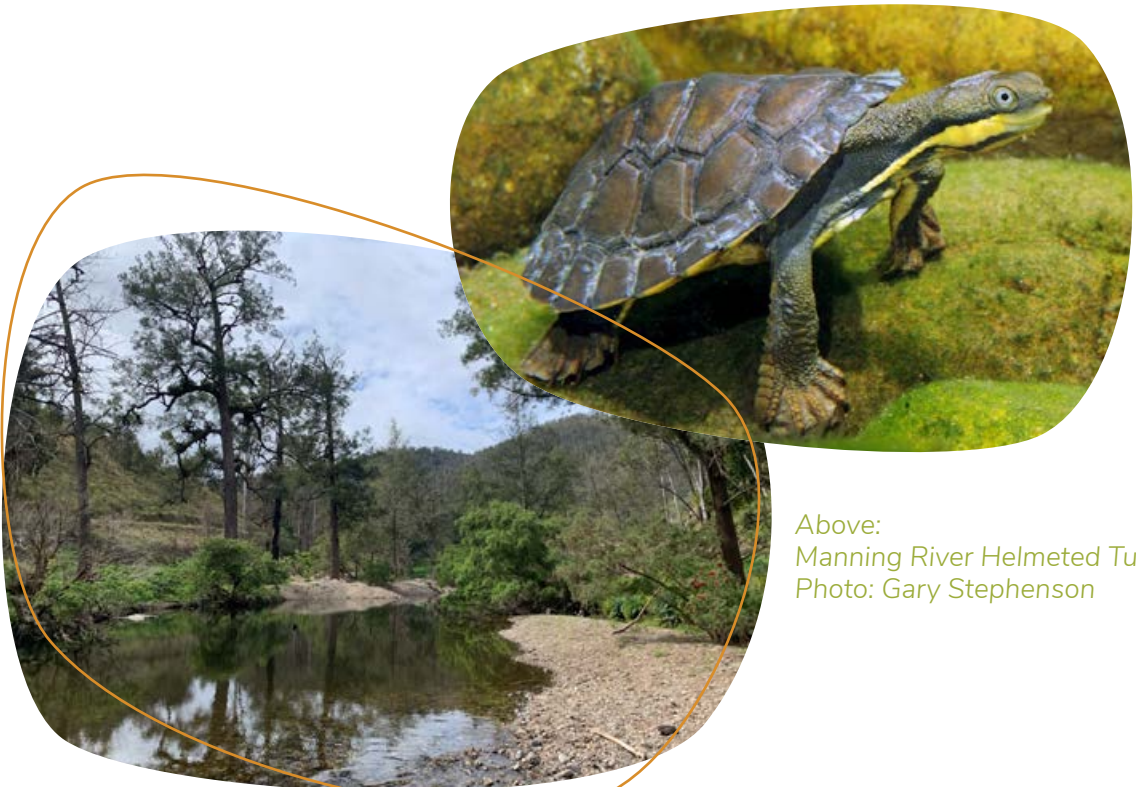
In the Manning catchment, freshwater aquatic species include the Manning River Helmeted Turtle, spiny crayfish, and platypus. Streams and their freshwater refuge pools play a key role in supporting biodiversity.

Council received two grants to improve the resilience of these precious habitats. The NSW Environmental Trust provided \$169,340 to restore fauna refuge pools and the Australian Government contributed \$143,500 to assist Manning River Turtle habitat recovery after the black summer fires. Council's co-contribution of \$69,860 from the Environmental Rate helped secure the grants.

The projects were coordinated concurrently under the banner 'River Revival' and aimed to protect and restore a network of refuge pools and associated riparian zones in the Nowendoc, Barnard and Dingo River catchments working in partnership with landholders. To date the projects have delivered six community workshops attended by 69 participants and a RiverWatch program involving nine volunteers to monitor water quality. Council partnered with landholders at six properties with agreements in place to restore 4.6 km of riverbank covering 15 hectares. The restored network of refuge pools and riparian habitat will enhance the resilience of aquatic fauna to climate change stressors.

The success of the grant applications depended on strong collaboration and support from the Manning River Turtle Steering Group – a committee of agencies and community groups including the Manning River Turtle Group, Hunter Local Land Services and MidCoast2Tops Landcare that meet regularly to conserve this much-loved icon of the Manning River.

The project was identified during development of the Manning River Estuary and Catchment Management Program in response to community concern about the impact of drought and fire on aquatic wildlife in the river.



Above:  
Manning River Helmeted Turtle  
Photo: Gary Stephenson

# NATURAL SYSTEMS

## Working with farmers in the Karuah catchment

Council continued to work with farmers in the Karuah catchment to maintain good water quality for swimming, oyster farming and aquatic fauna.

Beyond the Shed was a project funded by Council's Environmental Rate and the NSW Environmental Trust to reduce nutrient inputs from intensive poultry farming. Council and our partner Hunter Local Land Services worked with poultry farmers to undertake nutrient mapping at 10 farms and implement pollution reduction projects at eight farms.

Farmers installed 2,195 metres of fencing and seven off stream water sources to keep cattle away from the riverbank, protecting 202.83 hectares of riparian habitat. Other projects in progress include installing guttering and rainwater tanks on poultry sheds to reduce rainwater run-off into the river and preparing a standard Development Application to help farmers establish composting systems.

This project contributes to implementation of Council's Karuah River Catchment Management Program.

## Water sensitive urban design

**Healthy waterways protect the biodiversity of our aquatic ecosystems, including plants and animals. The health of our waterways also impacts on our community and our economy, for example, fishing, oyster growing and tourism.**

Preventing pollutants such as sediments, nutrients, petrochemicals and heavy metals from being washed into our rivers and lakes is important. Managing the impacts of development is one of the ways we do this.

All new developments with the potential to impact the quality of stormwater are required to install water quality treatments such as raingardens, water tanks and swales to help filter nutrients and sediment out of stormwater.

For large developments like subdivisions, there must be no new impacts on our waterways. Since 2015, 35 large subdivisions have achieved the 'no new impact' target.

Last year, 24 large developments including subdivisions, commercial, industrial and multi dwellings were assessed.

Small scale, infill developments, such as single dwellings located in the Great Lakes region, must include water sensitive design controls that protect our sensitive lake systems from nutrients and sediments. Since 2015, 947 new houses were required to include water sensitive design controls.

As a result of managing the impacts of development, an estimated 304 kilograms of total nitrogen, 33 kilograms of total phosphorous and 15 tonnes of sediment is prevented from being washed into our waterways each year.





# NATURAL SYSTEMS

## Using drones to plant trees for koalas

Almost 80% of the Crowdy Bay ‘Area of Regional Koala Significance’ (ARKS) was affected by the 2019 bushfires including 1,700 hectares of land contained within the Cattai and Big Swamp Wetlands. The wetland provides important habitat for the local koala population. Despite the obvious loss of koala habitat, surveys using specialist detection dogs in October 2020 revealed that koalas still persisted in isolated pockets of the reserve and along reserve boundaries.

With a grant secured through the Australian Government’s Bushfire Recovery for Wildlife and their Habitats Program, together with funding from Council’s Environmental Rate, an innovative project was commenced to help koala recovery and their ability to move across the landscape.

After the fires, Council’s nursery staff started collecting seed from the local Swamp Mahogany (*Eucalyptus robusta*) which is a preferred koala feed tree. Contractors were engaged to use aerial drone technology to reseed the fire affected wetlands with the Swamp Mahogany.

The seeds are put into special pods designed to give them the best chance of growth by accounting for local soil conditions such as soil acidity. The applicator pods are dispersed when the drones fly over the targeted areas. Using more traditional planting techniques in these areas is currently impossible due to the excessive amount of tree fall following the bushfires which has impeded access.



## Koala song meter survey

We’ve been working together with local landholders, Koalas In Care, Hunter Local Lands Service, Department of Primary Industries and MidCoast2Tops Landcare to further our understanding of koalas within the Kiwarrak Area of Regional Koala Significance (ARKS) located in the Bootawa/Tinonee area.

Over the next six years, listening devices, known as ‘song meters’, will be used to detect the male koala call. The information will help us to estimate the number of koalas in the area, understand how they use the rural landscape, and how they respond to environmental programs as well as natural disasters such as drought and bushfire. The aim is to understand how we can assist koalas over the long term.

The results from last spring’s song meter survey have been impressive with a large number of koalas detected across all sites. The results estimate a total koala population of up to 250 individuals across the entire study area, confirming it as among the highest density sites for koalas recorded in NSW.

The help of our partners, especially the local landholders, is critical to understand the koala population better and to secure koalas in the wild for the future.

# NATURAL SYSTEMS

## Endangered shorebird project

During the summer beaches in our area, particularly at Winda Woppa, Harrington and Farquhar, are visited by shorebirds looking for suitable sites to nest and raise their chicks.

These include three endangered shorebirds: the Red-capped plover, the Pied oystercatcher and the Little tern which migrates from Asia. They lay their eggs above the high tide line on open expanses of beach.

A number of other shorebirds migrate from the northern hemisphere with the express purpose of putting on weight. An example is the critically endangered Eastern curlew.

The Aleutian tern migrates from the subarctic region and was first recorded at Farquhar in 2018. Since then avid birdwatchers have travelled to see Aleutian terns in an area where they had never been seen before. This visitor spending helps to boost our local economy.

Threats to beach nesting shorebirds include illegal four wheel drive (4WD) activity, uncontrolled domestic dogs and people walking through nesting areas. Foxes are a major threat able to destroy multiple nests per evening.

Management activities consist of fox control, installing temporary fencing and signage around nesting sites, public education and restricting 4WDs and dogs within fenced nesting areas.

The 2021-22 nesting season saw minimal success with a small number of Pied oystercatcher chicks fledged. The numbers of Little terns fledged was zero. While threats such as 4WDs and interference by people has largely been accounted for via education and enforcement, bait shy foxes and natural avian predation accounts for the high mortality rates.

We are working with project partners including TIDE (Taree Indigenous Development and Employment), Hunter Local Lands Services, Crown Lands, volunteers, BirdLife, NPWS and Department of Planning and Environment as well as researchers at the University of Newcastle and the University of Sydney to develop innovative solutions. Other measures include improving coastal saltmarsh habitat by controlling weeds. Targeted weeding of affected sites within the Manning estuary includes Oyster Creek, Charleys Island, Harrington Wetlands, and Cabbage Tree Island. Forster sites include Goodwin and Cockatoo Islands.



Left: Eastern Curlew (photo Peter Goonan)  
Right: Pied Oystercatcher and chicks



# NATURAL SYSTEMS

## Tropical Soda Apple Eradication Project

Tropical Soda Apple (TSA) is a major threat to agricultural production and was first identified in NSW around 2010. The first occurrence reported in the Manning was in 2011. It is the highest priority pest plant species for the MidCoast area.

Infestations are being managed through a private property inspection program which has increased detection levels. Partnerships with the NSW Department of Primary Industries and Hunter Local Land Services, along with grant funding to the value of \$244,000, has allowed for education and workshops; private property inspections and on ground management to assist landholders build their capacity to identify and manage infestations in the long term. Cattle tracing data has also been used to target properties identified as being at risk.

Biosecurity staff are using a GPS device to plot the location of the plants. This provides comparative information over time and will also assist landholders by supporting their efforts in identifying the location of TSA on their properties.

Workshops with landholders are intended to inform, support and encourage collaboration and voluntary compliance to ensure long term eradication of this weed although the program schedule has been impacted by persistent wet conditions.

*Bocconia frutescens* is another weed recently identified as having escaped from gardens. The Kiwarrak community partnered with Council's weed team to identify and remove bocconia from their district, including in environmentally sensitive areas such as the Khappinghat National Park.



*Tropical Soda Apple*

# NATURAL SYSTEMS

## Southern Estuaries Coastal Management Program – Stage 1

The Natural Systems team is partnering with the community to develop a coastal management program to protect the health of its southern estuaries. The program will identify and manage the social, economic, cultural and environmental values of our waterways.

The MidCoast contains many iconic and highly valued estuaries, including the largest coastal lake system in NSW. The southern estuaries study area includes Wallis Lake, Smith Lake, Myall Lakes, Khappinghat Creek, Black Head Lagoon and the northern foreshores of Port Stephens (including Karuah River, North Arm Cove and Kore Kore Creek), and their contributing catchments.

This coastal area provides stunning natural environments, areas of cultural significance, a multitude of social and recreational benefits for local communities and visitors and is a key contributor to the regional economy. However, the coastal zone is facing increasing pressure from environmental stressors, population growth, urban development, and climate change.



The development of a coastal management program takes place in five stages. During 2022 extensive work was done on stage one to develop a scoping study to help set the direction for the rest of the program.

A range of community members, special interest groups, the indigenous community and key stakeholders and delivery partners were consulted throughout the process through community surveys, event days and workshops. Determining how our community uses our waterways, the areas of the estuaries they visit and what they value in these areas is an important part of preparing the coastal management program. The community will continue to be involved as the program progresses.

Stages 2 – 4 of the program will run through to 2023, with stage 5, the 10 year implementation program, commencing in 2024.

Our southern lakes and rivers are some of our greatest natural assets and an important part of our community’s way of life. Through the Coastal Management Program we’re planning to sustain the health of these waterways into the future.



# NATURAL SYSTEMS

## Farquhar Inlet dredging

Work to restore safe navigation for boat users between the Manning River South Channel and Scotts Creek was completed in September 2021. This included work to maintain boat access to the Farquhar campground.

A total volume of 33,010 cubic metres of marine sand was removed from the three identified areas of the estuary. This was a much larger volume of sand than was initially expected – a result of the March 2021 floods. The floods brought down a considerable sediment load and saw major changes to the sand dynamics at Farquhar Inlet and the surrounding area.

The project benefited local users by reinstating safe boating access, particularly during low tides. This section of the estuary was heavily choked with sand and movement was tricky for anything but the smallest of vessels. Navigating through this area is a now far less stressful with the new deeper channel in place.

The project was funded 50/50 with a grant from the NSW Government’s Rescuing Our Waterways Program and Council’s Environmental Special Rate.



The dredge 'Ruby K' in action near Farquhar Campground

# LAND USE PLANNING

## MidCoast Urban Release Areas Report

In July 2021 Council adopted the MidCoast Urban Release Areas Report. The purpose of this report is to provide certainty around the expansion of settlements in the MidCoast. It identifies land that can be rezoned for residential or employment zones to meet the demand for additional housing and business or industrial growth.

Rather than identifying land never before considered for rezoning, the document represents a minor review of land identified in previous strategies that hadn't yet been rezoned. It identifies the existing urban zone boundary of settlements and suitable land to consider for rezoning to expand settlements. Urban Release Areas identified in this report are being considered by the NSW Department of Planning and Environment for inclusion in the Hunter Regional Plan 2041.

This report will be updated in the future when new Urban Release Areas are identified through future Local Strategies.

## Planning Updates

Updates to planning controls to increase the land supply for housing and infrastructure, include:

- Amendments to the Greater Taree Development Control Plan 2010 to enable the residential development of 74 hectares of land at Kolodong to provide for around 500 new homes
- An amendment to the Great Lakes Local Environmental Plan 2014 to rezone land in Lake Street Forster from R3 Medium Density Residential to R4 High Density Residential
- An amendment to the Great Lakes Local Environmental Plan 2014 to rezone land next to the Hawks Nest Golf Club to R3 Medium Density Residential
- An amendment to the Gloucester Local Environmental Plan 2010 to rezone land at 84 Showground Lane, Gloucester to SP2 Infrastructure to enable the extension of the Gloucester Sewage Treatment Plant
- An amendment to Greater Taree Local Environmental Plan 2010 to rezone land at Taree South to IN1 General Industrial and B6 Enterprise Corridor to expand the Taree South Employment Area and an amendment to Greater Taree Development Control Plan 2010 to include specific development controls for this land
- An amendment to Great Lakes Local Environmental Plan 2014 to include an additional permitted use for a Highway Service Centre on land to the immediate south of the Bulahdelah Golf Course.



# LAND USE PLANNING

## Greening Strategy

Council has adopted a Greening Strategy to manage and enhance tree canopy cover and green spaces across the region with a focus on urban areas. The strategy sets out a forward thinking plan of action that prioritises specific locations according to what is needed.

To get the most effective outcomes over the large MidCoast area, the strategy focuses on five key principles and actions. These are:

- Cooling our urban areas
- Keeping what we have
- Building partnerships
- Right trees in the right place
- Planning for the future

Work is in progress to implement the agreed actions.



## Vegetation Management Policy

As part of developing the Greening Strategy, the need for targeted vegetation management was identified and a Vegetation Management Policy was adopted. This will contribute to:

- Conserving significant ecological values by maintaining key habitats and linking corridors to enable fauna movement
- Preserving landscape character e.g. the 'leafy' character that some locations are renowned for.
- Mapping was done to identify the target areas, and a simple three step application process was developed and included in the Vegetation Management Policy.

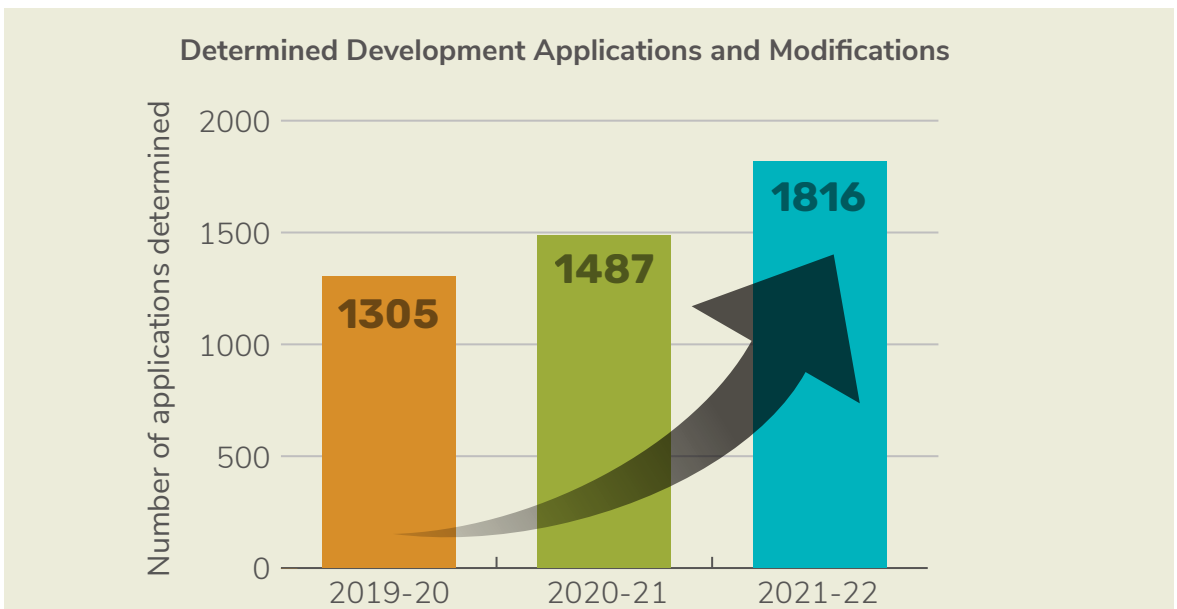
# DEVELOPMENT ASSESSMENT AND BUILDING SERVICES

## Implementation of the NSW Planning Portal

All Development Applications, Construction Certificates and related documents are now lodged electronically through the NSW Planning Portal. This new platform allows for a consistent user experience across the state and further streamlines the process by raising the quality of applications submitted.

MidCoast Council's lodgement processes have also been further streamlined by introducing a 'Clearing House' process. All applications now receive a preliminary desktop assessment to ensure they adequately address all of the required criteria before a full and detailed assessment commences. This process improvement has allowed us to keep up with the unprecedented level of development activity in the MidCoast region.

The below graph highlights the steady increase in the number of applications determined over the past three years. During this increase Council has continued to lower the average number of days to determine applications.



## Fast track development application service

Council has implemented a fast-track development application service reducing the determination time for applications that meet the criteria. Council now has dedicated staff to identify and determine applications that are low impact and non complex. These applications are then 'fast tracked' and determined on average within 10-15 working days. During the period from the 1 January 2022 to 30 June 2022, 135 applications were processed with average determination time of 11 days.

## Master Builder presentations

During March and April 2022 Council delivered Master Builder presentations to both the Forster/Taree group and the Gloucester group. There were approximately 40 attendees at the Forster/Taree meeting and 15 at the Gloucester meeting. Council's active engagement with the local building industry through this forum continues to be well received.



# STORMWATER DRAINAGE, FLOODING & COASTAL ENGINEERING

## Jimmys Beach restored

Jimmys Beach was restored after it was severely eroded in April 2022 by a storm that affected the entire NSW coastline.

Trucks shifted 4000m<sup>3</sup> of sand from the Winda Woppa stockpile to Jimmys Beach over the week long nourishment campaign. Specialist machinery spread the sand to reprofile the beach which is an important step to minimise the impacts of future storm events.

Stretching in a five kilometre arc from the mouth of Myall River to Yacaaba Headland, the beach is one of the 15 Significant Open Coast (Hazard) Locations identified by the NSW Government. These are sites where public and private assets as well as important habitats may be at risk from coastal processes.



# WASTE SERVICES

## New Waste Cell, Taree Landfill

The MidCoast area is now in a fantastic position regarding the disposal of unrecyclable domestic and commercial waste, with the development of a new landfill cell at the Taree Landfill.

Occupying the old rock quarry area at the north of the site, the new cell will receive kerbside collections from the Taree and Great Lakes areas initially, before receiving all unrecyclable waste from those areas in the future.

Development started around October 2021 and although natural disaster and weather events halted progress on occasions, the cell is now receiving domestic kerbside waste. The highly engineered and designed cell is built to modern standards, with a projected 25 year capacity. This development will allow us to plan for the future to consolidate all existing landfills into one regional landfill. Having one regional landfill will help to mitigate environmental risks, increase efficiencies and provide opportunities for technological advancements and better monitoring practices.



**PLASTICS DROP-OFF**

**PLASTICS ACCEPTED FOR RECYCLING**

Rigid plastics, cleaned of residue and dirt

20 LTR containers	Buckets
Bulk water bottles (4 LTR, 10 LTR)	Garden furniture, plastic chairs
Milk bottles	Tupperware containers
Juice bottles	Milk crates
Wheeie bins	Ice cream containers
Bulk storage containers	Pot plant containers

A joint recycling initiative of MidCoast Council and Valley Industries.

Above: Aerial photograph of the the new waste cell at Taree Landfill

Left: Signage used during the 'Valley Plastics' initiative

## Hard plastic recycling

A partnership with disability support organisation Valley Industries has been established to assist their 'Valley Plastics' initiative by introducing a hard plastics recycling program.

Hard plastics have been a waste product previously unfeasible for MidCoast Council to recycle. Using the Taree Waste Management Centre's transfer station, we have dedicated one of our six bays to collect suitable hard plastic waste products that would previously have been destined for landfill. Within three months 4.98 tonnes of plastic was diverted to the Valley Industries Taree facility, where it will be made into saleable products using specialist equipment operated on site.



# WASTE SERVICES

## Grant funding secured for solar installation and gas capture trial

During the year, two grant funding opportunities were secured through the Environmental Protection Authority’s Bushfire Recovery Program. MidCoast Council qualified for the funding due to the effect the fires had on the Taree Landfill site in 2019. One of the successful grants was for a comprehensive solar installation and the other for a Landfill Gas Capture Trial.

The solar installation was completed on the transfer station roof. The solar panels can produce 78 kWh of energy, along with batteries sufficient to hold 59 kWh. This enables the site to be self-sufficient in power consumption with the ability to remain operational for up to three days without power grid supply in the event of future disasters.

Funding for the Gas Capture Trial will be used to determine the viability of a permanent gas capture system installed at the original landfill area. Determining the amount of methane gas present in the site will allow for appropriate planning and considerations involved in gas capture, with flaring or energy production possibilities depending on trial results. The trial is programmed to commence in the 2022-23 financial year.

These sustainable initiatives reflect our commitment to reducing carbon emissions while embracing renewable energy and put us in a position to demonstrate to the MidCoast community that we are forward thinking and leaders in sustainable change.



*Solar panel installation at the Taree Landfill transfer station*

## Mattress Foam Recycling

Mattress foam is a challenging waste to dispose of, as it takes up valuable landfill space and does not compact well.

With the assistance of funding from the NSW Government Better Waste and Recycling Fund, MidCoast Council purchased and installed new equipment to turn mattress foam into bales. The bales are then sent away for recycling. This diverts approximately 13.8 tonnes of mattress waste each year.

# WASTE SERVICES

## Yalawanyi Ganya Food Composter

The NSW Environmental Protection Agency (EPA) Better Waste and Recycling Fund has supported the opportunity to promote the composting of food waste produced at Council's administration office Yalawanyi Ganya.

A Closed Loop organics composter was purchased and installed in the outside undercover area adjacent to the Junction Café. The unit can accept up to 60kg of food waste per day and render the waste into a nutrient rich compost material within 24 hours. An internal education and information campaign is being run aiming to encourage staff to dispose of food waste in the correct bins which is then be used to feed the composter. Several businesses in the area have also been invited to dispose of food waste using the composter and our aim is to instil recycling practices in Council staff along with leading our community by example. The compost product is then recycled and used on Council's gardens to "close the loop" from waste.

## MidCoast Council joins the Compost Revolution

With nearly 40% of household waste being food, this ends up in landfill and contributes significantly to greenhouse gas emissions.

With assistance from the NSW Environmental Protection Agency Better Waste and Recycling Fund, Council has joined forces with Compost Revolution to provide subsidised home composting equipment to increase the diversion of food waste from landfill. The results are very promising with over 360 households having purchased a home composting system.



## Education trial to improve recycling in home units

In May and June 2022, Council enlisted the support of strata managers, letting agents and casual waste educators to run a Recycle Right education campaign in 11 apartment blocks in Forster. The campaign reinforced what can and can't go in the recycling bin to reduce the contamination of recycling. Pop up stalls were used to engage residents directly. These were complemented by new signage in building bin bays, stickers for recycling bins, and other materials. The follow up audit of waste from these buildings showed an increase in the recycling rate and a reduction in contamination levels from 11.1% down to 4.5%. This is a very successful result that was supported by positive feedback from residents. Future programs will focus on reducing the percentage of recyclables and problem waste items still found in the general waste bins.

## Bulky waste collection

During this year's bulky waste clean-up over 1,569 tonnes of mixed waste and over 713 tonnes of scrap metal was collected. Council encouraged residents to participate in the bulky waste collection and ran an education initiative to assist the community on what they could and couldn't put out.



# WATER SUPPLY & TREATMENT

## Water Treatment Plants now cleaner and greener

A project to install solar power systems at water and sewer treatment plants is leading to a significant reduction in operating costs. With water and sewer infrastructure accounting for 80% of our overall power use, expected savings will be at least \$60,000 per year.

The project also aligns with our Climate Change Strategy, which aims to achieve net zero greenhouse gas emissions from Council operations by 2040. This project will lead to an estimated CO<sub>2</sub> reduction of more than 320 tonnes per year.

The Tuncurry Recycled Water Treatment Plant is now drawing the bulk of its energy from the sun after 160 solar panels were installed at the Grey Gum Road site. This plant already delivers important environmental benefits to the area with effluent from the Hallidays Point Sewage Treatment Plant being treated at the site for reuse on nearby sporting fields and open spaces, including the North Tuncurry Sports Complex, the Tuncurry Golf Course and the Tuncurry Cemetery. Previously these areas were irrigated by a mix of groundwater and town drinking water.

Installation of a solar power system at the Bulahdelah Water Treatment Plant has also been completed.



## Water education in schools

COVID-19 restrictions limited our ability to visit schools, with Whizzy unable to do his usual tour of the region's preschools and primary schools during National Water Week.

He was however able to perform his first visit in nearly two years in March 2022 when he entertained and educated the children at Big Childcare Pacific Palms. We also conducted a one off presentation at St Joseph's Primary School, Gloucester, where members of our water and education teams taught the students about the water cycle, water resilience, and smart meter technology, which had just been installed at the school. Also, in June 2022, a Year 12 chemistry class from St Clare's High School, Taree visited the Bootawa Water Treatment Plant for an excursion which received very positive feedback from the accompanying teacher.



Whizzy show at Taree Library July 2022

# WATER SUPPLY & TREATMENT

## Joint initiative with holiday parks to save water

Visitors to the region’s holiday parks were encouraged to use water sustainably, thanks to a joint initiative between Council and more than 20 park operators.

Signs and stickers urging people to save water in the shower and at the sink were distributed to holiday parks across the MidCoast ahead of the busy summer season. The signs encourage visitors to show their love for our beautiful outdoors by using less water indoors.

With the signs and stickers displayed everywhere from Harrington to Hawks Nest to Gloucester, the majority of parks connected to Council’s water network have taken up the initiative, meaning visitors all over the region will be getting the same message.

Twin Dolphins Caravan Park at Tuncurry has had the signs and stickers up since late 2021. Park Manager Andrew Walker said he’d received nothing but positive feedback and he’d always believed we’ve needed visual aids to remind our guests, yes, you’re on holidays, but we still have a responsibility to use our water as wisely as possible.

Mr Walker was one of 16 park operators who took part in a series of water resilience workshops. The workshops brought together park operators from across the MidCoast to share ideas on how they could improve their water efficiency and better prepare their businesses to deal with the impacts of drought. Each operator came away from the workshops with a customised water resilience plan for their park that will guide their preparation and response to future water shortages.



Andrew Walker of Twin Dolphins Caravan Park at Tuncurry



# WHALE RESCUE

## Southern right whale in lake returns to the ocean

On Friday 2 July 2021 traffic on the Forster Tuncurry bridge was stopped to allow an endangered Southern right whale to pass under the bridge and back out to sea to continue its northern migration.

Council partnered with Transport NSW and the NSW National Parks and Wildlife Service to help the whale after it entered Wallis Lake earlier that week.

The National Parks and Wildlife Service made a special Protection Order to prevent anyone approaching within 500 metres of the whale. This applied to all forms of transport including boats, aircraft and drones as well as swimmers and people congregating on the Forster Tuncurry bridge. It was the first time an Order of this kind was made.

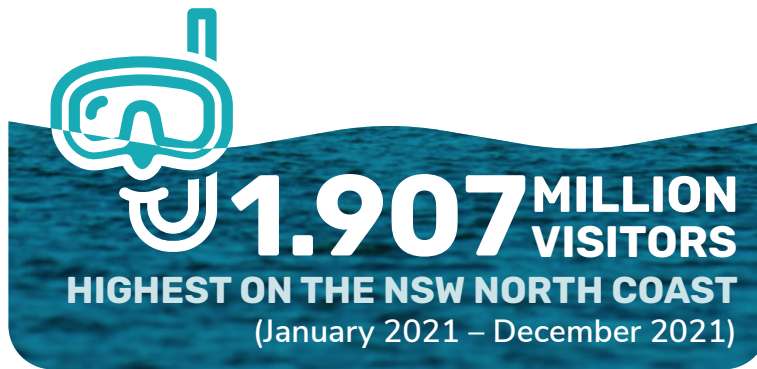
It was believed that once in the lake the whale was being spooked by vibrations from traffic crossing the bridge preventing it from passing underneath and back out to sea. As the whale approached the bridge, the traffic was stopped to reduce vibration and to allow experts to shepherd the whale out under the bridge.

The south-eastern Australia population of the Southern right whale is highly endangered, with around 270 individuals left including only 68 breeding females so this was a great outcome.

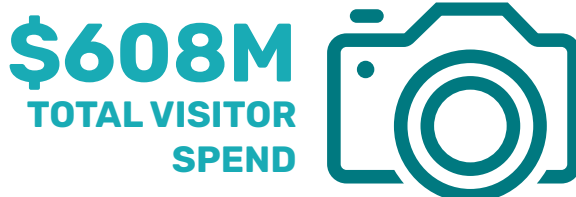
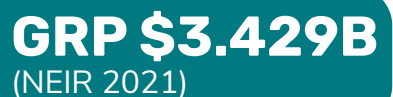


# 4 OUR THRIVING & GROWING ECONOMY

We are a place where people want to live, work and play; where business is resilient and adaptable to change by using knowledge and expertise that supports innovation. We work with business and community representatives to promote the region, maximising the value of current and emerging opportunities.



## MAIN INDUSTRIES



2ND HIGHEST ON THE NSW NORTH COAST



# BUSINESS

## Crowdy Head featured in 'Don't Go Small, Go Australia' campaign

A \$40 million Tourism Australia campaign featured a photograph of a kangaroo at Crowdy Head on billboards in London's Piccadilly Lights (the largest advertising display in Europe), and in Times Square in New York (which stretches an entire city block).

The photo was captured by Mark Fitzpatrick in 2018 and was used in the launch of Barrington Coast, MidCoast Council's destination brand. The image has well and truly put us on the map which is great news especially for small business owners.



## New Year Celebrations

New Year's Eve fireworks displays went ahead this year on the banks of the Manning River, Taree and along the Forster-Tuncurry foreshore.

Planning for both events was paused until the State Government's COVID-19 Roadmap was made available so that the tradition could be continued in the safest way possible.

In past years, the New Year's Eve celebrations were funded through sponsorship from local businesses, however recognising there were significant financial impacts on local businesses as a result of Public Health Orders, Council paid the full cost of the event this year.

# BUSINESS

## Inaugural Barrington Coast bEATS Festival

The inaugural Barrington Coast bEATS Festival involved a program of events during March and April presented by Council, working alongside local tourism operators and venues.

The Festival included the return of popular local events such as the Lakeside Festival, Great Lakes Food Trail and TasteFest on the Manning. Exciting new events included the Tanks Art Trail, markets and exhibitions.

One of the highlights was the Barrington Coast Long Table Dinner which was held at Yalawanyi Ganya in Taree. It was a unique long table dining event featuring celebrated chef Clayton Donovan, Australia's first Indigenous hatted chef who has a passion for introducing native flavours to modern Australian cuisine. The event was coordinated by Donna Carrier, from award winning Wingham café Bent on Food and styled by local stylist Kristy Laurie of Empire Leaf. Local apprentices, trainees and hospitality students helped to serve and cook.





# 5 STRONG LEADERSHIP AND SHARED VISION

We deliver benefits for our community in a way that adds value and builds trust.





# RESILIENCE & RECOVERY

## Community recovery events

There were 73 community recovery events held during 2021-22 for both bushfire and flood recovery. There was a great response with a total of 1,988 people participating.

## Community halls network

Building on the pre-existing community halls network, Council hosted a group of representatives from 19 different community halls.

The group came together in a workshop in June 2022 to brainstorm ways they could support their communities during disasters. Together with local emergency services, Red Cross, Resilience NSW, Local Land Services and the National Emergency Management Agency we are investigating ways halls committees can:

- support each other
- advocate for and lead their communities
- fund initiatives for disaster preparedness
- develop disaster resilient communications
- support better mental health outcomes in their community post disaster
- develop community specific initiatives that will provide support during and after emergencies such as community disaster planning, food banks and showers.

The primary overall focus is identifying ways we can support our emergency services by working with our communities to stay safe in a potential flood, storm or bushfire event.

## Disaster declaration

Disaster assistance became available to residents following a disaster declaration after the severe storms and flooding in February and March 2022.

This included financial assistance for small businesses, primary producers and non-profit organisations through the jointly funded Commonwealth State Disaster Recovery Funding Arrangements. Council's Community Recovery team assisted with calls and requests from the community for help.

Council received funding from the Department of Regional NSW Community Local Infrastructure Repair Program to help with the costs of cleaning up and restoring damaged essential public assets.



# INDUSTRY AWARDS

## Highly commended for the Know Your Zone program at the 2022 LGNSW Awards

Council received a highly commended award at the annual Local Government NSW Awards. The award was received in the Planning Awards category for Council's 'Know Your Zone' program.

The program involved developing land use strategies for our urban areas and rural landscapes. The community engagement was extensive with over 1,200 individual discussions about the strategies at 31 drop in sessions, more than 700 phone calls, and around 20,000 visits to the website. 75% of the urban submissions received resulted in changes to the draft plans.

The outcomes from the program provide a great foundation for developing the new MidCoast Local Environmental Plan and Development Control Plan.



## Barrington Coast Destination Brand receives Gold and Silver at the NSW Tourism Awards

The Barrington Coast destination brand won gold in the 'Local Government Award for Tourism' category and silver in the 'Tourism Marketing and Campaigns' category at the NSW Tourism Awards. The NSW Tourism Awards are a celebration of the outstanding resilience, innovation and creativity demonstrated by our Tourism Team over what has been a challenging few years for the industry.

The 'Local Government Award for Tourism' category, won by Council, recognised excellence in tourism planning, tourism facilities and services, marketing, event development and the overall contribution made both locally and to the NSW tourism industry.

The 'Tourism Marketing and Campaigns' category, in which MidCoast Council took out the silver award, recognises creativity and innovation in the promotion of tourism products, services or destinations.

Congratulations to other local MidCoast finalists including Aussie Ark, Barrington Tops; Reflections Holiday Park Seal Rocks; Seafarers Diamond Beach; and Blueys Motel, Blueys Beach.



When accepting the awards Council acknowledged the Worimi and Biripi people of the MidCoast and recognised their connection to Country, without which they could not tell the story of the Barrington Coast.



# INDUSTRY AWARDS

## Winner of the Strategic/Enterprise Risk category at the Statewide Mutual Risk Management Excellence Awards

Council has been recognised in the Statewide Mutual Risk Management Excellence Awards, as winner of the 'Strategic/Enterprise Risk' category.

The application showcased Council's commitment to organisation wide risk management through the development and implementation of a Risk Management Roadmap.

The objective of the Roadmap was to build a single risk management vision and solution. The roadmap focuses on embedding risk management across the organisation, so that Council can realise the opportunities and gain the benefits that effective risk management offers. It ensures that risk management is recognised as a priority from the top down and is a key consideration in all strategic and operational business practices and decision making processes. It facilitates the practical application of risk management by providing a structured and consistent approach; education and awareness for staff; and easily accessible tools and resources that cater for all levels of understanding throughout the organisation. The Roadmap also defines how Council will measure its success, identify opportunities for improvement and ensure that Council is delivering on desired outcomes.

## Council a runner up in AR Bluett Memorial Award

Council was a runner up in the AR Bluett Memorial Award for 2021. The award recognises the most progressive and innovative Council in the State based on their achievements and projects.

Trust Chairman Les McMahon, who was one of the three judges, said Council had a strong application and had achieved a lot in a short period of time. In particular, the judges were impressed by the new administration building and the work on recovery following disasters such as the floods last year.

Council's application included the construction of the accessible playground at Livvi's Place, Taree, the Barrington Coast destination branding project, the response to the March 2021 floods including ongoing community recovery activities, the relocation to Yalawanyi Ganya and the partnership with the State Government to improve regional roads.



Livvi's Place, Taree

## NEW CITIZENS WELCOMED TO OUR COMMUNITY

More than 50 MidCoast residents became Australian citizens at a special ceremony conducted by Mayor Claire Pontin in Taree on Australia Day 2022, as part of celebrations organised by the Combined Service Clubs of Taree.

The ceremony celebrated 46 adults and six children originally hailing from the United Kingdom, India, New Zealand, Brazil, Germany, South Africa, China, Philippines, Morocco, Portugal, Canada, United States of America, Cambodia, Malaysia, South Africa, Sudan, Saudi Arabia, Poland, Bulgaria and Egypt.

In addition to the ceremony on Australia Day, 3 other citizenship ceremonies were held throughout the year. In total 97 new citizens were officially welcomed to our community.



Mayor Claire Pontin pictured with Lakshmi Rajendran, Sam Paul and sons David and Jonathan with their citizenship certificates.

## BUILDING CAREERS ON THE MIDCOAST

Council continues to invest in local jobs with a group of 19 new trainees, apprentices and graduates starting their careers in local government in February 2022. The injection of fresh talent was part of Council's ongoing employment based training strategy, which has a yearly intake. In total Council had 35 registered trainee positions (including these new trainees) at 30 June 2022.

We look forward to supporting our new employees as they learn and progress their careers in local government.

Building his career from his hometown was the motivation Jack had to apply for his new position as a Water Management and Treatment Trainee in Gloucester. "For me it was about finally having the opportunity to work in my hometown and being involved with something that benefits my community," Jack said.

"This gives me the opportunity to stay in the area. I've moved away a few times and I keep finding myself coming back." Jack says he grew up around the rivers in the area and he's interested in learning more about them. "They're the lifeblood of the towns so it's nice to work in an industry that values them," he said.

Graduate Development Engineer Alyaa is interested in learning about the area after moving to Taree from Sydney around a year ago. "I'm learning a lot, that's why I really like this role, to be able to learn about the area, the community and how things run," Alyaa said. Alyaa, who continues to study with the University of Technology Sydney, will be working on checking storm water design, driveways, access parking and other elements of development applications.

Trainee Finance Revenue officer Sophie had been eyeing off applying for trainee positions previously before taking the plunge to apply last year. Sophie, who grew up in Forster, has started learning about the rates system and believes this could be the start of a career in finance.

MidCoast Council also operates a school based traineeship program that provides senior school students with an opportunity to commence their career while still at school. This year MidCoast Council has started two new civil construction school based trainees at both the Taree and Tuncurry Depot.





# COUNCIL MEETINGS

The NSW Local Government Elections were due to be held in September 2020, however they were delayed due to the risks posed by COVID-19.

The Elections finally took place on 4 December 2021, with the new Council being declared on 22 December 2021. As there were two different Councils operating in the reporting period (pre-Election Council Meetings and post-Election Council Meetings) the attendance below has been separated.

## Councillor attendance at meetings for the period 1 July 2021 – 30 June 2022

<b>Pre-election meetings</b> (1 July 2021 to 22 December 2021)	Ordinary Meeting	Strategic Committee Meetings
<b>Total Number of Meetings</b>	<b>6</b>	<b>1</b>
Cr Bell, K	6	1
Cr Christensen, B (resigned Sept 2021)	2	1
Cr Epov, P	5	1
Cr Fowler, T	5	1
Cr Hutchinson, K	6	1
Cr Pontin, C	6	1
Cr Roberts, L	6	1
Cr Smith, K	6	1
Cr West, D	6	1
<b>Post-election meetings</b> (23 December 2021 to 30 June 2022)	Ordinary Meeting	Strategic Committee Meetings
<b>Total Number of Meetings</b>	<b>8</b>	<b>1</b>
Cr Bell, K	8	1
Cr Epov, P	4	1
Cr Fowler, T	7	0
Cr Howard, P	6	1
Cr Miller, J	8	1
Cr Pontin, C	8	1
Cr Sandilands, P	8*	1
Cr Smith, D	7	1
Cr Smith, K	7*	1
Cr Tickle, A	8	1
Cr West, D	7	0

\*Due to a technical issue relating to audio in the Chambers, Councillors K Smith and P Sandilands could not participate in the meeting on 29 June 2022.



PART THREE

# STATUTORY REPORTING

## 2021-22 Statutory Reporting

The following Statutory reports are required under the *Local Government Act 1993*, *Local Government (General) Regulation 2021* and other NSW Government Acts. The relevant clause or section is highlighted with each report.

### Audited financial reports

*Local Government Act 1993 s428(4)(a)*

Audited financial statements are in *Part 4* of this report.

### Environmental upgrade agreements

*Local Government Act 1993 s54P(1)*

MidCoast Council did not enter into any environmental upgrade agreements during the reporting period.

### Activities funded via a Special Rate Variation

*Special Rate Variation Guidelines (SRV Guidelines) 7.1*

#### Special Rate Variation

\$7.338 million was levied in 2021-22 for allocation to existing road work programs and for the payment of existing and future borrowings undertaken to fund Council's \$50 million contribution to the Road Upgrade program outlined below.

At 30 June 2022 \$12.828 million of funds remain restricted for these purposes. During the year Council made loan repayments totalling \$1.589 million and spent \$2.720 million on renewal works on the road network for:

- Urban Resurfacing - \$1,000,000
- Rural Rehabilitation - \$655,000
- Rural Resurfacing - \$1,000,000
- Stormwater Drainage Construction - \$65,000

There were new borrowings of \$8.625 million taken out during the 2021-22 financial year under the Road Upgrade Program. Repayments on these and previous borrowings will be met from the Special Variation and the accumulated reserve balance.



## Environmental Rate

\$4.306 million levied in 2021-22 through the Environmental Rate component of Ordinary rates. During 2021-22 \$3.796 million of the Environmental Rate funds were spent. Funded projects included:

- Water quality/environmental impact assessment for planning proposals, development applications and Council managed projects
- Waterway Health Assessment Reporting
- Water Sensitive Urban Design projects and priorities
- Implementation of the Karuah Catchment Management Plan
- Implementation of the Manning Estuary Coastal Management Program
- Smith's Lake Estuary opening
- Dunn's Creek (South Forster) Catchment water quality improvement project
- Maintenance (bush regeneration/habitat enhancement) of Council's Natural Area Reserves
- Bushfire Wildlife and Habitat Recovery Projects
- Big Swamp/Cattai Wetlands management and project development
- Development of the Southern Estuaries Coastal Management Program
- Farquhar Park Inlet Maintenance Dredging
- Threatened species conservation and management focusing on the koala, grey-headed flying fox, squirrel glider, shorebirds, Manning River helmeted turtle
- Riverbank restoration and water quality improvement projects
- Vegetation surveys and mapping including corridor and urban canopy mapping
- Catchment and Marine Discovery Program
- Climate Change & Sustainability initiatives

At 30 June 2022 \$5.436 million of funds remain restricted for the purposes for which the rate was approved. Many of the programs listed above are multi-year delivery projects for which the funds on hand are allocated.

## Rates and charges written off during the year

### *Local Government (General) Regulation 2021 cl 132*

Postponed Rates and Charges <i>Local Government Act 1993 s 595</i>	\$19,202.04
Council Resolution <i>Local Government (General) Regulation 2021 cl 131</i>	\$4,526.77
Ratable properties now exempt from Rates <i>Local Government Act 1993 s 555 - 558</i>	\$56,225.80
Pensioner Rate Reductions <i>Local Government Act 1993 s 575(2)</i>	\$4,742,347.03
Concealed Leak Applications <i>Local Government (General) Regulation 2021 cl 132</i>	\$189,820.79

## Councillor professional development

*Local Government (General) Regulation 2021 cl 186*

Type of training and development	Names of Councillors who completed/participated in the training/course
Induction training	Mayoral Induction Forum (LGNSW) 8 February 2022 – attended by Cr Pontin (Mayor)
	LGNSW Annual Conference (virtual) 29 November 2021 – attended by Cr West, Cr Pontin (Mayor), Cr Hutchinson and Cr K Smith
Ongoing professional development program	Councillor Professional Development Workshop (delivered by LGNSW) 17 - 18 January 2022 – attended by ALL Councillors
	LGNSW Annual Conference 28 Feb - 2 March 2022 – attended by Cr Pontin (Mayor), Cr Tickle (Deputy Mayor), Cr Miller and Cr D Smith
	National General Assembly of Local Government 19 to 22 June 2022 – attended by Cr Tickle (Deputy Mayor)
	Audit Risk Improvement Committee (ARIC) training (delivered by Institute of Internal Auditors) in March 2022 – attended by Cr Miller and Cr Tickle (Deputy Mayor)
	Corporate Service staff presented a suite of induction sessions throughout the first four months of the new term

## Overseas visits

*Local Government (General) Regulation 2021 cl 217(1)(a)*

In 2021-22 no overseas travel was undertaken by the Mayor, Councillors or staff.

## Councillor expenses

*Local Government (General) Regulation 2021 cl 217(1)(a1)*

Council policy identifies the expenses that will be paid and the provision of facilities to the Mayor and Councillors in relation to discharging the duties of civic office. The policy was adopted on 10 February 2021.

Our policy recognises that the Mayor and Councillors, in performing their civic functions, are entitled to be provided with certain facilities and be reimbursed for expenses noted in the policy. The Councillor Expenses and Facilities Policy can be read and downloaded from Council's website.

Council is required under Clause 217(1)(a1) of the *Local Government Act 1993* to pay an annual allowance to the Mayor and Councillors. The following is a summary of the expenses incurred in performing the functions of the Mayor and Councillors and associated allowances.

Total costs **\$430,598**

**Allowances**

Mayoral allowance	\$54,732
Elected member allowance	\$231,447
Expenses (as per below)	\$144,419

**Expenses**

Dedicated office equipment	Nil	Interstate travel & accommodation	Nil
Telephone & internet expenses	\$5,887	Overseas travel & accommodation	Nil
Printing & stationery	\$2,277	Mayoral vehicle	\$10,000
Conferences & seminars	Nil	Sustenance	\$12,526
Training	\$17,109	Partner's expenses	Nil
Travel	\$10,009	Child Care expenses	Nil
Out of pocket expenses	\$1,902	LGNSW Membership	\$65,433
Security	\$5,170	Sundries	\$501
Subscriptions	\$6,310	Civic Expenses	\$7,295
Accommodation	Nil		

**Contracts awarded (other than employment contracts & contracts less than \$150,000)**

*Local Government (General) Regulation 2021 cl 217(1)(a2)*

Contractor	Supply Type	Details	Value (incl. GST)
AJ Grant Building Pty Ltd	Services	Wingham Library Upgrade	\$753,909.90
A J Grant Building Pty Ltd	Services	Gloucester Grandstand Construction	\$524,392.00
Audit Office of NSW	Services	2021-22 Financial Statement Audit Fee	\$238,920.00
BARRC	Services	Bush Regeneration	\$205,700.00
Bucher Municipal Pty Ltd	Equipment	2 x Hino V65t - 1628 Street Sweepers	\$774,566.96
Cadia Group Pty Ltd	Equipment	Precast Concrete Cundletown	\$161,371.90
C.J Hogan & Co Pty Ltd	Services	Construction of all access to Tea Gardens Pool	\$595,221.00
C.J. Hogan & Co Pty Ltd	Services	Omaru Park Taree Contract Works	\$681,945.00
Coffey Services Australia Pty Ltd	Services	Feasibility Seal Rocks Road Diversion	\$297,240.03
Cleveland Property Services	Services	Cleaning of Yalawanyi Gonyah Customer Service Centre	\$163,900.00
Court Craft Australia Pty Ltd	Services	Gloucester Netball Resurfacing	\$306,240.00
Daniel Stallworthy	Services	Tuncurry Amenities Block Construction	\$337,447.00
Ditchfield Contracting Pty Ltd	Services	Construction of Northern Gateway Cundletown, Industrial Lands Access Road	\$4,245,916.40



<b>Contractor</b>	<b>Supply Type</b>	<b>Details</b>	<b>Value (incl. GST)</b>
DuPont Memcor (Australia) Pty Ltd	Equipment	Supply 310 S10N Membrane Modules	\$308,484.00
Durack Civil Pty Ltd	Services	Road Approaches, Cox Bridge, Caparra Road, Wherrol Flat	\$358,876.93
Earthtec Pty Ltd	Services	Slope stabilisation Scone Road	\$1,064,418.85
Eire Constructions	Equipment	Cowper Street Stroud Water Main	\$244,558.81
Fenworx Pty Ltd	Services	Old Bar Road AC Repair Warwiba/Berady	\$1,320,000.00
Finn Valley Plant & Civil Pty Ltd	Services	Faulkland Road Bridge	\$156,139.01
Geoffrey Stewart Constructions Pty Ltd	Services	Bulk Gravel - Landfill	\$393,930.90
Goldsprings Group Pty Ltd	Services	The Bucketts Way Reconstruction	\$2,875,688.14
Goldsprings Group Pty Ltd	Services	Cowper Street Taree Reconstruction	\$3,018,172.78
Goldsprings Group Pty Ltd	Services	The Bucketts Way Allworth Road Reconstruction	\$3,057,327.85
Great Lakes Women's Shelter	Services	Construction of Great Lakes Women's Shelter	\$550,000.00
Ground Stabilisation Systems Pty Ltd	Services	Slope Stabilisation Wallanbah Road SEG 250	\$494,556.98
Hunter H2O Holdings Pty Ltd	Services	Detailed Design of Nabiac Water Treatment Plant Stage 2 Upgrade	\$517,318.52
Hunter H2O Holdings Pty Ltd	Services	Detailed Design of Gloucester Sewage Treatment Plant	\$1,094,263.00
Hunter H2O Holdings Pty Ltd	Services	Detailed Design Hawks Nest Sewage	\$1,461,487.00
Interflow	Equipment	Contract for sewer works	\$320,222.95
Iplex Pipelines	Equipment	300mm Pipes Manning River Drive Upgrade	\$178,476.90
Jacobs Building & Carpentry	Services	Hawks Nest Amenities Upgrade	\$214,564.87
Joncal Aust Pty Ltd	Services	Replacement of fire damaged perimeter fence	\$184,754.12
Land Advisory Services Pty Ltd	Services	Native Title searches and consultancy	\$171,869.50
Lenovo Pty Ltd	Equipment	Additional Lenovo Devices for Staff outside of Head Office	\$305,220.64
Mabey Hire Pty Ltd	Equipment	Temporary Bridge Limeburners Creek	\$219,574.00
McMahon Services Australia Pty Ltd	Services	The Lakes Way Boolamabyte Reconstruction	\$6,405,758.46
Mullanes Construction Plumbing Pty Ltd	Equipment	Forbesdale Water Main Upgrade	\$1,016,867.50

<b>Contractor</b>	<b>Supply Type</b>	<b>Details</b>	<b>Value (incl. GST)</b>
Nation Civil Projects	Equipment	Construction of sewer pump station and gravity main	\$2,009,534.65
Pall Australia Pty Ltd	Equipment	Supply Microfiltration Equipment Nabcac Stage 2	\$1,164,600.00
Paul Dent Electrical Pty Ltd	Equipment	Manufacture of TG-SPS-07, SM-SPS-02 & PP-SPS-09 Switchboard	\$150,912.30
Paul Dent Electrical Pty Ltd	Equipment	GE-SPS-00 SB02 Switchboards	\$150,912.50
Pipeline Drillers Group Pty Ltd	Equipment	Gloucester Water Reservoirs and Mains Project	\$633,270.00
PJ Warner Australia Pty Ltd	Services	Bowman River Road Stabilisation	\$169,235.00
PJ Warner Australia Pty Ltd	Services	The Den Road Landslip Works	\$182,710.00
PJ Warner Australia Pty Ltd	Services	Stabilise Batter on Seg 285 The Bucketts Way	\$149,622.00
PJ Warner Australia Pty Ltd	Services	Landslip Rehabilitation Scone Road and Wallanbah Road	\$190,190.00
PJ Warner Australia Pty Ltd	Services	Slope stabilisation The Den Road	\$166,100.00
PJ Warner Australia Pty Ltd	Services	Slope stabilisation Scone Road	\$172,900.00
PJ Warner Australia Pty Ltd	Services	Slope stabilisation Bowman River Road	\$153,850.00
Position Partners Pty Ltd	Equipment	Survey Equipment Hire Grader & Rover	\$170,500.00
Primmer Steel Pty Ltd	Services	Scotts Creek Bridge Temporary Support	\$249,000.00
Special Site Services	Services	Smiths Lake Slope Remediation	\$244,174.70
Synergy Resource Management	Services	New Landfill Cell	\$232,474.11
Synergy Resource Management	Services	Vegetation Clearing Taree Waste Management Facility	\$147,471.50
Synergy Resource Management	Services	Synergy Resource Management	\$381,843.00
Synergy Resource Management	Services	Construction Works Sediment Pond	\$147,471.50
Toisch Pty Ltd	Equipment	Mooral & Sheathers Bridge Replacements	\$939,907.43
Traymark Industrial Caravans Pty Ltd	Equipment	Site Vans x 5	\$306,851.00
Valuation Services	Services	Land Valuation Coastal 21/22	\$349,498.98
WSP Australia Pty Limited	Services	Cedar Party Creek Bridge Detailed Design	\$1,083,391.65

**Notes:**

- 1) Contracts > \$150k total value (incl. GST) that were initiated in FY2021-22
- 2) Listed in alphabetical order
- 3) Panels are excluded – appointment to a panel does not involve or imply awarding of a contract

## Legal proceedings – costs incurred

*Local Government (General) Regulation 2021 cl 217(1)(a3)*

<b>Matter</b>	<b>Court</b>	<b>Cost</b>	<b>Status</b>	<b>Result</b>
Tea Gardens Farms	Land and Environment Court of NSW	\$10,000.00	Ongoing	Ongoing
CJHA Pty Ltd	Land and Environment Court of NSW	\$18,092.58	Finalised	Appeal Upheld. Development Consent granted
Boomerang & Blueys	Land and Environment Court of NSW	\$3,976.50	Finalised	Dismissed & costs awarded. MCC pursuing its costs from BBRG in line with Court Orders
PTHT Pty Ltd	Land and Environment Court of NSW	\$6,157.80	Finalised	Appeal Upheld. Resolved through Conciliation
Roche Group	Land and Environment Court of NSW	\$12,211.58	Finalised	Appeal Upheld. Development Consent granted
Galati	Local Court	\$3,361.93	Finalised	Appeal Upheld. Resolved through Conciliation

## Work carried out on private land

*Local Government (General) Regulation 2021 cl 217(1)(a4) and Local Government Act 1993 s67, 67(2)(b), 67(3)*

There were no resolutions of Council for private works.

## Total amount contributed or otherwise granted to financially assist others

*Local Government (General) Regulation 2021 cl 217(1)(a5) and Local Government Act 1993 s356*

\$499,000

## External bodies that exercised functions delegated by council

*Local Government (General) Regulation 2021 cl 217(1)(a6)*

There are various Section 355 Committees and Hall Committees operating across the MidCoast region. These Committees are exercising functions delegated by Council in accordance with Section 377 of the *Local Government Act 1993*.

## Bodies in which council held a controlling interest

*Local Government (General) Regulation 2021 cl 217(1)(a7)*

The Hunter Joint Organisation, and its group entities, are the hub for local government collaboration, strengthening our communities by being the local voice on regional strategic issues in the Hunter and delivering tailored local government solutions. For over sixty years, local government in the Hunter has found significant benefit in working together through positive cooperation and resource sharing. Participating councils include: Cessnock City





Council, Dungog Shire Council, Lake Macquarie City Council, Maitland City Council, MidCoast Council, Muswellbrook Shire Council, City of Newcastle, Port Stephens Council, Singleton Council, Upper Hunter Shire Council.

There are five key entities that operate as part of the current enterprise offering:

- **Hunter Joint Organisation** – a statutory body under the *Local Government Act 1993 (NSW)*, established in 2018 to identify, advocate for and collaborate on regional strategic priorities for the Hunter. The Hunter Joint Organisation’s statutory mandate includes identifying key regional strategic priorities, advocating for these priorities, and building collaborations around these priorities with other levels of government, industry and community.
- **Arrow Collaborative Services Limited** (and its wholly owned subsidiaries **Hunter Councils Legal Services Limited** and **Arrow Collaborative Communications**) – are companies limited by guarantee under the *Corporations Act 2001 (Cth)* and established to improve the quality and efficiency of local government services throughout the Hunter Region. These organisations offer tailored local government services through its five divisions; Local Government Training Institute, Local Government Legal, GoodChat TV, Regional Procurement, Screen Hunter (which, under delegation from member councils, licences film production on council owned and control land), and the Hunter JO Policy & Programs Division (which delivers on the strategic priorities of the Hunter Joint Organisation, including the Hunter and Central Coast Regional Environment Program, on behalf of both Hunter JO member councils and Central Coast Council).
- **Hunter Councils Incorporated** - an incorporated association under the *Associations Incorporation Act 2009 (NSW)* that holds property assets for the Hunter Joint Organisation group.

MidCoast Council has representation on each entity’s Board, and shares ownership and governance of the entities with the other nine councils of the Hunter Region.

## Bodies in which council participated during the year

*Local Government (General) Regulation 2021 cl 217(1)(a8)*

**Note:** Councillor membership to committees changed following the NSW Local Government elections on 4 December 2021.

### Council committees

Committee	Membership	Representatives prior to 4 Dec 21	Representatives post 4 Dec 21
Strategic Committee	Chair – Mayor West 11 Councillors	All Councillors	All Councillors

### Delegated committees

Committee	Membership	Representatives prior to 4 Dec 21	Representatives post 4 Dec 21
Audit, Risk and Improvement Committee	– Two Councillor representatives – Three independent representatives	Chair: Independent  Cr Pontin Cr Fowler	Chair: Independent  Cr Tickle Cr Miller

## Reference Group

Committee	Membership	Representatives prior to 4 Dec 21	Representatives post 4 Dec 21
Barrington Coast Destination Management Reference Group	<ul style="list-style-type: none"> <li>- Two Councillors</li> <li>- Nine tourism representatives</li> <li>- Three specific industry representatives</li> </ul>	Cr Hutchinson (Chair) Cr Fowler	Under review
Bulahdelah Highway Service Centre Planning Agreement Reference Group	<ul style="list-style-type: none"> <li>- Two Councillors</li> <li>- Two representatives from the Bulahdelah Chamber of Commerce</li> <li>- Up to seven representatives from the Bulahdelah community</li> </ul>	Cr Hutchinson Cr Smith	Cr K Smith (Co-Chair) Cr P Sandilands (Co-Chair) Cr A Tickle (alternate)
Community Inclusion & Wellbeing Reference Group	<ul style="list-style-type: none"> <li>- Two Councillor representatives plus alternate</li> <li>- Eight community representatives</li> <li>- Four representatives from relevant government and non-government agencies</li> </ul>	Cr Smith (Chair)	Cr D Smith (Chair) Cr K Smith
Community Recovery Bushfire Reference Group	<ul style="list-style-type: none"> <li>- Mayor and Deputy Mayor</li> <li>- Up to 13 community leaders from key communities</li> <li>- One representative from Mid Coast Renewal Committee</li> <li>- Professional with demonstrated Community Development experience</li> </ul>	Mayor – Cr West Deputy Mayor – Cr Pontin	Renamed to Community Resilience & Disaster Recovery Reference Group – see below
Community Resilience & Disaster Recovery Reference Group	<ul style="list-style-type: none"> <li>- Two Councillors</li> <li>- Up to six representatives from government agencies &amp; non-government organisations</li> <li>- Up to five community members from bushfire affected areas</li> <li>- Up to five community members from flood affected areas</li> <li>- MidCoast Local Emergency Management Officer</li> </ul>		Cr P Epov (Chair) Cr P Sandilands Cr D Smith (alternate)

<b>Committee</b>	<b>Membership</b>	<b>Representatives prior to 4 Dec 21</b>	<b>Representatives post 4 Dec 21</b>
Economic Development Reference Group	<ul style="list-style-type: none"> <li>- Mayor – Cr Pontin</li> <li>- Two Councillors</li> <li>- President of the MidCoast Business Chamber</li> <li>- Two representatives from the business community</li> </ul>		<ul style="list-style-type: none"> <li>Cr C Pontin</li> <li>Cr J Miller</li> <li>Cr P Epov</li> <li>Cr P Howard (alternate)</li> </ul>
Floodplain Management Advisory Committee	<ul style="list-style-type: none"> <li>- Up to two Councillors</li> <li>- Local SES</li> <li>- Rep from OEH</li> <li>- Up to eight community reps</li> <li>- Manager Transport Assets</li> <li>- Manager Strategic Planning</li> <li>- Coastal &amp; Flooding Engineer</li> </ul>	<ul style="list-style-type: none"> <li>Cr Epov (Chair)</li> <li>Cr Hutchinson</li> <li>Cr Smith (alternate)</li> </ul>	<ul style="list-style-type: none"> <li>Cr A Tickle (Chair)</li> <li>Cr D West</li> </ul>
Heritage Reference Group	<ul style="list-style-type: none"> <li>- Two Councillor representatives plus alternate</li> <li>- Heritage Advisor</li> <li>- 16 community representatives from Historical Societies</li> </ul>	<ul style="list-style-type: none"> <li>Cr Bell (Co-Chair)</li> <li>Cr Roberts (Co-Chair)</li> </ul>	<ul style="list-style-type: none"> <li>Cr K Bell (Chair)</li> <li>Cr D Smith</li> </ul>
MidCoast Council Sport & Recreation Reference Group	<ul style="list-style-type: none"> <li>- Two Councillor representatives plus alternate</li> <li>- Up to 14 community representatives from different areas with interest in sport</li> </ul>	<ul style="list-style-type: none"> <li>Cr Christensen</li> <li>Cr Fowler</li> </ul>	<ul style="list-style-type: none"> <li>Under review</li> </ul>
MidCoast Cultural Plan 2036 Reference Group	<ul style="list-style-type: none"> <li>- Two Councillors</li> <li>- Up to nine representatives from arts and culture sector</li> <li>- One from Arts Mid North Coast</li> <li>- One from Destination North Coast</li> </ul>	<ul style="list-style-type: none"> <li>Cr Pontin</li> <li>Cr Hutchinson</li> <li>Cr Smith (alternate)</li> </ul>	<ul style="list-style-type: none"> <li>Work completed – committee discontinued</li> </ul>
Manning River Estuary Coastal Management Program Reference Group	<ul style="list-style-type: none"> <li>- Two Councillors</li> <li>- Five public authority representatives</li> <li>- One traditional owner</li> <li>- One oyster industry rep</li> <li>- Three rural reps</li> <li>- One boating / fishing rep</li> <li>- One community member</li> <li>- One Landcare</li> </ul>	<ul style="list-style-type: none"> <li>Cr Smith</li> <li>Cr Roberts</li> </ul>	<ul style="list-style-type: none"> <li>Work completed – committee discontinued</li> </ul>



<b>Committee</b>	<b>Membership</b>	<b>Representatives prior to 4 Dec 21</b>	<b>Representatives post 4 Dec 21</b>
Old Bar – Manning Point Coastal Management Program Reference Group	<ul style="list-style-type: none"> <li>- Two Councillors</li> <li>- Five public authority representatives</li> <li>- One traditional owner</li> <li>- One Old Bar Sand Replenishment Group</li> <li>- One Manning Point Concerned Citizens Group</li> <li>- One Old Bar – Manning Point Chamber of Commerce</li> <li>- One boating / fishing</li> <li>- One bird watchers</li> <li>- One community member</li> <li>- One Manning Coastcare</li> </ul>	<ul style="list-style-type: none"> <li>Cr Smith</li> <li>Cr Roberts</li> </ul>	<ul style="list-style-type: none"> <li>Cr J Miller (Chair)</li> <li>Cr K Smith</li> </ul>

### Working Groups

<b>Committee</b>	<b>Membership</b>	<b>Representatives prior to 4 Dec 21</b>	<b>Representatives post 4 Dec 21</b>
Economic Development Working Group	<ul style="list-style-type: none"> <li>- Three Councillors</li> <li>- Nine Commerce &amp; Industry members</li> </ul>	<ul style="list-style-type: none"> <li>Cr Pontin (Chair)</li> <li>Cr Epov</li> <li>Cr Hutchinson</li> </ul>	Renamed to Economic Development Reference Group – see above
Annual Donations Assessment Panel	<ul style="list-style-type: none"> <li>- Three Councillors</li> </ul>	<ul style="list-style-type: none"> <li>Cr Pontin</li> <li>Cr Bell</li> <li>Cr West</li> </ul>	<ul style="list-style-type: none"> <li>Cr P Howard</li> <li>Cr K Smith</li> <li>Cr P Epov</li> </ul>
Event Sponsorship Assessment Panel	<ul style="list-style-type: none"> <li>- Three Councillors</li> </ul>		<ul style="list-style-type: none"> <li>Cr P Howard</li> <li>Cr K Smith</li> <li>Cr P Epov</li> </ul>
Policy Working Group	<ul style="list-style-type: none"> <li>- Four Councillors (including the Mayor)</li> </ul>		<ul style="list-style-type: none"> <li>Cr C Pontin</li> <li>Cr A Tickle</li> <li>Cr K Smith</li> <li>Cr D West</li> </ul>

### External Committees

<b>Committee</b>	<b>Membership</b>	<b>Representatives prior to 4 Dec 21</b>	<b>Representatives post 4 Dec 21</b>
Arts Mid North Coast		<ul style="list-style-type: none"> <li>Cr Pontin</li> <li>Cr Smith (alternate)</li> </ul>	<ul style="list-style-type: none"> <li>Cr Miller</li> <li>Paul De Szell (Alternate)</li> </ul>
Bushfire Management Committee		<ul style="list-style-type: none"> <li>Cr Roberts</li> </ul>	<ul style="list-style-type: none"> <li>Cr Tickle</li> <li>Cr Sandilands (Alternate)</li> </ul>

<b>Committee</b>	<b>Membership</b>	<b>Representatives prior to 4 Dec 21</b>	<b>Representatives post 4 Dec 21</b>
Duralie Coal Mine Community Consultative Committee	State endorsed Committee	Cr Hutchinson Cr Smith	Cr Pontin Cr K Smith
Hunter JO	Mayor & General Managers from Hunter JO Councils	Mayor General Manager	Mayor Pontin General Manager
Hunter Regional Weeds Committee		Mayor – Cr West	Cr D Smith Cr K Smith (Alternate)
Joint Regional Planning Panels		Cr Epov	Cr West Cr Tickle Cr Bell (Alternate)
Local Traffic Committee		Cr Christensen	Cr Fowler Cr Howard (Alternate)
Manning Liquor Consultative Committee		Cr Christensen	Cr Fowler Cr Miller (Alternate)
Mid North Coast Weight of Loads Group		Cr Smith	No Councillor representative
Mine and Energy Related Councils		Cr Smith	Cr K Smith
NSW Public Libraries Association			Cr West Cr D Smith (Alternate)
NSW RFS District Liaison Committee		Cr Roberts	Cr Sandilands Cr Tickle (Alternate)
Pacific Blue Metal Quarry at Possum Brush		Mayor – Cr West	No longer required
Port Stephens Great Lakes Marine Advisory Committee	State endorsed Committee	Cr Hutchinson	No longer required
Port Stephens Myall Lakes Estuary Management Committee	State endorsed Committee	Cr Pontin	No longer required
Stratford Coal Mine Community Consultative Committee		Cr Hutchinson Cr Smith (alternate)	Cr K Smith Cr Pontin (Alternate)
Stroud Heritage Conservation Inc			Cr Sandilands

## Other

Committee	Membership	Representatives prior to 4 Dec 21	Representatives post 4 Dec 21
General Manager's Performance Review Panel	<ul style="list-style-type: none"> <li>- Mayor</li> <li>- Deputy Mayor</li> <li>- One Councillor</li> </ul>	<ul style="list-style-type: none"> <li>Mayor</li> <li>Deputy Mayor</li> <li>Cr Hutchinson</li> </ul>	<ul style="list-style-type: none"> <li>Cr C Pontin</li> <li>Cr A Tickle</li> <li>Cr P Sandilands</li> </ul>
Hunter – SSA/GMAC	General Manager's from Hunter JO	General Manager	General Manager

## Equal Employment Opportunity (EEO) management plan activities

### Local Government (General) Regulation 2021 cl 217(1)(a9)

- Development of a new EEO Management Plan and Fair Treatment Policy (implementation October 2022)
- Development of a Bullying, Harassment & Discrimination Prevention Policy (implementation October 2022)
- Annual Employment Based Training Scheme to provide employment and training opportunities for our youth and disadvantaged
- Employee induction provides information to new employees on responsibilities regarding EEO
- Undertook Career Revive, a Federal Government initiative focussed on supporting employers to attract and retain skilled women returning after a career break
- Undertook a Mentally Healthy Workplaces study conducted by the Centre for Corporate Health, which identified key wellbeing risks, and making recommendations on potential improvements to workplace culture, mental health, inclusion, psychological safety and collaboration

## Total remuneration package of the General Manager

### Local Government (General) Regulation 2021 cl 217(1)(b)

Total value of the salary component of the package	\$393,934.48
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*Local Government (General) Regulation 2021 cl 217(1)(b)(i)*

Total amount of any bonus, performance or other payments that do not form part of the salary component	Nil
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*Local Government (General) Regulation 2021 cl 217(1)(b)(ii)*

Total amount payable by way of the employer's contribution or salary sacrifice to any superannuation scheme to which the general manager may be a contributor	\$39,914.93
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*Local Government (General) Regulation 2021 cl 217(1)(b)(iii)*

Total value of any non-cash benefits for which the general manager may elect under the package	Nil
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*Local Government (General) Regulation 2021 cl 217(1)(b)(iv)*

Total amount payable by way of fringe benefits tax for any such non-cash benefits	Nil
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*Local Government (General) Regulation 2021 cl 217(1)(b)(v)*



## Total remuneration of senior staff members

### Local Government (General) Regulation 2021 cl 217(1)(c)

Total value of the salary components of the packages	\$815,789.48
<i>Local Government (General) Regulation 2021 cl 217(1)(c)(i)</i>	
Total amount of any bonus, performance or other payments that do not form part of the salary components of their packages	Nil
<i>Local Government (General) Regulation 2021 cl 217(1)(c)(ii)</i>	
Total amount payable by the Council by way of the employer's contribution or salary sacrifice to any superannuation scheme to which any of them may be a contributor	\$81,927.74
<i>Local Government (General) Regulation 2021 cl 217(1)(c)(iii)</i>	
Total value of any non-cash benefits for which any of them may elect under the package	Nil
<i>Local Government (General) Regulation 2021 cl 217(1)(c)(iv)</i>	
Total amount payable by way of fringe benefits tax for any such non-cash benefits	Nil
<i>Local Government (General) Regulation 2021 cl 217(1)(c)(v)</i>	

## Total persons who performed paid work on Wednesday 25 May 2022

### Local Government (General) Regulation 2021 cl 217 (1)(d)

On 25 May 2022:

- The number of persons directly employed by council:

- on a permanent full-time basis	<b>753</b>
- on a permanent part-time basis	<b>139</b>
- on a casual basis	<b>93</b>
- under a fixed-term contract	<b>74</b>

- |  |           |
|--|-----------|
| • The number of persons employed by the council who are "senior staff" for the purposes of the <i>Local Government Act 1993</i>  | <b>3</b>  |
| • The number of persons engaged by the council, under a contract or other arrangement with the person's employer, that is wholly or principally for the labour of the person | <b>47</b> |
| • The number of persons supplied to the council, under a contract or other arrangement with the person's employer, as an apprentice or trainee                               | <b>0</b>  |

## Stormwater management services

*Local Government (General) Regulation 2021 cl 217(1)(e)*

### Stormwater Levy

\$879,869 was levied in 2021-22 through the Stormwater Management Charge. During 2021-22 \$1,545,751 was spent on projects, including:

- Further detail design of the Dunn's Creek water quality improvement wetland in South Forster plus assessment and approvals in preparation for tendering
- Assessment for the refurbishment of the Little Street/South Street, Forster Gross Pollutant Traps
- Clean out of all Gross Pollutant Traps within the MidCoast Council Local Government Area
- Maintenance of biological water quality treatment devices within the MidCoast Council Local Government Area
- Stormwater drainage enhancements including new pit and pipes system, constructed in Cowper Street, Taree.

## Coastal protection services

*Local Government (General) Regulation 2021 cl 217(1)(e1)*

A coastal services charge is not levied within the MidCoast Council Local Government Area.

## Companion Animals

*Local Government (General) Regulation 2021 cl 217(1)(f) and Guidelines on the Exercise of Functions under the Companion Animals Act 1988*

Lodgement of pound data collection returns with the Division <i>16.2(a) Guidelines</i>	Completed
Lodgement of data relating to dog attacks with the Division <i>16.2(b) Guidelines</i>	Completed
Amount of funding spent on companion animal management and activities <i>16.2(c) Guidelines</i>	Approximately \$55,000 for the management of pound facilities and animal control equipment (not including wages)
Companion animal community education programs carried out <i>16.2(d) Guidelines</i>	Nil carried out due to resourcing challenges. However, Council is currently recruiting a companion animals officer to develop community education programs
Strategies council has in place to promote and assist the de-sexing of dogs and cats <i>16.2(d) Guidelines</i>	Council is coordinating a desexing program with the assistance of the Animal Welfare League and a registration program for companion animal owners utilising grant funding to subsidise the cost of desexing and microchipping animals

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Strategies in place to comply with the requirement under section 64 of the Act to seek alternatives to euthanasia for unclaimed animals

16.2(e) Guidelines

Animals are released to Animal Welfare Groups for no fee. Bulk email to all approved Section 88b organisations and two additional emails to selected rescues. Minimal animals are euthanised. Animals which are euthanised are classified under the Companion Animals Act as unsuitable for rehoming

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Off leash areas provided in the council area

16.2(f) Guidelines

There are several off leash areas for dogs in the MidCoast Local Government Area. Please note that each location listed below has specific leash free times and designated leash free areas. All dogs must remain under effective control in these areas at all times. Detailed maps for each specific area listed below can be viewed at the following website address:

<https://www.midcoast.nsw.gov.au/Recreation/Pets-and-animals/Dogs-in-public-spaces>

- **Coomba Park** – Reserve between Tallawalla Road and Moorrooba Road
- **Forster** – Various drainage reserves off Kularoo Drive and Goldens Road; One Mile Beach; Cape Hawke reserve between Akala Avenue and Panorama Crescent; Pipers Bay Foreshore Reserve
- **Gloucester** – Eastern side of Captain Cook Park, Avon Street; Northern end of Gloucester Park, bordered by the northern carpark, the river path and Thunderbolts Way
- **Hawks Nest** – Bennetts Beach; Providence Bay; Yacaaba Peninsula
- **Pacific Palms** – Blueys Beach; Boomerang Beach
- **Smiths Lake** – Sandbar/Cellito Beach
- **Tarback Bay** – Brambles Reserve
- **Taree** – Saxby Park, Stevenson Street
- **Tuncurry** – Beach Street Reserve; Nine Mile Beach; Taree Street foreshore

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Detailed information on fund money used for managing and controlling companion animals in the area

Council is targeting responsible pet ownership and worked alongside the Animal Welfare League and RSPCA to assist the community in understanding responsible pet ownership

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We have seen a significant increase of animals to our pound due to declared natural disasters and the lifting of COVID-19 restrictions.

- 309 dogs and cats processed through the pounds
- 137 rehomed in partnership with animal welfare agencies
- 116 collected by their owners
- 46 classified under the Companion Animals Act as unsuitable for rehoming and euthanised - Illness and disease (4), Feral (2), Unsuitable for rehoming (37) and Unable to rehome (3)
- 35 sold to new owners





## Capital works projects

### *OLG Capital Expenditure Guidelines*

Council reports monthly on the water, infrastructure and community spaces capital works programs. All reports include progress updates, costs and budget variances.

## Carers Recognition

### *Carer Recognition Act 2010 s 8(2)*

MidCoast Council delivers services for older people, people with disability and their carers through MidCoast Assist and, as such, is considered a human services agency for the purposes of the Carer Recognition Act 2010.

During the reporting period Council worked to ensure service delivery activities, policies and procedures reflect the principles of the NSW Carers Charter.

### **Actions taken include:**

- Review of MidCoast Assist's Carer's Recognition Policy completed
- Planning of carers meetings
- MidCoast Assist routinely and regularly consults with individual carers at intake stage and throughout the program for clients. This is reflected in the forms, processes and file notes maintained by MidCoast Assist
- MidCoast Assist refers carers to available supports within the community and online as appropriate
- In response to COVID-19, MidCoast Assist suspended some group activities. Recognising the additional stress this might have placed on carers, MidCoast Assist organised online/virtual experiences for clients and conducted regular welfare checks with clients and carers (especially those who had become more isolated during the COVID-19 pandemic) until it was safe to resume face to face services
- Through individual client reviews, MidCoast Assist discusses needs of carers (as well as clients) in our Commonwealth Home Support Programme (CHSP). In response to carers identified needs we have linked carers with other organisations and services.

## Disability Inclusion Action Plan

*Disability Inclusion Act 2014 s13(1)*

### Disability Inclusion Action Plan Progress Report 2021-22

#### Strategy 1: Positive community attitudes and behaviours

<b>Area for Action</b>	<b>Status Update</b>
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<b>Focus on Inclusion</b>	<p>A partnership between Council, Manning Regional Art Gallery and Dundaloo Support Services resulted in the “We Are One’ Art Project. 300 free art packs were distributed to people living with disability in the MidCoast and participants were invited to create an artwork using the resources supplied.</p> <p>Approximately 150 artworks from over 20 different service providers and individuals were received which were converted into posters which were displayed on the external wall of the gallery for 6 months. A grand opening of the exhibition celebrated International Day of People with Disability in December.</p>
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#### Strategy 2: Creating liveable communities

<b>Area for Action</b>	<b>Status update</b>
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<b>Beaches</b>	<p>Access to Diamond Beach is now easier and safer with several improvements to the car park, footpath and new shower and picnic amenities after works were completed in December 2021. The works include clearly marked accessible parking, concrete path to assist beach goers with disability to access the beach and provide improved emergency access. An accessible shower block and picnic table were included in the works.</p>
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<b>Footpaths/ pedestrian access</b>	<p>The following works were completed during the year:</p> <ul style="list-style-type: none"> <li>• Approximately 300-400m of Queen Street in Gloucester has been upgraded, with improvements to pathways and crossings.</li> <li>• The traffic crossing facility at Cross Street in Old Bar has been upgraded.</li> <li>• Primrose Street in Wingham has been upgraded to improve footpath and crossing facilities.</li> <li>• Improved pedestrian/path access from Isabella Street to McCullagh carpark in Wingham.</li> </ul>
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*Continued:*

**Footpaths/  
pedestrian  
access**

- As part of the Variety Livvi's Place (accessible playground) project at Fotheringham Park in Taree, accessible parking and kerb ramps have been provided in River Street and a new pathway has been constructed around the new accessible toilet block to improve access.
- As part of planning to complete a pedestrian link between Gloucester and Barrington, Council worked with RMS to include pathways on the Barrington Bridge. External funding is now being sought to complete the link on either side of the bridge.
- Works were completed along a 300 metre stretch of Isabella Street (between Dennes and Primrose Streets) Wingham to deliver safety improvements for pedestrians. Associated with roadworks, the kerb and guttering improvements and new footpath along the southern side of the street allow improved access for pedestrians and people with disability. Funded by the NSW Government in association with Council as part of the \$100M Road Upgrade package, this project complements works recently completed on two sections of Primrose Street and at McCullagh Lane carpark.
- Works were completed in March 2021 to improve the footpath opposite 18 Marra Drive and intersection Auvergne Way to the existing pathway as part of the Riverside Estate Subdivision.
- New footpaths were constructed between Evermore Retirement Living and Little Street, Forster improving access for pedestrians and people with disability in the area.
- A pedestrian/cycle bridge over Browns Creek was opened during the 2021/22 year as the first part of the Figtrees on the Manning development. The new bridge links the Bicentennial Gardens to Nelson/Pitt Street at Chatham and is part of a larger project to create a continuous pedestrian/cycle path from Harry Bennet Park to through to the Reg Grounds to improve access for everyone, including people with disability.
- Works were completed on Diamond Beach Road from the roundabout at the Diamond Drive intersection, past Hallidays Point Public School to the Fantail Rise intersection included new kerb and guttering near the school to improve safety and access around the school.
- Footpath works along Boomerang Drive to link school to north Boomerang Beach area.

**Accessible  
Housing**

The MidCoast Housing Strategy was subject to additional consultation for Forster and completed in October 2021. Implementation of the Housing Strategy will occur through the development of the MidCoast Local Environmental Plan and Development Control Plan. This work is underway.

**Accessible  
Buildings**

Wingham Library closed its doors on the 24th of June to allow for significant upgrade works to be undertaken. The library is expected to re-open in December 2022 (weather permitting). Renovation includes a ground-floor extension featuring new assessable shelving and an accessible toilet, and restoration of the library's top-floor.





*Continued:*

**Accessible Buildings**

Council undertook asset inspections of Council-owned or managed halls to create a priority list for future improvements. Significant planning and preparation for the Halls Bushfire Recovery Program is in progress. While none of our halls are designated evacuation centres, the natural disasters (bushfires and floods) over the last few years have shown that communities will naturally congregate at community halls. This program aims to increase capacity for those halls during those times, with improved access, generators, etc. Delivery of a range of projects across our community halls has been undertaken with the remaining upgrades due for completion in 2022/23.

Plans for improvements to Hawks Nest Community Hall to improve access and facilities were finalised and the tender process for the works is currently under way. The Plans were developed after extensive community and stakeholder consultation. The project is currently progressing through the design phase. DA approval included several conditions to be further detailed on the construction certificate submission with the building designer currently finalising preparation off the construction certificate submission.

Construction of the new Beryl Jane Flett Studio at the Manning Entertainment Centre commenced and is expected to be completed by the end of October 2022. The new studio space will host an accessible bathroom, with shower off and access from main entrance doors, accessible amenities off, provision for 4 wheelchair seating in the front row of the seating area and provision for future installation of lift access to the mezzanine floor. The new theatre also has direct foyer access to the existing MEC studio and associated amenities allowing for disabled access between the new and old spaces.

Wingham CBD Masterplan is progressing; A consultant has been engaged to undertake the detailed design of the Wingham streetscape (specifically Isabella Street from Primrose to Wynter Street and Bent Street to Farquhar Street) in alignment with the Council approved Streetscape Plan. These designs include changing the levels of the roadway, footpaths and kerbing to proactively improve accessibility to shop fronts and to meet Australian Accessibility Standards where practical. There are a number of existing shop entrances that will not be wheelchair accessible due to the existing levels. This plan is being progressed, plans are expected to be finalised in early-mid 2023

**Accessible recreational facilities**

Federal funding \$100,000 was secured to upgrade Forster's popular Pelican Boardwalk with new decking making it safer and enabling people with disability to enjoy being on the water's edge. Stage 1 and 2 works were completed in Winter 2022.

**Accessible green space**

Federal funding of \$70,000 allowed an upgrade to the children's playground at Marjorie Delbert Reserve in Forster. Upgraded equipment is better suited to people with disability.

**Public toilet and shower facilities**



*Continued:*

**Accessible recreational facilities**

**Accessible green space**

**Public toilet and shower facilities**

Omaru Park at Taree was upgraded to include an extended undercover area, new change rooms, storage and referee rooms, as well as public all-access amenities. Construction of an all-access pathway, along with improved water diversion and drainage around the building site completed the project. This made possible by \$700,000 grant from the Australian Government's Local Regional Community Infrastructure Fund.

Works to improve showgrounds were conducted as follows:

- Wingham - extensive refurbishments including a new cattle pavilion undercover area a rebuilt spinners and craft shed, and improved access for people of all abilities, funded by the NSW Stronger Country Communities fund and project managed by Council in consultation with the Wingham Showground Crown Lands Manager.
- Nahiack - main entrance upgrade improving pedestrian and access for people living with a disability. A new dual traffic concrete driveway with a dedicated pedestrian access, new gates and culvert drainage was installed, along with internal concrete pathways to support markets and other events. The works were made possible thanks to an Australian Government Community Grant of \$78,990, an in-kind contribution of \$26,330 from Wallamba Show Society and Council providing an additional \$15,000 funding for drainage improvements.
- Bulahdelah – fully refurbished amenities with two new accessible bathrooms including shower, toilet and hand-washing facilities, and a privacy wall at each entrance point. The change rooms were completely updated, with new shower and toilet fixtures and new change room seating made from recycled materials. Footpaths were added to the perimeter of the building and a concrete apron at the entrance for easier access especially during wet weather. Works were funded by a Crown Reserves Improvement Fund Program of \$150,000 and a Council contribution of \$135,000.

Final concept plans for Tuncurry Water Playground have been approved by Council, with construction work to commence in late 2022. Works are planned for late November once a tender is accepted for demolition of the old facilities. This is the first open space water playground of its size undertaken in the MidCoast with key features including an all-age, all-ability water splash pad incorporating a water slide, water tower and active water play equipment. The water playground is designed with no standing water which excludes the need for lifeguards. The new playground is a water-wise design which recycles water onsite, passing through full filtration and chlorination processes and returning clean water to the playground. The new amenities block will include a fully accessible amenities block with a disability hoist and an all-age change table. providing the balance of the \$2 million project, including \$670,000 from developer contributions. The project is expected to be complete in early-mid 2023.

The following improvements were made to amenities:

- Pebbly Beach (Forster) – replacement of existing facilities. The new facilities include three unisex toilets, a baby-change facility and an accessible toilet, with the design matching earlier new Forster amenities at Main Beach and Little Street. Existing underground infrastructure meant the toilet block had to be rebuilt on the same site, but



*Continued:*

**Accessible recreational facilities**

**Accessible green space**

**Public toilet and shower facilities**

- landscaping around the facility was upgraded to improve visibility of the toilets from the playground and barbecue facilities.
- Black Head Surf Life Saving Club – facilities were demolished and replaced with new amenities including general changerooms, a family change room, unisex and ambulant toilets, an accessible bathroom and new outdoor showers. Works were completed by Council on behalf of the Surf Club committee with funding from the NSW Government’s ‘My Community Projects’ program.
  - Gloucester’s Community Recycling and Waste Management Centre – work commenced to renovate to create two new bathrooms - one accessible bathroom and one ambulant bathroom. The facilities will provide improved access for visitors to the tip shop and recycling centre
  - John Wright Park (Tuncurry) – works commenced to replace existing facilities as part of the program to upgrade amenities across the MidCoast. Built on the existing footprint, the new amenities face the outdoor amphitheatre. A new concrete pathway provides access from the car parks. Improvements include a greater number of unisex cubicles, upgraded disability and new baby change facilities. The project is scheduled for completion in August 2022.
  - Old Bar beach – a new toilet block was constructed including improved access for people with disability. The works are part of a range of improvements for the Old Bar Beach foreshore area, including the renovations of the nearby surf club and the installation of the all new, inclusive playground. Funding for the foreshore revamp has come from a range of State and Federal Government.
  - Providence Bay Park (Hawks Nest) - planning was completed and construction commenced for new public amenities. The new facility includes 7 unisex toilets an accessible facility, 2 change room cubicles and outdoor showers and improved pathway access to the facility. Construction is scheduled for completion in September 2022.

Funding was secured to upgrade the Tea Gardens Pool. Works will include an upgrade to the entrance to the site, construction of accessible paths and buildings, and an accessibility ramp into the pool, with an entrance and exit pod as an extension to the existing pool. Work has commenced and is due to be completed in early November 2022.

Pacific Palms Surf Life Saving Club underwent maintenance to the deck, improving safety and access, thanks to \$9,207 in Federal funding.

Two new inclusive play spaces were installed on the MidCoast, near Tuncurry’s Rockpool and at Old Bar Park. At Barry Stoneham Park near the Tuncurry Rockpool, the new playground includes a combination slide tower which stands just over eight metres tall, a combination swing including nest swing, toddler swing, strap swing and a cub seat swing, and a flying fox. At Old Bar Park, the new play items include a tower with slides, combination swing including nest swing, strap swing and an expression swing, musical / sensory play and a junior play area. Both playgrounds were completed with landscaping and shade sails. The projects are funded by the Australian Government’s Local Roads and Infrastructure Program.





*Continued:*

**Accessible recreational facilities**

Gloucester's community parks received upgrades. Works included new playground equipment at King George V Park making the playgrounds more accessible for all abilities and installation of new electric BBQs, accessible timber seating and solar lighting at Gloucester District Park.

**Accessible green space**

The grandstand seating for Gloucester District Park was upgraded with seating for 484 people, along with new steps, handrails and an accessible seating area. Works were made possible thanks to \$655,500 from round two of the NSW Government's Stronger Country Communities grants.

**Public toilet and shower facilities**

Federal funding was secured to rebuild the 35-year-old tidal pool supports at Coomba Park. A new boardwalk will be built to improve access to the site. Site investigations have been completed and approvals are currently being finalised to progress the project.

### Strategy 3: Supporting access to meaningful employment

**Area for Action**

**Status update**

**Employer awareness of the value that people with disability can offer**

- Council conducted a staff census during 2020/21. The voluntary survey asked staff to disclose whether they had a disability and the nature of the disability (vision, mobility, hearing etc). The census also sought information on whether staff had caring responsibilities for a person with disability. The Community Development Team contacted staff who had disclosed information in this way to invite them to be involved in an internal reference group to inform the development of the new Disability Inclusion Action Plan. Staff were also invited to for a support group for the organisation to better understand their needs and provide appropriate support.
- Australian Network on Disability were engaged and planning progressed for a Recruitment Review of Council's recruitment processes.

### Strategy 4: Improving access to services through better systems and processes

**Area for Action**

**Status update**

**Access to information on available services**

ReadSpeaker is fully functional on Council's website, enabling customers to listen to a page in audio, or highlight any section of text on any page to listen to the selected text.

Council's website continues to be improved in terms of quality and streamlining of forms on our website. Information on road projects has been greatly improved.



*Continued:*  
**Access to information on available services**

Council invested in a new Have Your Say page on the website, using UserWay technology to make it more accessible

Council meetings are now live streamed for the community by video and audio, with a full recording available after the meeting, making the meetings more accessible for everyone in the community.

A wheel in/out service is offered for a fee, for customers who don't have ability to wheel their bins out for weekly collection. Residents can report illegal dumping online, eliminating the need to visit a council office, or make a phone call. The mobile Community Recycling Centre continued to visit remote communities to assist them with disposal of problematic waste such as paint, gas bottles, oil and batteries.

Library Services continues to invest in and enhance its services, including:

- a significant collection of large-print and audio books;
- home library lending service, delivering books to people who have difficulty leaving their homes;
- substantial dyslexic and literacy collections;
- a significantly expanding collection of eBooks and eAudio – usage of these services increased by 11%
- delivery of virtual story-time for children;
- Author and workshop events being held by Zoom – open to all residents;
- a wide variety of online databases and other resources; availability of 24/7 online services, including access to the catalogue and membership details.

## Voluntary planning agreements (VPA)

### *Environmental Planning and Assessment Act 1979 s7.5(5)*

VPA	Overview	Status
661 The Lakes Way Darawank (2018)	Agreement between Council and Raymond John Hill & Susan Eve Hill regarding dedication of a Biodiversity Lot in exchange for 2 residential lots	Current – no activity during reporting period
Carmona Dr, South Forster (2012)	Agreement between Council and Acornlane P/L and Homeborn P/L and the Minister for Environment in connection with rezoning of land. Relates to environmental restoration works and dedication of land to the Minister	Current – half of the environmental lands (eastern portion – ‘The Saddle’) previously dedicated to the State. No further activity during reporting period
Seven Mile Beach, The Lakes Way, South Forster (2007)	Agreement between Council and Seven Mile Beach Holdings Pty Ltd in connection with rezoning of land	Current- no activity during reporting period

<b>VPA</b>	<b>Overview</b>	<b>Status</b>
Gloucester River Run (2019)	Agreement between Council and Gloucester River Run Pty Ltd and Brian and Heather Beesley regarding the rezoning of land. Requires land dedication to Council, bio-diversity off-sets via a vegetation management plan and requires any development over the site to meet a set of water quality objectives	Current – \$20,000 bank guarantee previously lodged with Council. No activity during reporting period
210 Diamond Beach Road, Diamond Beach (2013)	Agreement between Council and SAF Properties P/L regarding the provision of environmental corridors and community infrastructure such as access, facilities and landscaping	Current – DA (317/2012/DA) for subdivision approved 1 May 2013. Subdivision construction occurred during reporting period but no activity on completing actions
363 Diamond Beach Road, Diamond Beach (2017)	Agreement between Council and Seashells Ltd regarding preparation of a Public Access Strategy by Council and adoption by 11 October 2020 and subsequent dedication of land and a footpath providing public access along the eastern boundary by the developer	Current - \$58,700 paid during reporting period and bollard and cable fence erected by landowner, but land yet to be dedicated enabling Council to construct footpath
391 Diamond Beach Road, Diamond Beach (2019)	Agreement between Council and Sybury Pty Limited regarding preparation of a Public Access Strategy by Council and adoption by 11 October 2020 and subsequent dedication of land and a footpath providing public access along the eastern boundary by the developer	Current – landowner paid \$88,000 in 2020/21. Development Application under consideration by Council during reporting period that would enable subsequent dedication of land to Council for construction of footpath
90 High Street, Black Head (2014)	Agreement between Council and Halliday Shores Retirement Living P/L regarding the provision of landscaping	Current – vegetation establishment yet to be completed
303 Blackhead Road, Hallidays Point (2010)	Agreement between Council, John Earnings P/L, Island Point Plantations P/L, and Brichris P/L regarding the dedication of lands and associated works at Tallwoods Village, Hallidays Point	Current – no action during reporting period
323 Blackhead Road, Hallidays Point (2010)	Agreement between Council and Benvenutos regarding dedication of lands and associated works at Tallwoods Village, Hallidays Point	Current – DA for subdivision (567/2019/DA) approved 27/09/11 but no activity





<b>VPA</b>	<b>Overview</b>	<b>Status</b>
Harrington Waters Estate (2007)	Agreement between Council and Roche Group P/L regarding provision of a Library and Community Centre at Harrington	Current – no activity during reporting period
Precinct 1 Old Bar (2010)	Agreement between Council, Riverside Canal Developments P/L, R and N Lauder, R and U Scadden and R Peet regarding dedication of land and construction of a pedestrian/cycle path and associated lighting	Current – no activity during reporting period
Precinct 2B Old Bar (2008)	Agreement between Council and Mr Walsh regarding dedication of land and a dwelling entitlement	Current – no activity during reporting period
Palms Oasis Caravan Park (2020)	Agreement between Council and Ina Operations Pty Ltd regarding dedication of a Biodiversity Lot to Council and payment of a monetary contribution towards ongoing management	Current – developer paid \$129,425 to Council in 2020/21 but land yet to be dedicated to Council before management can commence
Tropic Gardens Drive, Smiths Lake (2013)	Agreement between Council and Overpa P/L regarding the rezoning of land at Tropic Gardens Dr. Relates to environmental restoration works and protection of land	Current – no activity during reporting period
Tallwoods Eastern Lands (2010)	Agreement between Council and Tallwoods P/L regarding the rehabilitation, embellishment and maintenance of vegetation and bushfire asset protection zones	Current – no activity during reporting period
Brimbin (2014)	Agreement between Council and Roche Group P/L regarding the requirement to undertake further master planning of the new town prior to subdivision occurring, to commit the developer to fund the regional road network upgrades required due to this development, to dedicate land required for community and open space purposes and to fund a Community Development Worker for 20 years	Current – landowner lodged Development Control Plan application with Council on 12 April 2019. Landowner recommenced work on masterplan late in reporting period after break due to COVID-19
FIGTREES on the Manning (2010)	Agreement between Council, Chase Taree Developments P/L, Hocana P/L and Spychala regarding the provision of public infrastructure associated with redevelopment of the former Lower Manning Dairy Cooperative at Chatham	Current – the infrastructure on public land is being funded from a Commonwealth grant. The VPA will need to be revised following completion of these works

<b>VPA</b>	<b>Overview</b>	<b>Status</b>
Kolodong Estate, Kolodong Road, Taree (2019)	Agreement between Council, Wayne Peter Green & Nancy Jean Green and Benwaydan Pty Ltd regarding the landowner contributing to the cost of an intersection upgrade at Kolodong/Wingham Rd's if Council undertakes the works prior to the development proceeding	Current – at its 25 May 2022 Ordinary Meeting Council resolved to place a draft amendment planning agreement on exhibition. The amended agreement is primarily to cater for the scenario whereby the developer (instead of Council) constructs the roundabout which is now seen as the more likely outcome
North Shearwater at Tea Gardens (2012)	Agreement between Council and Wolin Investments P/L in connection with the rezoning of the land. Relates to environmental restoration and dedication of significant land to Council	Current - partly implemented by commencement of restoration works
Chapmans Rd, Tuncurry (2008)	Robert Leo Wilson and Claude Stanley Wilson regarding the rezoning of land. Requires land dedication to a conservation authority or Council and the preparation of a DCP	Current - partly implemented by preparation of a DCP
Murray Road, Wingham (2018)	Agreement between Council and Duncan's Holdings Limited regarding creation of a central drainage corridor and vegetation reserve and subsequent dedication to Council	Current – \$119,216.46 paid during reporting period and Development Application lodged that includes dedication of land to Council
Sanderling Avenue, Hawks Nest (2021)	Agreement between Council and Core Property Development Pty Ltd & Leric Group Pty Ltd to pay a monetary contribution to Council to fund environmental research & restoration, open space improvements and a contribution to the Hawks Nest Surf Club	Current - \$127,800 paid during reporting period completing landowner obligation
Parry's Cove Subdivision, Tea Gardens (2022)	Agreement between Council and Sheargold Property Developments Pty Ltd, SGD 1 Pty Ltd & SGD 2 Pty Ltd to dedicate land to Council and transferring the Biodiversity Stewardship Agreement for this land to Council	Current – signed during reporting period
Pacific Highway, Bulahdelah (2022)	Agreement between Council and Lindfield Property Nominee Pty Ltd & N G P Investments (No. 2) Pty Ltd to pay Council \$500,000 in 2 payments to offset any adverse potential economic impacts of a Highway Service Centre on the Bulahdelah business community	Current – signed during reporting period



## Recovery and threat abatement plans

*Fisheries Management Act 1994 s220ZT(2)*

Not applicable to MidCoast Council

## Private swimming pool inspections

*Swimming Pools Act 1992 s22F(2) and Swimming Pools Regulation 2018 (SP Reg) cl 23*

- 31 inspections of tourist and visitor pools
- 26 inspections of properties with more than two dwellings
- 152 inspections resulted in the issuance of compliance certificate
- 74 inspections resulted in the issuance of a non-compliance certificate

## Government Information Public Access

*Government Information (Public Access) Act 2009 s125(1) and Government Information (Public Access) Regulation 2018 cl 8, Schedule 2*

Annual reporting requirements under section 125 of the *Government Information (Public Access) Act 2009* (GIPA Act) require agencies to prepare and submit an annual report on their obligations within four months of the end of the reporting period. For NSW Local Government Councils, being agencies under the GIPA Act, this date is 31 October and the reports are to be made to the Minister for Local Government.

Clause 8 of the *Government Information (Public Access) Regulation 2009* sets out the information that agencies must include in their GIPA Act Annual Reports. Those requirements are set out below and are followed by Council's response.

*Clause 8(a) - Details of the review carried out by the agency (MidCoast Council) under Section 7(3) of the Act during the reporting year and the details of any information made publicly available by the agency as a result of the review.*

<b>Reviews carried out by the agency</b>	No
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<b>Information made publicly available by the agency</b>	No
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*Clause 8(b) - The total number of access applications received by the agency (MidCoast Council) during the reporting year (including withdrawn applications but not including invalid applications).*

<b>Total number of applications received</b>	49
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*Clause 8(c) - The total number of access applications received by the agency (MidCoast Council) during the reporting year that the agency refused, either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure).*

<b>Number of Applications Refused</b>	<b>Wholly</b>	<b>Partly</b>	<b>Total</b>
	2	0	2
% total	100%	0%	



Schedule 2 Statistical information about access applications to be included in annual report

Table A: Number of applications by type of applicant and outcome\*

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm/Deny whether information is held	Application Withdrawn	Total	% of Total
Media	0	0	0	0	0	0	0	0	0	0%
Members of Parliament	0	0	0	0	0	0	0	0	0	0%
Private sector business	7	2	1	0	0	0	0	0	10	20%
Not for profit organisations or community groups	2	0	0	0	0	1	0	0	3	6%
Members of the public (by legal representative)	6	6	0	0	0	0	0	0	12	25%
Members of the public (other)	8	11	2	1	0	1	0	1	24	49%
Total	23	19	3	1	0	2	0	1	49	
% of Total	47%	39%	6%	2%	0%	4%	0%	2%		

\* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome\*

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm/Deny whether information is held	Application Withdrawn	Total	% of Total
Personal information applications*	1	0	0	0	0	0	0	0	1	2%
Access applications (other than personal information applications)	21	18	3	1	0	1	0	1	45	92%
Access applications that are partly personal information applications and partly other	1	1	0	0	0	1	0	0	3	6%
Total	23	19	3	1	0	2	0	1	49	
% of Total	47%	39%	6%	2%	0%	4%	0%	2%		

\* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

Reason for invalidity	No of applications	% of Total
Application does not comply with formal requirements (section 41 of the Act)	0	0%
Application is for excluded information of the agency (section 43 of the Act)	0	0%
Application contravenes restraint order (section 110 of the Act)	0	0%
Total number of invalid applications received	0	0%
Invalid applications that subsequently became valid applications	0	0%

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of Act

	Number of times consideration used*	% of Total
Overriding secrecy laws	0	0%
Cabinet information	0	0%
Executive Council information	0	0%
Contempt	0	0%
Legal professional privilege	1	100%
Excluded information	0	0%
Documents affecting law enforcement and public safety	0	0%
Transport safety	0	0%
Adoption	0	0%
Care and protection of children	0	0%
Ministerial code of conduct	0	0%
Aboriginal and environmental heritage	0	0%
Privilege generally - Sch 1(5A)	0	0%
Information provided to High Risk Offenders Assessment Committee	0	0%
Total	1	

\*More than one public interest consideration may apply in relation to a particular access application and if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act

	Number of times consideration used*	% of Total
Responsible and effective government	3	15%
Law enforcement and security	0	0%
Individual rights, judicial processes and natural justice	14	70%
Business interests of agencies and other persons	1	5%
Environment, culture, economy and general matters	2	10%
Secrecy provisions	0	0%
Exempt documents under interstate Freedom of Information legislation	0	0%
Total	20	

Table F: Timeliness

	Number of applications*	% of Total
Decided within the statutory timeframe (20 days plus any extensions)	47	100%
Decided after 35 days (by agreement with applicant)	0	0%
Not decided within time (deemed refusal)	0	0%
Total	47	



## Public interest disclosure

*Public Interest Disclosure Act 1994 s31 and Public Interest Disclosures Regulation 2011 cl 4*

### MID-COAST COUNCIL PUBLIC INTEREST DISCLOSURES ACT 1994

#### ANNUAL REPORT 2021-2022

Annual reporting requirements under section 31 of the *Public Interest Disclosures Act 1994* (PID Act) require agencies to prepare and submit an annual report on their obligations under the PID Act within four months of the end of the reporting period. For NSW Local Government Councils, being agencies under the PID Act, this date is 31 October and the reports are to be made to the Minister for Local Government.

The *Public Interest Disclosures Regulation 2011* sets out the information that agencies must include in their PID Act Annual Reports. Those requirements are set out below.

#### 1. Statistical Information on PIDs

	July 2021 - June 2022
Number of public officials who made PIDs	0
Number of PIDs received	0
Of PIDs received, number primarily about:	
Corrupt Conduct	0
Maladministration	0
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
Number of PIDs finalised	0

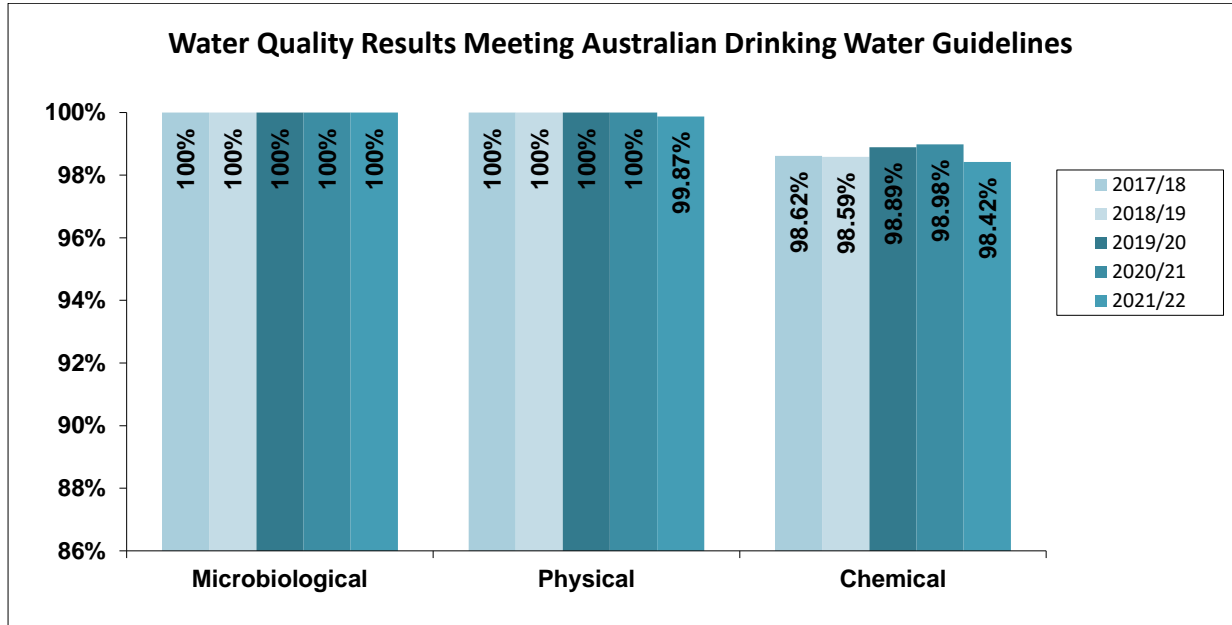
#### 2. Commentary on PID Obligations

- 2.1 MidCoast Council has established an internal reporting policy. The current version of this policy was adopted by Council on 11 March 2020.
- 2.2 The General Manager of MidCoast Council (as head of the public authority) has taken action to ensure that staff have been made aware of their obligations under the PID Act. Training has been conducted for staff, both indoor and outdoor, by the Governance team as well as inclusion within Council's Induction Program for new staff. A suite of reporting tools has been developed and is available for staff to access on the Intranet. Fifteen PID Officers from various positions within the organisation have been recruited after calling for expressions of interest. They have been trained in the role and information with their contact details is located on the intranet.



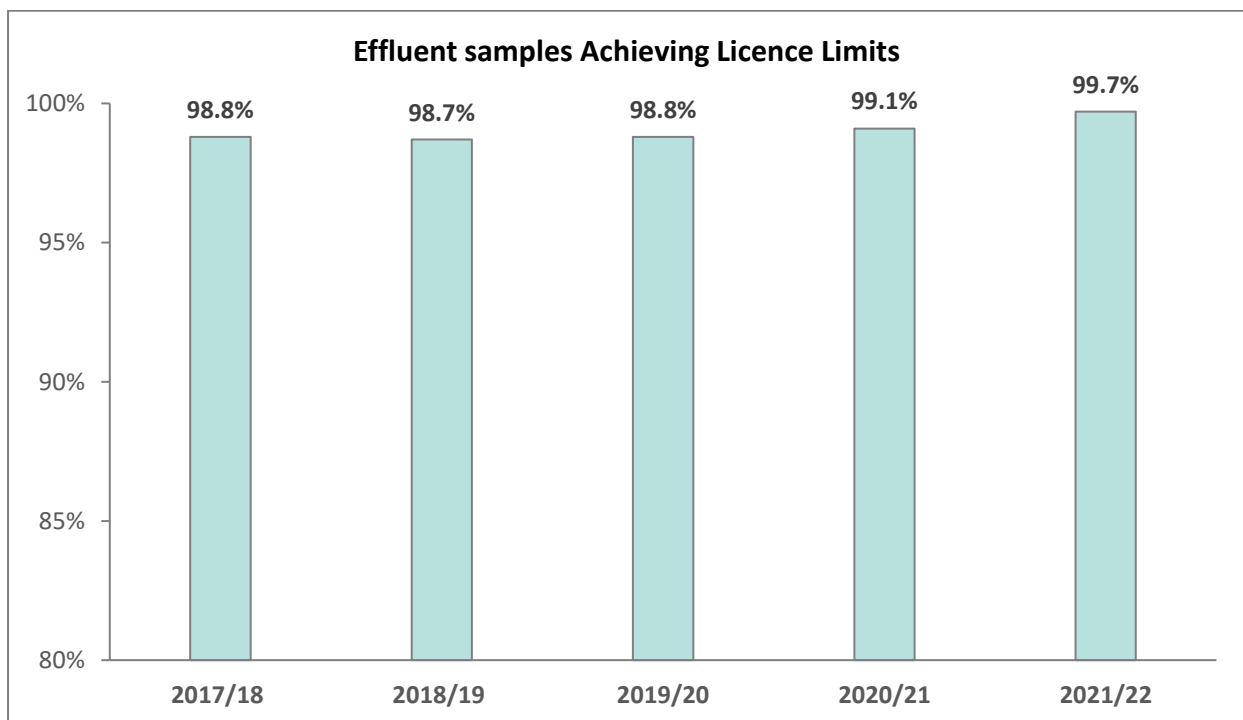
## Compliance with the Australian Drinking Water Guidelines (ADWG)

During the 2021-22 year, water quality results of samples collected in the reticulation system within Australian Drinking Water Guidelines are presented below, compared with the previous four years.



## Compliance with environmental protection licences

The compliance trend for 2021-22 year compared to the last five years is shown in the graph below representing effluent samples collected from all sewage treatment plants to confirm compliance with EPA licences concentration limits.



## Compliance with the NSW Government's Best Practice Management of Water Supply and Sewerage Framework

As a Council responsible for water supply and sewerage services, MidCoast Council must comply with the requirements of the *Local Government Act 1993* and the *Regulation and assurance framework for local water utilities*. The framework came into effect on 1 July 2022 and prior to that council needed to comply with the NSW Government's Best-Practice Management of Water Supply and Sewerage Framework.

The six elements of the best practice framework are:

### 1. Integrated Water Cycle Management Strategy and Financial Plan

The Best Practice Framework requires the review of our integrated water cycle management strategy every eight years. The development of our integrated water cycle management strategy 'Our Water Our Future' has identified long term solutions for MidCoast Council's water and sewerage services in accordance with the requirements of the framework. Our current integrated water cycle management strategy was adopted in March 2016 and review of the strategy is underway. The integrated water cycle management strategy review will involve community consultation on strategic water and sewer issues, and the new strategy should be adopted early in 2023.

### 2. Water conservation measures

MidCoast Council has made significant progress with regards to water conservation through ongoing community education, engagement, and pricing. In 2020-21 we supplied 148 kL/year to each connected property which was below the median for the state and made us the 8<sup>th</sup> most efficient large LWU in NSW.

### 3. Strategic business plan

MidCoast Council's strategic business plan for water and sewer 'Future Directions 2018-2048' adopted in 2018 complies with the timeframes and requirements of the *Local Government Act 1993* and the Best-Practice Framework. MidCoast Council has developed and adopted a drinking water quality management system in accordance with NSW Health regulations. The water and sewer strategic business plan is currently under review.

### 4. Drought management plan

In 2018, MidCoast Council Water Services updated its Drought Management Plan as part of the review of the Strategic Business Plan. The plan is currently under review as part of the IWCM Strategy review.

### 5. Pricing and regulation of water supply, sewerage and trade waste

MidCoast Council complies with these requirements through the development of its long-term financial plan, development of servicing plans and ongoing implementation of its liquid trade waste policy.

### 6. Performance monitoring

MidCoast Council submitted its Triple Bottom Line Performance Report for 2020-21 according to NSW Water Utility Performance Monitoring System requirements, addressing economic, financial and social performance indicators, which are benchmarked against regional NSW and other Australian utilities.

As a Council responsible for water supply and sewerage services, MidCoast Council must comply with the requirements of the *Local Government Act 1993* as well as the NSW Government's Best-Practice Management of Water Supply and Sewerage Framework.



MANNING  
RIVER  
ROWING  
CLUB

PART FOUR

# FINANCIAL STATEMENTS



# MidCoast Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2022

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# MidCoast Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

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# MidCoast Council

## General Purpose Financial Statements

for the year ended 30 June 2022

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### Overview

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

Yalawanyi Ganya  
2 Biripi Way  
Taree NSW 2430

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

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.midcoast.nsw.gov.au](http://www.midcoast.nsw.gov.au).



## MidCoast Council

### General Purpose Financial Statements

for the year ended 30 June 2022

### Statement by Councillors and Management

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Statement by Councillors 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:**

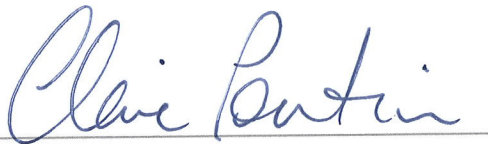
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

**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 26 October 2022.**



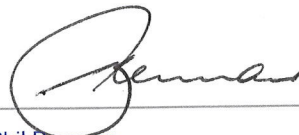
Claire Pontin  
**Mayor**  
26 October 2022



Alan Tickle  
**Deputy Mayor**  
26 October 2022



Adrian Panuccio  
**General Manager**  
26 October 2022



Phil Brennan  
**Responsible Accounting Officer**  
26 October 2022



## MidCoast Council

### Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
<b>Net result for the year (as per Income Statement)</b>		<b>80,745</b>	<b>37,077</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	<u>395,859</u>	<u>35,173</u>
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>395,859</b>	<b>35,173</b>
<b>Total other comprehensive income for the year</b>		<b>395,859</b>	<b>35,173</b>
<b>Total comprehensive income for the year attributable to Council</b>		<b>476,604</b>	<b>72,250</b>

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



## MidCoast Council

## Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	61,855	71,392
Investments	C1-2	99,740	81,550
Receivables	C1-4	51,872	48,443
Inventories	C1-5	1,556	5,322
Other		3,560	798
Non-current assets classified as 'held for sale'	C1-6	-	2,750
<b>Total current assets</b>		<b>218,583</b>	<b>210,255</b>
<b>Non-current assets</b>			
Investments	C1-2	159,927	122,908
Receivables	C1-4	3,328	664
Inventories	C1-5	1,034	1,034
Infrastructure, property, plant and equipment (IPPE)	C1-7	4,036,580	3,619,903
Investment property	C1-8	27,802	24,165
Right of use assets	C2-1	3,001	2,608
<b>Total non-current assets</b>		<b>4,231,672</b>	<b>3,771,282</b>
<b>Total assets</b>		<b>4,450,255</b>	<b>3,981,537</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	32,014	29,700
Contract liabilities	C3-2	24,945	14,028
Lease liabilities	C2-1	660	588
Borrowings	C3-3	19,325	20,244
Employee benefit provisions	C3-4	24,566	27,799
Provisions	C3-5	-	300
<b>Total current liabilities</b>		<b>101,510</b>	<b>92,659</b>
<b>Non-current liabilities</b>			
Lease liabilities	C2-1	2,575	2,267
Borrowings	C3-3	158,507	174,640
Employee benefit provisions	C3-4	458	557
Provisions	C3-5	13,874	14,687
<b>Total non-current liabilities</b>		<b>175,414</b>	<b>192,151</b>
<b>Total liabilities</b>		<b>276,924</b>	<b>284,810</b>
<b>Net assets</b>		<b>4,173,331</b>	<b>3,696,727</b>
<b>EQUITY</b>			
Accumulated surplus	C4-1	3,031,741	2,950,996
IPPE revaluation reserve	C4-1	1,141,590	745,731
<b>Total equity</b>		<b>4,173,331</b>	<b>3,696,727</b>

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

## MidCoast Council

### Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	Notes	2022			2021		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
<b>Opening balance at 1 July</b>		<b>2,950,996</b>	<b>745,731</b>	<b>3,696,727</b>	2,913,919	710,558	3,624,477
<b>Net operating result for the year</b>		<b>80,745</b>	<b>-</b>	<b>80,745</b>	37,077	-	37,077
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	-	395,859	395,859	-	35,173	35,173
<b>Total comprehensive income</b>		<b>80,745</b>	<b>395,859</b>	<b>476,604</b>	<b>37,077</b>	<b>35,173</b>	<b>72,250</b>
<b>Closing balance at 30 June</b>		<b>3,031,741</b>	<b>1,141,590</b>	<b>4,173,331</b>	<b>2,950,996</b>	<b>745,731</b>	<b>3,696,727</b>

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

## MidCoast Council

## Statement of Cash Flows

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
161,244	Rates and annual charges		167,334	150,064
54,782	User charges and fees		55,766	55,813
5,922	Other		23,346	23,283
59,070	Grants and contributions		105,919	88,605
2,418	Interest received		2,475	3,078
–	Bonds, deposits and retentions received		1,045	1,518
<i>Payments:</i>				
(95,019)	Payments to employees		(81,419)	(79,601)
(51,403)	Payments for materials and services		(90,030)	(96,634)
(10,174)	Borrowing costs		(9,574)	(11,326)
(33,153)	Other		(24,273)	(17,247)
93,687	<b>Net cash flows from operating activities</b>	G1-1	<b>150,589</b>	<b>117,553</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Redemption of term deposits		69,070	118,000
–	Sale of investments		12,500	30,013
–	Sale of real estate assets		8,472	–
1,515	Proceeds from sale of IPPE		4,125	1,971
<i>Payments:</i>				
–	Acquisition of term deposits		(117,550)	(100,020)
–	Purchase of investments		(19,300)	(34,600)
(102,336)	Payments for IPPE		(99,697)	(94,883)
(100,821)	<b>Net cash flows from investing activities</b>		<b>(142,380)</b>	<b>(79,519)</b>
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
8,625	Proceeds from borrowings		8,625	14,253
<i>Payments:</i>				
(19,714)	Repayment of borrowings		(25,677)	(32,117)
–	Principal component of lease payments		(694)	(383)
(11,089)	<b>Net cash flows from financing activities</b>		<b>(17,746)</b>	<b>(18,247)</b>
(18,223)	<b>Net change in cash and cash equivalents</b>		<b>(9,537)</b>	<b>19,787</b>
71,392	Cash and cash equivalents at beginning of year		71,392	51,605
53,169	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>61,855</b>	<b>71,392</b>
204,160	plus: Investments on hand at end of year	C1-2	259,667	204,458
257,329	<b>Total cash, cash equivalents and investments</b>		<b>321,522</b>	<b>275,850</b>

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



# MidCoast Council

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# MidCoast Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 26 October 2022. 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, except where amounts are shown in text.

#### **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 and investment property.

#### **Significant accounting estimates and judgements**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

#### **Critical accounting estimates and assumptions**

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

- i. fair values of investment properties – refer Note C1-8
- ii. fair values of infrastructure, property, plant and equipment – refer Note C1-7
- iii. tip remediation provisions – refer Note C3-5
- iv. 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.

### **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 (NSW)*, all money and other assets received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

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

- General purpose operations
- Water service
- Sewerage service.



## A1-1 Basis of preparation (continued)

---

### **The Trust Fund**

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (as amended), a separate and distinct Trust Fund is maintained to account for all money and other assets received by the Council in trust which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies. Trust monies and other assets subject to Council's control have been included in these reports.

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

### **Goods and Services Tax (GST)**

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

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

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

### **New accounting standards and interpretations issued but not yet effective**

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. Council has elected not to apply any of these pronouncements before its operative date in the annual reporting period beginning 1 July 2021.

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 all standards which were mandatorily effective for the first time at 30 June 2022. None of these standards had a significant impact on 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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Functions or activities</b>										
Our Unique Diverse & Culturally Rich Communities	20,990	19,094	29,109	30,465	(8,119)	(11,371)	6,138	4,773	250,714	224,308
Our Connected Community	191,095	173,838	181,075	189,510	10,020	(15,672)	85,605	66,570	3,931,374	3,517,306
Our Environment	8,336	7,583	12,059	12,621	(3,723)	(5,038)	2,809	2,184	24,053	21,520
Our Thriving & Growing Economy	4,145	3,771	6,157	6,444	(2,012)	(2,673)	1,712	1,331	57,492	51,437
Strong Leadership & Shared Vision	121,908	110,899	37,329	39,068	84,579	71,831	19,925	15,494	186,622	166,966
<b>Total functions and activities</b>	<b>346,474</b>	<b>315,185</b>	<b>265,729</b>	<b>278,108</b>	<b>80,745</b>	<b>37,077</b>	<b>116,189</b>	<b>90,352</b>	<b>4,450,255</b>	<b>3,981,537</b>

## B1-2 Components of functions or activities

---

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

### **Our Unique, Diverse and Culturally Rich Communities**

- We are a diverse community that works together to care for all our members
- We will embrace the uniqueness and creativity of our communities

### **Our Connected Community**

- We feel connected to each other
- It is safe and easy to get around our region
- We utilise technologies to connect us locally and beyond
- We protect the health and safety of our communities

### **Our Environment**

- We protect maintain and restore our natural environment
- We manage resources wisely
- We balance the needs of our natural and built environments

### **Our Thriving and Growing Economy**

- Our region is a popular place to visit, live, work and invest
- Our villages and business precincts are vibrant commercial, cultural and social hubs
- We encourage greater rural and agricultural diversity

### **Strong Leadership & Shared Vision**

- We work in partnership with our community and government to ensure council is a trusted and flexible organisation that delivers on their needs
- We maintain strong organisational health that contributes to council's success and community-focussed culture
- We make opportunities available for the community to inform decisions that shape our future
- We develop and encourage community and civic leadership



## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2022	2021
<b>Ordinary rates</b>		
Residential	65,329	63,523
Farmland	9,450	9,304
Business	10,816	10,579
Mining	278	323
Less: pensioner rebates (mandatory)	(2,342)	(2,363)
<b>Rates levied to ratepayers</b>	<b>83,531</b>	<b>81,366</b>
Pensioner rate subsidies received	1,277	1,306
<b>Total ordinary rates</b>	<b>84,808</b>	<b>82,672</b>
<b>Annual charges</b>		
<small>(pursuant to s.496, s.496A, s.496B, s.501 &amp; s.611)</small>		
Domestic waste management services	18,154	19,619
Stormwater management services	878	827
Water supply services	14,469	13,964
Waste management services (non-domestic)	6,656	2,372
Sewerage services	39,328	38,832
Less: pensioner rebates (mandatory)	(2,400)	(2,385)
<b>Annual charges levied</b>	<b>77,085</b>	<b>73,229</b>
Pensioner subsidies received:		
– Water	503	520
– Sewerage	463	483
– Domestic waste management	362	376
<b>Total annual charges</b>	<b>78,413</b>	<b>74,608</b>
<b>Total rates and annual charges</b>	<b>163,221</b>	<b>157,280</b>

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	2022	2021
<b>Specific user charges</b>		
(per s.502 - specific 'actual use' charges)		
Water supply services	24,581	25,663
Sewerage services	2,313	2,565
Trade Waste	113	106
<b>Total specific user charges</b>	<b>27,007</b>	<b>28,334</b>
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>		
Planning and building regulation	3,679	3,037
Section 149 certificates (EPA Act)	329	336
Section 603 certificates	379	362
Laboratory Fees	54	43
Water & Sewerage Connection Fees	1,002	674
Animal control	110	80
Beach vehicle licencing	702	796
Caravan park and camping grounds licence	51	2
Community health fees (food inspection fees etc.)	246	145
Engineering – fixing levels and DA fees	54	67
Freedom of information fees	8	6
On site sewer waste management fees	1,045	1,023
Section 735a charges	52	43
<b>Total fees and charges – statutory/regulatory</b>	<b>7,711</b>	<b>6,614</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>		
Cemeteries	1,018	742
Tourism	19	50
Waste disposal tipping fees	6,151	5,044
Leaseback fees – Council vehicles	1,172	1,073
Library and art gallery	19	28
Saleyards	263	221
Swimming centres	146	146
Private works – section 67	192	381
Entertainment centre	395	221
Landing fees	48	48
Ageing services	2,023	2,066
Community land / property rentals	46	30
Damage bonds	193	181
Mooring fees	121	127
Other service fees and misc income	978	1,142
Transport for NSW fees for service	774	3,169
Parks and recreation	75	169
National disability insurance scheme	4,475	5,631
<b>Total fees and charges – other</b>	<b>18,108</b>	<b>20,469</b>
<b>Total other user charges and fees</b>	<b>25,819</b>	<b>27,083</b>
<b>Total user charges and fees</b>	<b>52,826</b>	<b>55,417</b>
<b>Timing of revenue recognition for user charges and fees</b>		
User charges and fees recognised over time	41,602	45,317
User charges and fees recognised at a point in time	11,224	10,100
<b>Total user charges and fees</b>	<b>52,826</b>	<b>55,417</b>

### 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.

## B2-2 User charges and fees (continued)

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 the customer is required to pay upfront. There is no material obligation for Council in relation to refunds or returns.

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 revenues

\$ '000	2022	2021
Fines	503	338
Legal fees recovery – rates and charges (extra charges)	2	2
Commissions and agency fees	193	185
Diesel rebate	187	385
Insurance claims recoveries	1,175	1,355
Other	1,061	644
Recycling	1,513	584
Reimbursements	768	763
<b>Total other revenue</b>	<b>5,402</b>	<b>4,256</b>
<b>Timing of revenue recognition for other revenue</b>		
Other revenue recognised over time	–	–
Other revenue recognised at a point in time	5,402	4,256
<b>Total other revenue</b>	<b>5,402</b>	<b>4,256</b>

### Accounting policy for other revenue

Where the revenue is earned the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the 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 2022	Operating 2021	Capital 2022	Capital 2021
<b>General purpose grants and non-developer contributions (untied)</b>				
<b>Current year allocation</b>				
Financial assistance – general component	6,733	6,055	–	–
Financial assistance – local roads component	2,975	2,693	–	–
<b>Payment in advance - future year allocation</b>				
Financial assistance – general component	10,338	6,476	–	–
Financial assistance – local roads component	4,590	2,891	–	–
<b>Amount recognised as income during current year</b>	<b>24,636</b>	<b>18,115</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Water supplies	–	–	776	6,800
Library	321	307	430	42
Storm/flood damage	1,000	–	–	–
Bushfire and emergency services	7,279	2,592	56	–
Community care	1,331	1,326	–	207
Employment and training programs	704	35	–	–
Heritage and cultural	193	124	1,977	475
Local Infrastructure Renewal Scheme subsidy	131	250	–	–
Street lighting	47	423	–	–
Transport for NSW contributions (regional roads, block grant)	1,135	–	3,719	4,854
Transport (roads to recovery)	3,579	4,065	–	–
Transport (other roads and bridges funding)	250	64	35,561	24,581
Waste and sustainability	30	–	339	172
Environmental works	671	1,729	85	123
Recreation improvements	25	81	2,371	450
Stronger country community funding	105	765	1,270	1,163
Civic Precinct	–	–	–	1,500
Crown reserve contribution (caravan parks)	608	593	–	–
Misc. contributions	361	224	–	–
Other specific grants	132	106	3	–
Other contributions	874	1,545	1,535	256
<b>Total special purpose grants and non-developer contributions – cash</b>	<b>18,776</b>	<b>14,229</b>	<b>48,122</b>	<b>40,623</b>
<b>Non-cash contributions</b>				
Bushfire services	947	–	4,208	347
Sewerage (excl. section 64 contributions)	–	–	1,497	1,341
Water supplies (excl. section 64 contributions)	–	–	1,331	1,174
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)	–	–	2,578	3,246
<b>Total other contributions – non-cash</b>	<b>947</b>	<b>–</b>	<b>9,614</b>	<b>6,108</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>19,723</b>	<b>14,229</b>	<b>57,736</b>	<b>46,731</b>
<b>Total grants and non-developer contributions</b>	<b>44,359</b>	<b>32,344</b>	<b>57,736</b>	<b>46,731</b>
<b>Comprising:</b>				
– Commonwealth funding	30,160	23,826	3,935	10,336
– State funding	14,199	7,825	47,295	30,483
– Other funding	–	693	6,506	5,912
	<b>44,359</b>	<b>32,344</b>	<b>57,736</b>	<b>46,731</b>

## B2-4 Grants and contributions (continued)

### Developer contributions

\$ '000	Notes	Operating 2022	Operating 2021	Capital 2022	Capital 2021
<b>Developer contributions:</b>					
<b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>					
<b>Cash contributions</b>					
S 7.11 – contributions towards amenities/services	G4	–	–	4,338	4,203
S 64 – sewerage service contributions		–	–	4,991	3,626
S 64 – water supply contributions		–	–	4,765	3,448
<b>Total developer contributions – cash</b>		<b>–</b>	<b>–</b>	<b>14,094</b>	<b>11,277</b>
<b>Total developer contributions</b>		<b>–</b>	<b>–</b>	<b>14,094</b>	<b>11,277</b>
<b>Total contributions</b>		<b>–</b>	<b>–</b>	<b>14,094</b>	<b>11,277</b>
<b>Total grants and contributions</b>		<b>44,359</b>	<b>32,344</b>	<b>71,830</b>	<b>58,008</b>
<b>Timing of revenue recognition for grants and contributions</b>					
Grants and contributions recognised over time		130	886	42,868	34,993
Grants and contributions recognised at a point in time		44,229	31,458	28,962	23,015
<b>Total grants and contributions</b>		<b>44,359</b>	<b>32,344</b>	<b>71,830</b>	<b>58,008</b>

### 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 2022	Operating 2021	Capital 2022	Capital 2021
<b>Unspent grants</b>				
Unspent funds at 1 July	4,582	4,167	14,605	3,980
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	60	1,670	–	501
<b>Add:</b> Funds received and not recognised as revenue in the current year	1,246	186	17,390	12,872
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(959)	(1,176)	(107)	(10)
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(78)	(265)	(8,493)	(2,738)
<b>Unspent funds at 30 June</b>	<b>4,851</b>	<b>4,582</b>	<b>23,395</b>	<b>14,605</b>
<b>Unspent Contributions</b>				
Unspent funds at 1 July	1,599	1,439	47,789	36,978
Add: contributions recognised as revenue in the reporting year but not yet spent	–	160	18,723	11,197
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	(1,599)	–	(8,199)	(386)
<b>Unspent contributions at 30 June</b>	<b>–</b>	<b>1,599</b>	<b>58,313</b>	<b>47,789</b>

## B2-4 Grants and contributions (continued)

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### 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 programs, workshops, 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 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.

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 the 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	2022	2021
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	694	134
– Cash and investments	2,178	2,610
– Other	94	–
<b>Total interest and investment income (losses)</b>	<b>2,966</b>	<b>2,744</b>

### Accounting policy

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

## B2-6 Other income

\$ '000	Notes	2022	2021
<b>Reversal of impairment losses on receivables</b>			
User charges and fees		–	3
<b>Total reversal of impairment losses on receivables</b>	C1-4	<b>–</b>	<b>3</b>
<b>Fair value increment on investment properties</b>			
Fair value increment on investment properties		3,637	3,096
<b>Total fair value increment on investment properties</b>	C1-8	<b>3,637</b>	<b>3,096</b>
<b>Rental income</b>			
<b>Investment properties</b>			
Lease income (excluding variable lease payments not dependent on an index or rate)		1,234	1,036
Lease income relating to variable lease payments not dependent on an index or a rate		132	76
<b>Total Investment properties</b>		<b>1,366</b>	<b>1,112</b>
<b>Other lease income</b>			
Other Council properties		867	925
<b>Total other lease income</b>		<b>867</b>	<b>925</b>
<b>Total rental income</b>	C2-2	<b>2,233</b>	<b>2,037</b>
<b>Total other income</b>		<b>5,870</b>	<b>5,136</b>

## B3 Costs of providing services

### B3-1 Employee benefits and on-costs

\$ '000	2022	2021
Salaries and wages	70,079	73,154
Employee leave entitlements (ELE)	5,523	7,797
Superannuation	8,205	8,539
Workers' compensation insurance	2,467	2,053
Fringe benefit tax (FBT)	27	76
Payroll tax	1,047	1,066
Training costs (other than salaries and wages)	207	159
Protective clothing	224	415
Other	55	39
<b>Total employee costs</b>	<b>87,834</b>	<b>93,298</b>
Less: capitalised costs	(10,230)	(8,406)
<b>Total employee costs expensed</b>	<b>77,604</b>	<b>84,892</b>

#### Accounting policy

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

#### *Retirement benefit obligations*

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

#### *Superannuation plans*

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

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.

## B3-2 Materials and services

\$ '000	Notes	2022	2021
Raw materials and consumables		14,239	13,588
Contractor costs		43,745	43,404
Consultancy costs		2,912	3,650
Audit Fees	F2-1	382	300
Councillor and Mayoral fees and associated expenses	F1-2	326	374
Advertising		501	360
Bank charges		474	383
Electricity and heating		5,596	5,708
Insurance		2,951	2,624
Office expenses (including computer expenses)		61	46
Postage		378	419
Printing and stationery		395	415
Street lighting		1,004	1,049
Subscriptions and publications		641	705
Telephone and communications		1,358	1,277
Valuation fees		454	346
Travel expenses		101	91
Other expenses		1,512	2,150
Plant running costs		4,511	3,918
<b>Legal expenses:</b>			
– Legal expenses: planning and development		417	401
– Legal expenses: debt recovery		9	35
– Legal expenses: other		88	207
Expenses from short-term leases		78	70
Expenses from leases of low value assets		338	145
Variable lease expense relating to usage		27	88
Other		170	165
<b>Total materials and services</b>		<b>82,668</b>	<b>81,918</b>
<b>Total materials and services</b>		<b>82,668</b>	<b>81,918</b>

### Accounting policy

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

## B3-3 Borrowing costs

\$ '000	Notes	2022	2021
<b>(i) Interest bearing liability costs</b>			
Interest on loans		9,572	11,174
Interest on leases		83	71
<b>Total interest bearing liability costs</b>		<b>9,655</b>	<b>11,245</b>
<b>Total interest bearing liability costs expensed</b>		<b>9,655</b>	<b>11,245</b>
<b>(ii) Other borrowing costs</b>			
Amortisation of discounts and premiums:			
– Remediation liabilities	C3-5	102	86
<b>Total other borrowing costs</b>		<b>102</b>	<b>86</b>
<b>Total borrowing costs expensed</b>		<b>9,757</b>	<b>11,331</b>

### 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	2022	2021
<b>Depreciation and amortisation</b>			
Plant and equipment		5,841	5,792
Office equipment		88	193
Furniture and fittings		238	93
Computer equipment		1,731	1,341
Land improvements (depreciable)		316	316
<b>Infrastructure:</b>	C1-7		
– Buildings		8,883	8,930
– Other structures		580	556
– Roads		26,651	27,163
– Bridges		3,400	3,362
– Footpaths		777	652
– Stormwater drainage		3,600	3,586
– Water supply network		12,869	12,660
– Sewerage network		9,860	9,726
– Swimming pools		155	140
– Other open space/recreational assets		1,861	1,750
Right of use assets	C2-1	600	598
<b>Other assets:</b>			
– Library books		396	545
– Cemetery assets		31	31
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C3-5,C1-7	249	1,713
– Quarry assets	C3-5,C1-7	1	1
<b>Total depreciation and amortisation costs</b>		<b>78,127</b>	<b>79,148</b>
<b>Impairment / revaluation decrement of IPPE and other non-financial assets</b>			
Land improvements (depreciable)		224	–
<b>Infrastructure:</b>	C1-7		
– Bridges		–	207
Non-current assets held for sale	C1-6	–	800
<b>Total IPPE and other non-financial assets impairment / revaluation decrement costs charged to Income Statement</b>		<b>224</b>	<b>1,007</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>78,351</b>	<b>80,155</b>

### 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. Useful lives are included in Note C1-7 for IPPE assets and Note C2-1 for right of use assets.

#### 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 no longer required to be tested for impairment under AASB 136. This is because 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.

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). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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	2022	2021
<b>Impairment of receivables</b>			
Rates and annual charges		80	–
User charges and fees		212	–
<b>Total impairment of receivables</b>	C1-4	<b>292</b>	<b>–</b>
<b>Fair value decrement on investments</b>			
Fair value decrement on investments through profit and loss		71	75
<b>Total Fair value decrement on investments</b>	C1-2	<b>71</b>	<b>75</b>
<b>Other</b>			
– Emergency services levy		133	180
– NSW fire brigade levy		211	236
– NSW rural fire service levy		2,499	2,100
– Waste levy		7,327	6,137
– Other contributions/levies		808	550
Donations, contributions and assistance to other organisations (Section 356)		499	288
<b>Total other</b>		<b>11,477</b>	<b>9,491</b>
<b>Total other expenses</b>		<b>11,840</b>	<b>9,566</b>

### 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	2022	2021
<b>Gain (or loss) on disposal of property (excl. investment property)</b>			
Proceeds from disposal – property		135	467
Less: carrying amount of property assets sold/written off		(856)	(692)
<b>Gain (or loss) on disposal</b>		<b>(721)</b>	<b>(225)</b>
<b>Gain (or loss) on disposal of plant and equipment</b>			
	C1-7		
Proceeds from disposal – plant and equipment		867	1,504
Less: carrying amount of plant and equipment assets sold/written off		(1,167)	(1,013)
<b>Gain (or loss) on disposal</b>		<b>(300)</b>	<b>491</b>
<b>Gain (or loss) on disposal of infrastructure</b>			
	C1-7		
Proceeds from disposal – infrastructure		315	–
Less: carrying amount of infrastructure assets sold/written off		(9,627)	(10,827)
<b>Gain (or loss) on disposal</b>		<b>(9,312)</b>	<b>(10,827)</b>
<b>Gain (or loss) on disposal of real estate assets held for sale</b>			
	C1-5		
Proceeds from disposal – real estate assets		8,503	587
Less: carrying amount of real estate assets sold/written off		(3,698)	(285)
<b>Gain (or loss) on disposal</b>		<b>4,805</b>	<b>302</b>
<b>Gain (or loss) on disposal of investments</b>			
	C1-2		
Proceeds from disposal/redemptions/maturities – financial assets		12,500	30,013
Less: carrying amount of financial assets sold/redeemed/matured		(12,500)	(30,000)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>13</b>
<b>Gain (or loss) on disposal of term deposits</b>			
	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		69,070	118,000
Less: carrying amount of term deposits sold/redeemed/matured		(69,070)	(118,000)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>–</b>
<b>Gain (or loss) on disposal of non-current assets classified as 'held for sale'</b>			
	C1-6		
Proceeds from disposal – non-current assets 'held for sale'		2,808	–
Less: carrying amount of 'held for sale' assets sold/written off		(2,789)	–
<b>Gain (or loss) on disposal</b>		<b>19</b>	<b>–</b>
<b>Net gain (or loss) from disposal of assets</b>		<b>(5,509)</b>	<b>(10,246)</b>

#### 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 30/06/2021 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, 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	2022 Budget	2022 Actual	2022 ----- Variance -----		
<b>Revenues</b>					
<b>Rates and annual charges</b>	161,244	163,221	1,977	1%	<b>F</b>
<b>User charges and fees</b>	54,782	52,826	(1,956)	(4)%	<b>U</b>
<b>Other revenues</b>	3,660	5,402	1,742	48%	<b>F</b>
Major variations from the original budget include an additional \$0.8 million of revenues from recycling related to scrap metal and additional revenues generated from Council's aquatic centres.					
<b>Operating grants and contributions</b>	39,399	44,359	4,960	13%	<b>F</b>
The Commonwealth Government paid 75% of the FY23 financial assistance grant in advance in the current year. This is ordinarily 50% in advance and has a \$6.2 million positive variation to the budget amount.					
<b>Capital grants and contributions</b>	19,671	71,830	52,159	265%	<b>F</b>
Major variations from the original budget include an additional \$10.5 million in developer contributions and \$2 million in non-cash contributions relating to subdivider contributed assets. Other major variations include \$3.7 million in recreation improvements, largely through the Local Roads & Community Infrastructure projects and Stronger country community funding and \$3 million in heritage and cultural funding, largely for the Manning Entertainment Centre. The other major variations relate to transport funding, amounting to \$28.1 million in total comprising additional funding for a number of roads and bridges projects including the Northern Gateway Hub, Thunderbolts Way, The Buckets Way and various bridges.					
<b>Interest and investment income</b>	2,418	2,966	548	23%	<b>F</b>
Variations to budgets are equally attributable to additional income from interest income on investments and overdue rates and annual charges. Interest on overdue rates and charges was significantly decreased during 2020-2021 by COVID-19 responses i.e. interest rate set at 0%. These no longer apply in 2021-2022. Interest on investments also increased as financial markets offered higher interest rates in response to economic conditions.					
<b>Other income</b>	2,262	5,870	3,608	160%	<b>F</b>
The variation to budget is a result of the fair value increment on Investment Property at 30 June 2022 (\$3.6 million) which was not included in the budget.					

## B5-1 Material budget variations (continued)

\$ '000	2022 Budget	2022 Actual	2022 ----- Variance -----	
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	<b>97,018</b>	<b>77,604</b>	<b>19,414</b>	<b>20% F</b>
Council's budget does not include employee costs that are capitalised. When these costs are included the favourable variance to budget amounts to under 10%. The major positive variations to budget include a reduction in employee leave entitlements and the impact of discounting the leave entitlements at 30 June 2022, for which the liability is lower due to increases in discount rates.				
<b>Materials and services</b>	<b>51,403</b>	<b>82,668</b>	<b>(31,265)</b>	<b>(61)% U</b>
The variation in the Materials & Services classification is significantly off-set by the decrease in the Other Expenses classification and reflects changes made to the layout of the Financial Statements as provided within the Local Government Code of Accounting Practice and Financial Reporting. Council's budget was prepared prior to the release of the new layout and as such reflects the former classification of expenditure items.				
The major budget variation relates to additional contractor costs.				
<b>Borrowing costs</b>	<b>10,174</b>	<b>9,757</b>	<b>417</b>	<b>4% F</b>
<b>Depreciation, amortisation and impairment of non-financial assets</b>	<b>84,324</b>	<b>78,351</b>	<b>5,973</b>	<b>7% F</b>
<b>Other expenses</b>	<b>33,153</b>	<b>11,840</b>	<b>21,313</b>	<b>64% F</b>
The variation in the Other Expenses classification is significantly off-set by the increase in the Materials & Services classification and reflects changes made to the layout of the Financial Statements as provided within the Local Government Code of Accounting Practice and Financial Reporting. Council's budget was prepared prior to the release of the new layout and as such reflects the former classification of expenditure items.				
<b>Net losses from disposal of assets</b>	<b>924</b>	<b>5,509</b>	<b>(4,585)</b>	<b>(496)% U</b>
Council's original budget does not provide for a significant estimate of movements in this item. The original budget acknowledges some losses through the capitalisation process associated with water and sewer network assets but does not cover other asset classes. The actual result in the current year reflects the value of assets written-off as part of the capitalisation process across all asset classes, offset by the net gains associated with real estate land sales in the current year.				
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	<b>93,687</b>	<b>150,589</b>	<b>56,902</b>	<b>61% F</b>
The variation is largely due to grants and contributions receipts exceeding original budget estimations. Variation is also a result of GST gross up of cashflows included in other income and reduction in rates and annual charges receivables balance between 30 June 2021 and 30 June 2022.				
The variation in the Statement of Cash Flows for Materials & Services and Other Expenses need to be considered together as actual results reflects changes made to the layout of the Financial Statements as provided within the Local Government Code of Accounting Practice and Financial Reporting. Council's budget was prepared prior to the release of the new layout and as such reflects the former classification of expenditure items.				
The combined variance of Materials & services and Other payments is approximately \$30 million increase in expenditure, of which \$17.5 million relates to the GST gross up of cash flows for materials and services expenditures and payments for IPPE (included in 'other') with the remaining variance largely relating to additional contractor costs.				
The variation in these cashflows are offset by the variation in payments to employees, which is lower than budget as the actual expense excludes employee costs that are capitalised and a reduction in employee expenses as a result of discounting employee leave entitlements at 30 June 2022 using higher interest rates compared to 30 June 2021.				
<b>Cash flows from investing activities</b>	<b>(100,821)</b>	<b>(142,380)</b>	<b>(41,559)</b>	<b>41% U</b>
Variation is predominantly related to increase in the holdings of term deposits.				
<b>Cash flows from financing activities</b>	<b>(11,089)</b>	<b>(17,746)</b>	<b>(6,657)</b>	<b>60% U</b>
Variation is predominantly related to increase in the repayment of borrowings through early repayment of long term debt.				



## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2022	2021
<b>Cash assets</b>		
Cash on hand and at bank	32,832	47,470
Cash equivalent assets		
– Deposits at call	29,023	23,922
<b>Total cash and cash equivalents</b>	<b>61,855</b>	<b>71,392</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	61,855	71,392
<b>Balance as per the Statement of Cash Flows</b>	<b>61,855</b>	<b>71,392</b>

#### 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	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Financial assets at fair value through the profit and loss</b>				
Unlisted equity securities	–	227	–	298
<b>Total</b>	<b>–</b>	<b>227</b>	<b>–</b>	<b>298</b>
<b>Debt securities at amortised cost</b>				
Long term deposits	86,200	100,050	69,050	68,720
NCD's, FRN's (with maturities > 3 months)	13,540	59,650	12,500	53,890
<b>Total</b>	<b>99,740</b>	<b>159,700</b>	<b>81,550</b>	<b>122,610</b>
<b>Total financial investments</b>	<b>99,740</b>	<b>159,927</b>	<b>81,550</b>	<b>122,908</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>161,595</b>	<b>159,927</b>	<b>152,942</b>	<b>122,908</b>

### Accounting policy

Financial instruments are recognised initially on the date that 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

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 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 Council's 8.1% interest in Arrow Collaborative Services Limited. This investment was previously classified as an interest in a joint venture and recognised in the Statement of Financial Position as an investment accounted for using the equity method. Council has reclassified the comparative disclosure to align with the current year classification.

## C1-3 Restricted and allocated cash, cash equivalents and investments

\$ '000	2022	2021
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>321,522</b>	275,850
Less: Externally restricted cash, cash equivalents and investments	<u>(252,566)</u>	<u>(219,408)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>68,956</b>	56,442
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended loans – general	7,829	835
Subdivision bonds	4,916	5,499
Sundry bonds and deposits	3,630	2,112
Other sale of land, planning guarantee and relocation, tender and sundry deposits	49	49
Specific purpose unexpended grants – general fund	<u>24,945</u>	<u>14,028</u>
<b>External restrictions – included in liabilities</b>	<b>41,369</b>	22,523
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	26,789	26,073
Developer contributions – water fund	9,759	4,977
Developer contributions – sewer fund	21,765	16,737
Specific purpose unexpended grants (recognised as revenue) – general fund	3,301	5,159
Water fund	25,360	28,281
Water supplies –Employee Entitlements	–	1,034
Sewerage services –Employee Entitlements	–	1,018
Domestic waste management	44,789	40,758
Stormwater management	2,107	2,842
Sewer fund	72,276	66,898
Stratford-Duralie Coal Contributions	1,504	–
Crown Lands Act – Section 106 (Forster Boat Harbour)	310	261
Other contributions to works	695	695
ARTC Rail Crossing	521	521
Cattai Wetlands – Environmental Trust	461	457
Nabiac Showground	204	185
Other	<u>1,356</u>	<u>989</u>
<b>External restrictions – other</b>	<b>211,197</b>	196,885
<b>Total external restrictions</b>	<b>252,566</b>	219,408

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

**C1-3 Restricted and allocated cash, cash equivalents and investments (continued)**

<b>\$ '000</b>	<b>2022</b>	2021
<b>(b) Internal allocations</b>		
<b>Internal allocations</b>		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	5,224	4,668
Employees leave entitlement	4,282	4,282
Carry over works	6,849	5,153
Building Infrastructure Reserves	3,700	3,465
Environmental Levy Reserve	5,826	5,794
Commercial Waste	2,473	1,413
Election	291	771
Emergency Management	1,335	305
Land & Property Reserves	3,820	3,609
IT Infrastructure Reserves	101	101
Budget Management Reserves	851	881
Parks Infrastructure Reserves	546	648
Road Infrastructure Reserves	2,236	2,424
SRV Infrastructure Reserve	12,828	10,461
FAG in advance	14,927	9,367
Government Merger Funding Reserve	-	52
Other	3,070	2,804
<b>Total internal allocations</b>	<b>68,359</b>	<b>56,198</b>

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.



## C1-4 Receivables

\$ '000	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Rates and annual charges	14,919	–	18,737	–
Interest and extra charges	2,303	–	1,943	–
User charges and fees	6,153	–	7,949	–
Accrued revenues				
– Interest on investments	828	–	671	–
– Water & Sewerage Accrued Income	3,225	–	4,159	–
– Other income accruals	1,491	–	2,848	–
Government debtors	22,245	–	10,738	–
Net GST receivable	1,688	–	2,252	–
On site sewer management charges	71	–	46	–
Building and land rentals	3	–	5	–
Other receivables	197	3,328	55	664
<b>Total</b>	<b>53,123</b>	<b>3,328</b>	<b>49,403</b>	<b>664</b>
<b>Less: provision for impairment</b>				
Rates and annual charges	(473)	–	(418)	–
Interest and extra charges	(406)	–	(381)	–
User charges and fees	(372)	–	(161)	–
<b>Total provision for impairment – receivables</b>	<b>(1,251)</b>	<b>–</b>	<b>(960)</b>	<b>–</b>
<b>Total net receivables</b>	<b>51,872</b>	<b>3,328</b>	<b>48,443</b>	<b>664</b>

### 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 proceedings.

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.

## C1-5 Inventories

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>(i) Inventories at cost</b>				
Real estate for resale	426	1,034	4,093	1,034
Stores, materials and/or trading stock	1,130	–	1,229	–
<b>Total inventories at cost</b>	<b>1,556</b>	<b>1,034</b>	<b>5,322</b>	<b>1,034</b>
<b>Total inventories</b>	<b>1,556</b>	<b>1,034</b>	<b>5,322</b>	<b>1,034</b>

### (i) Other disclosures

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>(a) Details for real estate development</b>				
Residential	216	115	3,656	79
Industrial/commercial	210	919	437	955
<b>Total real estate for resale</b>	<b>426</b>	<b>1,034</b>	<b>4,093</b>	<b>1,034</b>

(Valued at the lower of cost and net realisable value)

### 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.

#### Land held for resale

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

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

## C1-6 Non-current assets classified as held for sale

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Non-current assets held for sale</b>				
Land	-	-	855	-
Buildings	-	-	1,895	-
<b>Total non-current assets held for sale</b>	<b>-</b>	<b>-</b>	<b>2,750</b>	<b>-</b>
<b>Total non-current assets classified as held for sale</b>	<b>-</b>	<b>-</b>	<b>2,750</b>	<b>-</b>

### Details of assets and disposal groups

Non-current assets held for sale comprises Land and Buildings previously classified within Infrastructure, property, plant and equipment which at reporting date Council are committed to sell the assets, the assets are available for sale in their present condition and the sale is expected to be completed within the next financial year.

### Reconciliation of non-current assets held for sale

\$ '000	2022 Assets 'held for sale'	2021 Assets 'held for sale'
<b>Opening balance</b>	<b>2,750</b>	-
Less: carrying value of assets/operations sold	<b>(2,750)</b>	-
<u>Plus new transfers in:</u>		
- Assets held for sale	-	3,550
<u>Less impairment losses:</u>		
- Assets held for sale (losses on reclassification)	-	(800)
<b>Closing balance of held for sale non-current assets and operations</b>	<b>-</b>	<b>2,750</b>

### 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.

## C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2021			Asset movements during the reporting period								At 30 June 2022		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	104,197	–	104,197	80,601	30,824	–	–	–	(89,892)	–	–	125,729	–	125,729
Plant and equipment	70,030	(36,940)	33,090	–	–	(1,167)	(5,841)	–	8,386	69	–	74,775	(40,238)	34,537
Office equipment	4,418	(4,217)	201	–	–	–	(88)	–	–	–	–	4,418	(4,305)	113
Furniture and fittings	3,217	(2,965)	252	–	–	–	(238)	–	–	1,920	–	5,137	(3,203)	1,934
Computer equipment	10,335	(4,679)	5,656	–	–	–	(1,731)	–	581	7	–	9,836	(5,324)	4,512
<b>Land:</b>														
– Operational land	74,830	–	74,830	–	–	(82)	–	–	630	–	21,805	97,183	–	97,183
– Community land	107,102	–	107,102	–	–	–	–	–	–	–	32,945	140,047	–	140,047
– Land under roads (post 30/6/08)	153	–	153	–	11	–	–	–	–	–	–	164	–	164
Land improvements – non-depreciable	20	–	20	–	–	–	–	–	–	(20)	–	–	–	–
Land improvements – depreciable	5,992	(2,746)	3,246	–	–	–	(316)	(224)	–	20	–	6,260	(3,534)	2,726
<b>Infrastructure:</b>														
– Buildings	388,609	(170,270)	218,339	–	–	(774)	(8,900)	–	2,403	(3,198)	53,790	438,604	(176,944)	261,660
– Other structures	12,092	(1,102)	10,990	–	–	–	(580)	–	898	(401)	(127)	14,587	(3,806)	10,781
– Roads	1,327,065	(643,169)	683,896	–	–	(4,081)	(26,634)	–	42,337	1,231	72,671	1,498,913	(729,493)	769,420
– Bridges	318,369	(132,819)	185,550	–	–	(215)	(3,400)	–	5,828	(131)	19,570	356,388	(149,186)	207,202
– Footpaths	30,481	(16,353)	14,128	–	–	(26)	(777)	–	408	1,660	1,606	37,378	(20,379)	16,999
– Bulk earthworks (non-depreciable)	965,918	–	965,918	–	–	–	–	–	4,279	326	101,226	1,071,748	–	1,071,748
– Stormwater drainage	353,456	(166,149)	187,307	–	–	(3,816)	(3,600)	–	5,018	4	19,986	388,805	(183,906)	204,899
– Water supply network	872,953	(370,310)	502,643	–	–	(539)	(12,869)	–	8,790	–	28,624	929,657	(403,008)	526,649
– Sewerage network	743,889	(252,812)	491,077	–	–	(736)	(9,860)	–	8,324	–	28,098	793,571	(276,668)	516,903
– Swimming pools	7,646	(4,638)	3,008	–	–	(48)	(155)	–	8	1	1,955	11,168	(6,399)	4,769
– Other open space/recreational assets	44,650	(20,846)	23,804	–	–	(164)	(1,861)	–	1,691	(1,488)	13,710	54,558	(18,866)	35,692
<b>Other assets:</b>														
– Library books	4,039	(2,990)	1,049	–	–	–	(396)	–	311	–	–	4,350	(3,386)	964
– Cemetery assets	1,249	(650)	599	–	–	–	(31)	–	–	–	–	1,249	(681)	568
– Other	1,117	–	1,117	–	–	–	–	–	–	–	–	1,117	–	1,117
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>														
– Tip assets	12,239	(10,526)	1,713	–	–	–	(249)	–	–	(1,216)	–	11,023	(10,775)	248
– Quarry assets	182	(164)	18	–	–	–	(1)	–	–	–	–	182	(166)	16
<b>Total infrastructure, property, plant and equipment</b>	<b>5,464,248</b>	<b>(1,844,345)</b>	<b>3,619,903</b>	<b>80,601</b>	<b>30,835</b>	<b>(11,648)</b>	<b>(77,527)</b>	<b>(224)</b>	<b>–</b>	<b>(1,216)</b>	<b>395,859</b>	<b>6,076,847</b>	<b>(2,040,267)</b>	<b>4,036,580</b>

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).



## C1-7 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 renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Tfrs from/(to) 'held for sale' category	Tfrs from/(to) investment properties	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	87,155	–	87,155	64,927	36,211	–	–	–	(84,096)	–	–	–	–	104,197	–	104,197
Plant and equipment	69,000	(34,216)	34,784	–	–	(1,018)	(5,619)	–	4,943	–	–	–	–	70,030	(36,940)	33,090
Office equipment	4,414	(4,024)	390	–	–	–	(193)	–	2	–	–	–	–	4,418	(4,217)	201
Furniture and fittings	3,217	(2,874)	343	–	–	–	(93)	–	–	–	–	–	–	3,217	(2,965)	252
Computer equipment	7,311	(3,337)	3,974	–	–	–	(1,341)	–	3,024	–	–	–	–	10,335	(4,679)	5,656
<b>Land:</b>																
– Operational land	83,992	–	83,992	–	–	(120)	–	–	2,082	–	(1,104)	–	(10,020)	74,830	–	74,830
– Community land	74,484	–	74,484	–	–	(19)	–	–	957	–	–	–	31,681	107,102	–	107,102
– Land under roads (post 30/6/08)	146	–	146	–	7	–	–	–	–	–	–	–	–	153	–	153
Land improvements – non-depreciable	20	–	20	–	–	–	–	–	–	–	–	–	–	20	–	20
Land improvements – depreciable	6,067	(2,480)	3,587	–	–	–	(316)	–	–	(26)	–	–	–	5,992	(2,746)	3,246
<b>Infrastructure:</b>																
– Buildings	359,086	(161,897)	197,189	–	–	(408)	(9,083)	–	26,907	8,608	(2,445)	(2,429)	–	388,609	(170,270)	218,339
– Other structures	27,611	(10,635)	16,976	–	–	(208)	(580)	–	1,041	(10,626)	–	–	4,387	12,092	(1,102)	10,990
– Roads	1,328,022	(626,794)	701,228	–	–	(4,610)	(27,143)	–	13,205	1,213	–	–	–	1,327,065	(643,169)	683,896
– Bridges	315,004	(133,452)	181,552	–	–	(511)	(3,362)	(207)	7,763	313	–	–	–	318,369	(132,819)	185,550
– Footpaths	29,913	(15,484)	14,429	–	–	(14)	(652)	–	248	116	–	–	–	30,481	(16,353)	14,128
– Bulk earthworks (non-depreciable)	967,378	–	967,378	–	–	(2,296)	–	–	108	729	–	–	–	965,918	–	965,918
– Stormwater drainage	352,391	(162,984)	189,407	–	–	(1,809)	(3,586)	–	3,061	238	–	–	–	353,456	(166,149)	187,307
– Water supply network	855,307	(355,708)	499,599	–	–	(781)	(12,660)	–	11,963	–	–	–	4,522	872,953	(370,310)	502,643
– Sewerage network	732,496	(241,469)	491,027	–	–	(598)	(9,726)	–	5,915	–	–	–	4,460	743,889	(252,812)	491,077
– Swimming pools	9,054	(5,869)	3,185	–	–	–	(140)	–	69	(104)	–	–	–	7,646	(4,638)	3,008
– Other open space/recreational assets	40,356	(18,594)	21,762	–	–	(142)	(1,764)	–	2,397	1,553	–	–	–	44,650	(20,846)	23,804
<b>Other assets:</b>																
– Library books	4,135	(2,814)	1,321	–	–	–	(545)	–	274	–	–	–	–	4,039	(2,990)	1,049
– Other	3,912	(969)	2,943	–	–	(2)	–	–	128	(2,097)	–	–	143	1,117	–	1,117
– Cemetery assets	1,051	(511)	540	–	–	–	(33)	–	9	83	–	–	–	1,249	(650)	599
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>																
– Tip assets	9,484	(5,907)	3,577	(151)	–	–	(1,713)	–	–	–	–	–	–	12,239	(10,526)	1,713
– Quarry assets	182	(163)	19	–	–	–	(1)	–	–	–	–	–	–	182	(164)	18
– Other remediation assets	2,906	(2,906)	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total infrastructure, property, plant and equipment</b>	<b>5,374,094</b>	<b>(1,793,087)</b>	<b>3,581,007</b>	<b>64,776</b>	<b>36,218</b>	<b>(12,536)</b>	<b>(78,550)</b>	<b>(207)</b>	<b>–</b>	<b>–</b>	<b>(3,549)</b>	<b>(2,429)</b>	<b>35,173</b>	<b>5,464,248</b>	<b>(1,844,345)</b>	<b>3,619,903</b>

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

## C1-7 Infrastructure, property, plant and equipment (continued)

### Accounting policy

Infrastructure, property, plant and equipment are held at fair value. Independent 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 Industry (DoI) – Water.

Increases in the carrying amounts arising on revaluation are credited to the 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 revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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

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

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:

<b>Plant and equipment</b>	Years	<b>Other equipment</b>	Years
Office equipment	3 to 10	Playground equipment	5 to 15
Office furniture	3 to 10	Benches, seats etc.	10 to 20
Computer equipment	3 to 10		
Vehicles	5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 15	Buildings: masonry	20 to 100
Other plant and equipment	5 to 15	Buildings: other	10 to 100
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Dams and reservoirs	80 to 100	Drains	80 to 100
Bores	20 to 40	Culverts	50 to 75
Sewer Pipe Network	70 to 80	Long life assets	to 200
Water Pipe Network	70 to 80		
Pumps and telemetry	15 to 20		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	10 to 50	Bulk earthworks	Infinite
Sealed roads: structure	40 to 200	Swimming pools	4 to 50
Unsealed roads	10 to 50	Other open space/recreational assets	10 to 100
Bridge: concrete	60 to 200	Other infrastructure	5 to 100
Bridge: other	20 to 100		
Road pavements	40 to 200		
Kerb, gutter and footpaths	20 to 80		

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

### 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 in accordance with AASB 1051 Land Under Roads.

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

Council has elected to use the Englobo valuation method for land under roads. This requires an average site value (SV) across the Council area on a dollar per square meter to be calculated.

## C1-7 Infrastructure, property, plant and equipment (continued)

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The site value is the value of the underlying land assuming that any existing improvements have not been made. Adjustment factors for 65% and 25% respectively have been applied when calculating the englobo value.

### **Crown reserves**

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

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating 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".

Council has recognised assets including fleet, land and buildings as assets of the Council in these financial statements.

## C1-8 Investment properties

### Owned investment property

<b>\$ '000</b>	<b>2022</b>	2021
<b>At fair value</b>		
Opening balance at 1 July	<b>24,165</b>	18,640
Net gain/(loss) from fair value adjustments	<b>3,637</b>	3,096
Transfers from/(to) owner-occupied property (Note C1-7)	-	2,429
<b>Closing balance at 30 June</b>	<b>27,802</b>	24,165

#### Accounting policy

Investment property, principally comprising freehold buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as part of other income.



## C2 Leasing activities

### C2-1 Council as a lessee

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

#### Terms and conditions of leases

##### Land

Council leases operational land; the leases are generally between 5 and 20 years and some of them include a renewal option to allow Council to renew for up to half the noncancellable lease term at its discretion. The leases contain an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

##### Office Equipment

Council leases office equipment with lease terms generally for 5 years. The lease payments are fixed during the lease term.

##### Plant and equipment

Council leases plant and equipment with lease terms generally for 4 years. The lease payments are fixed during the lease term.

##### Computer Equipment

Council leases computer equipment with lease terms generally for 5 years. The lease payments are fixed during the lease term.

##### Buildings

Council leases buildings with lease terms generally for 5 years. The leases include renewal options to allow Council to renew for up to 2 additional lease terms at its discretion. The leases contain an annual pricing mechanism based on CPI movements at each anniversary of the lease inception.

##### Extension options

Council includes options in the measurement of its land leases to provide flexibility and certainty to Council operations and reduce costs of moving operational fixtures. 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	Land	Office Equipment	Plant and Equipment	Computer Equipment	Buildings	Total
<b>2022</b>						
Opening balance at 1 July	335	614	–	1,623	36	2,608
Additions to right-of-use assets	–	–	78	–	813	891
Adjustments to right-of-use assets due to re-measurement of lease liability	3	99	–	–	–	102
Depreciation charge	(21)	(138)	(17)	(383)	(41)	(600)
<b>Balance at 30 June</b>	<b>317</b>	<b>575</b>	<b>61</b>	<b>1,240</b>	<b>808</b>	<b>3,001</b>
<b>2021</b>						
Opening balance at 1 July	356	100	40	–	–	496
Additions to right-of-use assets	–	404	–	1,915	98	2,417
Adjustments to right-of-use assets due to re-measurement of lease liability	–	299	(6)	–	–	293
Depreciation charge	(21)	(189)	(34)	(292)	(62)	(598)
<b>Balance at 30 June</b>	<b>335</b>	<b>614</b>	<b>–</b>	<b>1,623</b>	<b>36</b>	<b>2,608</b>

## C2-1 Council as a lessee (continued)

### (b) Lease liabilities

\$ '000	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Lease liabilities	660	2,575	588	2,267
<b>Total lease liabilities</b>	<b>660</b>	<b>2,575</b>	<b>588</b>	<b>2,267</b>

### (c) (i) The maturity analysis

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
<b>2022</b>					
Cash flows	760	1,869	960	3,589	3,235
2021					
Cash flows	668	2,135	312	3,115	2,855

### (d) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

\$ '000	2022	2021
Interest on lease liabilities	83	71
Variable lease payments based on usage not included in the measurement of lease liabilities	27	88
Depreciation of right of use assets	600	598
Expenses relating to short-term leases	78	70
Expenses relating to low-value leases	338	145
	<b>1,126</b>	<b>972</b>

### (e) Statement of Cash Flows

Total cash outflow for leases	1,138	685
	<b>1,138</b>	<b>685</b>

### 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.

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

## C2-1 Council as a lessee (continued)

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right-of-use 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.

## C2-2 Council as a lessor

### Operating leases

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

- investment property – where the asset is held predominantly for rental or capital growth purposes (refer note C1-8)
- property, plant and equipment – where the rental is incidental, or the asset is held to meet Councils service delivery objective (refer note C1-7).

\$ '000	2022	2021
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#### (i) Assets held as investment property

Investment property operating leases relate to the Tuncurry Supermarket, Wallis Street Motel and Muldoon Street office building.

The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below

Lease income (excluding variable lease payments not dependent on an index or rate)	1,234	1,036
Lease income relating to variable lease payments not dependent on an index or a rate	132	76
<b>Total income relating to operating leases for investment property assets</b>	<b>1,366</b>	<b>1,112</b>

#### Operating lease expenses

Direct operating expenses that generated rental income	225	149
<b>Total expenses relating to operating leases - investment properties</b>	<b>225</b>	<b>149</b>

#### (ii) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	867	925
<b>Total income relating to operating leases for Council assets</b>	<b>867</b>	<b>925</b>

#### (iii) Maturity analysis of contractual lease income

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for all operating leases:

< 1 year	1,943	1,403
1–2 years	1,734	1,304
2–3 years	1,427	1,174
3–4 years	1,308	1,081
4–5 years	1,026	1,008
> 5 years	5,165	6,089
<b>Total undiscounted lease payments to be received</b>	<b>12,603</b>	<b>12,059</b>

#### 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 as finance income using amortised cost basis for finance leases.



## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2022		2021	
	Current	Non-current	Current	Non-current
Prepaid rates	4,198	–	3,878	–
Goods and services	11,656	–	10,694	–
Accrued expenses:				
– Borrowings	1,064	–	1,064	–
– Salaries and wages	3,902	–	4,167	–
Security bonds, deposits and retentions	10,437	–	9,392	–
Other	757	–	505	–
<b>Total payables</b>	<b>32,014</b>	<b>–</b>	<b>29,700</b>	<b>–</b>

#### Current payables not anticipated to be settled within the next twelve months

\$ '000	2022	2021
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	9,405	8,113
<b>Total payables</b>	<b>9,405</b>	<b>8,113</b>

#### 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	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Funds to construct Council controlled assets	(i)	23,562	-	13,813	-
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15	(ii)	1,383	-	215	-
<b>Total contract liabilities</b>		<b>24,945</b>	<b>-</b>	<b>14,028</b>	<b>-</b>

### Notes

(i) Council has received funding to construct assets including sporting facilities, bridges, library 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.

### (i) Revenue recognised (during the financial year) from opening contract liability balances

\$ '000	2022	2021
Funds to construct Council controlled assets	8,493	2,738
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15	78	265
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>8,571</b>	<b>3,003</b>

### 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	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Loans – secured <sup>1</sup>	19,325	158,507	20,244	174,640
<b>Total borrowings</b>	<b>19,325</b>	<b>158,507</b>	<b>20,244</b>	<b>174,640</b>

(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 E1-1.

### (a) Changes in liabilities arising from financing activities

\$ '000	2021		Non-cash movements				2022
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	194,884	(25,677)	8,625	–	–	–	177,832
Lease liability (Note C2-1b)	2,855	(696)	993	–	–	83	3,235
<b>Total liabilities from financing activities</b>	<b>197,739</b>	<b>(26,373)</b>	<b>9,618</b>	<b>–</b>	<b>–</b>	<b>83</b>	<b>181,067</b>

\$ '000	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
Loans – secured	212,748	(17,864)	–	–	–	–	194,884
Lease liability (Note C2-1b)	457	(312)	2,417	–	–	293	2,855
<b>Total liabilities from financing activities</b>	<b>213,205</b>	<b>(18,176)</b>	<b>2,417</b>	<b>–</b>	<b>–</b>	<b>293</b>	<b>197,739</b>

### (b) Financing arrangements

\$ '000	2022	2021
<b>Total facilities</b>		
Credit cards/purchase cards	750	625
<b>Total financing arrangements</b>	<b>750</b>	<b>625</b>
<b>Drawn facilities</b>		
– Credit cards/purchase cards	72	88
<b>Total drawn financing arrangements</b>	<b>72</b>	<b>88</b>
<b>Undrawn facilities</b>		
– Credit cards/purchase cards	678	537
<b>Total undrawn financing arrangements</b>	<b>678</b>	<b>537</b>

### Additional financing arrangements information

#### Breaches and defaults

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

#### 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.

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.

### C3-3 Borrowings (continued)

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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.



## C3-4 Employee benefit provisions

\$ '000	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Annual leave	8,655	–	8,472	–
Long service leave	15,911	458	19,327	557
<b>Total employee benefit provisions</b>	<b>24,566</b>	<b>458</b>	<b>27,799</b>	<b>557</b>

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

\$ '000	2022	2021
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	16,356	19,382
	<b>16,356</b>	<b>19,382</b>

### Accounting policy

#### 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 which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

The obligations are presented as current liabilities in the Statement of Financial Position if the 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.

## C3-5 Provisions

\$ '000	2022	2022	2021	2021
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration (future works)	–	13,874	300	14,687
<b>Total provisions</b>	<b>–</b>	<b>13,874</b>	<b>300</b>	<b>14,687</b>

### Description of and movements in provisions

Other provisions

## C3-5 Provisions (continued)

\$ '000	Asset remediation	Total
<b>2022</b>		
At beginning of year	14,987	14,987
Unwinding of discount	102	102
Other	(1,215)	(1,215)
Total other provisions at end of year	<b>13,874</b>	<b>13,874</b>
<b>2021</b>		
At beginning of year	15,052	15,052
Unwinding of discount	86	86
Other	(151)	(151)
Total other provisions at end of year	<b>14,987</b>	<b>14,987</b>

### Nature and purpose of provisions

#### Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the council tip and quarry.

#### 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.

#### Asset remediation – tips and quarries

##### Restoration

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

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

##### Rehabilitation

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

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

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

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

## C4 Reserves

### C4-1 Nature and purpose of reserves

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#### **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.

## D Council structure

### D1 Results by fund

General fund refers to all Council activities other than water and sewer. 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 and sewer columns are restricted for use for these activities.

#### D1-1 Income Statement by fund

\$ '000	General 2022	Water 2022	Sewer 2022
<b>Income from continuing operations</b>			
Rates and annual charges	110,184	14,076	38,961
User charges and fees	21,998	27,273	3,555
Interest and investment income	2,137	178	651
Other revenues	4,502	307	593
Grants and contributions provided for operating purposes	44,359	–	–
Grants and contributions provided for capital purposes	58,470	6,872	6,488
Other income	5,870	–	–
<b>Total income from continuing operations</b>	<b>247,520</b>	<b>48,706</b>	<b>50,248</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	63,035	7,577	6,992
Materials and services	52,601	14,357	15,710
Borrowing costs	1,786	4,553	3,418
Depreciation, amortisation and impairment of non-financial assets	53,778	13,963	10,610
Other expenses	11,168	525	147
Net losses from the disposal of assets	4,253	529	727
<b>Total expenses from continuing operations</b>	<b>186,621</b>	<b>41,504</b>	<b>37,604</b>
<b>Operating result from continuing operations</b>	<b>60,899</b>	<b>7,202</b>	<b>12,644</b>
<b>Net operating result for the year</b>	<b>60,899</b>	<b>7,202</b>	<b>12,644</b>
<b>Net operating result attributable to each council fund</b>	<b>60,899</b>	<b>7,202</b>	<b>12,644</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>2,429</b>	<b>330</b>	<b>6,156</b>



## D1-2 Statement of Financial Position by fund

\$ '000	General 2022	Water 2022	Sewer 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7,945	16,619	37,291
Investments	62,240	15,500	22,000
Receivables	37,721	8,845	5,306
Inventories	1,556	–	–
Other	3,554	6	–
<b>Total current assets</b>	<b>113,016</b>	<b>40,970</b>	<b>64,597</b>
<b>Non-current assets</b>			
Investments	122,177	3,000	34,750
Receivables	3,328	–	–
Inventories	1,034	–	–
Infrastructure, property, plant and equipment	2,889,064	593,300	554,216
Investment property	25,064	1,369	1,369
Right of use assets	2,684	245	72
<b>Total non-current assets</b>	<b>3,043,351</b>	<b>597,914</b>	<b>590,407</b>
<b>Total assets</b>	<b>3,156,367</b>	<b>638,884</b>	<b>655,004</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	28,922	1,635	1,457
Contract liabilities	24,093	852	–
Lease liabilities	647	7	6
Borrowings	8,102	5,199	6,024
Employee benefit provision	18,542	3,012	3,012
<b>Total current liabilities</b>	<b>80,306</b>	<b>10,705</b>	<b>10,499</b>
<b>Non-current liabilities</b>			
Lease liabilities	2,241	266	68
Borrowings	43,165	71,009	44,333
Employee benefit provision	340	59	59
Provisions	13,874	–	–
<b>Total non-current liabilities</b>	<b>59,620</b>	<b>71,334</b>	<b>44,460</b>
<b>Total liabilities</b>	<b>139,926</b>	<b>82,039</b>	<b>54,959</b>
<b>Net assets</b>	<b>3,016,441</b>	<b>556,845</b>	<b>600,045</b>
<b>EQUITY</b>			
Accumulated surplus	2,152,634	442,251	436,856
Revaluation reserves	863,807	114,594	163,189
<b>Council equity interest</b>	<b>3,016,441</b>	<b>556,845</b>	<b>600,045</b>
<b>Total equity</b>	<b>3,016,441</b>	<b>556,845</b>	<b>600,045</b>

## E Risks and accounting uncertainties

### E1-1 Risks relating to financial instruments held

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

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

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk. Financial risk management is carried out by Council's finance section under policies approved by the Council. The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. Council's finance team manages the cash and Investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with the s625 of the Local Government 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 and performance of the portfolio as required by local government regulations.

The risks associated with the instruments held are:

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

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

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

#### (a) Market risk – interest rate

\$ '000	2022	2021
---------	------	------

The impact on result for the year and equity of a reasonably possible movement in the 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	1,350	1,312

#### (b) Credit risk

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

Council 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, whether through exposure to individual customers, specific industry sectors and/or regions.

Council makes suitable provision for doubtful receivables as required.

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

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

### Credit risk profile

#### Receivables – rates and annual charges, interest and extra charges and on site sewer management charges

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

\$ '000	Not yet overdue rates and annual charges			Total
	overdue	< 5 years	≥ 5 years	
<b>2022</b>				
Gross carrying amount	–	15,566	1,727	17,293
2021				
Gross carrying amount	–	19,444	1,281	20,725

#### Receivables - non-rates and annual charges, interest and extra charges and on site sewer management charges

Council applies the simplified approach for non-rates and annual charges, interest and extra charges and on site sewer management charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2022</b>						
Gross carrying amount	36,032	963	162	160	1,841	39,158
Expected loss rate (%)	0.38%	7.40%	9.14%	10.39%	7.29%	0.95%
<b>ECL provision</b>	<b>135</b>	<b>71</b>	<b>15</b>	<b>17</b>	<b>134</b>	<b>372</b>
2021						
Gross carrying amount	24,053	2,720	29	698	1,842	29,342
Expected loss rate (%)	0.16%	1.27%	2.30%	4.03%	3.19%	0.55%
<b>ECL provision</b>	<b>38</b>	<b>35</b>	<b>1</b>	<b>28</b>	<b>59</b>	<b>161</b>

### (c) Liquidity risk

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

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended 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. 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 and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
<b>2022</b>							
Borrowings	4.60%	–	28,237	88,040	126,104	242,381	177,832
Payables	0.00%	10,437	21,577	–	–	32,014	32,014
<b>Total financial liabilities</b>		<b>10,437</b>	<b>49,814</b>	<b>88,040</b>	<b>126,104</b>	<b>274,395</b>	<b>209,846</b>
<b>2021</b>							
Borrowings	5.04%	–	29,758	94,976	133,237	257,971	194,884
Payables	0.00%	9,392	16,430	–	–	25,822	29,700
<b>Total financial liabilities</b>		<b>9,392</b>	<b>46,188</b>	<b>94,976</b>	<b>133,237</b>	<b>283,793</b>	<b>224,584</b>

**Loan agreement breaches**

There were no occurrences of breaches to loan agreements during the reporting year.



## E2-1 Fair value measurement

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Council measures the following assets at fair value on a recurring basis:

- Infrastructure, property, plant and equipment
- Investment property

### **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 Council 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:

## E2-1 Fair value measurement (continued)

\$ '000	Notes	Date of latest valuation 2022	Fair value measurement hierarchy				Total	
			Level 2 Significant observable inputs 2022	2021	Level 3 Significant unobservable inputs 2022	2021	2022	2021
<b>Recurring fair value measurements</b>								
<b>Investment property</b> C1-8								
		30/06/22	21,500	18,430	-	-	21,500	18,430
		30/06/22	3,565	3,425	-	-	3,565	3,425
		30/06/22	2,737	2,310	-	-	2,737	2,310
			<b>27,802</b>	<b>24,165</b>	<b>-</b>	<b>-</b>	<b>27,802</b>	<b>24,165</b>
<b>Infrastructure, property, plant and equipment</b> C1-7								
		n/a	-	-	125,729	104,197	125,729	104,197
		n/a	-	-	34,537	33,090	34,537	33,090
		n/a	-	-	113	201	113	201
		n/a	-	-	1,934	252	1,934	252
		n/a	-	-	4,512	5,656	4,512	5,656
		30/06/22	-	-	97,183	74,830	97,183	74,830
		30/06/22	-	-	140,047	107,102	140,047	107,102
		30/06/22	-	-	164	153	164	153
		30/06/22	-	-	-	20	-	20
		30/06/22	-	-	2,726	3,246	2,726	3,246
		30/06/22	-	-	261,660	218,339	261,660	218,339
		30/06/22	-	-	10,781	10,990	10,781	10,990
		30/06/22	-	-	769,420	683,896	769,420	683,896
		30/06/22	-	-	207,202	185,550	207,202	185,550
		30/06/22	-	-	16,999	14,128	16,999	14,128
		30/06/22	-	-	1,071,748	965,918	1,071,748	965,918
		30/06/22	-	-	204,899	187,307	204,899	187,307
		30/06/22	-	-	4,769	3,008	4,769	3,008
		30/06/22	-	-	35,692	23,804	35,692	23,804
		n/a	-	-	964	1,049	964	1,049
		n/a	-	-	568	599	568	599
		30/06/21	-	-	1,117	1,117	1,117	1,117
		30/06/22	-	-	248	1,713	248	1,713
		30/06/22	-	-	16	18	16	18
		30/06/22	-	-	526,649	502,643	526,649	502,643
		30/06/22	-	-	516,903	491,077	516,903	491,077
			<b>-</b>	<b>-</b>	<b>4,036,580</b>	<b>3,619,903</b>	<b>4,036,580</b>	<b>3,619,903</b>
<b>Non-recurring fair value measurements</b>								
<b>Non-current assets classified as held for sale</b> C1-6								
		n/a	-	2,750	-	-	-	2,750
			<b>-</b>	<b>2,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,750</b>

## E2-1 Fair value measurement (continued)

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### 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 as follows:

#### Investment property

Council obtains an independent fair valuation of its investment property on an annual basis at the end of each reporting period to ensure the financial statements reflect the most up-to-date valuation.

The valuations used for the period ending 30 June 2022 were as follows:

The valuations were obtained from First State Property Valuers, AAPI, Registered Valuer Number 19471.

Tuncurry Supermarket:

Fair value was determined using the capitalisation of net income approach.

Wallis Street Motel, Forster:

Fair value was determined using the capitalisation of net income approach and direct comparison approach relying upon sales of comparable properties with adjustments for differences.

Muldoon Street office building:

Fair value was determined using the capitalisation of net income approach.

The valuation techniques utilised Level 2 inputs.

The observable inputs included current rental income, rent reviews, capitalisation rate, price per square metre, direct comparison of the sales evidence, zoning, planning controls, land area, configuration and sale data of comparable properties.

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### Art Works

Artworks were revalued as at 30 June 2021. Council currently owns individual Artworks comprising paintings, drawings, etchings, pottery, engravings, photographs and sculptures. The value of the collection has been determined through engaging external experts, the Art Gallery's trained staff and the original cost.

The valuations were completed using the replacement cost approach and market value in accordance with AASB 116. The replacement value was determined by the price the items could be purchased from a reputable dealer, gallery or retail outlet.

This asset class is categorised as Level 3 as some of the inputs mentioned above used to value these assets required significant professional judgement and are unobservable. Valuation techniques remained unchanged during the reporting period.

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### Cemetery Assets

Assets in this class comprise improvements to our cemeteries including columbarium walls, concrete beams and plinths. This asset class is valued at cost less depreciation and reported at fair value. Other inputs include remaining useful life, condition and residual value which require professional judgement to assess.

Cemetery assets are reviewed on a regular basis for evidence of change in condition/value.

This asset class is categorised as Level 3 as some of the inputs mentioned above used to value these assets required significant professional judgement and are unobservable. Valuation techniques remained unchanged during the reporting period.

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### Plant, Office & Computer Equipment, Furniture & Fittings

## E2-1 Fair value measurement (continued)

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Plant, Office & Computer Equipment and Furniture & Fittings are valued at cost. Typical examples of assets within these classes are as follows:

Plant & Equipment: Trucks, Motor Vehicles, Street Sweepers, Earthmoving and other heavy equipment.

Office Equipment: Scanners, PABX, GPS Mappers and other equipment.

Computer Equipment: Computers, Monitors, Software and other equipment.

Furniture & Fittings: Workstations, Office fit out and other fittings.

The key unobservable inputs to the valuation of these assets are the useful and remaining useful life and any residual value that may be applicable. All assets in these classes are deemed to be Level 3 inputs. The asset class is reviewed and adjusted each year for any impairment.

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### Operational Land

Council obtains an independent fair valuation of its operational land every 5 years. The last full revaluation was on the 30 June 2022.

The last valuation obtained was performed by Scott Fullarton Valuations Pty Ltd, Director Scott Fullarton, FAPI, Registered Valuer No. 2144.

The valuations were determined by establishing the nature of the asset, characteristics important to market participants, the appropriate market & valuation premise.

Given that some of the valuation techniques used are unobservable, the land is classified as Level 3.

Council obtains new independent valuations every five years. Any assets acquired between valuations are recorded at cost and deemed to reflect level 3.

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

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### Community Land

Community land was revalued at 30 June 2021. Valuations of all Council's Community Land and Council managed land were based on the land values provided by the Valuer-General. These are the same values used for rating purposes. The last valuation obtained by Council is July 2019.

As these rates were not considered to be observable market evidence they have been classified as Level 3 inputs.

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

Council indexed community land at 30 June 2022 by 30.76% based on the average increase in Valuer General land values in the MidCoast LGA from July 2019 to July 2021.

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### Land Under Roads

Council has elected to recognise land under roads in accordance with AASB 1051. Council has used the "Englobo" valuation method for land under roads.

This requires an average Site Value (SV) across the Council area on a \$ per m<sup>2</sup> to be calculated.

The site value is "the value of the underlying land assuming that any existing improvements have not been made.

Adjustment factors for 65% and 25% respectively have been applied for Englobo value. Land under roads acquired is recognised in accordance with AASB 116 - Property, Plant and Equipment.

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

Given the unobservable characteristics of valuing land under roads they have been classified as Level 3. There has been no change to the valuation process during the reporting period.



## E2-1 Fair value measurement (continued)

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### Land Improvements - Depreciable

Land Improvements were revalued at 30 June 2022. This asset class comprises land improvements such as foreshore improvements, streetscaping and landscaping. These assets may be located on parks, reserves and also within road reserves. 'Land Improvements' The last valuation obtained was performed by Scott Fullarton Valuations Pty Ltd, Director Scott Fullarton, FAPI, Registered Valuer No. 2144.

Inputs such as estimates of pattern of consumption, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs.

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### Buildings Non Specialised & Specialised

Council obtains an independent fair valuation of all buildings, both specialised and non-specialised every 5 years. The last full revaluation was on the 30 June 2022.

The last valuation obtained was performed by Scott Fullarton Valuations Pty Ltd, Director Scott Fullarton, FAPI, Registered Valuer No. 2144.

The valuation was determined by establishing the nature of the asset, characteristics important to market participants, the appropriate market & valuation premise. Having maximised the level of valuation input the adopted technique deemed appropriate for Non Specialised and Specialised Buildings was predominately the cost approach and as such these assets were all classified as having been valued using Level 3 valuation inputs.

The key unobservable inputs include the replacement cost, remaining useful life and condition rating.

Council obtains new independent valuations every five years, any assets acquired between valuations are recorded at cost.

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

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### Other Structures, Other Open Space & Recreation Assets and Swimming Pools

Council revalued Other Structures at 30 June 2021. Council indexed other structures at 30 June 2022 by 5.30% based on the movement in the building price index from Rawlinson since last revaluation. Other open space/recreational assets and Swimming Pools were revalued at 30 June 2022.

The valuation was determined by establishing the nature of the asset, characteristics important to market participants, the appropriate market & valuation premise. Having maximised the level of valuation input the adopted technique deemed appropriate for these assets was predominately the cost approach and as such these assets were all classified as having been valued using Level 3 valuation inputs.

The key unobservable inputs include the replacement cost, remaining useful life and condition rating.

Council obtains new independent valuations every five years. Any assets acquired between valuations are recorded at cost.

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

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### Library Books

Library Books are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items.

The carrying amount of these assets is deemed to approximate the fair value without any material discrepancy due to the nature of the items.

The key unobservable inputs include the replacement cost, remaining useful life and condition rating and as such they have been classified as Level 3 inputs.

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

## E2-1 Fair value measurement (continued)

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### Landfill Remediation

Council operates landfills for the management of waste throughout the local government area.

Closure of a landfill will involve a wide range of activities including final capping of the landfill, site re-vegetation, installation of a final landfill gas management system, revision of the surface water management system and leachate management infrastructure to suit post-closure operation, decommissioning and removing infrastructure and equipment that will not be required post-closure, and fencing sensitive infrastructure.

An evaluation of the cost associated with the closure of the landfills was performed and a yearly tip remediation expense created to cover the future expenditure of closing the Buckets Way landfill.

The key unobservable inputs are the discount factor, timing and any escalation in costs and future environmental issues and as such the asset has been classified as level 3.

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

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### Infrastructure Assets

Infrastructure assets represent the bulk of Council's assets and comprise roads, bridges, footpaths, cycle ways, kerb & guttering, roundabouts and drainage.

Infrastructure assets generally have long useful lives and as there is no ready market for their sale determining an appropriate fair value requires the use of considerable unobservable inputs.

All of Council's infrastructure assets are valued in house, using a methodology which generally follows the IPWEA (NSW) Roads Fair Valuation Guide.

The following components are included in the valuation process:

- Sealed Roads Surface (flexible seal and asphalt)
- Sealed Roads Pavement
- Unsealed Roads Pavement
- Formation/Earthworks
- Roundabouts
- Kerb & Gutter
- Footpaths and Cycle Ways
- Ancillary Assets (signs, guard fencing, line marking)
- Bridges (timber and concrete)

Standard replacement costs were developed for each of the asset components using achieved unit rates of like assets recently constructed by Council.

The useful life of assets was determined by using data from sample assets within the component types and the remaining useful life for roads were determined from a condition assessment by Council officers and independent contractors using multi laser profilometry and video and visual surveys.

The key unobservable inputs are the unit rates, residual values, useful life and remaining useful life and as such the asset has been classified as level 3.

Council conducted a full in house revaluation in 2015 and revalued all infrastructure assets on the 30 June 2019 with the exception of drainage assets which were revalued on the 30 June 2020.

Council indexed all infrastructure assets at 30 June 2022 by 10.43% with the exception of drainage assets which were indexed by 10.81% based on the movement in the road and bridge construction NSW producer price index from the Australian Bureau of Statistics since last revaluation.

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### Work In Progress

Assets within the category of work in progress are incomplete.

## E2-1 Fair value measurement (continued)

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The assets are valued at cost but disclosed as fair value in the notes. Upon completion they will be transferred to the asset class that best fits the asset and subject to the valuation process for that asset class.

The key unobservable include type of asset, unit rate and as such they have been classified as level 3.

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

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### Sewer & Water Network Infrastructure

This asset class comprises of sewer pressure reticulation mains, rising mains, gravity mains, vent shafts, sewer manholes, and water mains, water meters. Water, sewer and stormwater were revalued on 30 June 2020 by APV - Valuers & Asset Management. Water and sewerage network assets have been indexed by 0.92% to 30 June 2021 and by an additional 5.73% to 30 June 2022 in accordance with the Rates Reference Manual issued by the Department of Planning, Industry and Environment - Water.

Sewer Manholes are an integral part of the sewer services. The lifetime of concrete manholes is considered to be between 35 and 50 years with any defects in the manhole usually identified only a few years prior to replacement.

The pipes may have a lifespan of 30 - 70 years depending on environmental conditions. Pipes retain no residual value as once failure occur the pipes or section of pipe will be replaced. The time to replace is a short span of time as leaks and breaks become more frequent and it usually indicates serious structural problems with the pipe and replacement is inevitable.

The useful life of sewer and water mains varies according to pipe material for example Ductile Iron Cement Lined (DICTL) and Vitrified Clay (VC) may reach 100 years in service. Asbestos Cement (AC) has been revised to 45 years according to WSAA standards. The material being transported has an effect on useful life and sewer rising mains are subject to fluctuations in exposure to corrosive materials and oxygen hence will experience shorter time in service than gravity mains. The ground conditions also have an effect on useful life and acid sulphate soils will corrode the exterior of the pipe. The residual value is set at zero as discussed above. The 'cost approach' using level 3 inputs was used to value the sewer and water infrastructure asset class. There has been no change to the valuation process during the reporting period.

### Non-current assets classified as 'held for sale'

The Non-current assets classified as 'held for sale' were sold during the year ended 30 June 2022.

Council obtained an independent fair valuation of its Non-current assets classified as held for sale to measure the assets at the lower of their carrying amount and fair value less costs to sell at 30 June 2021.

The valuation used for the period ending 30 June 2021 were as follows:

The valuations were obtained from First State Property Valuers, AAPI, Registered Valuer Number 19471.

16 Breese Parade, Forster:

Fair value was determined using the capitalisation of net income approach.

## E2-1 Fair value measurement (continued)

### Fair value measurements using significant unobservable inputs (level 3)

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

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

	Valuation technique/s	Unobservable inputs
<b>Infrastructure, property, plant and equipment</b>		
Plant and equipment	Cost Approach	Useful life Residual value Asset condition
Office equipment	Cost Approach	Useful life Asset condition
Furniture and fittings	Cost Approach	Useful life Asset condition
Computer equipment	Cost Approach	Useful life Asset condition
Community land	Land value as supplied by Valuer-General	Land value may not reflect market value Varies significantly from asset to asset
Operational land	Market Value /Cost Approach	Methods used by external valuers may include unobservable inputs
Land under roads	Price Per Square Metre	Area of Council rateable land
Land improvements depreciable	Discount factors	Area of Council road pattern
	Cost Approach	Useful life Asset condition
Buildings specialised and non-specialised	Cost Approach	Useful life Asset condition
		Methods used by external valuers may include unobservable inputs
Other structures	Cost Approach	Useful life Asset condition
Other open space and recreational assets	Cost Approach	Useful life Asset condition
Swimming pools	Cost Approach	Useful life Asset condition
Other assets	Cost Approach	Useful life Asset condition
Library books	Cost Approach	Useful life Asset condition



## E2-1 Fair value measurement (continued)

	Valuation technique/s	Unobservable inputs
Landfill remediation	Cost Approach	Cost Assessment Discount Rates Environmental Issues Future costs
Roads	Cost Approach	Useful life Asset condition Unit rate methodology
Earthworks	Cost Approach	Asset condition Unit rate methodology
Bridges	Cost Approach	Useful life Asset condition Unit rate methodology
Footpaths	Cost Approach	Useful life Asset condition Unit rate methodology
Stormwater drainage	Cost Approach	Useful life Asset condition Unit rate methodology
Work in progress	Cost Approach	Incomplete work Useful life Asset condition Unit rate methodology
Other infrastructure	Cost Approach	Useful life Asset condition Unit rate methodology
Water network assets	Cost Approach	Useful life Asset condition Unit rate methodology
Sewerage network assets	Cost Approach	Useful life Asset condition Unit rate methodology
Cemetery assets	Cost Approach	Useful life Asset condition Unit rate methodology
Quarry assets	Cost Approach	Useful life Asset condition Unit rate methodology

## E2-1 Fair value measurement (continued)

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

\$ '000	Work in progress		Plant and equipment		Office equipment		Furniture and fittings		Computer equipment		Operational land		Community land	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>	<b>104,197</b>	87,155	<b>33,090</b>	34,784	<b>201</b>	390	<b>252</b>	343	<b>5,655</b>	3,974	<b>74,830</b>	83,992	<b>107,102</b>	74,484
<b>Total gains or losses for the period</b>														
Recognised in other comprehensive income – revaluation surplus	–	–	–	–	–	–	–	–	–	–	<b>21,805</b>	(10,020)	<b>32,945</b>	31,681
<b>Other movements</b>														
Transfer to another asset category	–	–	–	–	–	–	–	–	–	–	–	(1,104)	–	–
Transfers from/(to) another asset class	<b>(89,892)</b>	(84,096)	<b>8,455</b>	4,943	–	2	<b>1,920</b>	–	<b>588</b>	3,024	<b>630</b>	2,082	–	957
Purchases (GBV)	<b>111,424</b>	101,138	–	–	–	–	–	–	–	–	–	–	–	–
Disposals (WDV)	–	–	<b>(1,167)</b>	(1,018)	–	–	–	–	–	–	<b>(82)</b>	(120)	–	(19)
Depreciation and impairment	–	–	<b>(5,841)</b>	(5,619)	<b>(88)</b>	(193)	<b>(238)</b>	(93)	<b>(1,731)</b>	(1,341)	–	–	–	–
<b>Closing balance</b>	<b>125,729</b>	104,197	<b>34,537</b>	33,090	<b>113</b>	199	<b>1,934</b>	250	<b>4,512</b>	5,657	<b>97,183</b>	74,830	<b>140,047</b>	107,103

\$ '000	Water network		Sewerage network		Buildings		Roads		Bridges		Footpaths stormwater earthworks		Other structure infrastructure	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>	<b>502,643</b>	499,599	<b>491,078</b>	491,027	<b>218,339</b>	197,189	<b>683,896</b>	701,228	<b>185,550</b>	181,552	<b>1,167,353</b>	1,171,214	<b>10,990</b>	16,976
<b>Total gains or losses for the period</b>														
Recognised in other comprehensive income – revaluation surplus	<b>28,624</b>	4,522	<b>28,098</b>	4,460	<b>53,790</b>	–	<b>72,671</b>	–	<b>19,570</b>	–	<b>122,817</b>	–	<b>(126)</b>	4,387
<b>Other movements</b>														
Transfer to another asset category	–	–	–	–	–	(4,874)	–	–	–	–	–	–	–	–
Transfers from/(to) another asset class	<b>8,790</b>	11,963	<b>8,324</b>	5,915	<b>(795)</b>	35,515	<b>43,568</b>	14,418	<b>5,697</b>	8,076	<b>11,695</b>	4,500	<b>497</b>	(9,585)
Disposals (WDV)	<b>(539)</b>	(781)	<b>(736)</b>	(598)	<b>(774)</b>	(408)	<b>(4,081)</b>	(4,610)	<b>(215)</b>	(511)	<b>(3,842)</b>	(4,119)	–	(208)
Depreciation and impairment	<b>(12,869)</b>	(12,660)	<b>(9,860)</b>	(9,726)	<b>(8,900)</b>	(9,083)	<b>(26,634)</b>	(27,143)	<b>(3,400)</b>	(3,569)	<b>(4,377)</b>	(4,238)	<b>(580)</b>	(580)
<b>Closing balance</b>	<b>526,649</b>	502,643	<b>516,904</b>	491,078	<b>261,660</b>	218,339	<b>769,420</b>	683,893	<b>207,202</b>	185,548	<b>1,293,646</b>	1,167,357	<b>10,781</b>	10,990

\$ '000	Open space swimming pools		Other asset classes		Total	
	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>						
			<b>26,812</b>	24,947	<b>7,913</b>	12,153
					<b>3,619,901</b>	<b>3,581,007</b>

continued on next page ...

## E2-1 Fair value measurement (continued)

\$ '000	Open space swimming pools		Other asset classes		Total	
	2022	2021	2022	2021	2022	2021
Recognised in other comprehensive income – revaluation surplus	15,665	–	–	143	395,859	35,173
Transfer to another asset category	–	–	–	–	–	(5,978)
Transfers from/(to) another asset class	212	3,915	311	(1,629)	–	–
Purchases (GBV)	–	–	(1,205)	(144)	110,219	100,994
Disposals (WDV)	(212)	(142)	–	(2)	(11,648)	(12,536)
Depreciation and impairment	(2,016)	(1,904)	(1,217)	(2,608)	(77,751)	(78,757)
<b>Closing balance</b>	<b>40,461</b>	<b>26,816</b>	<b>5,802</b>	<b>7,913</b>	<b>4,036,580</b>	<b>3,619,903</b>

## E2-1 Fair value measurement (continued)

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### Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.



## E3-1 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 Council's financial report.

### LIABILITIES NOT RECOGNISED

#### 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 future service employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current future service employer contribution rates are:

Division B	1.9 times employee 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 7.5% of salaries for the year ending 30 June 2022 (increasing to 8.0% 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 per annum from 1 July 2019 to 31 December 2021 and \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2021. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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 past service 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 2022 was \$825,874.18. The last formal valuation of the Scheme was performed by the scheme's actuary, Mr Richard Boyfield, as at 30 June 2021.

Council's expected contribution to the plan for the next annual reporting period is \$558,312.12.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2022 is:

Defined Benefit reserves only *	\$millions	Asset Coverage
Assets	2,376.6	-
Past Service Liabilities	2,380.7	99.8%
Vested Benefits	2,391.7	99.4%

\* excluding other accumulation accounts and reserves in both assets and liabilities.

The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$359,111.16 as at 30 June 2022.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in 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	5.5% per annum
Salary inflation	3.5% per annum
Increase in CPI	2.5% per annum

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 30/6 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) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

### (iv) Other guarantees

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

## E3-1 Contingencies (continued)

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### 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.

#### (ii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

### ASSETS NOT RECOGNISED

#### (i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

#### (ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

## F People and relationships

### F1 Related party disclosures

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

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly. Council's 11 Councillors and 4 senior staff, comprising the general manager and 3 directors, have been identified as representing Council's KMP.

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

\$ '000	2022	2021
<b>Compensation:</b>		
Short-term benefits	1,502	1,478
Post-employment benefits	121	110
<b>Total</b>	<b>1,623</b>	<b>1,588</b>

#### Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000						
<b>2022</b>						
Employee expenses relating to close family members	1	151	-		-	-
Property rental from grazing lease	2	5	-		-	-
<b>2021</b>						
Employee expenses relating to close family members	1	185	-		-	-
Property rental from grazing lease	2	5	1		-	-

1 There are two (2021: three) close family members of Council's KMP employed by MidCoast Council under current Council award on an arms length basis.

2 1 KMP has an annual grazing lease over Council property which is used for agistment of cattle with rental paid on a quarterly basis.



## F1-2 Councillor and Mayoral fees and associated expenses

<b>\$ '000</b>	<b>2022</b>	2021
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	<b>55</b>	60
Councillors' fees	<b>231</b>	254
Other Councillors' expenses (including Mayor)	<b>40</b>	60
<b>Total</b>	<b>326</b>	<b>374</b>

## F2 Other relationships

### F2-1 Audit fees

\$ '000	2022	2021
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	247	210
<b>Remuneration for audit and other assurance services</b>	<b>247</b>	<b>210</b>
<b>Total Auditor-General remuneration</b>	<b>247</b>	<b>210</b>
<b>Non NSW Auditor-General audit firms</b>		
<b>(i) Audit and other assurance services</b>		
Other audit and assurance services (council's internal auditor)	135	90
<b>Remuneration for audit and other assurance services</b>	<b>135</b>	<b>90</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>135</b>	<b>90</b>
<b>Total audit fees</b>	<b>382</b>	<b>300</b>

## G Other matters

### G1-1 Statement of Cash Flows information

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

\$ '000	2022	2021
<b>Net operating result from Income Statement</b>	<b>80,745</b>	37,077
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	78,127	79,148
(Gain) / loss on disposal of assets	5,509	10,246
Non-cash capital grants and contributions	(10,561)	(6,108)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as ‘at fair value’ or ‘held for trading’	71	75
– Investment property	(3,637)	(3,096)
– Revaluation decrements / impairments of IPP&E direct to P&L	224	1,007
Unwinding of discount rates on reinstatement provisions	102	86
Interest on leases	81	71
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	(6,384)	(12,245)
Increase / (decrease) in provision for impairment of receivables	291	(3)
(Increase) / decrease of inventories	99	(89)
(Increase) / decrease of other current assets	(2,762)	423
Increase / (decrease) in payables	962	(6,116)
Increase / (decrease) in accrued interest payable	–	(67)
Increase / (decrease) in other accrued expenses payable	(265)	3,821
Increase / (decrease) in other liabilities	1,617	1,744
Increase / (decrease) in contract liabilities	10,917	10,055
Increase / (decrease) in employee benefit provision	(3,332)	1,675
Increase / (decrease) in other provisions	(1,215)	(151)
<b>Net cash flows from operating activities</b>	<b>150,589</b>	<b>117,553</b>

#### (b) Non-cash investing and financing activities

Bushfire services	5,155	347
Subdivider contributions ‘in kind’	5,406	5,761
<b>Total non-cash investing and financing activities</b>	<b>10,561</b>	<b>6,108</b>

## G2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2022	2021
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Sewerage and water infrastructure	6,139	5,519
Road infrastructure	18,129	18,008
Buildings	7,098	9,039
Other	10,530	9,524
<b>Total commitments</b>	<b>41,896</b>	<b>42,090</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	41,896	42,090
<b>Total payable</b>	<b>41,896</b>	<b>42,090</b>
<b>Sources for funding of capital commitments:</b>		
Unexpended Loans	4,932	61
Future grants and contributions	11,876	9,574
Externally restricted reserves	18,409	23,278
Internally restricted reserves	6,679	9,177
<b>Total sources of funding</b>	<b>41,896</b>	<b>42,090</b>



### G3-1 Events occurring after the reporting date

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Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

## G4 Statement of developer contributions as at 30 June 2022

### G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Drainage	470	20	–	1	–	–	491	–
Roads	8,838	1,720	–	17	(505)	–	10,070	–
Parking	711	–	–	1	–	–	712	(500)
Open space	4,552	819	–	9	(51)	–	5,329	500
Community facilities	2,700	212	–	1	(1,814)	–	1,099	–
Other	4,010	672	–	6	(1,302)	–	3,386	–
Surf Life Saving	93	110	–	–	–	–	203	–
Bushfire Facilities	549	1,188	–	1	(1,058)	–	680	–
Administration Building	155	250	–	1	–	–	406	–
Multi Purpose Community Centre	182	48	–	2	(16)	–	216	–
Central Library Building	535	1,353	–	2	(623)	–	1,267	–
Library Book Stock	150	261	–	–	–	–	411	–
Aquatic Centre	77	541	–	1	(110)	–	509	–
Plan Administration	–	756	–	2	(16)	–	742	–
Other - Finance	33	95	–	–	(5)	–	123	–
Rec & Community Facilities	129	7	–	–	(4)	–	132	–
GLW Admin	327	–	–	–	(327)	–	–	–
Parking Tea Gardens	–	–	–	–	–	–	–	–
Other – Surf Life Saving Hawks Nest	41	–	–	–	(41)	–	–	–
Other - environmental	545	–	–	–	(545)	–	–	–
Bridges	119	–	–	–	(119)	–	–	–
Rural Fire Fighting	909	81	–	–	(990)	–	–	–
Plan Preparatory	(1)	1	–	–	–	–	–	–
Section 94 Officer	286	–	–	–	(286)	–	–	–
Other - Finance - contra	(2)	2	–	–	–	–	–	–
<b>S7.11 contributions – under a plan</b>	<b>25,408</b>	<b>8,136</b>	<b>–</b>	<b>44</b>	<b>(7,812)</b>	<b>–</b>	<b>25,776</b>	<b>–</b>
<b>S7.12 levies – under a plan</b>	<b>126</b>	<b>408</b>	<b>–</b>	<b>1</b>	<b>(77)</b>	<b>–</b>	<b>458</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>25,534</b>	<b>8,544</b>	<b>–</b>	<b>45</b>	<b>(7,889)</b>	<b>–</b>	<b>26,234</b>	<b>–</b>
S7.11 not under plans	539	–	–	1	(379)	–	161	–
S7.4 planning agreements	–	423	–	1	(30)	–	394	–
S64 contributions	21,714	9,756	–	54	–	–	31,524	–
<b>Total contributions</b>	<b>47,787</b>	<b>18,723</b>	<b>–</b>	<b>101</b>	<b>(8,298)</b>	<b>–</b>	<b>58,313</b>	<b>–</b>

## G4-1 Summary of developer contributions (continued)

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. 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 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
<b>CONTRIBUTION PLAN (former Gloucester Shire Council)</b>								
Roads	531	25	-	-	(59)	-	497	-
Parking	7	-	-	-	-	-	7	-
Rec & Community Facilities	129	7	-	-	(4)	-	132	-
<b>Total</b>	<b>667</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>(63)</b>	<b>-</b>	<b>636</b>	<b>-</b>
<b>CONTRIBUTION PLAN - FORSTER DISTRICT (former Great Lakes Council)</b>								
Drainage	470	7	-	1	-	-	478	-
Roads	3,126	809	-	7	-	-	3,942	-
Parking	645	-	-	1	-	-	646	-
Open space	2,528	580	-	5	(30)	-	3,083	-
Community facilities	2,209	208	-	1	(1,459)	-	959	-
Central Library	-	1,265	-	2	-	-	1,267	-
Aquatic Centre	-	508	-	1	-	-	509	-
Surf Life Saving	-	19	-	-	-	-	19	-
<b>Total</b>	<b>8,978</b>	<b>3,396</b>	<b>-</b>	<b>18</b>	<b>(1,489)</b>	<b>-</b>	<b>10,903</b>	<b>-</b>
<b>CONTRIBUTION - GREAT LAKES WIDE (former Great Lakes Council)</b>								
Community facilities	195	-	-	-	(195)	-	-	-
Library Book stocks	-	236	-	-	-	-	236	-
Bushfire facilities	549	130	-	1	-	-	680	-
Administration building	155	250	-	1	-	-	406	-
GLW admin	327	-	-	-	(327)	-	-	-
Plan Administration	-	434	-	1	-	-	435	-
<b>Total</b>	<b>1,226</b>	<b>1,050</b>	<b>-</b>	<b>3</b>	<b>(522)</b>	<b>-</b>	<b>1,757</b>	<b>-</b>
<b>CONTRIBUTION PLAN - TEA GARDENS / HAWKS NEST (former Great Lakes Council)</b>								
Roads	116	10	-	-	-	-	126	-
Parking	59	-	-	-	-	-	59	(500)
Open space	353	16	-	2	-	-	371	500
Community facilities	136	4	-	-	-	-	140	-
Other – Surf Life Saving Hawks Nest	41	-	-	-	(41)	-	-	-

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## G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Surf Life Saving	–	43	–	–	–	–	43	–
<b>Total</b>	<b>705</b>	<b>73</b>	<b>–</b>	<b>2</b>	<b>(41)</b>	<b>–</b>	<b>739</b>	<b>–</b>
<b>CONTRIBUTION PLAN - ROAD HAULAGE (former Great Lakes Council)</b>								
Roads	387	1	–	1	–	–	389	–
<b>Total</b>	<b>387</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>389</b>	<b>–</b>
<b>CONTRIBUTION PLAN - RURAL ROADS BULADHDELAH, STROUD &amp; RURAL OPEN SPACE (former Great Lakes Council)</b>								
Roads	483	144	–	1	–	–	628	–
Open space	106	59	–	–	–	–	165	–
<b>Total</b>	<b>589</b>	<b>203</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>793</b>	<b>–</b>
<b>CONTRIBUTION PLAN - THE BRANCH LANE (former Great Lakes Council)</b>								
Roads	101	17	–	–	–	–	118	–
<b>Total</b>	<b>101</b>	<b>17</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>118</b>	<b>–</b>
<b>CONTRIBUTION PLAN - COOMBA RD &amp; SHALLOW BAY RD (former Great Lakes Council)</b>								
Roads	190	1	–	–	–	–	191	–
<b>Total</b>	<b>190</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>191</b>	<b>–</b>
<b>CONTRIBUTION PLAN - DURALIE COAL (former Great Lakes Council)</b>								
Roads	433	–	–	–	(433)	–	–	–
Community facilities	160	–	–	–	(160)	–	–	–
Other – environmental	545	–	–	–	(545)	–	–	–
Bridges	119	–	–	–	(119)	–	–	–
<b>Total</b>	<b>1,257</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1,257)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>CONTRIBUTION PLAN - 2001 PLAN GREATER TAREE (former Greater Taree City Council)</b>								
Open Space	74	72	–	1	–	–	147	–
Surf Life Saving	93	48	–	–	–	–	141	–
Central Library Building	535	88	–	–	(623)	–	–	–
Library Book Stock	150	25	–	–	–	–	175	–
Aquatic Centre	77	33	–	–	(110)	–	–	–
Rural Fire Fighting	473	–	–	–	(473)	–	–	–
Bushfire Facilities	–	531	–	–	(531)	–	–	–
Plan Preparatory	(1)	1	–	–	–	–	–	–
Section 94 Officer	286	–	–	–	(286)	–	–	–

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## G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Plan Administration	–	322	–	1	(16)	–	307	–
Other - Finance	–	45	–	–	(2)	–	43	–
Other	39	–	–	–	(39)	–	–	–
<b>Total</b>	<b>1,726</b>	<b>1,165</b>	<b>–</b>	<b>2</b>	<b>(2,080)</b>	<b>–</b>	<b>813</b>	<b>–</b>
<b>CONTRIBUTION PLAN - 2001 PLAN TAREE (former Greater Taree City Council)</b>								
Roads	378	154	–	2	–	–	534	–
Open space	197	42	–	–	–	–	239	–
Rural Fire Fighting	179	–	–	–	(179)	–	–	–
Bushfire facilities	–	243	–	–	(243)	–	–	–
Other	6	–	–	–	(6)	–	–	–
Other - Finance	–	6	–	–	–	–	6	–
<b>Total</b>	<b>760</b>	<b>445</b>	<b>–</b>	<b>2</b>	<b>(428)</b>	<b>–</b>	<b>779</b>	<b>–</b>
<b>CONTRIBUTION PLAN - 2001 PLAN WINGHAM (former Greater Taree City Council)</b>								
Roads	728	3	–	1	–	–	732	–
Open Space	91	17	–	–	–	–	108	–
Rural Fire Fighting	(81)	81	–	–	–	–	–	–
Bushfire Facilities	–	(81)	–	–	81	–	–	–
Other - Finance	–	–	–	–	–	–	–	–
<b>Total</b>	<b>738</b>	<b>20</b>	<b>–</b>	<b>1</b>	<b>81</b>	<b>–</b>	<b>840</b>	<b>–</b>
<b>CONTRIBUTION PLAN - 2001 HALLIDAYS POINT (former Greater Taree City Council)</b>								
Roads	388	243	–	1	–	–	632	–
Open Space	816	9	–	1	–	–	826	–
Rural Fire Fighting	199	–	–	–	(199)	–	–	–
Bushfire facilities	–	215	–	–	(215)	–	–	–
MP Community Centre	88	40	–	1	–	–	129	–
Other - Finance	–	1	–	–	–	–	1	–
<b>Total</b>	<b>1,491</b>	<b>508</b>	<b>–</b>	<b>3</b>	<b>(414)</b>	<b>–</b>	<b>1,588</b>	<b>–</b>
<b>CONTRIBUTION PLAN - 2010 PLAN OLD BAR (former Greater Taree City Council)</b>								
Drainage	–	13	–	–	–	–	13	–
Roads	1,201	119	–	3	(13)	–	1,310	–
Open Space	212	–	–	–	(19)	–	193	–
Rural Fire Fighting	53	–	–	–	(53)	–	–	–
Bushfire Facilities	–	57	–	–	(57)	–	–	–
MP Community Centre	44	8	–	–	–	–	52	–
Other - Finance	31	–	–	–	(2)	–	29	–

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## G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
<b>Total</b>	<b>1,541</b>	<b>197</b>	<b>–</b>	<b>3</b>	<b>(144)</b>	<b>–</b>	<b>1,597</b>	<b>–</b>
<b>CONTRIBUTION PLAN - 2001 PLAN HARRINGTON (former Greater Taree City Council)</b>								
Roads	776	194	–	1	–	–	971	–
Open space	175	24	–	–	(2)	–	197	–
Rural Fire Fighting	86	–	–	–	(86)	–	–	–
Bushfire Facilities	–	93	–	–	(93)	–	–	–
MP Community Centre	50	–	–	1	(16)	–	35	–
Other – Finance	2	–	–	–	(1)	–	1	–
Other – Finance – contra	(2)	2	–	–	–	–	–	–
<b>Total</b>	<b>1,087</b>	<b>313</b>	<b>–</b>	<b>2</b>	<b>(198)</b>	<b>–</b>	<b>1,204</b>	<b>–</b>
<b>CONTRIBUTION PLAN NUMBER 2016</b>								
Other	3,965	672	–	6	(1,257)	–	3,386	–
Other - Finance	–	43	–	–	–	–	43	–
<b>Total</b>	<b>3,965</b>	<b>715</b>	<b>–</b>	<b>6</b>	<b>(1,257)</b>	<b>–</b>	<b>3,429</b>	<b>–</b>
<b>S7.12 Levies – under a plan</b>								
<b>CONTRIBUTION PLAN OLD BAR (former Greater Taree City Council)</b>								
General Purpose	126	2	–	1	(50)	–	79	–
<b>Total</b>	<b>126</b>	<b>2</b>	<b>–</b>	<b>1</b>	<b>(50)</b>	<b>–</b>	<b>79</b>	<b>–</b>
<b>CONTRIBUTION PLAN MCC 2016 (covers former Greater Taree City Council area)</b>								
General Purpose	–	337	–	–	–	–	337	–
<b>Total</b>	<b>–</b>	<b>337</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>337</b>	<b>–</b>
<b>CONTRIBUTION PLAN GLOUCESTER 2015 (former Gloucester Shire Council)</b>								
General Purpose	–	69	–	–	(27)	–	42	–
<b>Total</b>	<b>–</b>	<b>69</b>	<b>–</b>	<b>–</b>	<b>(27)</b>	<b>–</b>	<b>42</b>	<b>–</b>

## G4-3 Contributions not under plans

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
<b>(former Gloucester Shire Council - Duralie)</b>								
Roads	98	-	-	-	(98)	-	-	-
Other	281	-	-	-	(281)	-	-	-
<b>Total</b>	<b>379</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(379)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(former Great Lakes Council)</b>								
Roads	160	-	-	1	-	-	161	-
<b>Total</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>161</b>	<b>-</b>

## G4-4 S7.4 planning agreements

### 363 Diamond Beach Road, Diamond Beach (Seashells)

Other	-	59	-	-	-	-	59	-
<b>Total</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59</b>	<b>-</b>

### 391 Diamond Beach Road, Diamond Beach

Other	-	88	-	-	-	-	88	-
<b>Total</b>	<b>-</b>	<b>88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88</b>	<b>-</b>

### Murray Road, Wingham

Other	-	119	-	-	-	-	119	-
<b>Total</b>	<b>-</b>	<b>119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119</b>	<b>-</b>

### Sanderling Avenue, Hawks Nest

Other	-	128	-	-	-	-	128	-
<b>Total</b>	<b>-</b>	<b>128</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128</b>	<b>-</b>

### 72 Clarkson Street, Nahiack

Other	-	30	-	-	(30)	-	-	-
<b>Total</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>(30)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## G4-5 S64 contributions

### Former MidCoast Water Contributions

Water Contributions	4,977	4,765	-	17	-	-	9,759	-
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## G4-5 S64 contributions (continued)

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Sewer Contributions	16,737	<b>4,991</b>	–	<b>37</b>	–	–	<b>21,765</b>	–
<b>Total</b>	<b>21,714</b>	<b>9,756</b>	–	<b>54</b>	–	–	<b>31,524</b>	–

## G5 Statement of performance measures

### G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2022	Indicator 2022	Indicator 2021	Benchmark
<b>1. Operating performance ratio</b>				
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>11,374</b>	<b>4.20%</b>	(5.00)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>271,007</b>			
<b>2. Own source operating revenue ratio</b>				
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>226,648</b>	<b>66.11%</b>	71.05%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>342,837</b>			
<b>3. Unrestricted current ratio</b>				
Current assets less all external restrictions	<b>90,004</b>	<b>2.80x</b>	3.09x	> 1.50x
Current liabilities less specific purpose liabilities	<b>32,099</b>			
<b>4. Debt service cover ratio</b>				
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>99,258</b>	<b>2.75x</b>	1.77x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>36,128</b>			
<b>5. Rates and annual charges outstanding percentage</b>				
Rates and annual charges outstanding	<b>16,343</b>	<b>8.89%</b>	11.71%	< 10.00%
Rates and annual charges collectable	<b>183,798</b>			
<b>6. Cash expense cover ratio</b>				
Current year's cash and cash equivalents plus all term deposits	<b>248,105</b>	<b>12.85 months</b>	10.58 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	<b>19,306</b>			

(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



## G5-2 Statement of performance measures by fund

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2022	2021	2022	2021	2022	2021	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>2.14%</b>	(14.45)%	<b>1.73%</b>	5.96%	<b>15.31%</b>	21.65%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>57.91%</b>	64.95%	<b>85.83%</b>	78.53%	<b>87.03%</b>	89.63%	> 60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>2.80x</b>	2.99x	<b>4.16x</b>	4.19x	<b>6.15x</b>	5.76x	> 1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>3.48x</b>	2.52x	<b>1.91x</b>	1.11x	<b>2.20x</b>	1.95x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates and annual charges outstanding percentage</b>							
Rates and annual charges outstanding	<b>9.02%</b>	9.37%	<b>7.50%</b>	14.97%	<b>9.05%</b>	16.84%	< 10.00%
Rates and annual charges collectable							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	<b>9.09 months</b>	7.62 months	<b>15.38 months</b>	11.57 months	<b>34.76 months</b>	26.73 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note G5-1 above.

(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

**End of the audited financial statements**



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### MidCoast Council

To the Councillors of MidCoast Council

### Opinion

I have audited the accompanying financial statements of MidCoast Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been prepared, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Other Information**

The Council's annual report for the year ended 30 June 2022 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

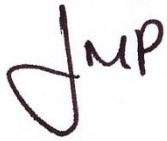
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, consisting of the letters 'JMP' in a stylized, cursive font.

Jan-Michael Perez  
Delegate of the Auditor-General for New South Wales

31 October 2022  
SYDNEY





Councillor Claire Pontin  
Mayor  
MidCoast Council  
PO Box 482  
TAREE NSW 2430

Contact: Jan-Michael Perez  
Phone no: 02 9275 7115  
Our ref: D2222735/1759

31 October 2022

Dear Mayor Pontin

## Report on the Conduct of the Audit for the year ended 30 June 2022 MidCoast Council

I have audited the general purpose financial statements (GPFS) of the MidCoast Council (the Council) for the year ended 30 June 2022 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2022 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

### INCOME STATEMENT

#### Operating result

	2022	2021	Variance
	\$m	\$m	%
Rates and annual charges revenue	163.2	157.3	↑ 3.8
Grants and contributions revenue	116.2	90.4	↑ 28.5
Operating result from continuing operations	80.7	37.1	↑ 117.5
Net operating result before capital grants and contributions	8.9	(20.9)	↑ 142.6

Grants and contributions revenue (\$116.2 million) increased by \$25.8 million (28.5 per cent) in 2021–22 due to:

- capital grant funding (\$35.6 million) for transport (other roads and bridges) increased by \$11.0 million
- receipt by Council of 75 per cent of the 2022–23 financial assistance grant (\$14.9 million) from the Commonwealth Government compared to 50 per cent in 2020–21 (\$9.4 million)
- higher claims for the emergency works associated to storms and floods (\$4.7 million).

The Council's operating result from continuing operations (\$80.7 million including depreciation and amortisation expense of \$78.4 million) was \$43.6 million higher than the 2020–21 result. This is mainly driven by an increase in grants and contributions revenue for operating and capital purposes.

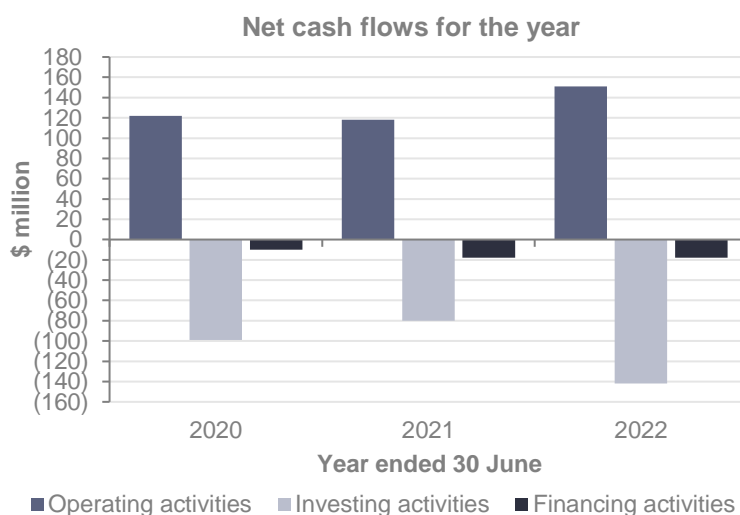
The net operating result before capital grants and contributions (\$8.9 million) was \$29.8 million higher than the 2020–21 result.

## STATEMENT OF CASH FLOWS

Cash from operating activities increased by \$33.0 million due to increased rates and annual charges and grants and contributions.

Cash outflows from investing activities increased by \$62.9 million was mainly driven by lesser redemption and disposals of financial assets during the year.

Net cash outflows from financing activities remains relatively consistent with the prior year, decreasing only by \$0.5 million.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2022	2021	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>321.5</b>	<b>275.9</b>	Cash and investments increased as more long-term investments were made as part of Council's investment strategy.
Restricted and allocated cash, cash equivalents and investments:			External allocations increased due to the phasing of capital works delivery with the funding allocated.
• External restrictions	252.6	219.4	Internal allocations increased was mainly due to receipt by Council of 75 per cent of the 2022–23 financial assistance grant from the Commonwealth Government compared to 50 per cent in 2020–21.
• Internal allocations	68.4	56.2	

Externally restricted cash and investments are restricted in their use by externally imposed requirements. These include unspent developer contributions, specific purpose grants and domestic waste charges.

Internally allocated cash and investments have been restricted in their use by resolution or policy of the Council to reflect forward plans and identified work programs. Their purpose is fully disclosed in Note C1-3 of the financial statements.

## Debt

Note C3-3 Borrowings discloses the Council's financing borrowing facilities. Council has \$0.75 million in purchase card facilities of which \$0.678 million remains undrawn at balance date.

At 30 June 2022, the Council has external borrowings of \$177.8 million (2021: \$194.9 million), including \$19.3 million classified as current, with the remaining balance classified as non-current.

## PERFORMANCE

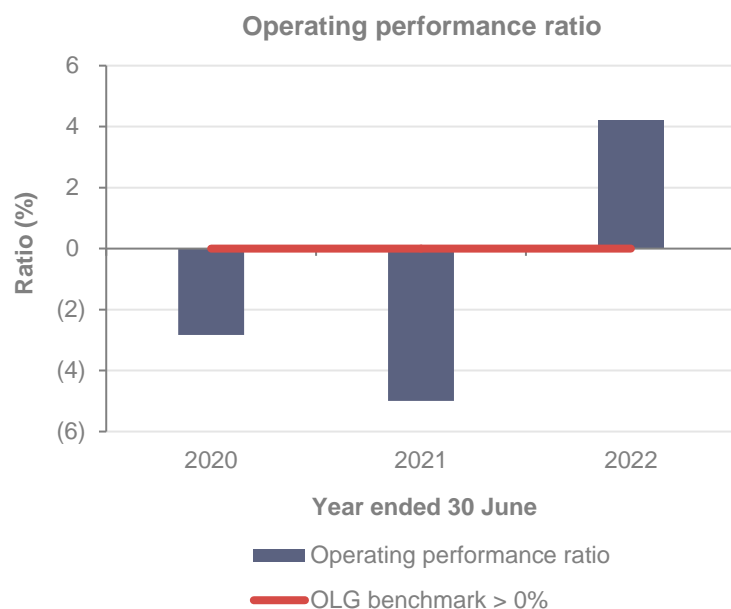
### Performance measures

The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning and Environment.

#### Operating performance ratio

The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.

Historically, Council has not achieved the benchmark, however, they have exceeded the OLG benchmark for the current reporting period due to higher operating grants and contributions and lower employee related costs compared with the prior year.

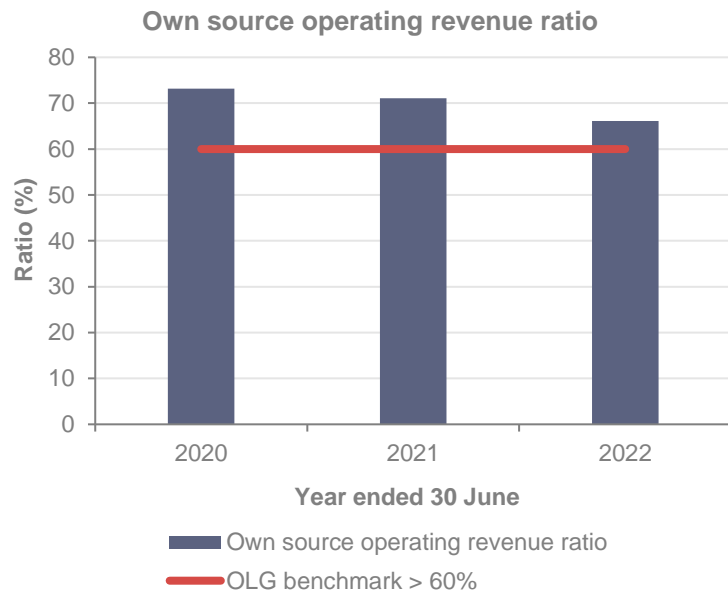


### Own source operating revenue ratio

The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.

The Council continues to exceed the OLG benchmark.

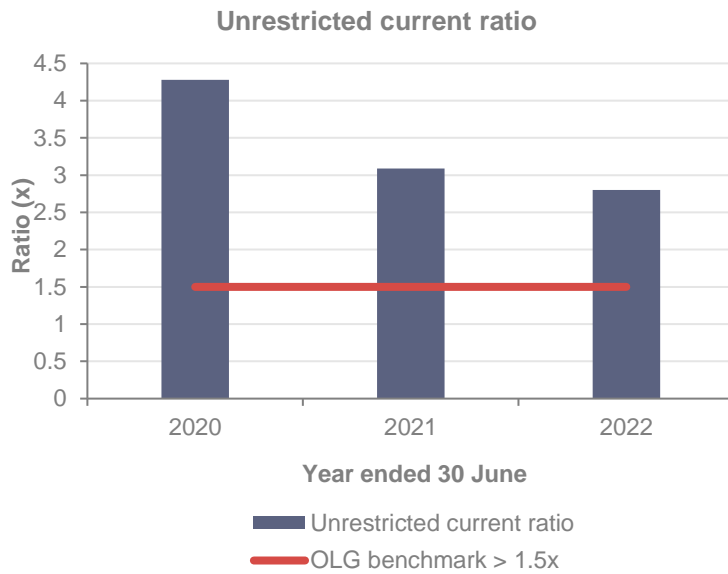
Higher grant funding received during the year, compared with the prior year, was the main contributor to this year's ratio.



### Unrestricted current ratio

The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.

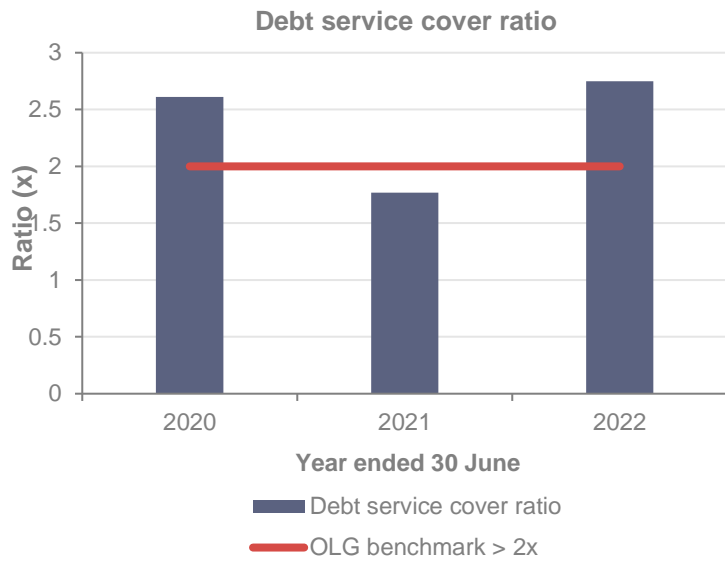
While the Council continues to exceed the OLG benchmark, the ratio declined mainly on account of higher externally restricted cash and investment balances when compared with the prior year.



### Debt service cover ratio

The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.

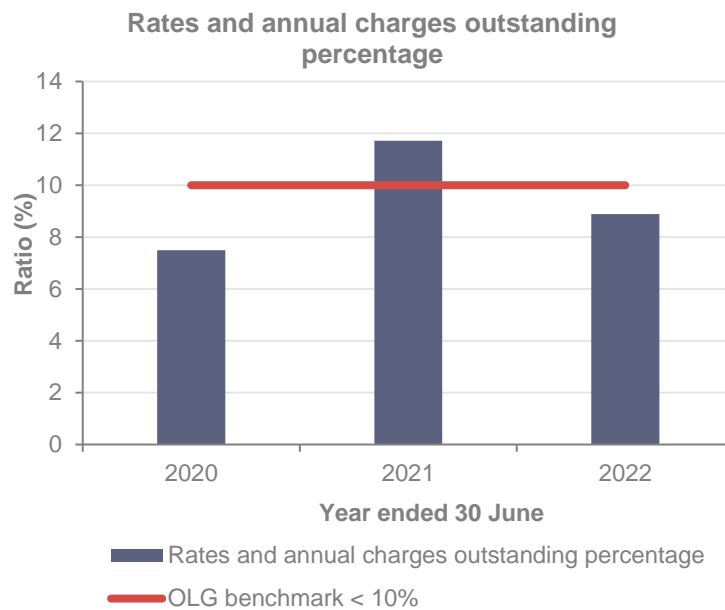
The Council met the OLG benchmark for the current reporting period. Lower borrowings costs and repayments contributed to the result.



### Rates and annual charges outstanding percentage

The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.

The Council met the OLG benchmark for the current reporting period.

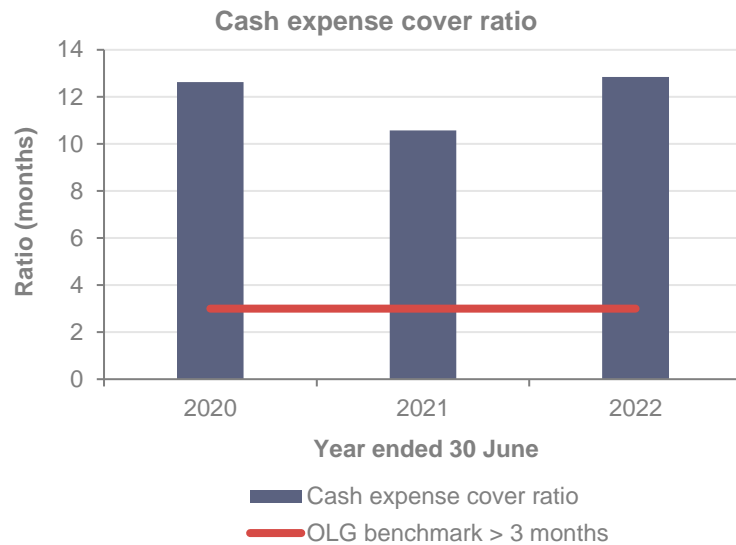




### Cash expense cover ratio

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

The Council continues to exceed the OLG benchmark.



### Infrastructure, property, plant and equipment renewals

Infrastructure, property, plant and equipment renewal expenditure was \$80.6 million compared to \$64.8 million in 2020-21.

### Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

Jan-Michael Perez  
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

cc: Mr Adrian Panuccio, General Manager  
Mr Steven Coates, Chair of Audit, Risk and Improvement Committee  
Mr Michael Cassel, Secretary of the Department of Planning and Environment

# MidCoast Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

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# MidCoast Council

## Special Purpose Financial Statements

for the year ended 30 June 2022

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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, and **(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).

- 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).

## MidCoast Council

### Special Purpose Financial Statements

for the year ended 30 June 2022

### Statement by Councillors and Management

---

#### Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water 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, and
- accord with Council's accounting and other records.
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

**We are not aware of any matter that would render these statements false or misleading in any way.**

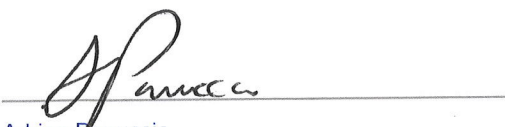
**Signed in accordance with a resolution of Council made on 26 October 2022.**



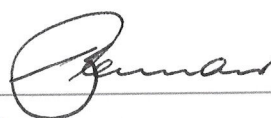
Claire Pontin  
**Mayor**  
26 October 2022



Alan Tickle  
**Deputy Mayor**  
26 October 2022



Adrian Panuccio  
**General Manager**  
26 October 2022



Phil Brennan  
**Responsible Accounting Officer**  
26 October 2022

## MidCoast Council

### Income Statement of water supply business activity

for the year ended 30 June 2022

\$ '000	2022	2021
<b>Income from continuing operations</b>		
Access charges	14,076	13,602
User charges	25,982	26,954
Fees	1,291	1,062
Interest and investment income	178	91
Other income	307	63
<b>Total income from continuing operations</b>	<b>41,834</b>	<b>41,772</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	7,577	7,122
Borrowing costs	4,553	5,237
Materials and services	14,357	12,882
Depreciation, amortisation and impairment	13,963	13,713
Net loss from the disposal of assets	529	781
Calculated taxation equivalents	275	236
Debt guarantee fee (if applicable)	762	811
Other expenses	525	330
<b>Total expenses from continuing operations</b>	<b>42,541</b>	<b>41,112</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(707)</b>	<b>660</b>
Grants and contributions provided for capital purposes	6,872	11,422
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>6,165</b>	<b>12,082</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>6,165</b>	<b>12,082</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	–	(172)
<b>Surplus (deficit) after tax</b>	<b>6,165</b>	<b>11,910</b>
<b>Plus opening retained profits</b>	<b>435,049</b>	<b>421,920</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	275	236
– Debt guarantee fees	762	811
<b>Less:</b>		
– Corporate taxation equivalent	–	172
<b>Closing accumulated surplus</b>	<b>442,251</b>	<b>435,049</b>
<b>Return on capital %</b>	<b>0.6%</b>	<b>1.1%</b>
<b>Subsidy from Council</b>	<b>17,869</b>	<b>2,419</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	6,165	11,910
Less: capital grants and contributions (excluding developer contributions)	(775)	(6,800)
<b>Surplus for dividend calculation purposes</b>	<b>5,390</b>	<b>5,110</b>
<b>Potential dividend calculated from surplus</b>	<b>2,695</b>	<b>2,555</b>



## MidCoast Council

### Income Statement of sewerage business activity

for the year ended 30 June 2022

\$ '000	2022	2021
<b>Income from continuing operations</b>		
Access charges	38,961	38,505
User charges	3,152	2,963
Fees	403	301
Interest and investment income	651	882
Other income	593	268
<b>Total income from continuing operations</b>	<b>43,760</b>	<b>42,919</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	6,992	5,667
Borrowing costs	3,418	3,852
Materials and services	15,710	13,542
Depreciation, amortisation and impairment	10,610	10,450
Net loss from the disposal of assets	727	598
Calculated taxation equivalents	238	183
Debt guarantee fee (if applicable)	504	560
Other expenses	147	115
<b>Total expenses from continuing operations</b>	<b>38,346</b>	<b>34,967</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>5,414</b>	<b>7,952</b>
Grants and contributions provided for capital purposes	6,488	4,967
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>11,902</b>	<b>12,919</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>11,902</b>	<b>12,919</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(1,354)	(2,068)
<b>Surplus (deficit) after tax</b>	<b>10,548</b>	<b>10,851</b>
<b>Plus opening retained profits</b>	<b>424,212</b>	<b>410,550</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	238	183
– Debt guarantee fees	504	560
– Corporate taxation equivalent	1,354	2,068
<b>Less:</b>		
<b>Closing accumulated surplus</b>	<b>436,856</b>	<b>424,212</b>
<b>Return on capital %</b>	<b>1.6%</b>	<b>2.3%</b>
<b>Subsidy from Council</b>	<b>11,452</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	10,549	10,851
<b>Surplus for dividend calculation purposes</b>	<b>10,549</b>	<b>10,851</b>
<b>Potential dividend calculated from surplus</b>	<b>5,274</b>	<b>5,426</b>

## MidCoast Council

### Income Statement of Midcoast Assist

for the year ended 30 June 2022

\$ '000	2022 Category 1	2021 Category 1
<b>Income from continuing operations</b>		
Fees	7,239	8,837
Grants and contributions provided for operating purposes	1,146	1,112
Other income	12	52
<b>Total income from continuing operations</b>	<b>8,397</b>	<b>10,001</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	7,434	7,456
Borrowing costs	1	–
Materials and services	2,292	2,085
Depreciation, amortisation and impairment	127	104
Calculated taxation equivalents	236	55
<b>Total expenses from continuing operations</b>	<b>10,090</b>	<b>9,700</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(1,693)</b>	<b>301</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(1,693)</b>	<b>301</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(1,693)</b>	<b>301</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	–	(78)
<b>Surplus (deficit) after tax</b>	<b>(1,693)</b>	<b>223</b>
<b>Plus accumulated surplus</b>	<b>2,224</b>	<b>1,868</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments Payroll	236	55
– Corporate taxation equivalent	–	78
<b>Add:</b>		
<b>Less:</b>		
<b>Closing accumulated surplus</b>	<b>767</b>	<b>2,224</b>
<b>Return on capital %</b>	<b>(368.6)%</b>	<b>132.6%</b>
<b>Subsidy from Council</b>	<b>1,709</b>	<b>–</b>

## MidCoast Council

## Statement of Financial Position of water supply business activity

as at 30 June 2022

\$ '000	2022	2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	16,619	28,792
Investments	15,500	2,500
Receivables	8,845	10,793
Other	6	–
Non-current assets classified as held for sale	–	1,375
<b>Total current assets</b>	<b>40,970</b>	<b>43,460</b>
<b>Non-current assets</b>		
Right of use assets	245	–
Investments	3,000	3,000
Infrastructure, property, plant and equipment	593,300	558,100
Investment property	1,369	1,155
<b>Total non-current assets</b>	<b>597,914</b>	<b>562,255</b>
<b>Total assets</b>	<b>638,884</b>	<b>605,715</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	852	–
Lease liabilities	7	–
Payables	1,635	2,047
Borrowings	5,199	4,914
Employee benefit provisions	3,012	3,414
<b>Total current liabilities</b>	<b>10,705</b>	<b>10,375</b>
<b>Non-current liabilities</b>		
Lease liabilities	266	–
Borrowings	71,009	76,202
Employee benefit provisions	59	70
<b>Total non-current liabilities</b>	<b>71,334</b>	<b>76,272</b>
<b>Total liabilities</b>	<b>82,039</b>	<b>86,647</b>
<b>Net assets</b>	<b>556,845</b>	<b>519,068</b>
<b>EQUITY</b>		
Accumulated surplus	442,251	435,049
Revaluation reserves	114,594	84,019
<b>Total equity</b>	<b>556,845</b>	<b>519,068</b>

## MidCoast Council

## Statement of Financial Position of sewerage business activity

as at 30 June 2022

\$ '000	2022	2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	37,291	24,403
Investments	22,000	27,000
Receivables	5,306	8,528
Non-current assets classified as held for sale	–	1,375
<b>Total current assets</b>	<b>64,597</b>	<b>61,306</b>
<b>Non-current assets</b>		
Right of use assets	72	–
Investments	34,750	33,250
Infrastructure, property, plant and equipment	554,216	522,384
Investment property	1,369	1,155
<b>Total non-current assets</b>	<b>590,407</b>	<b>556,789</b>
<b>Total assets</b>	<b>655,004</b>	<b>618,095</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Lease liabilities	6	–
Payables	1,457	1,573
Borrowings	6,024	5,662
Employee benefit provisions	3,012	3,414
<b>Total current liabilities</b>	<b>10,499</b>	<b>10,649</b>
<b>Non-current liabilities</b>		
Lease liabilities	68	–
Borrowings	44,333	50,357
Employee benefit provisions	59	70
<b>Total non-current liabilities</b>	<b>44,460</b>	<b>50,427</b>
<b>Total liabilities</b>	<b>54,959</b>	<b>61,076</b>
<b>Net assets</b>	<b>600,045</b>	<b>557,019</b>
<b>EQUITY</b>		
Accumulated surplus	436,856	424,212
Revaluation reserves	163,189	132,807
<b>Total equity</b>	<b>600,045</b>	<b>557,019</b>

## MidCoast Council

### Statement of Financial Position of Midcoast Assist

as at 30 June 2022

\$ '000	2022 Category 1	2021 Category 1
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,786	2,751
Receivables	635	1,317
<b>Total current assets</b>	<b>2,421</b>	<b>4,068</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	459	227
Right of use assets	61	–
<b>Total non-current assets</b>	<b>520</b>	<b>227</b>
<b>Total assets</b>	<b>2,941</b>	<b>4,295</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	1,297	1,443
Lease liabilities	19	–
Employee benefit provisions	806	619
<b>Total current liabilities</b>	<b>2,122</b>	<b>2,062</b>
<b>Non-current liabilities</b>		
Lease liabilities	42	–
Employee benefit provisions	10	9
<b>Total non-current liabilities</b>	<b>52</b>	<b>9</b>
<b>Total liabilities</b>	<b>2,174</b>	<b>2,071</b>
<b>Net assets</b>	<b>767</b>	<b>2,224</b>
<b>EQUITY</b>		
Retained earnings	767	2,224
<b>Total equity</b>	<b>767</b>	<b>2,224</b>



## 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

##### Water Services

The provision of Water Services throughout the Midcoast Council region.

##### Sewerage Services

The provision of Sewerage Services throughout the MidCoast Council region.

##### MidCoast Assist

Council provides Ageing and Disability Services to its community as a National Disability Insurance Scheme provider.

Council declared at a Council Meeting held on 26 June 2019 that MidCoast Assist was to be considered as a Category 1 business activity.

### 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):

## Note – Significant Accounting Policies (continued)

### Notional rate applied (%)

Corporate income tax rate – 25% (20/21 26%)

Land tax – the first \$822,000 of combined land values attracts 0%. For the combined land values in excess of \$822,000 up to \$5,026,000 the rate is \$100 + 1.6%. For the remaining combined land value that exceeds \$5,026,000 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. This applies to the MidCoast Assist Business Activity. Water & Sewer Funds are not exempt from Payroll Tax and actual payments are included.

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 25% (20/21 26%).

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 25% is the equivalent company tax rate prevalent at reporting date.

### Local government rates and charges

Rates and charges have been included as an expense for all Category 1 businesses.

### 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. A rate of 1% has been used in relation to the 2021/2022 financial period.

#### (i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when 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.

#### (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'.

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.

## Note – Significant Accounting Policies (continued)

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The rate of return is calculated as follows:

**Operating result before capital income + interest expense**

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**Written down value of I,PP&E as at 30 June**

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.66% at 30/6/22.

### (iii) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

Each dividend must be calculated and approved in accordance with the Department of Industry – Water guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2022 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 the Department of Industry – Water.



## INDEPENDENT AUDITOR'S REPORT

### Report on the special purpose financial statements

#### MidCoast Council

To the Councillors of MidCoast Council

### Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of MidCoast Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2022, the Statement of Financial Position of each Declared Business Activity as at 30 June 2022 and the Significant Accounting Policies note.

The Declared Business Activities of the Council are:

- Water Supply Business Activity
- Sewerage Business Activity
- MidCoast Assist.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's Declared Business Activities as at 30 June 2022, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant Accounting Policies note and the Local Government Code of Accounting Practice and Financial Reporting 2021–22 (LG Code).

My opinion should be read in conjunction with the rest of this report.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to the Significant Accounting Policies note to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

## **Other Information**

The Council's annual report for the year ended 30 June 2022 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 'Permissible income for general rates'.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in the Significant accounting policies note to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

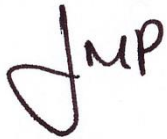
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.



The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, consisting of the letters 'JMP' in a stylized, cursive font.

Jan-Michael Perez  
Delegate of the Auditor-General for New South Wales

31 October 2022  
SYDNEY

# MidCoast Council

SPECIAL SCHEDULES  
for the year ended 30 June 2022

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MidCoast Council

Special Schedules

for the year ended 30 June 2022

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## MidCoast Council

### Permissible income for general rates (Merger Councils)

\$ '000	Notes	2021/22 MidCoast Council	2022/23 MidCoast Council
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	84,244	86,414
Plus or minus adjustments <sup>2</sup>	b	525	336
<b>Notional general income</b>	c = a + b	<b>84,769</b>	<b>86,750</b>
<b>Permissible income calculation</b>			
Or rate peg percentage	e		2.25%
Or plus rate peg amount	i = e x (c + g)	1,695	1,952
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>86,464</b>	<b>88,702</b>
Plus (or minus) last year's carry forward total	l	22	83
Less valuation objections claimed in the previous year	m	-	(11)
<b>Sub-total</b>	n = (l + m)	<b>22</b>	<b>72</b>
<b>Total permissible income</b>	o = k + n	<b>86,486</b>	<b>88,774</b>
Less notional general income yield	p	86,414	88,742
<b>Catch-up or (excess) result</b>	q = o - p	<b>72</b>	<b>32</b>
Plus income lost due to valuation objections claimed	r	11	-
<b>Carry forward to next year <sup>6</sup></b>	t = q + r + s	<b>83</b>	<b>32</b>

#### 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.
- (6) 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.



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule – Permissible income for general rates

#### MidCoast Council

To the Councillors of MidCoast Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of MidCoast Council (the Council) for the year ending 30 June 2023.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2021–22 (LG Code) and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.



## Other Information

The Council's annual report for the year ended 30 June 2022 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2022'.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

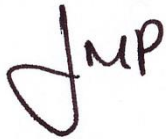
- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.

A handwritten signature in black ink, appearing to read 'JMP', with a large loop on the 'J'.

Jan-Michael Perez  
Delegate of the Auditor-General for New South Wales

31 October 2022  
SYDNEY

## MidCoast Council

## Report on infrastructure assets as at 30 June 2022

Asset Class	Asset Category	Estimated cost					Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring to the agreed level of service set by Council \$ '000	2021/22 Required maintenance <sup>a</sup> \$ '000	2021/22 Actual maintenance \$ '000	Net carrying amount \$ '000		1	2	3	4	5
<b>Buildings</b>	Other Buildings	1,160	1,160	638	387	57,990	85,167	56.7%	14.8%	18.9%	9.2%	0.4%
	Council Offices/Administration Centres	1,825	1,825	588	567	53,418	84,155	41.5%	7.2%	30.1%	19.8%	1.4%
	Council Works Depots	149	149	71	449	6,484	12,001	8.7%	6.6%	59.0%	25.7%	0.0%
	Council Public Halls	438	438	132	14	11,970	23,299	1.2%	13.1%	59.1%	26.6%	0.0%
	Libraries	14	14	59	170	5,399	8,950	0.0%	35.5%	64.5%	0.0%	0.0%
	Cultural/Community Facilities	3,022	3,022	1,390	1,809	126,399	225,032	3.7%	27.6%	40.4%	27.8%	0.5%
	<b>Sub-total</b>	<b>6,608</b>	<b>6,608</b>	<b>2,878</b>	<b>3,396</b>	<b>261,660</b>	<b>438,604</b>	<b>21.2%</b>	<b>20.0%</b>	<b>36.2%</b>	<b>22.0%</b>	<b>0.6%</b>
<b>Other structures</b>	Other structures Not Included In Buildings	339	339	160	106	10,781	14,587	58.2%	15.2%	12.2%	10.9%	3.5%
	<b>Sub-total</b>	<b>339</b>	<b>339</b>	<b>160</b>	<b>106</b>	<b>10,781</b>	<b>14,587</b>	<b>58.2%</b>	<b>15.2%</b>	<b>12.2%</b>	<b>10.9%</b>	<b>3.5%</b>
<b>Roads</b>	Sealed roads	58,072	58,072	13,433	14,604	696,830	1,285,183	19.2%	42.1%	23.9%	10.6%	4.2%
	Unsealed roads	428	428	1,119	1,246	6,146	60,900	7.1%	28.5%	61.6%	2.3%	0.5%
	Bridges	2,523	2,523	1,332	639	207,202	356,388	16.6%	59.7%	19.6%	3.9%	0.2%
	Footpaths/Cycleways	311	311	149	136	16,999	37,378	28.4%	28.0%	40.5%	2.7%	0.4%
	Kerb & Guttering	1,882	1,882	224	130	66,444	152,830	12.5%	12.6%	69.6%	4.2%	1.1%
	Bulk earthworks	–	–	–	–	1,071,748	1,071,748	100.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>63,216</b>	<b>63,216</b>	<b>16,257</b>	<b>16,755</b>	<b>2,065,369</b>	<b>2,964,427</b>	<b>47.6%</b>	<b>27.0%</b>	<b>18.1%</b>	<b>5.4%</b>	<b>1.9%</b>
<b>Water supply network</b>	Water supply network	21,429	21,429	8,838	8,180	526,649	929,657	6.9%	38.0%	30.7%	14.0%	10.4%
	<b>Sub-total</b>	<b>21,429</b>	<b>21,429</b>	<b>8,838</b>	<b>8,180</b>	<b>526,649</b>	<b>929,657</b>	<b>6.9%</b>	<b>38.0%</b>	<b>30.7%</b>	<b>14.0%</b>	<b>10.4%</b>
<b>Sewerage network</b>	Sewerage network	13,980	13,980	8,958	8,585	516,903	793,571	33.0%	11.9%	36.0%	18.7%	0.4%
	<b>Sub-total</b>	<b>13,980</b>	<b>13,980</b>	<b>8,958</b>	<b>8,585</b>	<b>516,903</b>	<b>793,571</b>	<b>33.0%</b>	<b>11.9%</b>	<b>36.0%</b>	<b>18.7%</b>	<b>0.4%</b>
<b>Stormwater drainage</b>	Stormwater drainage	4,271	4,271	1,841	366	204,899	388,805	19.4%	45.1%	30.5%	4.7%	0.3%
	<b>Sub-total</b>	<b>4,271</b>	<b>4,271</b>	<b>1,841</b>	<b>366</b>	<b>204,899</b>	<b>388,805</b>	<b>19.4%</b>	<b>45.1%</b>	<b>30.5%</b>	<b>4.7%</b>	<b>0.3%</b>
<b>Open space / recreational assets</b>	Swimming pools	783	783	123	1,253	4,769	11,168	0.7%	5.1%	43.3%	50.9%	0.0%
	Other Recreational/Open Space Assets	1,199	1,199	600	6,578	35,692	54,558	17.1%	48.3%	24.5%	9.1%	1.0%
	<b>Sub-total</b>	<b>1,982</b>	<b>1,982</b>	<b>723</b>	<b>7,831</b>	<b>40,461</b>	<b>65,726</b>	<b>14.3%</b>	<b>41.0%</b>	<b>27.7%</b>	<b>16.2%</b>	<b>0.8%</b>
<b>Total – all assets</b>		<b>111,825</b>	<b>111,825</b>	<b>39,655</b>	<b>45,219</b>	<b>3,626,722</b>	<b>5,595,377</b>	<b>34.4%</b>	<b>27.5%</b>	<b>25.1%</b>	<b>10.1%</b>	<b>2.9%</b>

Report on infrastructure assets as at 30 June 2022 (continued)

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(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

## MidCoast Council

## Report on infrastructure assets as at 30 June 2022

## Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2022	Indicator 2022	Indicator 2021	Benchmark
<b>Buildings and infrastructure renewals ratio</b>				
Asset renewals <sup>1</sup>	<b>80,601</b>	<b>117.43%</b>	94.46%	>= 100.00%
Depreciation, amortisation and impairment	<b>68,636</b>			
<b>Infrastructure backlog ratio</b>				
Estimated cost to bring assets to a satisfactory standard	<b>111,825</b>	<b>2.98%</b>	4.01%	< 2.00%
Net carrying amount of infrastructure assets	<b>3,752,451</b>			
<b>Asset maintenance ratio</b>				
Actual asset maintenance	<b>45,219</b>	<b>114.03%</b>	97.79%	> 100.00%
Required asset maintenance	<b>39,655</b>			
<b>Cost to bring assets to agreed service level</b>				
Estimated cost to bring assets to an agreed service level set by Council	<b>111,825</b>	<b>2.00%</b>	2.69%	
Gross replacement cost	<b>5,595,377</b>			

(\*) 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.



## MidCoast Council

### Report on infrastructure assets as at 30 June 2022

#### Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2022	2021	2022	2021	2022	2021	
<b>Buildings and infrastructure renewals ratio</b>							
Asset renewals <sup>1</sup>							
Depreciation, amortisation and impairment	<b>137.37%</b>	114.58%	<b>103.06%</b>	43.38%	<b>43.37%</b>	65.09%	>= 100.00%
<b>Infrastructure backlog ratio</b>							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	<b>2.82%</b>	4.20%	<b>4.07%</b>	3.61%	<b>2.70%</b>	3.56%	< 2.00%
<b>Asset maintenance ratio</b>							
Actual asset maintenance							
Required asset maintenance	<b>130.17%</b>	107.32%	<b>92.55%</b>	82.54%	<b>95.84%</b>	85.65%	> 100.00%
<b>Cost to bring assets to agreed service level</b>							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	<b>1.97%</b>	2.90%	<b>2.31%</b>	2.12%	<b>1.76%</b>	2.39%	

(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.



PART FIVE

# ANNUAL CARBON EMISSIONS REPORT

## Executive Summary

MidCoast Council adopted its Climate Change Strategy in June 2021 which includes targets to achieve net zero emissions by 2040 and 100% renewable energy by 2040.

Council has also recently adopted an updated Waste Management Strategy which includes a revised target to divert 70% of waste (including 50% organic waste) from landfill by 2030 in order to reach net zero emissions.

This report presents the carbon emissions that were generated from Council's operations during 2021-2022 and summarises the key initiatives that are currently being implemented by Council to lower its emissions.

## Background

The MidCoast Council Climate Change Strategy (June 2021) analyses Council's carbon footprint and identifies the actions Council can undertake to reduce its greenhouse emissions and adapt its practices and infrastructure to become more resilient to the impacts of climate change. These actions include:

- investing in renewable energy
- buying clean energy
- becoming more energy efficient
- sequestering carbon and offsetting
- sustainable procurement
- transitioning to more sustainable transport options; and
- reducing our waste to landfill

In adopting the Strategy, Council committed to achieving **net zero emissions** from its operations (including electricity, fleet and waste) and **100% renewable energy** for its operations by **2040**.

Over 150 actions are proposed in the Strategy to meet these targets and Council will offset those emissions that can't be mitigated by purchasing renewable energy and investing in local carbon sequestration initiatives such as tree planting programs and the restoration of degraded coastal wetlands (Blue Carbon).

Specifically, the Strategy focuses Council's efforts on increasing the uptake of on-site solar photovoltaic (PV) systems and batteries (particularly for its water and sewer assets), energy efficiency and purchasing renewable energy in the short to medium term, to progressively increase its renewable energy supply as batteries and electric vehicles become more cost effective over time.

This report provides a summary of Council's resource consumption and associated carbon emissions during the 2021-22 financial year to show how we are tracking towards our net zero emissions target. It also provides a summary of the major initiatives undertaken by Council during this period to reduce its carbon footprint.

# MidCoast Council Carbon Emissions








## Council's 2018-19 Baseline Emissions

Inclusive of energy and waste, Council's greenhouse gas emissions were estimated to be 101,450 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>-e) in 2018-19, the base year selected for the development of the Climate Change Strategy.

Carbon emissions are broken into Scopes 1, 2 and 3. Waste and fuel are in Scope 1, purchased electricity is in Scope 2, and Scope 3 contains indirect emissions from Scopes 1 and 2. Scope 3 emissions are those outside of Council's operational control and reporting responsibility under most circumstances.

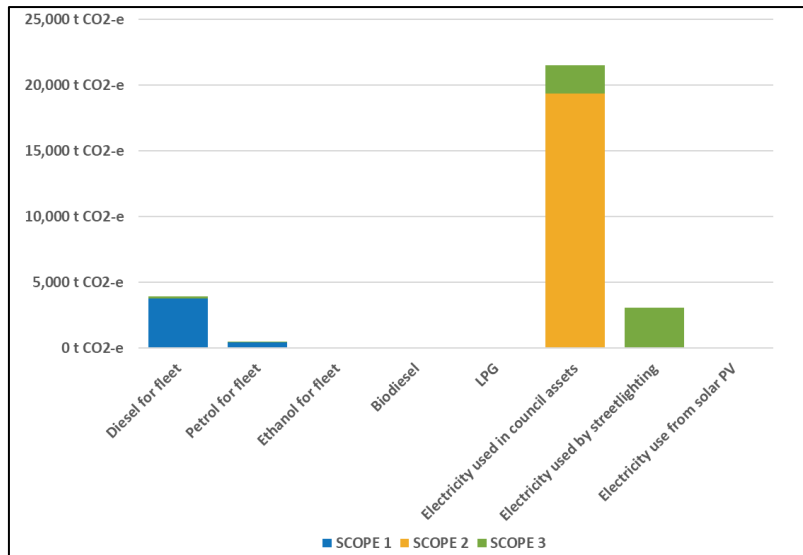
As can be seen in the table below, 71.4% of these emissions were associated with landfill waste and the treatment of wastewater. These emissions occur when organic matter (eg food and garden waste) breaks down in landfills and wastewater treatment facilities emitting methane, which has a global warming potential 25 times greater than carbon dioxide. One tonne of organic waste in landfill emits 1.9 tonnes of CO<sub>2</sub>-equivalent emissions as it breaks down over 100 years (Department of the Environment and Energy 2018).

The remainder of emissions from Council's operations (28.6%) are created by the consumption of electricity and fuel to operate facilities and fleet that are used to administer Council, provide community services, and manage and maintain Council's roads, parks and public spaces.

	Emission source	Activity data	Units	Scope 1 t CO <sub>2</sub> -e	Scope 2 t CO <sub>2</sub> -e	Scope 3 t CO <sub>2</sub> -e	Total	%
	Diesel for fleet	1,374	kL	3,739		191	3,929	3.9%
	Petrol for fleet	185	kL	428		23	451	0.4%
	Ethanol for fleet	1	kL	0.01		0	0.01	0.0%
	Biodiesel	3	kL	0.28		0	0.28	0.0%
	LPG	10	kL	16		1	17	0.0%
	Electricity used in council assets	23,896,597	kWh		19,356	2,151	21,507	21.2%
	Electricity used by streetlighting	3,431,681	kWh			3,089	3,089	3.0%
	Electricity use from solar PV	86,470	kWh				0	0.0%
	Waste water	9,052	t CO <sub>2</sub> -e	9,052			9,052	8.9%
	Landfill waste	52,912	t	63,494			63,494	62.5%
	<b>TOTAL:</b>			<b>76,730</b>	<b>19,356</b>	<b>5,454</b>	<b>101,540</b>	<b>100.0%</b>

Electricity use accounted for 85% of Council's **non-waste** energy-related emissions (see graph below) and was equivalent to 24,596 tonnes of carbon emissions.





### Council's 2021-22 Carbon Emissions

Council currently subscribes to Azility's energy efficiency software platform to help monitor its water, electricity and fuel consumption, waste to landfill and the associated costs and carbon emissions.

Council's total carbon emissions for 2020-21 was 137,714 tCO2-e and are presented in the tables and graphs below. These emissions represent an increase of 9% since the previous year.

Council's annual carbon emissions since the baseline year of 2018-19 are also included below which show Council's overall emissions have increased by 31% over this time.

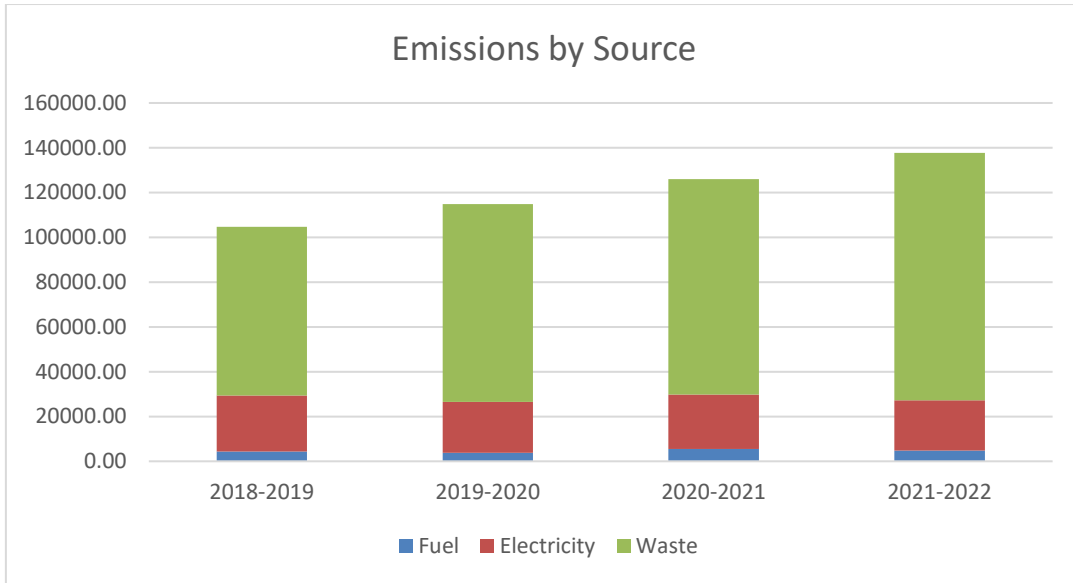
This is a direct result of an increase in waste to landfill following the bushfire and flood events that occurred between 2019 and 2022.

Waste is the biggest contributor to Council's carbon emissions footprint representing around 80% of Council's total emissions.

Source	2018-19	2019-20	2020-21	2021-22
Fuel	4,383	3,729	5,574	4,741
Electricity	25,037	22,737	24,224	22,503
Waste	75,228	88,326	96,258	110,469
<b>Total</b>	<b>104,649*</b>	<b>114,792</b>	<b>126,058</b>	<b>137,714</b>

\* Note: This figure has been updated since the baseline emissions profile was prepared to reflect revised waste data figures.

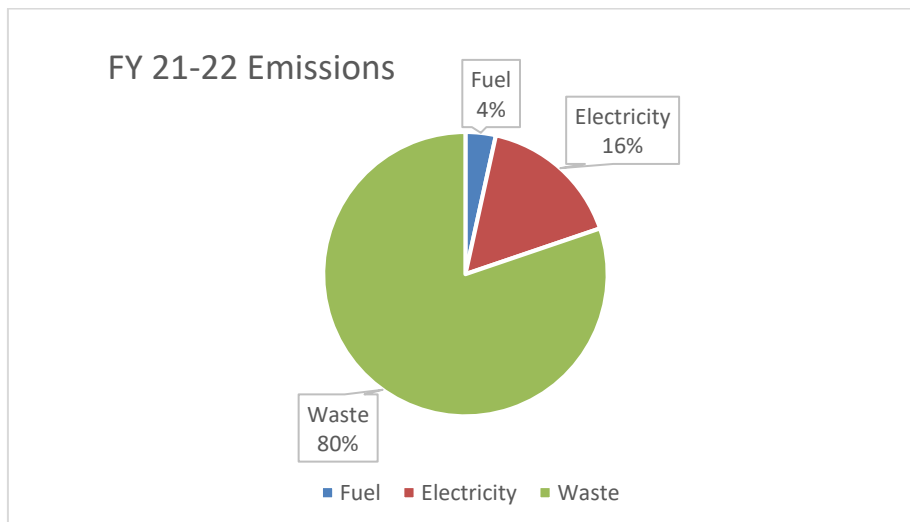




Financial Year Name	Emissions - All Scopes (t CO2-e)	Percentage Change since Previous Year	Base Year Emissions (t CO2-e)	Difference to Base Year (t CO2-e)	Percentage Change since Base Year
2018-2019	104,651	0.0%	104,651	0	0.0%
2019-2020	114,798	9.7%	104,651	10,148	9.7%
2020-2021	126,058	9.8%	104,651	21,407	20.5%
2021-2022	137,709	9.2%	104,651	33,059	31.6%

While Council’s fuel use appears to be static, it is difficult to attribute any known causal factors due to the different data systems that were in place for the four previous entities. These systems have now been consolidated, which will provide more accurate fuel consumption data moving forward.

On a more positive note, Council’s electricity use has decreased by 7% since the previous year and 10% since the baseline year. This is attributed to several factors including the LED streetlighting retrofit, the installation of solar power on Council’s buildings, and the consolidation of Council’s administration centres into a single building at Yalawanyi Ganya.



It is important to note that when comparing Council's emissions to other local Councils, that many (particularly in the metro areas) do not operate their own waste and wastewater treatment utilities – which are the major source of Council's emissions.

### Initiatives

Council has been very active in making its operations more energy-efficient and installing renewable energy systems to reduce its carbon footprint including:

- Undertaking energy audits and developing energy management plans for Council's major facilities.
- Installing 360kW of solar panels on public buildings including the installation of a 160kW solar PV system at Yalawanyi Ganya (one of only 3 systems larger than 100kW in the LGA).
- Implementing various energy efficiency measures such as lighting retrofits, replacing electric hot water systems with heat pumps, air conditioning and humidifier upgrades and installing power factor correction to reduce power demand.
- Procurement of six hybrid passenger vehicles in Council's fleet and the installation of two electric vehicle charging stations at Yalawanyi Ganya.
- Undertaking an LED street lighting retrofit program in partnership with Essential Energy with 5,369 streetlights retrofitted to date.

Other emission reduction actions undertaken by the various areas of Council during 2021-22 are summarised below.

### Governance

During 2021-22 Council continued its participation in the NSW Government's Sustainability Advantage and Sustainable Choice Programs and the Climate Council's Cities Power Partnership to gain access to resources and support to enable local government to take meaningful action on climate change.

A Climate Change Project Control Group (PCG) has been established within Council to better coordinate Council's response to climate change including the implementation of the Climate Change Strategy.

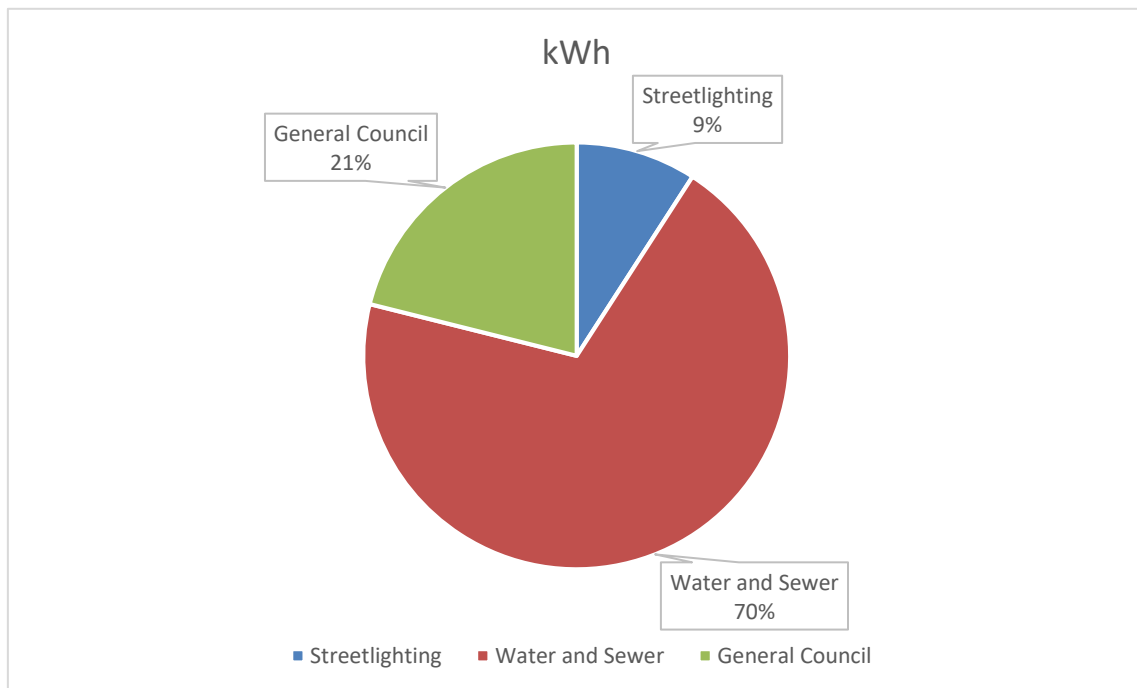
The PCG is an internal working group made up of key staff from across Council with responsibility for the reduction of carbon emissions associated with the management of waste, water and sewer, Council's fleet, assets and community facilities.

While there are many great sustainability initiatives being undertaken individually across the organisation, there has been no overarching framework or central coordination of these projects to enable Council to strategically plan and resource these activities and to better measure its progress towards net zero.

To assist in facilitating the above, Council is currently recruiting a Senior Climate Change and Sustainability Officer who will collaborate with staff from the various departments of Council to implement the Strategy and to track Council's climate and sustainability performance.

## Electricity

Electricity consumption accounts for 85% of Council's energy related carbon footprint, and more than 75% of electricity is consumed by just 25 sites (including street lighting). Almost 70% of electricity is consumed by Council's water and sewer assets, 21% by all other sites and 9% by street lighting (see below).



## Energy Efficiency

- Sporting fields – with the assistance of funding sourced by sporting groups, of the 26 sporting complexes, 24% of fields (12 out of 50) have now been upgraded to LED lights. Council will also actively apply for funding to upgrade the old spaceflood, broadlumes and brittle fittings to the more energy efficient LEDs.
- Street lighting – we are currently in discussion with Essential Energy to undertake a second LED street lighting retrofit program in conjunction with the renewal of the maintenance contract. This involves the replacement of the eligible category V streetlights to LEDs over this coming year (works have already commenced on this program). This will see up to an additional 2,018 luminaires upgraded to LED technology. This will complement the category P LEDs changeover completed in a previous program (at that time alternate LEDs for cat V streetlights did not exist).

## Solar Installations

The Climate Change Strategy identified opportunities for solar power at 34 of Council's sites. To date, Council has installed over 550kW of solar panels on several public assets and facilities with the following systems installed during 2021-22:

- 40kW at the Tuncurry Men's Shed.
- 79kW at the Taree Waste Management Centre.
- 72kW at the Tuncurry Recycled Water Treatment Plan.

Another 3 systems totalling 93kW are currently being installed at the Bulahdelah Water Treatment Plant, Tea Gardens Sewer Pump Station 13, and the Manning Point Sewer Treatment Plant.

### **Purchase of Renewable Energy**

The single biggest opportunity to reduce electricity emissions is to purchase renewable energy and/or renewable energy offsets through Council's electricity procurement process. Unlike other abatement options, this does not require Council to physically implement change, only to stipulate that renewables be purchased to meet part or all its electricity needs. This approach has been taken by several councils in recent years and underpins most goals to reach carbon neutrality/net zero emissions.

Council has recently entered two new electricity contracts for its Small Sites (<100MWh) and Large Sites (>100MWh), which will both commence in January 2023 for a period of 10 and 3 years, respectively. While the electricity costs related to the Small Sites contract have decreased significantly generating substantial savings for Council, the costs relating to the Large Sites contract have increased greatly.

Small Sites are responsible for 26% of Council's electricity consumption with approximately half of these sites owned by Water Services. The Small Sites contract includes the purchase of 100% Green Power for all the water and sewer sites. While the General Fund sites have not been included in this arrangement at this time Council can opt in at any time. The Climate Change PCG are currently exploring the option of using the Year 1 savings related to the General Fund sites as seed funding for a Revolving Energy Fund.

With regards to the Large Sites contract, Council will consider the option of purchasing Green Power in Year 2. This is due to the significant increase in electricity costs over the last 12 months and the current volatility of the energy market.

Transport Assets is also considering the option of purchasing 100% Green Power in the renewal of its street lighting contract, which is going out to tender soon through Local Government Procurement.

### **Waste**

The newly adopted Waste Management Strategy includes a target to divert 70% of waste (including 50% of organic waste) from landfill by 2030 in order to reach net zero emissions.

As shown in the table below, a 42% diversion rate was achieved in 2020-21 as waste diversion was impacted by multiple factors with the main contributors being COVID19 due to the increase in single use items used to mitigate disease migration, and the severe flooding that impacted the MidCoast in March of 2021 leading to a large amount of waste material being disposed due to contamination.

The diversion rate is calculated as the percentage of the total waste generated that is recovered, either through comingled recycling, garden organic recovery or other Council operations. A baseline diversion rate of 37.4% has been calculated from the three-year average.

Table 4 Summary of overall MCC collection, recycling and disposal data

Year	Waste generated (tpa)	Waste recycled (tpa)	Waste to landfill (tpa)	Diversion rate (%)
<b>FY19</b>	90,420	29,705	60,715	32.9%
<b>FY20</b>	94,848	35,416	59,432	37.3%
<b>FY21</b>	117,991	49,528	68,463	42.0%
<b>Avg</b>	<b>101,086</b>	<b>38,216</b>	<b>62,870</b>	<b>37.4%</b>

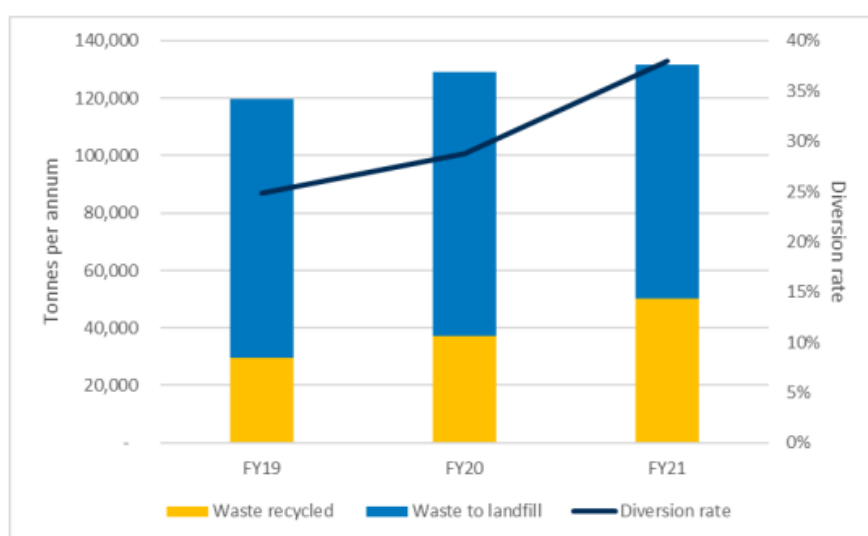


Figure 5 Changes in overall MCC tonnes and diversion rate over time

The total waste generated within the MCC region has steadily increased over the years, although a growing diversion rate means a greater proportion of this material is being returned to the economy as recycled products. This increase is evidence of the joint efforts being led by Council, business and the community to improve recycling practices in all sectors of society.

The NSW EPA 'Waste Less, Recycle More' initiative, funded from the Waste Levy, provides \$119,000 annually for activities to increase waste diversion from landfill. Reimagine Waste is the over-arching program for activities designed to encourage and inspire change in attitudes and behaviour amongst MidCoast residents.

Currently one third of all household waste thrown away and sent to landfill is organic and compostable. Putrescible waste in landfill generates carbon emissions via the production of methane - the Scraps to Soil program aims to divert this food waste from the household red bin into compost. Future projects include a program to process Food Organic and Garden Organic (FOGO) waste, which aims to divert an estimated 40% of material from landfill commencing in 2025.

Waste Services has also implemented multiple operational improvements to increase waste diversion into the future. The new Waste Facilities and Operations Contract that was awarded to JR Richards and Sons in partnership with Resource Recovery Australia in March 2021 has been designed to deliver positive sustainable outcomes through increased



concentration on waste avoidance and resource recovery activities such as increased investment in tip shops, implementing new processes and procedures at transfer stations and installing new innovative equipment to better-manage waste streams.

Other initiatives currently underway to reduce emissions from Council's waste operations include:

- A trial to capture methane gas from the landfill utilising a \$300k grant obtained through the NSW EPA's Bushfire Recovery Program. If the trial proves successful, Waste Services will install a permanent gas management system at the Taree Waste Management Centre, this would entail using the methane to generate electricity or a secondary option of flaring methane to turn it into carbon dioxide. Carbon dioxide (Co2) has 25 times less the global warming effect of methane gas.
- Tender for the Waste Collection contract (closes 6 September) includes an option to utilise electric vehicles to service the public waste bins. This could potentially see four (4) collection vehicles running off renewable energy within the MidCoast LGA (subject to tender prices).

## Fleet

- A total of 8 hybrid electric vehicles (HEVs) and 1 Plug-in Hybrid Electric Vehicle (PHEV) are now in Council's leaseback fleet with another 2 HEVs on order. This indicates that some employees are choosing to support sustainable options without any other incentives as the current fee model means that employees pay a premium to make this choice. It should also be noted that the very long lead times (12-18 months) for the preferred HEV (Toyota RAV4) has resulted in some employees choosing standard leasebacks when those employees were otherwise receptive to making the move to a HEV. The Mayoral vehicle is also a HEV, which was purchased in 2019.
- EV charging infrastructure - agreement entered with Tesla to install a public EV charging facility on Council-owned property for Tesla models only.
- Investigation into Fuel Cell EV (hydrogen) and BEV (battery EV) options for Council's heavy fleet - at this stage there are no options or initiatives that are practically suitable.
- Successful application to the NSW Government EV Fleets Incentive program to subsidise the replacement of 3 ICE pool vehicles with EVs and supporting charging infrastructure at Yalawanyi Ganya. The EVs and chargers are expected to be operational by early 2023, primarily subject to lead times for the EVs.

Other major initiatives planned to be undertaken in 2022-23 to reduce Council's fuel emissions include:

- Review of the relevant Fleet and HR policies to encourage the selection of more sustainable leaseback vehicles by employees including possible incentivisation through a revised fee model.
- Monitor the proposed changes to legislation regarding FBT exemption for BEVs and PHEVs which could provide cost savings to Council through selection of these models.
- Continue to replace non-allocated ICE vehicles with HEVs where possible and consider PHEV and BEV options also.
- Access funding through the NSW Government EV Destination Charging Grants program to support installation of EV chargers at the Civic Precinct building and promote program to local businesses.

- Monitor opportunities for heavy fleet ICE vehicle replacements by BEV or FCEV vehicles including any government grants and evaluation vehicle opportunities.
- Assess options for replacement of other ICE plant items, eg mowers with electric options.

## Climate Change Adaptation

While the focus of this report is on emissions reduction, it is also important to note the important work currently underway to manage Council's climate change risks and adapt its assets and operations to become more resilient to the unavoidable impacts of climate change. This includes managing the risks of climate change that impact the community such as those associated with natural disasters. Some of the adaptation projects undertaken in 2021-22 have included:

- Various bushfire recovery projects within Council's natural area reserves targeting the recovery of threatened species and communities including the Koala Safe Spaces project and the Manning River Helmeted Turtle Refuge Pools project.
- Community support programs for bushfire protection, preparedness and recovery.
- Water Resilience Program including the review of the Integrated Water Cycle Management Strategy.
- Urban Canopy Mapping to inform the implementation of the Greening Strategy.
- Floodplain risk management and coastal protection works.