



MIDCOAST
council

ANNUAL REPORT

2022-23





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.

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01

INTRODUCTION

About the Annual Report

How to Read this Document

MidCoast Council's Annual Report provides a summary of Council's performance over the 2022-23 financial year. It outlines Council's achievements in implementing the Delivery Program 2022-2026 through the 2022-23 Operational Plan.

The report is separated into five main parts:

Part one sets the scene for the MidCoast area and provides information about Council and the legislative requirements of the Integrated Planning & Reporting framework, which governs the content of this report.

Part two provides a summary of our annual highlights and achievements for the 2022-23 financial year. It shows how Council has worked towards meeting our community's vision, as set in the Community Strategic Plan, MidCoast 2032. This part starts with a summary of our investments through the Capital Works Program.

This is followed by a summary of the highlights and achievements each service of Council delivered over the 2022-23 financial year. The services are arranged in alphabetical order.

Part three provides statutory information Council is required to publish in the Annual Report.

Part four sets out Council's audited financial statements for the 2022-23 year.

Part five 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 agencies, 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 (IP&R)

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

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

Council's integrated planning and reporting documents include:

- MidCoast 2032, our Community Strategic Plan, identifying our community's aspirations and the outcomes they seek for the MidCoast over a 10-year period
- Delivery Program, capturing Council's priority programs over a four-year period, and the outcomes we will deliver to support the achievement of the Community's Strategic Plan
- Operational Plan, a one-year plan detailing the actions Council will undertake within a set budget to progress the outcomes determined in the Delivery Program
- Resourcing Strategy, a four-year strategy that identifies Council's available resources and how these are planned to support the Delivery Program (includes Long Term Financial Plan, Asset Management Strategy, Policy and Plans, Workforce Management Strategy and Information & Communications Technology Strategy).
- Six-monthly progress reports provide Council with an update of our progress against the activities detailed in the Delivery Program.
- This 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.



Message from the Mayor

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



As I travel around the region and speak to a wide range of community members it is evident that we are, as communities and as a Council, facing a number of challenges. This is something I recognise, and we continue to advocate for our communities at both State and Federal levels to bring about positive outcomes.

This report shows our progress against the commitments we made in our 2022-23 Delivery Program and Operational Plan and tells the story of our commitment to our community.

At the beginning of the 2022-23 year, the elected Council recognised how important improving our local road network was to our communities and called for an extra \$7.5 million to be invested into our local roads. This was on top of the more than \$58 million already allocated to road improvements for the year.

Our aim was to focus on roads that typically required repeat maintenance and improve the condition of these as a strategic investment. I am pleased to see this program completed and the outcomes reported within these pages. It also improved our financial benchmarks.

We asked staff for a full review of our road conditions and funding options to inform work in subsequent years.

Councillors have a shared commitment to improving our financial outlook and better managing our very large asset pool. Much work was done on this during the year, and we will continue to address these important issues.

Our Economic Development Strategy was adopted during the reporting year, providing a framework and action plan to support stimulation of the local economy.

The Our Water Our Future 2050 Integrated Water Cycle Management Strategy was developed with a strong range of community input to help guide our approach to the biggest water related challenge we face over the next 30 years – water security.

It was pleasing to open the Beryl Jane Flett Studio at the MEC to support the cultural development of our community.

I was very pleased that we were able to recommence our Community Conversations. It is a privilege for Councillors to be able to meet with our communities and we use this feedback to inform the strategic guidance we give to Council.

I would like to thank Councillors for their continuing and strong collegiate approach to achieving positive outcomes for the MidCoast. I also thank Council staff for their demonstrated commitment to the community.

Claire Pontin
Mayor, MidCoast Council

Message from the General Manager

During the past year 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.



Our teams are focused on delivering for the community and work hard to do what they can with the resources we have.

Our dedicated customer service team took over 97,000 phone enquiries during the 2022-23 reporting period and we delivered on more than 10,000 customer requests for our community, along with our day-to-day operations.

Learning from our community is important to us and we delivered 30 Community Conversations across the region, which provided our executive team with an additional point of connection with our communities to inform our decision making.

During the year we interacted with over 1,600 people in the development of our Open Space and Recreation Strategy to ensure we are making future plans that deliver on our communities' needs.

During the year the work we do to support economic growth was recognised through awards at the NSW Tourism Awards and National Tourism Awards for our Barrington Coast destination brand.

We approved more than \$300 million worth of development and also worked with almost 600 businesses across the MidCoast through our Vibrant Spaces and Shop MidCoast programs.

We are continuing to deliver on improvements to community infrastructure with programs for our community halls, playgrounds and amenities with a total of \$13.6 million spent on improving these areas for our community.

We also continue to make improvements to the way we manage development applications and construction certificates through the NSW Planning Portal and are finalising approvals in an average time that is less than comparable regional councils.

Once again, we were able to celebrate with key groups in our community during the year, including Seniors Week, Youth Week, Volunteers Week and NAIDOC Week.

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

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

Adrian Panuccio
General Manager, MidCoast Council

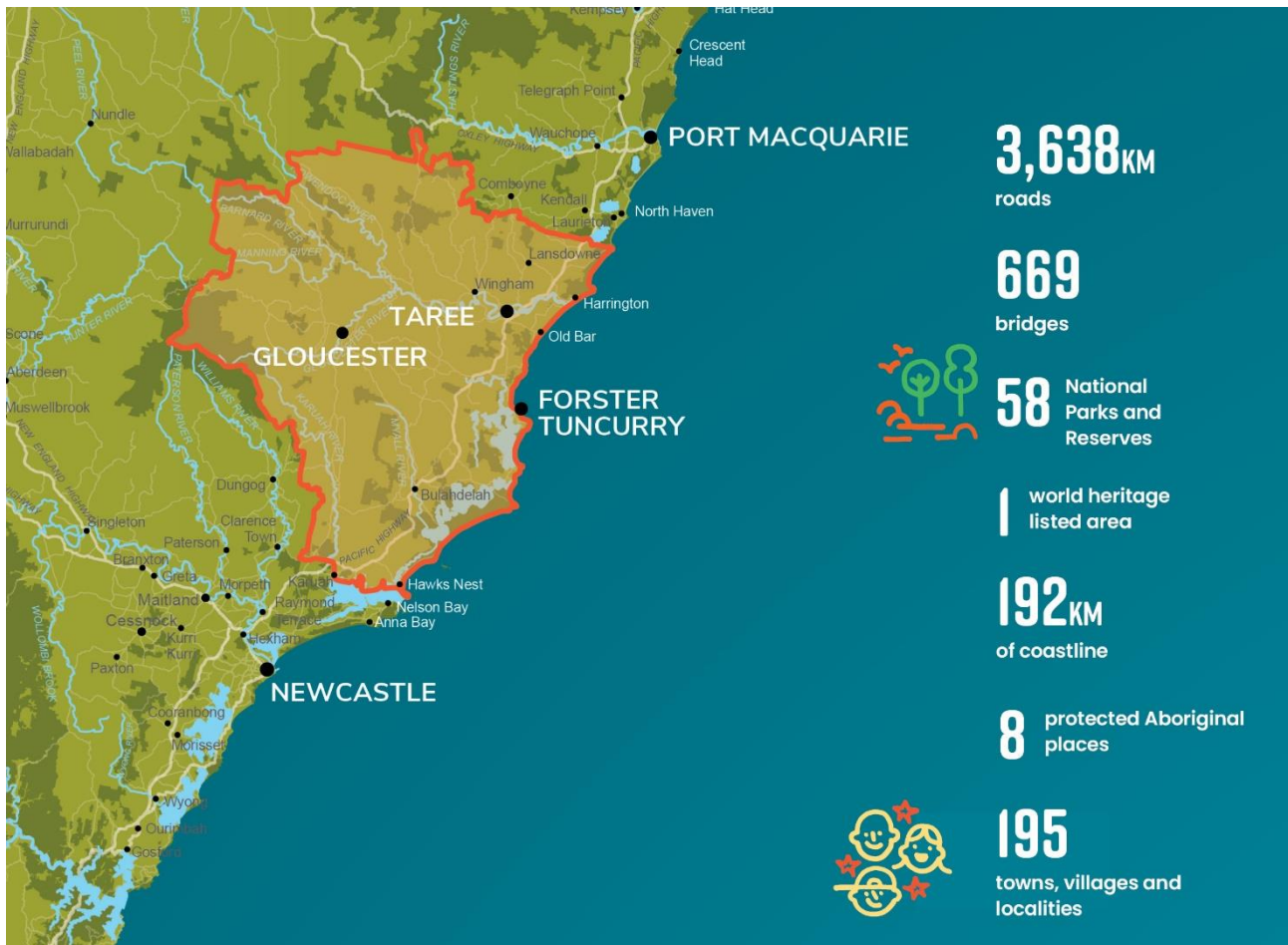
Our Region

Home to an estimated population of 99,039 in 2022, the MidCoast region offers our diverse community a wide range of lifestyle opportunities.

Located on the mid north coast of NSW, the geographical area of the MidCoast local government area covers more than 10,000 km² 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.



Our Community

The MidCoast region is home to a diverse community that is expected to grow by 17.8% to 116,744 people by 2036. Our current population is spread across 195 of towns and villages, all of which have their own character.

The region is a popular location for retirees. Our ageing community enriches us with its diversity and experience, along with supporting 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.



Community Vision, Values and Outcomes

In developing the Community Strategic Plan (MidCoast 2032) our community described their vision for the future of the region.

Our Vision

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.

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.

Our Community Outcomes

The community outcomes are the big picture results that we will keep in sight and focus on achieving. They align with the four themes of the quadruple bottom line: social, environment, economic and civic leadership. The purpose of using these themes is to make sure that everything is considered in a balanced and sustainable way. The community values were used to shape the community outcomes.

Community Outcome 1: A resilient and socially connected community

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

Community Outcome 2: An integrated and considered approach to managing our natural and built environments

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

Community Outcome 3: A thriving and strong economy

A strong regional economy that supports business and jobs growth.

Community Outcome 4: Strong leadership and good governance

Council is focused on being sustainable, well-governed, and delivering the best outcomes for the community.



Biripi Dancers at the 2023 Taree Australia Day celebrations

Our Councillors

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

The Councillors' role is to represent the views of the community and make decisions in their interest, demonstrate conduct that the community expects and deserves, and plan and oversee the running of a significant and complex business.



Mayor Claire Pontin
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Deputy Mayor Alan Tickle
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Councillor Kathryn Bell
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Councillor Peter Epov
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Councillor Dheera Smith
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Councillor Katheryn Stinson
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Councillor David West
Cr.David.West@midcoast.nsw.gov.au

Our Executive Team

The role of our Executive Team is to provide organisational direction to achieve Council's Vision and Mission and establish governance systems that support organisational effectiveness and evidence-based decision making.



Adrian Panuccio
General Manager

The General Manager is responsible for guiding the preparation of the Community Strategic Plan and the Council's response to it through the Delivery Program and the Resourcing Strategy.

The General Manager is also responsible for implementing the Delivery Program and reporting to Council on the progress of delivery to ensure that it is a 'living' document, which is regularly reviewed and updated as necessary.



Paul De Szell
Director 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



Robert Scott
Director Infrastructure & Engineering Services

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



Steve Embry
Director Corporate Services

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

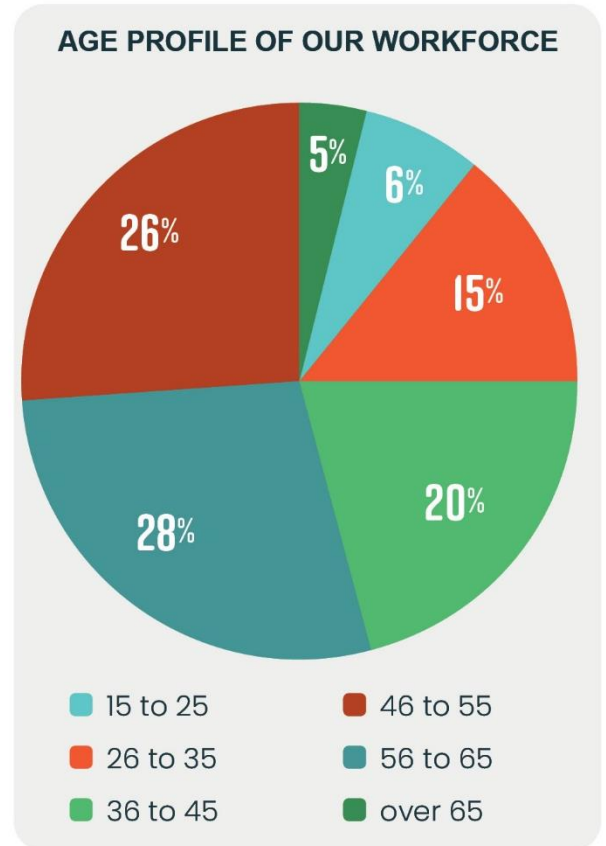
Workforce Profile

Our vision is to be a high performing organisation where we are always striving to be better. One where we work collaboratively and are trusted.

Council employs around 887 full time equivalent staff (excluding casuals). Our staff deliver a range of services, programs and projects to the community.

Headcount at 30 June 2023	1,041
Corporate Services	142
Infrastructure & Engineering	404
Liveable Communities	495

Gender diversity	Male	Female	Intersex
Overall staff	40.8%	59.1%	0.1%
General Manager	100%	0%	0%
Directors	100%	0%	0%
Managers	70%	30%	0%
Supervisors	63%	37%	0%



41
trainee positions
as at 30 June 2023

8
graduate positions
as at 30 June 2023

22
apprentice positions
as at 30 June 2023

8
work experience students
1 July 2022 to 30 June 2023

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 local 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 2022-23 our major community engagement projects included:

Open Space and Recreation Strategy – setting the direction for the management and investment in our open space and recreation facilities for the future.

Our Water Our Future – this strategy will guide how we manage our water and sewer services until 2050.

Aboriginal Action Plan – checking in with our community to ensure the Aboriginal Action Plan delivered on their needs and aspirations.

On-site Wastewater Management Strategy – provides a framework for the regulation of nearly 13,000 septic systems across the region.

MidCoast Economic Development Strategy – an approach to driving local economic growth to have a long-term positive impact on the future of our communities.

Cemeteries Strategy – gaining feedback to renew our approach to maintaining the cemeteries we manage and improving cemetery services into the future.

Hallidays Point Place Strategy – to guide planning and development decisions around conservation, open space, community infrastructure and development.



02

2022-23
HIGHLIGHTS

Image: Road works near Kimbriki

Capital Works Highlights

During 2022-23, we invested over \$160.5 million in our capital works program.

Council looks after \$5.3 billion *(GRC) in community assets across seven infrastructure asset classes.

*GRC = gross replacement cost



\$22M

invested as part of the \$100 million roads program

\$7.5M

invested in local roads

\$9M

invested in resurfacing roads

223,000KM²

sealed roads resurfaced

84KM

unsealed roads resheeted

6

bridges replaced

\$7M

invested in bridge renewals and upgrades

\$14.2M

invested in water assets

\$10.3M

invested in sewer assets

2,840

new water and sewer assets installed

8,309ML

water supplied

239,006

active water and sewer assets

\$13.6M

invested in open spaces

\$935,000

grant funding received for water and sewer projects

\$10,000

grant funding invested in park fence renewals

\$68,293

grant funding invested in Pacific Palms Recreation Ground

\$130,000

grant funding invested in Diamond Beach access and viewing platform

\$14,265

grant funding invested in solar lighting at Coomba Park Foreshore Reserve

Service Area Highlights

The following pages provide a summary of the highlights and achievements delivered by Council over the 2022-23 financial year. The services are arranged in alphabetical order.

- Aged Care Support
- Arts & Culture
- Building Services
- Business
- Community Assets
- Community Development
- Corporate Performance & Development
- Customer Service
- Development Assessment
- Disability Services
- Emergency Management
- Engagement, Communication & Education
- Environmental Health
- Finance
- Governance
- Human Resources
- Information & Communications Technology
- Land Use Planning
- Legal & Property
- Libraries
- Natural Systems
- Open Spaces & Recreation
- Procurement, Fleet & Stores
- Regulatory Services
- Resilience & Recovery
- Sewer Services
- Stormwater Drainage, Flooding & Coastal Engineering
- Transport Network
- Waste Services
- Water Supply & Treatment

Aged Care Support

Key Service Description	Provide personalised support services to older people (those aged over 65 years) and their carers to assist them to maintain an active lifestyle and to live independently in their own home longer
Department	MidCoast Assist
Responsibility	Manager MidCoast Assist
Community Outcomes	1: A resilient and socially connected community

Key achievements

- 100% compliance with Quality Standards for Home Care Package clients
- Compliance with Quality Standards for Commonwealth Home Support Program
- Preparing for and implementing changes arising from the Government's aged care reform program
- Services provided to 500 aged care clients

Partnership with Dementia Australia

In 2022-23 the Ageing Services team worked with Dementia Australia to hold focus groups for those looking after people with dementia to better understand their needs. This will help the team to tailor services to support them. The attendees provided detailed information about the challenges they face on a daily basis and outlined what their support needs were, including their need for regular social contact in the community. The team continues to work with these carers to meet these needs.

Volunteers provide essential support

MidCoast Assist is fortunate enough to have the generous assistance of around 45 volunteers that help our elderly population with their day-to-day needs.



Volunteers regularly assist MidCoast Assist participants with their day-to-day needs

Arts & Culture

Key Service Description	Provide visual and performing arts programs and events via the Manning Entertainment Centre and the Manning Regional Art Gallery
Department	Growth Economic Development & Tourism
Responsibility	Manager Growth Economic Development & Tourism
Community Outcomes	<p>1: A resilient and socially connected community</p> <p>3: A thriving and strong economy</p>

Key achievements

- New Beryl Jane Flett Studio opened at the Manning Entertainment Centre (MEC)
- New lighting package installed at the MEC
- 119 events hosted at the MEC
- 24 exhibitions hosted by the Manning Regional Art Gallery
- 187 events hosted by the Manning Regional Art Gallery
- List of key art and cultural organisations developed to assist with the delivery of the MidCoast Cultural Plan 2036

Beryl Jane Flett Studio Opened

Beryl Jane Flett Studio was officially opened in January 2023. This vibrant new theatre space at the MEC provides an accessible and affordable performance space that will allow for a greater range of performance options for the MidCoast community.

The concept for the project was born after a generous local bequest was provided from the family of Beryl Jane Flett. Community and key user groups of the MEC identified the need for an intimate, versatile performance and rehearsal space.

The Beryl Jane Flett Studio seats up to 159 people and can accommodate smaller scale events such as theatrical productions, children’s entertainment, choral performances, classical and contemporary music as well as meetings, events, conferences and trade fairs.

The expansion to the site will provide a permanent home for the Taree Film Society to operate, store new NSW Government funded equipment and allow for a strong local film culture to grow.



Beryl Jane Flett Studio: The new theatre space seats up to 159 people and can accommodate smaller scale events.



Manning Regional Art Gallery: Home Aboriginal Art in NSW was delivered to 10 schools on Biripi and Worimi country with the work from 280 students exhibited at Yalawanyi Ganya

Manning Regional Art Gallery

The Manning Regional Art Gallery's yearly program of exhibitions, performances, and events showcased the work of emerging and established artists, high profile touring exhibitions and curated work. The Gallery, based in Taree, is a vibrant cultural hub, nurturing artistic practice and fostering community engagement with the arts.

The Gallery held 24 exhibitions from July 2022 to June 2023, presenting the work of 277 Artists, in solo, group and touring exhibitions.

The Gallery facilitated Home: Aboriginal Art in New South Wales, a regional education program provided through the Art Gallery of NSW and the Department of Education, The Arts Unit. It features professional learning for teachers, regional gallery staff and local Aboriginal artists and language holders, to deliver a bespoke visual arts program for Stage 3 students over three school terms. The program was delivered to 10 schools on Biripi and Worimi country with work from 280 students exhibited at Yalawanyi Ganya at the end of this rewarding and enriching program.

The prestigious Archibald Prize, Australia's favourite portrait prize, came to Taree, hosted by the Gallery as one of five regional touring venues. The Archibald Prize exhibition features a range of Australian subjects from politicians to celebrities, sporting heroes and artists. This touring exhibition was an opportunity for our regional audience to see the finalists in the Archibald Prize 2021, with over 6,000 visitors to the show.

A Blazing Success at the MEC

The MEC kicked off the new financial year with a stunning production from the ground-breaking Queensland based Shake & Stir theatre company, presenting their extraordinary version of "Jane Eyre" by Charlotte Bronte.

The production featured live musical accompaniment from multi-ARIA award winner and Superjesus frontwoman, Sarah McLeod, creating a powerful, haunting soundscape to the gothic classic. The set design, lighting and staging beautifully captured the sombre and foreboding atmosphere of the novel's locales, with skeletal scaffolding and multi-level shadowed spaces accentuating the dark themes of deception and mystery. Most impressive however, was the spectacular finale when section after section of the set burst into live flames courtesy of hidden perforated gas lines concealed in the set. Suddenly everyone understood the rave media reviews praising the show as "a blazing success!"



Shake & Stir theatre company's version of Jane Eyre as "a blazing success!"

Building Services

Key Service Description	Undertake building inspections, swimming pool safety and fire safety audits and inspections. Also processes building approvals and small-scale development approvals
Department	Building & Environmental Health Services
Responsibility	Manager Building & Environmental Health Services
Community Outcomes	1: A resilient and socially connected community
	2: An integrated and considered approach to managing our natural and built environments

Key achievements

- 51 days median determination time for small-scale Development Applications
- 28,975 building enquiries taken via phone
- 12 days average time taken to process Fast Track Planning Applications

Online Portal for DA Processing

MidCoast Council have a section of their website dedicated to the Development Application process.

It includes an application tracker where you can access your application, search a property's development history or a development consent.

You can make an online submission where you can raise issues and indicate your support or opposition to a development application during the exhibition period.

Planning alerts allow interested members of the community to subscribe for notifications on applications lodged in the community.

We have tried to make the website as user friendly as possible for you to get all the information about DAs that you need. We are continuing to implement improvements to the website as they are developed.



Faster development application processing has supported the local economy which has a flow on to the community. A lot of that money has gone back into the community through local builders and tradies.

Business

Key Service Description	Develop and support business generation initiatives, tourism programs and events to build economic and employment capability and capacity within the MidCoast region
Department	Growth Economic Development & Tourism
Responsibility	Manager Growth Economic Development & Tourism
Community Outcomes	<p>1: A resilient and socially connected community</p> <p>3: A thriving and strong economy</p>

Key achievements

- Barrington Coast tourism brand wins gold at the NSW Tourism Awards and Silver at the National Tourism Awards
- Barrington Coast tourism brand ranked 42 in the top 100 global destinations according to the Tourism Sentiment Index (TSI) for Q1 2022
- Development of the new MidCoast Economic Development Strategy
- Council awarded 52 event sponsorship grants for the community (worth \$181,890)
- ComeVisit Barrington Coast campaign launched to grow visitor numbers in our region
- ‘Developing Leadership for Small Business Forum’ held in partnership with the MidCoast Business Chamber
- 265 businesses in 19 locations participating in Vibrant Spaces Program
- 320 businesses in 23 locations participating in Shop MidCoast Program

MidCoast Economic Development Strategy

We worked closely with business chambers across the MidCoast through our Economic Development Strategy Reference Group to develop the new strategy.

This is the first Economic Development Strategy for MidCoast Council.

The strategy is based on the objectives of ‘attract’ and ‘grow’ and includes proposed actions to achieve these aims. They centre around workers and professions, investment, businesses, residents, visitors and events.

The strategy’s mission is to collaboratively build the economic capacity of the MidCoast region to improve its economic future and the quality of life of its community.



Our mission is to collaboratively build the economic capacity of our region.

Community Assets

Key Service Description	Manage 3,000 hectares of parks and open spaces, 26 sporting complexes, 84 playgrounds, 32 cemeteries, 560 council buildings (including amenities, halls administration etc) and Taree Airport operations
Department	Community Spaces
Responsibility	Executive Manager Community Spaces
Community Outcomes	1: A resilient and socially connected community
	3: A thriving and strong economy
	4: Strong leadership and good governance

Key achievements

- Development of the new MidCoast Open Space and Recreation Strategy
- Completion of Tuncurry Water Playground
- Development of Tree Maintenance on Council Managed Land Policy
- Tea Gardens Swimming Pool upgrade
- Beautification of Smiths Lake Recreation Area
- Development of Asset Management Plan for Community Buildings

Open Space and Recreation

Over 1,600 people from across the MidCoast contributed to our first Open Space Strategy by identifying what they most value about our open spaces.

MidCoast residents told us they love the beautiful natural assets of our region. Both locals and visitors said they want better connected green space, more accessible footpaths and cycleways, more flexible open space, and more activities for young children and teenagers.

The community identified what to plan, program, prioritise and fund over the next 10-15 years in our public spaces to improve our economic future.

Now what? 2023-24 will see the development of master plans for Old Bar Foreshore, Old Bar Reserve and Central Park Wingham.



Beautification works completed at Smiths Lake Recreation Area.

Community Development

Key Service Description	Develop strong, inclusive, connected communities through building capacity and partnerships. Key groups include the Aboriginal community, young people, people with disability and seniors. Also implements the Volunteer Framework and administers Council's community donations program
Department	Libraries & Community Services
Responsibility	Manager Libraries & Community Services
Community Outcomes	1: A resilient and socially connected community

Key achievements

- Implementation of the Disability Inclusion Action Plan (DIAP)
- Implementation of the Ageing Strategy
- \$32,977 of community donations distributed to 16 organisations
- Youth Week celebrations and activities
- MidCoast Youth Awards
- \$1,939 small donations granted to 14 organisations
- Partnerships with 40 stakeholders to deliver 16 projects / activities across the MidCoast

Arts, Culture & Environment (ACE) Team

The ACE Team was formed in September 2022 following expressions of interest calling for young people aged 12-24 to be involved in a 12-month project.

Together with Council, Taree Universities Campus, and PCYC Taree, the ACE Team co-designed a series of 12 events to encourage other young people to participate in Arts, Culture, and the Environment. As a result of their involvements, the team gained experience in the complexities of event management, risk assessments, budget management and marketing.

At the end of the program, the ACE Team came together once more to celebrate their achievements and were presented with an official reference from Council for their portfolios.



Members of the ACE Team being presented with their official reference from Council.

Corporate Performance & Development

Key Service Description	Support and coordinate Council's Integrated Planning and Reporting (IP&R) requirements, business planning, service reviews and business improvement initiatives. Also provide internal change management advisory service and organisational development programs that support staff to be more effective in their roles
Department	Strategy & Performance
Responsibility	Chief Strategy & Performance Manager
Community Outcomes	4: Strong leadership and good governance

Key achievements

- Development of Performance Measurement Framework
- Development of Service Optimisation Framework
- Community Strategic Plan revised and endorsed by Council
- Development and implementation of the LEAD Program to grow future leaders
- Development and implementation of Culture Support Program to support organisational performance
- Delivery Program revised and Operational Plan developed and adopted by Council

Optimising Services for the Community

From July 2023, all Councils in NSW will be required to start a program of service reviews. In preparation, Council has developed profiles for its 32 key services, identified 95 sub-services, and commenced work on capturing the current service levels.

During 2022-23, we consulted with the community to revise several strategies and plans, or to develop new ones. These conversations with the community also helped us to review aspects of some key services that we provide, and to understand what our community values. These strategies included: Economic Development Strategy, Open Space and Recreation Strategy, Community Engagement Strategy, On-site Wastewater Management Strategy and Integrated Water Cycle Management Strategy.



During 2022-23, we consulted with the community to revise several strategies and plans, or to develop new ones.

Customer Service

Key Service Description	Provide support and advice across a range of services, including customer enquiries, application lodgement and receipt of payments. The Gloucester Customer Service Point also operates as the Service NSW and Services Australia outlet
Department	Customer Experience
Responsibility	Manager Customer Experience
Community Outcomes	4: Strong leadership and good governance

Key achievements

- Assisted with over 1,950 Building and Development enquiries
- Processed over 10,000 customer requests
- Answered 97,439 phone enquiries

Forster Civic Centre Home to New Customer Service Point

The anticipated opening of the Forster Civic Centre saw the Customer Service team preparing for the big move.

The new site on Lake Street is home to the Forster Library, Visitor Information Centre, Customer Service Point, and a number of hireable conference rooms.

The new library is provided over two stories which includes a designated space for young adults, a story time area for the younger visitors, a fully fitted out and functional podcast room, and much more.



The Customer Service Team have been readily preparing for the big move to the Forster Civic Centre, which will have its own customer service point, making it easier for residents to access Council services.

Development Assessment

Key Service Description	Provide planning advice, assessment and determination of large-scale development applications for land use, subdivision, residential development and commercial and industrial development
Department	Major Assessment & Regulatory Services
Responsibility	Manager Major Assessment & Regulatory Services
Community Outcomes	<p>2: An integrated and considered approach to managing our natural and built environments</p> <p>4: Strong leadership and good governance</p>

Key achievements

- 88 days average determination time for large-scale Development Applications
- Integration of application processing system with the NSW Planning Portal
- Continued alignment of DA process with NSW Department of Planning and Environment (DPE) Development Assessment Best Practice Guide
- DA process improvement review to streamline and reduce approval times

Streamlining Development Applications

More than \$300 million worth of development was approved by MidCoast Council during 2022-23, with approvals finalised an average of 10 days less than comparable regional councils.

The average processing time for development applications among regional councils was 98 days in 2022-23. MidCoast Council recorded an average time of 88 days.

The approvals finalised during the same period enabled work valued at \$376,651,686.66.

It's an important part of the area's economic growth and we are proud to be ahead of the ball when it comes to timeframes and making the process as simple as possible for homeowners, renovators, and builders.

You can learn more about development here: www.midcoast.nsw.gov.au/development-application.



Development Application processing has supported the local economy which has a flow on to the community. A lot of that money has gone back into the community through local builders and trades people.

Disability Services

Key Service Description	Provide support to people living with disability as a registered National Disability Insurance Scheme (NDIS) provider to support them to stay connected with their community and lead the lives they want and live as independently as possible
Department	MidCoast Assist
Responsibility	Manager MidCoast Assist
Community Outcomes	1: A resilient and socially connected community

Key achievements

- Development and implementation of the MidCoast Assist Strategic Plan 2022-2026
- 100% compliance with NDIS Practice Standards
- 100% compliance with NDIS recertification audit
- Implementation of a new quality management system for Disability Services
- Securing grant funding to make improvements to the Forster Community Centre
- Annual Disability Awareness Concert at Club Forster in December 2022

Catering for Councillors

A group of MidCoast Assist participants volunteered their time alongside their support workers to bring together a group which is now called MCA Council Catering. It consists of participants Meagan, Paige, Ruth and Fiona and support workers Karen Donovan and Sue Wheeler (Lead).

They prepared their first meal for Councillors on 8 February 2023 using the Yalawanyi Ganya kitchen. The lunches range from home style cooked meals to salads, slices, and baked goods. The participants look forward to developing and displaying their skills each month on Council meeting days.



MidCoast Assist participants; Meagan, Paige, Ruth and Fiona.

Emergency Management

Key Service Description	Emergency Management planning and mitigation measures to reduce the impacts of natural disasters on the community. The role acts as a conduit between Council and state government agencies during emergency management and the Local Emergency Management Committee
Department	Infrastructure & Engineering Division
Responsibility	Director Infrastructure & Engineering Services
Community Outcomes	1: A resilient and socially connected community

Key achievements

- Management and coordination of the Local Emergency Management Committee
- 100% compliance of Local Emergency Management Plan
- Review of Local Emergency Management Plan
- Assisting with controlling the outbreak of Varroa Mite throughout various locations in our LGA

Managing Natural Disasters

Throughout 2022-23, the Emergency Management team worked alongside local emergency services during several severe weather events that included the July 2022 floods affecting Gloucester, Wingham, Taree, Croki, Harrington, Bulahdelah and Forster Tuncurry. Services were activated to relieve and respond to these events, by way of road closures, stormwater flood mitigation and assisting residents and businesses with rapid inundation of flood waters.

The Emergency Management team also monitored and assisted emergency agencies that were impacted by unplanned telecommunications outages affecting their response capabilities in the Gloucester area.

In 2022, a new Australian Warning System was introduced to provide a new national approach to information and warnings during emergencies like bushfire, flood, storm, extreme heat and severe weather. The new system will allow localised warnings and messages tailored to local communities.



Taree inundated by flood waters during the July 2022 flood event that affected our major centres and several townships within our local government area.

Engagement, Communication & Education

Key Service Description	Deliver internal and external education, communication, stakeholder engagement and marketing to build community knowledge and understanding of Council's decisions, services, facilities, events and activities
Department	Engagement, Communication & Education
Responsibility	Manager Engagement, Communication & Education
Community Outcomes	<p>2: An integrated and considered approach to managing our natural and built environments</p> <p>4: Strong leadership and good governance</p>

Key achievements

- Development of new Community Engagement Strategy and Public Participation Plan
- Redevelopment of Council's website
- 4,911 Council eNewsletter subscriptions
- 2,477 people involved in community engagement activities
- 2,533 people registered for Council's online engagement platform
- 1.181 million visitors to Council's website

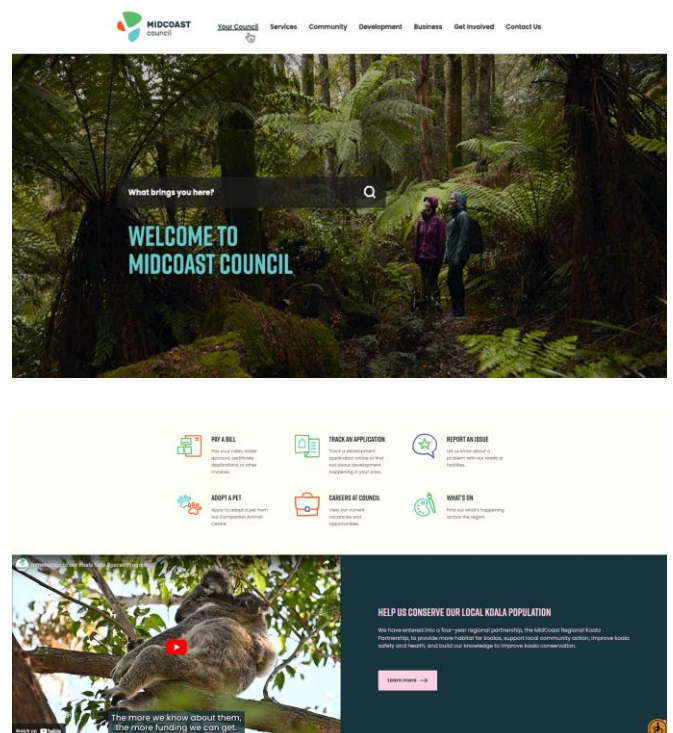
Website Refresh

With over a million visits a year, our website is an important communication channel for our community.

During the 2022-23 year we delivered a significant upgrade to the website experience. This included a redesign of the site and a reconfiguration of the information architecture to make things easier for our community to find.

A large search function on the home page provides the community with easy access to the information they are after, and quick links also guide visitors to the right place.

While the redesign project is completed, we are constantly working to improve the experience for website visitors and are regularly refining information and structure to provide an intuitive and informative experience.



Environmental Health

Key Service Description	Protect public health by monitoring compliance in retail food safety, health premises regulation (hairdressers, beauticians, tattooists), On-site Sewage Management (OSSM), underground fuel storage systems, noise regulation, air quality, air and odour control, pollution incidents and contaminated land issues
Department	Building & Environmental Health Services
Responsibility	Manager Building & Environmental Health Services
Community Outcomes	1: A resilient and socially connected community
	2: An integrated and considered approach to managing our natural and built environments

Key achievements

- Development of MidCoast On-site Wastewater Management Strategy
- 82% of food outlets with 5 or 4 'Scores on Doors' rating
- 100% of on-site sewage management new approvals compliant with the Australian Standards and NSW Best Practice Guidelines
- 100% of hairdressers, beauticians, tattooists, retail outlets assessed as high risk were inspected

On-site Wastewater Management Strategy

The On-site Wastewater Management Strategy outlines how we manage the approximately 13,000 septic systems across the region, particularly in environmentally sensitive areas where failing or poorly operated systems could harm the environment, public health, local tourism and oyster farming businesses.

The Strategy will help our Environmental Health Officers identify systems that require immediate attention to prevent or substantially mitigate large-scale pollution and contamination of ecologically and economically significant waterways.

The Strategy was developed over a 12-month period in alignment with legislative requirements and in consultation with key stakeholders, including landholders, community groups, businesses and government agencies.



The On-site Wastewater Management Strategy will help us to apply a consistent and practical approach to wastewater management across the local government area.

Finance

Key Service Description	Support Council to deliver services by providing financial and management accounting systems and services including accounts payable, payroll, treasury management, taxation and compliance, and revenue billing and recovery. It also provides external and internal financial reporting services
Department	Finance
Responsibility	Manager Finance
Community Outcomes	4: Strong leadership and good governance

Key achievements

- Financial statements prepared, audited and lodged with Office of Local Government in accordance with Audit Office Engagement Plan
- Development of Corporate Finance Methodology and Overhead Allocation Tool
- Development of Service Level Costing Methodology to support and inform Service Reviews

MidCoast Finance Policies

New policies developed throughout 2022-23 include:

- Budget Development Policy
- Budget Management Policy
- Debt Recovery & Hardship Policy
- Loan Borrowing Policy
- Pensioner Concessions Policy
- Rates – Aggregation of Land Values for Rating Purposes Policy
- Rates – Supplementary Levies & Other Adjustments Policy
- Writing off Rates, Charges & Debts Policy.



The Finance team have recently developed a methodology for Service Level Costing to support Service Reviews.

Governance

Key Service Description	Responsible for legislative compliance, information management, records management, risk and insurance management, business continuity across the organisation and corporate support to Council and the elected representatives
Department	Governance
Responsibility	Manager Governance
Community Outcomes	4: Strong leadership and good governance

Key achievements

- 100% of formal Government Information (Public Access) (GIPA) applications completed within legislative timeframes
- Formal Risk Management and Code of Conduct education held across MidCoast Council
- Internal Risk Management Funding Program to support service initiatives and mitigate identified risks
- Annual review of Council’s Business Continuity Plan to ensure critical services can continue in the event of major disruption or emergency

Code of Conduct Training

Once every three years, face-to-face Code of Conduct training is provided to all staff to remind them of their obligations in relation to the Code. In 2022-23, we delivered 33 face-to-face Code of Conduct training sessions to over 1,000 staff in five different locations.

As part of their professional development, Councillors also attended Code of Conduct training in September 2022 which was delivered by an external provider.



The Governance team delivered 33 face-to-face Code of Conduct training sessions to over 1,000 staff in five different locations.

Audit, Risk & Improvement Committee (ARIC)

The establishment of an Audit, Risk & Improvement Committee (ARIC) is a statutory requirement noted in the Local Government Act 1993 and the supporting draft Risk Management and Internal Audit for Local Government in NSW Guidelines. MidCoast Council's ARIC was established by resolution of Council at its meeting held 28 February 2018.

The MidCoast ARIC provides independent assurance and assistance to the Council on risk management, controls, governance, internal

audits, organisational performance and improvement and external accountability responsibilities. A rolling 12-month ARIC Reporting Schedule is prepared to ensure ARIC are supported and have a planned approach to each meeting.

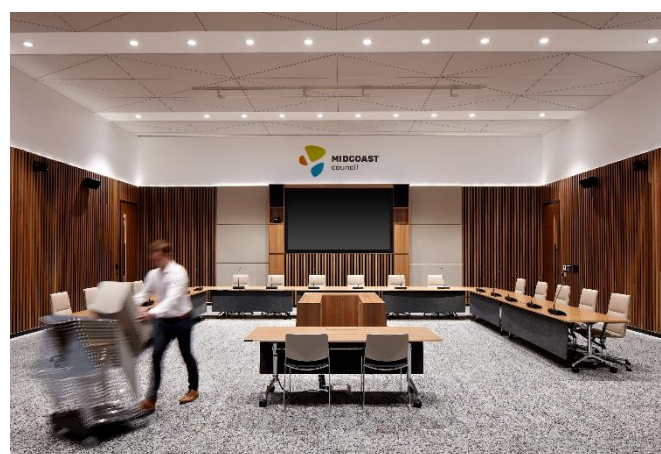
Membership to ARIC consists of three independent members and two Councillor representatives. Members attend meetings each quarter with an additional two meetings held to review the financial statements. Membership and meeting attendance information is included in the table below.

Member	Position	Role	Eligible	Attended
Stephen Coates	Independent	Chair	6	6
Sheridan Dudley	Independent	Member	6	6
Mark McCoy	Independent	Member	6	6
Cr Alan Tickle	Councillor	Member	6	5
Cr Jeremy Miller	Councillor	Member	6	6

ARIC meetings were held 12 August 2022, 18 November 2022, 24 February 2023 and 2 June 2023, with the financial meetings held 6 September 2022 and 24 October 2022.

An ARIC Annual Report is prepared and presented to Council by the General Manager. The ARIC Annual Report includes an overview of the work undertaken, an assessment of the internal audit performance and audits undertaken, Governance, Compliance, Risk Management and the ARIC Report Card.

The ARIC Charter, ARIC Annual Reports and further information in relation to ARIC is available on the website: www.midcoast.nsw.gov.au/ARIC



MidCoast Council's ARIC was established by resolution of Council at its meeting held 28 February 2018.

Council Meetings

Council meetings are usually held on the fourth Wednesday of the month at 2pm.

All meetings are held at the Council Chambers located in Yalawanyi Ganya on Biripi Way, Taree and are also livestreamed for the members of the public to view.

The meetings follow the Code of Meeting Practice and the Procedures for attendance at Council Meetings via audio-visual link.

Meeting agendas are available a few days in advance of the meetings, and minutes are tabled after the meeting. Our community are invited to speak at a Council meeting to address an agenda item or a matter of importance to them that is not on the agenda.

Councillor Meeting Attendance 1 July 2022 – 30 June 2023

Meeting Type	Total # of meetings held
Pre-meeting Briefings	15
Ordinary Council Meetings	15
Councillor Workshops	22

Councillor Name	Pre-meeting Briefings	Ordinary Council Meetings	Councillor Workshops
Cr Alan Tickle	15	15	18
Cr Claire Pontin	14	15	20
Cr David West	14	14	20
Cr Dheera Smith	11	13	18
Cr Jeremy Miller	14	14	21
Cr Katheryn Stinson	15	15	20
Cr Kathryn Bell	13	14	14
Cr Paul Sandilands	13	13	20
Cr Peter Epov	14	14	17
Cr Peter Howard	13	14	18
Cr Troy Fowler	14	14	14

Human Resources

Key Service Description	Provide human resource related services to Council including workforce planning, recruitment, industrial relations, training and development, performance management; and workplace health and safety
Department	Human Resources
Responsibility	Chief Strategy & Performance Manager
Community Outcomes	3: A thriving and strong economy
	4: Strong leadership and good governance

Key achievements

- Updated staff performance and development system
- Development of staff reward and recognition program
- Development of the Equal Employment Opportunity Management Plan

Building Careers on the MidCoast

Throughout the year, we continued to offer exciting entry-level career opportunities for apprentices, graduates and trainees as part of our Employment Based Training Strategy.

Since implementation in 2020, Council has commenced 84 new apprentices and trainees and 19 graduates. Of those commenced into apprenticeships and traineeships, 37 have successfully completed with 13 progressing to higher level traineeships, 37 remain in progress and 23 have secured permanent positions with Council. Council boasts an 84% completion rate which is more than 30% above the national average. Seven graduates have also successfully moved into hard-to-fill permanent positions.

As an equal opportunity employer committed to attracting and retaining quality staff, MidCoast Council encourages people of all ages, genders, backgrounds and levels of experience to apply.



Council's Harry Lloyd was the successful candidate for one of our graduate positions and now works in the Land Use Planning team.

Information & Communications Technology

Key Service Description	Provide and manage the Information & Communications Technology (ICT) systems and equipment across Council, manages Council communication equipment on towers and provides spatial information for the local area for NSW State agencies (such as Rural Fire Services and other emergency services) and the general public
Department	Information Technology
Responsibility	Manager Information Technology
Community Outcomes	<p>1: A resilient and socially connected community</p> <p>4: Strong leadership and good governance</p>

Key achievements

- 99.3% communications network uptime for critical assets
- 98.8% of 10.7 Planning Certificates released within 5 working days
- 82 Council sites upgraded to Wide Area Network (WAN) connectivity
- Commenced the Business Transformation Program focus on improving customer service initiatives
- Implementation of Cyber Security Awareness Program

Protecting Critical IT Infrastructure

We recognise that cyber security has become more important as cyber risks continue to evolve.

Over the last 12 months, we have made significant progress in enhancing our IT security by implementing multi-factor authentication across all critical systems to reduce the risk of unauthorised access. Additionally, our vulnerability scanning and patch management processes have been streamlined to ensure timely identification and remediation of potential weaknesses.

Our incident response plan has been refined, with tabletop exercises conducted to test their effectiveness. We have also conducted thorough security awareness training for all employees and contractors to strengthen our human firewall.



Rapid technological change in the past decade has resulted in increased connectivity and more dependency on IT infrastructure

Land Use Planning

Key Service Description	Deliver a sustainable land use planning framework for the MidCoast by working with the community and NSW Government
Department	Land Use Planning
Responsibility	Manager Land Use Planning
Community Outcomes	1: A resilient and socially connected community
	2: An integrated and considered approach to managing our natural and built environments

Key achievements

- Highly commended award in the *Planning Awards* category at the LGNSW Awards Dinner held in August 2022 for the 'Know your Zone' community engagement project
- Drafting of the new guiding plans commenced:
 - MidCoast Local Environmental Plan
 - MidCoast Development Control Plan
 - MidCoast Development Contribution Plan

A Helping Hand for Heritage Places

This year a helping hand was provided to 14 owners of heritage places through our annual Local Heritage Fund, jointly funded by MidCoast Council and NSW Government.

The heritage funding program offered grants of up to \$2,000 to restore heritage places across the MidCoast. As part of the application process, eligible property owners demonstrated their contribution to their projects, as the grant could not make up more than 50% of the total project cost. A total of \$27,500 was funded, which provided up to \$120,000 worth of value for our heritage places and our local economy.

Projects included painting and repairs to shopfronts in Wingham, Gloucester and Stroud, painting of heritage houses in Taree and Tea Gardens, and restoration of a former post office in Glenthorne. The aim of the grants is to preserve our region's heritage through sympathetic renovations and improvements.



The result of assistance through the Local Heritage Fund at Isabella Street Wingham before and after

Legal & Property

Key Service Description	Provision of timely and accurate legal services relating to Council operations and property portfolio management
Department	Governance
Responsibility	Manager Governance
Community Outcomes	4: Strong leadership and good governance

Key achievements

- 0.03% vacancy rate of Council land, buildings and premises available for leasing / licensing purposes
- 4.5% increase in total revenue of property management portfolio

Council Buildings with a New Lease on Life

Many former Council buildings have now been given a new lease on life and continue to serve our community, but in different ways.

There is now a brand-new Ambulance Station at 16 Breese Parade in Forster.

Taree Universities Campus has been granted a long-term lease of the building at 2 Pulteney Street Taree.

A former bottle shop on Lake Street Forster is now the home to the Forster Neighbourhood Centre, supporting those in need in our local community.

The buildings at 4-12 Breese Parade Forster were sold. The former administration building is set to become a bulky goods complex and the former library will be repurposed for commercial use. The library is now housed in a brand-new state-of-the-art facility at 4 Lake Street Forster.



16 Breese Parade in Forster is now a brand-new Ambulance Station.



Taree Universities Campus has been granted a long-term lease at 2 Pulteney Street Taree.

Libraries

Key Service Description	Operate 11 facilities that provide access to physical and digital library collections and information. Services include home library services; remote access to eResources; eServices; educational and recreational events; support for literacy programs; school holiday programs; access to local heritage materials and access to computers, internet and WiFi
Department	Libraries & Community Services
Responsibility	Manager Libraries & Community Services
Community Outcomes	1: A resilient and socially connected community

Key achievements

- 1,290 library events and programs held
- 12,856 people attended events and programs
- 680,770 items loaned throughout the year

Birthday Makeover for Wingham Library

For its 65th birthday, the Wingham Library received an incredible interior makeover. The heritage building itself is over 116 years old.

Wingham now has a modern, all-accessible community space that preserves the heritage charm highly valued by the community.

The ground-floor extension has more than doubled the library collection capacity, while the flexible library floor plan has spaces for both children and young people. More than 80% of the library shelving is on wheels. Shelves can be moved to create open spaces for library and community events.

The library's top floor now has extra study areas and relaxation seating. There is a small meeting room and a large multipurpose meeting room that can host livestreamed events.



Libraries: Façade makeover for the Wingham Library.

Natural Systems

Key Service Description	Responsible for meeting community expectations for the protection and management of the natural environment and ensuring legislative requirements are met. This includes partnering with other organisations, landholders and community groups to restore and improve the management of our: landscape and catchments; waterways and coastal areas; endangered ecological communities and threatened species. The service also manages weeds and biosecurity as well as monitoring and reporting on the condition of our waterways and the environment
Department	Natural Systems
Responsibility	Manager Natural Systems
Community Outcomes	2: An integrated and considered approach to managing our natural and built environments

Key achievements

- Winner in the *Invasive Species Management* category for the 'Rapid response biosecurity program to eradicate Plume Poppy' at the Excellence in the Environment Awards organised by Local Government NSW
- Data collection, habitat mapping, community engagement and development of management actions for koala conservation and planning
- 125 landholders participating in land for wildlife and other conservation programs
- Scoping study and commencement of stage 2 and 3 for Southern estuaries (Wallis, Smiths, Myall and Karuah River) and the open coast completed
- Drafting of the Koala Strategy commenced

Backyards for Biodiversity Project

The Smiths Lake Backyards for Biodiversity project is a three-year project that involves inspections of urban backyards to identify the presence of weeds that can threaten bushlands and natural areas. Where problematic weeds are found, Council staff work alongside the landholder to treat and remove the plants and identify local native plants as alternative species.

Council has received funding support to deliver bushland restoration and weed control across 60-hectares within the local area. This program also involves the installation of nesting boxes for wildlife as well as community engagement activities to promote awareness of local biodiversity. A focus of the work will be to safeguard the local yellow-bellied glider population.



The Backyards for Biodiversity Project will assist local species, such as the yellow-bellied glider.



A large male munching in a front yard in residential Tinonee

Koala Safe Spaces Program

The NSW Koala Strategy has identified that koalas are declining across many parts of the State. Council has entered a four-year regional partnership with the NSW Government to deliver a program to provide safe spaces for koala populations. The program is associated with significant State and Commonwealth funding to work with landholders and other organisations to provide more habitat for koalas, support local community action, improve koala safety and health, and build our knowledge to improve koala conservation.

The program seeks to improve the quality and quantity of habitat for local koalas to live, breed and move. It involves new research to help Council and the community to learn more about where koalas live and to better understand the key local threats. Council has worked with landholders to deliver new tree planting projects and remove weeds from existing bushland to improve the condition of koala habitats, as well as developing an action plan to address koala vehicle strike risks on priority roads.

Several thousand koala trees were provided to the community in tree giveaway events. Council also delivered two externally funded projects for koala recovery after the 2019 bushfires.

Parts of our region provide some of the best opportunities to see koalas in the wild. Understanding where koalas occur is very important and Council maintains and promotes an on-line koala sightings report form to assist in identifying these areas.

Focus on Biosecurity

Feral deer cause a range of environmental, community, agricultural and economic pressures and their population is expanding across many parts of NSW, including across the MidCoast region. Expanding deer populations are causing significant concerns to the MidCoast community. MidCoast Council received funding from the Hunter Local Land Services to develop a regional deer control partnership.

With coordinated support from other agencies, including the NSW National Parks and Wildlife Service, the program is delivering control operations and is engaging with the community to increase awareness. A focus of the program is to encourage reporting of feral deer sightings on the FeralScan website to improve our understanding of deer populations and their distribution.

Council also delivered a range of strategic and reactive weed control operations across the MidCoast region, in partnership with landholders and a range of agency and organisational stakeholders. These species include: Tropical Soda Apple, Frogbit, Chinese Violet and Plume Poppy.



A large feral Rusa Deer sighted in Forster.

Open Spaces & Recreation

Key Service Description	Provide over 3,000 hectares of parks and open spaces, 26 sporting complexes, 36 cemeteries
Department	Open Spaces & Recreation
Responsibility	Manager Open Spaces & Recreation
Community Outcomes	1: A resilient and socially connected community

Key achievements

- 100% of memorial gardens and cemeteries maintained and managed in accordance with legislative requirements
- 100% of internment compliant with NSW Public Health requirements
- Expansion of Gloucester Cemetery
- 100% of vegetation maintained in its immediate environment in open spaces and passive recreation areas
- Design approved for expansion of Tuncurry Cemetery
- 98% of reported vandalism and graffiti repaired / removed within 7 working days

Busting Graffiti on the MidCoast

Combating increased graffiti is Ted Bickford, a Council volunteer who is affectionately known as the Graffiti Buster.

He spends much of his free time responding to graffiti call outs and educating youth in the area.

Ted has noticed there has been an increase in graffiti and call outs since COVID.

“I’ve worked really hard along with Council to help keep graffiti to a minimum.

“The important message I spread to everyone is about being proud of your community.”

Ted said it is important to act on graffiti as soon as it pops up.



Ted Bickford is the local superhero ridding our region of graffiti.

Procurement, Fleet & Stores

Key Service Description	Provide oversight and delivery of Council's procurement activities and fleet management
Department	Governance
Responsibility	Manager Governance
Community Outcomes	2: An integrated and considered approach to managing our natural and built environments
	3: A thriving and strong economy
	4: Strong leadership and good governance

Key achievements

- 10% of Council's passenger vehicle fleet comprised of non-ICE (hybrid, PHEV, BEV, FCEV) vehicles*

Electric Fleet Vehicles Added to Council's Fleet

Three of Council's petrol fleet vehicles have been replaced by electric vehicles (EVs). This move aligns with our goal to reduce emissions as part of our Climate Change Strategy.

There are now 15 non-internal combustion engine vehicles, including the three new electric pool vehicles from total fleet of 143.

Staff have supported the transition to these vehicles and that is demonstrated by the high rates of utilisation since they were introduced.

Funding for our push for the use of EVs and their charging points was subsidised by a NSW Government incentive that was designed to support the introduction of EVs into organisational fleets.

These initiatives lower the cost of fuel and CO₂ emissions and deliver ongoing benefits for our community and environment.



The Kia Niro S is the newest addition to Council's EV fleet.

* Internal Combustion Engine (ICE); Plug-in Hybrid EV (PHEV); Battery EV (BEV); Fuel Cell EV (FCEV)

Regulatory Services

Key Service Description	Investigate and undertake compliance activities including illegal dumping, illegal building, companion animals (dogs and cats), animal noise complaints, parking and abandoned vehicles, public area usage
Department	Major Assessment & Regulatory Services
Responsibility	Manager Major Assessment & Regulatory Services
Community Outcomes	1: A resilient and socially connected community

Key achievements

- 13 activities to proactively educate the community of school zone parking
- Ongoing proactive activities to educate the community on companion animal ownership
- 100% compliance of the companion animal register with Office of Local Government requirements

Furry Friends on the MidCoast

Throughout 2022-23, we placed great focus on educating our community on responsible companion animal ownership. Council's Companion Animal Officer and Rangers team have facilitated and participated in seven information and drop-in sessions to promote and educate on how to be a responsible pet owner.

During the year, we also worked closely with the RSPCA to promote a subsidised desexing program for community members who attended information, vaccination, and microchipping days.

Throughout the year, of the total 310 dogs and cats that came through our pounds, 100 were collected by their owners, 120 were rehomed in partnership with animal welfare agencies and 83 were sold to new owners.



One of the responsibilities of pet ownership is microchipping and registration. Our team of rangers has been holding information sessions on how to be a responsible pet owner to protect residents and their pets.

Resilience & Recovery

Key Service Description	Resilience & Recovery Program works in partnership with stakeholders and the community to assist community members in need, as well as in building disaster-resilient communities that are better able to prepare for, respond to and recover from natural disasters <i>NB: This program is currently funded to June 2024</i>
Department	Libraries & Community Services
Responsibility	Manager Libraries & Community Services
Community Outcomes	1: A resilient and socially connected community

Key achievements

- Connected with communities to plan and deliver community workshops
- Distribution of Black Summer Bushfire Recovery Kits
- 149 community events / training hosted or supported
- 36 interagency recovery meetings held

A State of Natural Disaster

In July 2022, a state of natural disaster was declared following a devastating storm event that caused extensive damage to roads, infrastructure and outdoor areas across the region.

Roads right across the MidCoast were damaged and operations teams were deployed to attend emergency works. Various bridges were damaged with emergency repairs and temporary bridges put in place to allow our community to stay connected during this devastating time.

Total cost of damage was estimated to be between \$5 and \$10 million prompting us to apply for disaster funding to aid our recovery efforts. Other infrastructure impacted included the public wharf at Elizabeth Beach, Wingham Riverside Reserve and Queen Elizabeth Park in Taree.



Gloucester Road compromised by flood damage.



Starrs Creek Bridge damage on Waitui Road.

Sewer Services

Key Service Description	Provide a quality sewerage network including collection, treatment and recycling of sewage, laboratory testing, planning and construction of sewer infrastructure, operations and maintenance of sewerage network as well as 24 / 7 network breakdown response	
Department	Water Operations Water Project Delivery	Water Management & Treatment Water Planning & Assets
Responsibility	Executive Manager Water & Systems	
Community Outcomes	1: A resilient and socially connected community	
	2: An integrated and considered approach to managing our natural and built environments	

Key achievements

- First prize in the Innovation in Water Supply and Wastewater category at the NSW and ACT IPWEA Engineering Excellence Awards for the redesign of switchboards at Council's water and sewer pump stations
- 100% renewable energy at water and sewer sites across the region
- 98 new facility and treatment processing assets installed
- \$10.3 million spent on sewer capital investment
- Options for sustainable effluent management developed

Small Water & Sewer Sites now 100% Renewable

We have achieved 100% renewable energy at our small water and sewer sites. This arrangement will reduce our CO₂ emissions by 3,258 tonnes per year.

Our water and sewer assets account for around 80% of our overall power usage, so to be able to transition a significant proportion of these assets to renewable energy is fantastic. It also aligns strongly with our Climate Change Strategy, which was adopted in 2021 and promises to achieve net zero greenhouse gas emissions from Council operations by 2040.

Solar power systems have recently been installed at a number of our large water and sewer sites, including the Tuncurry Recycled Water Treatment Plant and the Bulahdelah Water Treatment Plant.



Solar power systems have recently been installed at our smaller water and sewer sites.

Stormwater Drainage, Flooding & Coastal Engineering

Key Service Description	Provide and manage an integrated stormwater drainage network (including detention basins), flood risk management and natural disaster impact mitigation	
Department	Projects & Engineering Operations South	Transport Assets Operations North
Responsibility	Executive Manager Transport & Engineering	
Community Outcomes	1: A resilient and socially connected community	
	2: An integrated and considered approach to managing our natural and built environments	

Key achievements

- Upper Myall and Bulahdelah Flood Study completed and presented to Council
- Taree CBD levee feasibility study and heritage impact assessment drafted
- Seal Rocks Road diversion feasibility study and local area plan drafted

Renourishment for Local Beaches

In May 2023, we completed sand renourishment activities at Jimmys Beach to protect the area from coastal erosion.

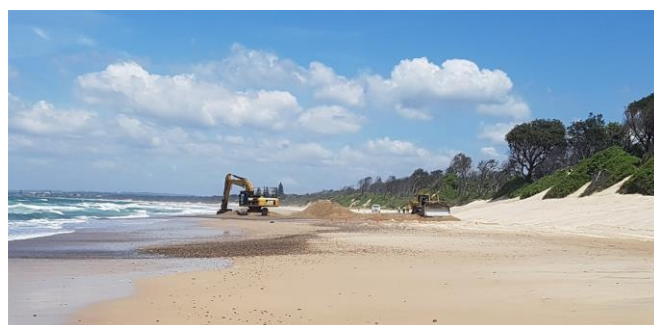
Sand renourishment is undertaken each autumn to provide a buffer to protect assets such as the road. Dredging of the eastern channel of the Myall River provides the sand for the program which also helps recreational boating.

We have also been actively trying to protect beaches from erosion at Manning Point and Old Bar through sand scraping works.

Sand scraping is an interim coastal management option that works by physically shifting sand from the intertidal zone and placing it against the upper beach area. The trial works are designed to add to the existing sand buffer, and act as a short-term solution for erosion.



Jimmys Beach: 20,000 cubic metres of sand per year is moved onto the beach to warn off erosion.



Old Bar Beach: Sand scraping using earth moving equipment to place a sand buffer along a section of the beach, from just south of the surf club.

Transport Network

Key Service Description	Provide and maintain a transport network of roads, bridges, shared pathways (includes footpaths, cycleways), streetscapes, and streetlighting throughout our 10,052 square kilometre region, including Traffic and Safety Regulation	
Department	Transport Assets Projects & Engineering	Operations North Operations South
Responsibility	Executive Manager Transport & Engineering	
Community Outcomes	2: An integrated and considered approach to managing our natural and built environments	
	3: A thriving and strong economy	
	4: Strong leadership and good governance	

Key achievements

- 5 kilometres of road constructed as part of The Bucketts Way Program
- Safety barrier and road surfacing upgrade at Thunderbolts Way Giro works completed

Additional \$7.5 Million in Local Roads

In response to community interest in improving local roads, an additional \$7.5 million was invested in our local road network in 2022-23.

We focused on roads which typically require repeat maintenance and improved the condition of these roads as a strategic investment.

Some of the projects included:

- Oxley Street, Taree
- Wherrol Flat Road, Wherrol Flat
- Lansdowne Road, Cundletown
- Central Lansdowne Road, Lansdowne
- Upper Lansdowne Road, between Melinga and Upper Lansdowne
- Hannam Vale Road, Hannam Vale
- Wallanbah Road, Dyers Crossing
- Red Head Road, Red Head

- Mermaid Avenue, Hawks Nest
- Booral Road, Bulahdelah
- Willina Road, Coolongolook
- Myall Street, Tea Gardens



Hannam Vale Road & Waitui Road, Hannam Vale & Waitui as part of the \$7.5 million Local Roads Program

\$100 Million Roads Program

As part of the ongoing \$100 million roads program, over \$22 million was invested in 2022-23. Some of the projects included:

- Wingham Road, Kolodong
- Old Bar Road, Pampoolah
- Wingham Road, near Youngs Road, Wingham
- The Lakes Way (near Chelmsbrook Drive), Rainbow Flat
- Stroud Hill Road, Nooroo



Wingham Road, Kolodong as part of the \$100 million Roads Program



Old Bar Road, Pampoolah as part of the \$100 million Roads Program

Network Renewal Programs

In 2022-23, over \$9 million was invested in our sealed road resurfacing program and unsealed road resheet program. This program saw over 223,000m² of the sealed road network resurfaced, and over 84 kilometres of our unsealed road network resheeted.

There was a continued focus on replacing ageing timber bridges during 2022-23, with over \$7 million invested in renewing our bridges.

Throughout the year, six bridges were replaced, providing secure access to some of our rural areas like Mt Coxcomb and Moorall Creek.

Works have also commenced on upgrading bridges on our main transport links such as Limeburners Creek Bridge on The Bucketts Way to support current and future growth.

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 and pothole patching.



The Bucketts Way near Gloucester, as part of the \$100 million Roads Program

Interactive Mapping for Roadworks

A new interactive map on our website provides the community with ongoing information about the large-scale roadworks that are being undertaken across the region.

We plan to invest \$60 million on major road works across the MidCoast in 2023-24, so there are a large number of projects in planning or delivery.

The new map function on the website provides the community with a snapshot of what they can expect to see delivered. We are updating the information on the map on a monthly basis, so the information is current and reflects the stage we are at in each particular area.

It includes information like timelines, funding sources, description of the work being done and what, if any impacts there will be on traffic.

It is important to note that the map only shows major renewals and new works. It does not show the maintenance, planned or unplanned, that is scheduled for an area.

In 2023-24, over \$16 million will be spent on the road maintenance program in addition to the \$60 million being invested in larger-scale works.

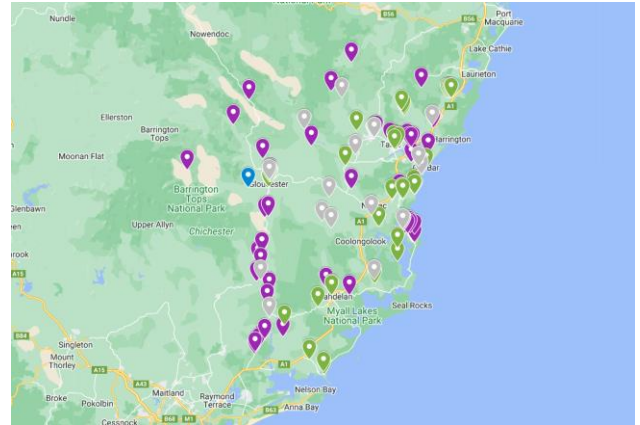
Information on Council's major road works can be found at www.midcoast.nsw.gov.au/majorroadprojects

Keeping MidCoast Kids Safe Around Cars

We joined forces with the Little Blue Dinosaur Foundation and the University of NSW on an innovative new pilot program to promote child pedestrian safety around local childcare centres.

The program encourages preschool teachers to talk to children about road safety, especially the importance of holding their parent or carer's hand on arriving and departing preschool and everywhere cars are.

MidCoast residents may notice signs urging them to 'Slow Down, Kids Around.' These signs, around beaches, parks and other busy recreational locations, are there to remind our community to be extra careful during holiday time.



The interactive map includes information like timelines, funding sources, description of the work being done and what, if any impacts there will be on traffic.



The Little Blue Dinosaur Foundation is a not-for-profit organisation established in 2014 following the death of four-year-old Tom McLaughlin due to a pedestrian-motor vehicle crash while on family holidays.



MidCoast residents may notice signs urging them to 'Slow Down, Kids Around.'

Waste Services

Key Service Description	Provide domestic, public and commercial waste collection and disposal service; a waste education program and operates six waste management centres located at Taree, Tuncurry, Gloucester, Tea Gardens, Stroud and Bulahdelah
Department	Waste Services
Responsibility	Manager Waste Services
Community Outcomes	1: A resilient and socially connected community
	2: An integrated and considered approach to managing our natural and built environments

Key achievements

- Food Organic and Garden Organics (FOGO) feasibility study to inform planning and development for food and organic service for the community
- 50kW solar system installed at Taree Waste Management Centre
- Landfill Gas Capture Trial options under exploration for Taree and Tuncurry landfill sites
- 45.76% of tonnes of waste diverted from landfill
- 1,695,171 total bin lifts

A FOGO Conversation is Starting

A feasibility study into Food Organic and Garden Organics (FOGO) services was carried out during 2022-23.

FOGO is a proven service in over 40 local government areas in NSW that improves the environmental performance of waste disposal by avoiding organic waste being disposed to landfill and reducing the harmful greenhouse gas emissions emitted during the decomposition of organic waste in landfill.

FOGO also promotes the circular management of organic waste as the FOGO material is processed into valuable soil and compost products that can be utilised across a range of agricultural and domestic uses.

There will be changes in the way the communities rubbish will be processed but it's important to note that, by all accounts, it works very well.



FOGO improves the environmental performance of waste disposal by avoiding organic waste being disposed to landfill.

Water Supply & Treatment

Key Service Description	Provide a quality water supply to the community via a water network which includes extraction, treatment and testing of water, planning and construction of water infrastructure, operation and maintenance of water network as well as 24 / 7 breakdown response	
Department	Water Operations Water Management & Treatment	Water Project Delivery Water Planning & Assets
Responsibility	Executive Manager Water and Systems	
Community Outcomes	1: A resilient and socially connected community	
	2: An integrated and considered approach to managing our natural and built environments	

Key achievements

- Development of Our Water, Our Future 2050: Integrated Water Cycle Management Strategy
- \$78,000 grant funding invested in the Bulk Water Meter Project
- \$1.6 million grant funding invested in the Safe and Secure Water Program
- \$14.2 million invested in water assets
- 100% compliance to Australian Drinking Water Guidelines
- Smart Water Meter trial rollout
- Construction commenced to expand Nabic Borefield

Our Water, Our Future

In the development of the Our Water, Our Future Strategy, we focused on the biggest water-related challenge we face over the next 30 years, which is water security.

The strategy outlines the key actions we'll undertake to deal with the impacts of climate change and population growth in the future, such as building new off-stream storage dams to increase our water security and reusing more of our wastewater to irrigate recreational and agricultural areas.

The strategy was developed following an analysis of these issues, considering their economic, environmental, governance, and social benefits and costs, in collaboration with the MidCoast community, our regulators and specialists.



Barrington River during drought. Our Water Our Future will guide how we respond to these challenges over the next 30 years.



03

STATUTORY
REPORTING

Image: Gloucester road works

Statutory Reporting 2022-23

Under the Local Government Act 1993, Local Government (General) Regulation 2021 and other NSW Government Acts, the following Statutory reports are required to be included in our Annual Report.

Activities Funded Via a Special Rate Variation

Special Rate Variation Guidelines (SRV Guidelines) 7.1

Special Rate Variation

\$7.338 million was levied in 2022-23 for allocation to existing 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 2023, \$13.249 million of funds remain restricted for these purposes. During the year Council made loan repayments totalling \$2.726 million and spent \$4.022 million on renewal works on the road network for:

- Rural Bridge Construction \$800,000
- Footpath / Cycleway Construction \$232,350
- Gravel Re-sheeting \$1,502,800
- Rural Road Rehabilitation \$500,000
- Rural Road Resurfacing \$250,000
- Urban Road Rehabilitation \$500,000
- Urban Road Resurfacing \$236,900

There were new borrowings of \$5 million taken out during the 2022-23 financial year under the Road Upgrade Program. Repayments on these and previous borrowings will be met from the Special Variation and then accumulated reserve balance.

Environmental Rate

\$4.345 million levied in 2022-23 through the Environmental Rate component of Ordinary Rates. During 2022-23, \$4.122 million of the Environmental Rate funds were spent. Funded projects included:

- Implementation of projects from the Manning Estuary Coastal Management Program including: education and awareness; partnerships with landholders to improve water quality on farms and restore refuge pools; and sediment management at road creek crossings
- Implementation of the Karuah Catchment Plan
- Implementation of the Wallis and Smiths Lake Estuary Coastal Management Plan
- Implementation of the MidCoast Biodiversity Framework

- Water Sensitive Urban Design priorities and projects
- Upgrade of life expired gross pollutant traps and completion of scheduled maintenance
- Maintenance of Council's natural area reserves through bush regeneration
- Water quality/ecological impact assessment for planning proposals, development applications and Council managed projects
- Waterway health assessment monitoring and reporting
- Development of the Southern Estuaries Coastal Management Program
- Big Swamp and Cattai Wetland management
- Koala Strategy development
- Catchment and Marine discovery program
- Climate change and sustainability initiatives
- Riverbank restoration projects
- Threatened species conservation and management focusing on grey headed flying fox camp management, migratory birds, koala, yellow bellied glider at Smiths Lake and Manning River helmeted turtle

At 30 June 2023, \$5.547 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.

Anti-slavery

Local Government Act 1993 Act s428(4)(c)

No issues were raised by the Anti-slavery Commissioner during the year concerning the operations of Council.

Audited Financial Reports

Local Government Act 1993 s428(4)(a)

Audited financial statements are provided in part four of this report.

Bodies in which council held a controlling interest

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

Hunter Joint Organisation Group Entities

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 60 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, 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 the community.
- **Arrow Collaborative Services Limited** (and its wholly owned subsidiaries **Hunter Councils Legal Services Limited** and **Arrow Collaborative Communications**) – companies limited by guarantee under the Corporations Act 2001 and established to improve the quality and efficiency of local government services throughout the Hunter Region. These organisations offer tailored local government services through three divisions: Local Government Legal, GoodChat TV, and Regional Procurement; and the Hunter JO Policy and 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 Joint Organisation member councils and Central Coast Council).
- **Hunter Councils Incorporated** – an incorporated association under the Associations Incorporation Act 2009 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)

Delegated Committees

Committee	Membership	Representatives
Audit, Risk and Improvement Committee	Two Councillor representatives Three independent representatives	Chair: Independent Cr Tickle Cr Miller

Reference Group

Committee	Membership	Representatives
Aboriginal Reference Group	Two Councillors One representative from each Local Aboriginal Land Councils (up to 4) One representative from each Aboriginal Working Parties (up to 4) Up to eight Aboriginal community member representatives	Cr C Pontin Cr J Miller Cr D Smith
Arts & Creative Industries Reference Group	Two Councillors Up to nine community representatives One Aboriginal community member	Cr C Pontin Cr A Tickle Cr J Miller
Bulahdelah Highway Service Centre Planning Agreement Reference Group	Two Councillors Two representatives from the Bulahdelah Chamber of Commerce Up to seven representatives from the Bulahdelah community	Cr K Smith (Co-Chair) Cr P Sandilands (Co-Chair) Cr A Tickle (alternate)
Community Inclusion & Wellbeing Reference Group	Two Councillor representatives plus alternate Eight community representatives Four representatives from relevant government and non-government agencies	Cr D Smith (Chair) Cr K Stinson
Community Resilience & Disaster Recovery Reference Group	Two Councillors Up to six representatives from government agencies & NGOs Up to five community members from bushfire affected areas Up to five community members from flood affected areas MidCoast Local Emergency Management Officer (LEMO)	Cr P Epov (Chair) Cr P Sandilands Cr D Smith (alternate)

Committee	Membership	Representatives
Floodplain Management Advisory Committee	Up to two Councillors Local State Emergency Service (SES) Representative from NSW Office of Environment & Heritage (OEH) Up to eight community representatives Manager Transport Assets Team Leader Coastal Flooding & Drainage Manager Land Use Planning Coastal & Flooding Engineer MidCoast Local Emergency Management Officer (LEMO)	Cr A Tickle (Chair) Cr D West
Heritage Reference Group	Two Councillor representatives Representatives from historical groups Up to five community representatives	Cr K Bell (Chair) Cr D Smith
MidCoast Destination Management Plan Review Reference Group	Two Councillors One representative from MidCoast Business Chamber One representative from Destination North Coast Up to five members of the tourism industry	Cr C Pontin Cr P Howard Cr T Fowler (alternate)
MidCoast Koala Reference Group	Two Councillors Eight community representatives Two representatives from NSW Department of Planning & Environment (DPE) One representative from National Parks One representative NSW Forestry One representative Crown Lands One representative Hunter Local Land Services (LLS)	Cr C Pontin Cr D Smith Cr P Epov
Old Bar – Manning Point Coastal Management Program Reference Group	Two Councillors Five public authority representatives One traditional owner One Old Bar Sand Replenishment Group One Manning Point Concerned Citizens Group One Manning River Action Group One Old Bar – Manning Point CoC One boating / fishing representative One bird watchers representative One community member One Manning Coastcare representative	Cr J Miller (Chair) Cr K Stinson

Working Groups

Committee	Membership	Representatives
Annual Donations Assessment Panel	Three Councillors	Cr P Howard Cr K Stinson Cr P Epov
Event Sponsorship Assessment Panel	Three Councillors	Cr P Howard Cr K Stinson Cr P Epov
Policy Working Group	Four Councillors (including the Mayor)	Cr C Pontin Cr A Tickle Cr K Stinson Cr D West

External Committees

Committee	Membership	Representatives
Bushfire Management Committee		Cr Tickle Cr Sandilands (Alternate)
Duralie Coal Mine Community Consultative Committee	State endorsed Committee	Cr K Stinson Cr P Sandilands
Hunter JO	Mayor	Mayor Pontin
Hunter Regional Weeds Committee		Cr D Smith Cr K Stinson (Alternate)
Joint Regional Planning Panels		Cr West Cr Tickle Cr Bell (Alternate)
Local Traffic Committee		Cr Fowler Cr Howard (Alternate)
Manning Valley Liquor Consultative Committee		Cr Fowler Cr Miller (Alternate)
NSW Public Libraries Association		Cr West Cr D Smith (Alternate)
NSW RFS District Liaison Committee		Cr Sandilands Cr Tickle (Alternate)

Committee	Membership	Representatives
Stratford Coal Mine Community Consultative Committee		Cr K Stinson Cr P Sandilands (Alternate)
Stroud Heritage Conservation Inc		Cr Sandilands

Other

Committee	Membership	Representatives
General Manager's Performance Review Panel	Mayor Deputy Mayor One Councillor	Cr C Pontin Cr A Tickle Cr P Sandilands
Hunter – SSA/GMAC	General Manager's from Hunter JO	General Manager

Capital Works Projects

OLG Capital Expenditure Guidelines

All of the major capital works are reported monthly for Water, Transport, Community Spaces, Waste, Natural System & Forster Civic Precinct. Quarterly reporting is provided for the Business Transformation Project.

Carers Recognition

Carer Recognition Act 2010 s8(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:

- Planning and completion of meetings for carers
- Regular consultation with carers
- Referral of carers to other available supports and services.

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

Requirement	Status
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 \$80,000 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>	Council's Companion Animal Officer and Rangers team have facilitated and participated in seven information and drop-in sessions to promote responsible pet ownership
Strategies council has in place to promote and assist the de-sexing of dogs and cats <i>16.2(d) Guidelines</i>	Council worked with the RSPCA to promote a subsidised desexing program for community members attending information, vaccination and microchipping days
Strategies in place to comply with the requirement under Section 64 of the <i>Companion Animals Act</i> to seek alternatives to euthanasia for unclaimed animals <i>16.2(e) Guidelines</i>	Animals are released to Animal Welfare Groups for no fee. Bulk email to all approved Section 88b organisations and additional emails to selected rescues. Minimal animals are euthanised. Animals which are euthanised are classified under the Companion Animals Act as unsuitable for rehoming
Off leash areas provided in the Council area <i>16.2(f) Guidelines</i>	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: www.midcoast.nsw.gov.au/dogs <ul style="list-style-type: none"> • Coomba Park – Reserve between Tallawalla Road and Mooroba 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

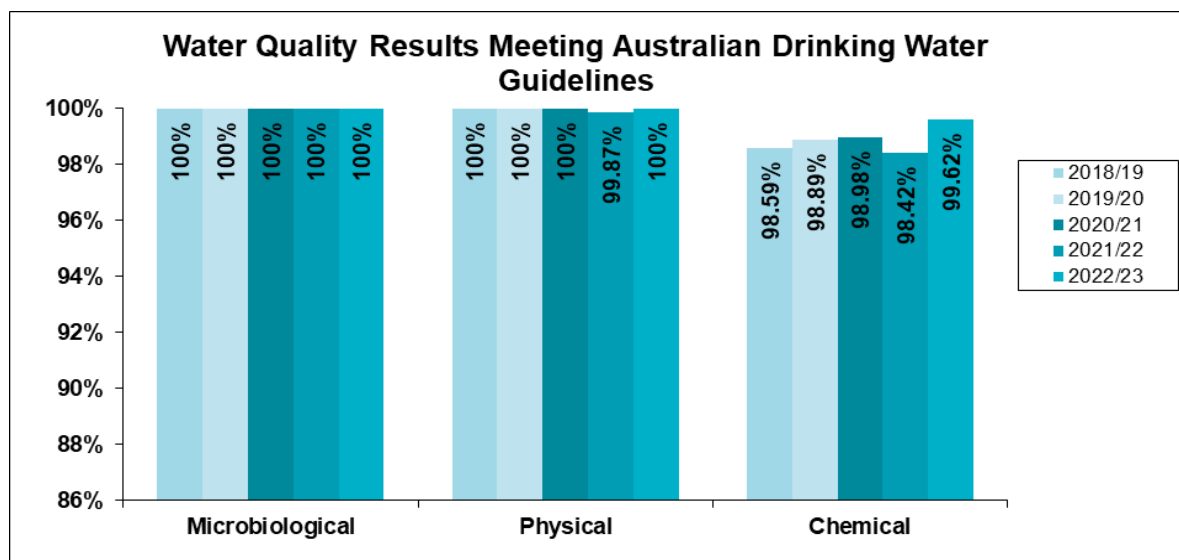
Requirement	Status
	<ul style="list-style-type: none"> • Gloucester – Eastern side of Captain Cook Park, Avon Street; Northern end of Gloucester Park, bordered by the northern carpark, the river path and Thunderbolts Way • Hawks Nest – Bennetts Beach; Providence Bay; Yacaaba Peninsula • Pacific Palms – Blueys Beach; Boomerang Beach • Smiths Lake – Sandbar/Cellito Beach • Tarbuck Bay – Brambles Reserve • Taree – Saxby Park, Stevenson Street • Tuncurry – Beach Street Reserve; Nine Mile Beach; Taree Street foreshore
Detailed information on fund money used for managing and controlling companion animals in the area	<ul style="list-style-type: none"> • Council is targeting responsible pet ownership and worked alongside the Animal Welfare League and RSPCA to assist the community in understanding responsible pet ownership

There has seen a significant increase of animals to our pound due to the impact of the local housing availability and financial constraints impacting the community.

- 310 dogs and cats processed through the pounds
- 120 rehomed in partnership with animal welfare agencies
- 100 collected by their owners
- 26 classified under the *Companion Animals Act* as unsuitable for rehoming and euthanised
- 83 sold to new owners

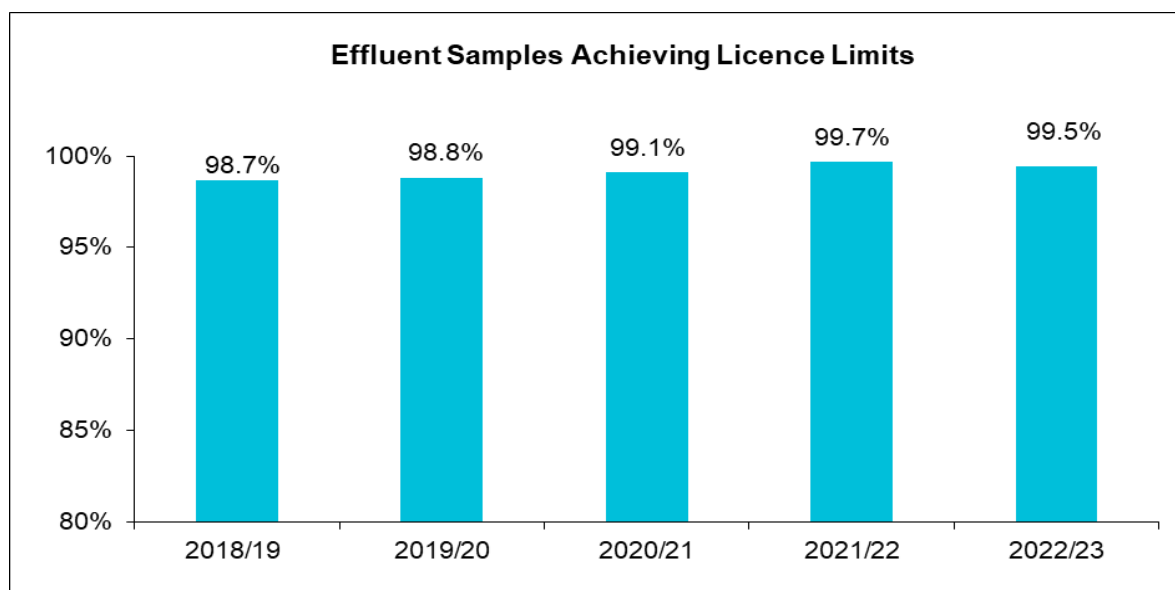
Compliance with the Australian Drinking Water Guidelines (ADWG)

During 2022-23, 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 2022-23 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

Local Government Act 1993 and the Regulation and Regulatory and Assurance Framework for Local Water Utilities (Department of Planning and Environment)

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 NSW Government's Regulatory and Assurance Framework for Local Water Utilities (the Framework) which came into effect on 1 July 2022.

This Framework provides a flexible and outcomes-focused approach to the delivery of safe, secure, accessible, and affordable water supply and sewerage services. This approach offers the community and other key stakeholders an insight into the way that Council manages key risks both now and into the future, and in the event of significant shocks, such as drought.

The delivery of the Integrated Water Cycle Management (IWCM) strategy, Our Water Our Future 2050 and the Water Strategic Business Plan will address each of the 12 strategic outcomes described within the Framework. As reflected in the figure below, a traffic light grading system has been applied to illustrate whether each of the strategic outcomes currently meet:

- a reasonable standard,
- are partially addressed or
- not addressed within the IWCM strategy.

A reasonable standard is met when each outcome has been considered and addressed in a way that is sufficient, appropriate, and robust.

MidCoast Council will seek to engage the assurance function offered by the Department of Planning and Environment once each of the 12 outcomes have been assessed internally as meeting the reasonable standard.

 1 Understanding service needs Actioned by Council: <ul style="list-style-type: none"> Community Engagement Report Water demand and sewer loading forecasts Our Water Our Future 2050 	 2 Understanding water security Actioned by Council: <ul style="list-style-type: none"> Issues Paper Options and Scenarios Report Water Yield Assessment Report 	 3 Understanding water quality Actioned by Council: <ul style="list-style-type: none"> Drinking Water Quality Management System
 4 Understanding environmental impacts Actioned by Council: <ul style="list-style-type: none"> Pollution incident response management plans Emergency management plans Compliance, testing and monitoring in line with Environmental Protection Licenses 	 5 Understanding system capacity, capability and efficiency Actioned by Council: <ul style="list-style-type: none"> Water demand and sewer loading forecasts Our Water Our Future 2050- everyday scenario including water efficiency and water education programs 	 6 Understanding other key risks and challenges Actioned by Council: <ul style="list-style-type: none"> Issues Paper risk assessment Coarse screening workshops Compliance with relevant legislation, regulations and standards Emergency management plans
 7 Understanding solutions to deliver services Actioned by Council: <ul style="list-style-type: none"> Our Water Our Future 2050 Service Optimisation Program Water demand and sewer loading forecasts Asset management strategies & plans Water Resilience Team 	 8 Understanding resourcing needs Actioned by Council: <ul style="list-style-type: none"> Strategic Business Plan, Service Optimisation Program 30-year Capital and Operating Plan Asset management strategies & plans Strategic Business Plan 	 9 Understanding revenue sources Actioned by Council: <ul style="list-style-type: none"> Our Water Our Future 2050 30-year Capital and Operating Plan Fees & Charges Community Engagement Report ID forecast socio-economic data
 10 Make and implement sound strategic decisions Actioned by Council: <ul style="list-style-type: none"> Service Optimisation Program Strategic Business Plan Community Strategic Plan Financial Modelling Report LWU Performance Monitoring 	 11 Implement sound pricing and prudent financial management Actioned by Council: <ul style="list-style-type: none"> Financial Modelling Report 30-year Capital and Operating Plan Pricing and equity review 	 12 Promote integrated water cycle management Actioned by Council: <ul style="list-style-type: none"> Our Water Our Future 2050 Community Strategic Plan Biosolids management review and strategy Our Water Our Future 2050- everyday scenario

Contracts Awarded (other than employment contracts & contracts < \$150,000)

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

Contractor	Details	Value (inc GST)
Metal Manufactures Pty Limited	MEC LED Lighting Upgrade	\$278,994.54
MLEI Bridge Pty Ltd	Cedar Party Creek Technical & Project Management Service	\$676,973.40
Reeman Constructions Pty Ltd	MEC New Studio Variations	\$334,996.52
McMahon Services Australia Pty Ltd	Boomerang Drive Footpath Construction	\$317,785.60
Earthtec Pty Ltd	Bundook Road Landslip Rehabilitation	\$231,714.01

Contractor	Details	Value (inc GST)
Finn Valley Plant & Civil Pty Ltd	Norwood Lane Landslip - Seg 30	\$333,140.27
Finn Valley Plant & Civil Pty Ltd	Isaacs Lane & Horans Road Flood Repair	\$351,028.88
Blackwoods	Hand Crank Radios - Bushfire Grant	\$226,270.00
Pacific Blue Metal Pty Ltd	Flex Base 20mm Stratford	\$250,000.00
Alliance Construction Group Pty Ltd	Bulk Civil & Concrete Works Stroud Waste Management Facility	\$276,584.68
Goldsprings Group Pty Ltd	Muldoon St Rehabilitation Stage 2 & 3 Whitbread Street to Kanangra Drive	\$2,627,100.00
JR Richards and Sons	Waste Collection Gloucester	\$430,000.00
JR Richards and Sons	Waste Collection July 2022 - June 2023 (not including Gloucester)	\$5,188,000.00
ARRB Group Ltd	Assessment of Road Infrastructure	\$357,907.00
JR Richards and Sons	Waste Management Contract	\$6,726,825.00
Pan Civil Pty Ltd	Waukivory Road Landslip Site 1	\$2,716,384.00
Reece Family Holdings Pty Ltd	High Street & Edinburgh Drive Footpaths	\$190,000.00
JR Richards and Sons	Waste Management Payments Manning Region 2022-23	\$4,489,900.00
Ditchfield Contracting Pty Ltd	Northern Gateway Cundletown	\$4,488,925.50
JR Richards and Sons	CCTV TA01 Sewer Catchment Stage 1	\$219,026.64
Earthtec Pty Ltd	Bundook Road Sites 3 & 4 Works	\$284,644.91
S5 Technology Group Pty Ltd	Check Point ITP Agreement Year 3	\$287,916.20
Stabilcorp Pty Ltd	Tinonee Road Flood Repair	\$211,500.00
Brockman Engineering Pty Ltd	Steel Reservoir GL-RES-05 Completion	\$1,870,000.00
Warner Company	Rawdon Vale Road Landslip Repairs	\$171,215.00
Stowe Australia Pty Ltd	Underbore Electrical Line	\$226,127.00

Contractor	Details	Value (inc GST)
Technology One Ltd	Software as a Service Fee Year 6	\$1,723,221.39
Mavin Truck Centre Pty Ltd	Two Hino 300 Series Trucks	\$212,071.00
Complete Urban Pty Ltd	Detailed Design of Wingham Streetscape	\$302,500.00
Data #3 Ltd	Adobe VIP 3rd year Renewal	\$161,860.96
Elster Metering Pty Ltd	Water Meter Replacement Program	\$179,454.00
Telstra Corporation Limited	Jacks Road Telstra Relocation	\$204,161.94
Pacific Blue Metal Pty Ltd	DGB 20mm Markwell Road	\$163,548.00
Origin Energy Electricity Limited	EV Operating Lease	\$175,000.00
Fulton Hogan Industries Pty Ltd	Road Seal Stratford Segs 495 to 510	\$303,852.78
Surf Life Saving Services Pty Ltd	Lifeguard Services	\$419,727.78
Boral Construction Material Groups Ltd	Bulk Gravel	\$150,000.00
Fulton Hogan Industries Pty Ltd	Waitui Hannam Vale Road Reconstruction	\$245,000.00
Innovative Filtration Solutions Pty Ltd	Portable Screw Press SP HF 09 XL	\$706,948.00
Fenworx Pty Ltd	Macquarie Street Asphalt Works	\$378,620.00
Synergy Resource Management	Taree Landfill Cell	\$273,900.00
Earthtec Pty Ltd	Bundook Road Seg 480 Slope Stabilisation	\$244,913.19
Ramboll Australia Pty Ltd	EIS Tea Gardens Rising Main Stage 3	\$153,018.80
Enyoc Pty Ltd	Civic Precinct Variations	\$2,082,911.00
MC Trucks Pty Ltd	2 X Isuzu FTR 150-260 Trucks	\$291,849.00
Stabilcorp Pty Ltd	The Bucketts Way Forbesable Road Reconstruction	\$3,851,609.10

Contractor	Details	Value (inc GST)
Data #3 Ltd	Microsoft Agreement 1 Year	\$380,467.23
Fenworx Pty Ltd	Overlay Asphalt Works Taree CRIT Track Resurfacing	\$217,800.00
Tutt Bryant Equipment	3 X Bomag Single Drum Rollers	\$563,837.01
Specialist Site Services Pty Limited	Thunderbolts Way Landslip Works	\$1,505,517.75
Saltwater Earthmoving	Peppers Mountain Communications Tower Access Road Upgrade	\$300,000.00
Parkequip Pty Ltd	Tuncurry Water Playground	\$1,406,466.60
AECOM Australia Pty Ltd	Integrated Water Cycle Management (IWCM) Options & Scenarios	\$329,945.55
Alliance Construction Group Pty Ltd	Manning Entertainment Centre New Studio Space	\$156,333.83
Dronhawk Pty Ltd	Gabion Rock Foundation Treatment Harrington Road	\$150,000.00
Eire Construction Pty Ltd	Gloucester Water Supply Reservoir & Associated Works	\$11,775,168.31
Precast Civil Industries Pty Ltd	Concrete Pipes York Street Project	\$150,000.00
Stabilcorp Pty Ltd	Wingham Bridge & Dyers Crossing Works	\$167,943.82
Alliance Construction Group Pty Ltd	Maslin Close Stormwater Drainage Extension	\$140,890.91
Fenworx Pty Ltd	Macquarie Street Asphalt Works	\$312,258.47
Finn Valley Plant & Civil Pty Ltd	Culvert Repair Works Bundook Road	\$186,424.47
Great Lakes Aggregates Pty Ltd	Ballast Rock Harrington Road	\$150,000.00
Alliance Construction Group Pty Ltd	Stroud CRC Variation 03B	\$200,165.28
Great Lakes Aggregates Pty Ltd	Gravel Wallanbah Road	\$165,000.00

Contractor	Details	Value (inc GST)
Interflow Pty Ltd	Sewer Pipe Relining	\$406,014.04
MLEI Bridge Pty Ltd	Cedar Party Creek Bridge Replacement PM	\$610,033.60
Pacific Blue Metal Pty Ltd	Ballast Rock Harrington Road	\$150,000.00
ELK Security Pty Ltd	Civic Precinct Security Equipment	\$169,172.74
Stabilcorp Pty Ltd	Heavy Patching Myall St, Booral Rd & Willina Rd	\$189,187.02
Bell Rock Marine Pty Ltd	Pelican Boardwalk Forster	\$215,600.00
RDO Equipment Pty Ltd	Isuzu FVZ Vacuum Truck	\$479,356.90
DuPont Memcor (Australia) Pty Ltd	Membrane Modules Bootawa Dam	\$278,058.66
Daniel Stallworthy	Tuncurry Water Playground Amenities	\$422,900.50
Melinga Quarry Pty Ltd	Gravel Supply Moorall Creek Road	\$151,800.00
Accurate Asphalt & Road Repairs Pty Ltd	Reseal Program Rural Roads	\$740,520.00
Bestwick Earthmoving Pty Ltd	Reseal Program Urban Roads	\$617,826.00
Barnett Earthmoving	Urban Heavy Opatch Taree	\$494,333.40
Alliance Construction Group Pty Ltd	Taree Landfill Green Waste Processing	\$703,081.55
Synergy Resource Management	Taree Landfill Cell SP2	\$781,269.50
Bioaction Pty Ltd	Supply & Install MCC Harrington 09 Odour Unit	\$364,621.40
Jim Anderson Earthmoving Pty Ltd	Sealing of Bridge Approaches	\$215,662.52
Pacific Blue Metal Pty Ltd	Asphalt Likely Street	\$150,000.00
Peace of Mind Installation & Integration Pty Ltd	Forster Civic AV Equipment	\$975,900.03
Ground Stabilisation Systems Pty Ltd	Lobban Road Stabilisation	\$704,396.00

Contractor	Details	Value (inc GST)
Polytan Asia Pacific Pty Ltd	Replacement Terry Launderers Hockey Field	\$587,370.21
Resource Furniture	Civic Precinct Library Shelving	\$406,374.56
Fulton Hogan Industries Pty Ltd	Weismantels Sealing	\$195,000.00
Lenovo Global Financial Services (Australia & New Zealand)	Biripi Way Device Procurement	\$188,073.87
Fulton Hogan Industries Pty Ltd	Gloucester Rural Roads Reseal	\$190,150.00
Toisch Pty Ltd	The Falls Bridge	\$809,756.63
Melinga Quarry Pty Ltd	Ridge Gravel Supply & Deliver Jerusalem	\$183,920.00
Pipeline Drillers Group Pty Ltd	Variations on Contract 100120-3	\$392,040.00
Accurate Asphalt & Road Repairs Pty Ltd	Resurfacing Flametree Close Taree	\$400,797.10
Holcim Australia Pty Ltd	Gravel Harrington	\$200,000.00
Holcim Australia Pty Ltd	Gravel Lansdowne Road Reconstruction	\$150,000.00
Finn Valley Plant & Civil Pty Ltd	Moppy Road Restoration	\$397,740.11
Finn Valley Plant & Civil Pty Ltd	Nowendoc Road Landslip Restoration	\$260,653.13
Martin's Lime Pty Ltd	Gravel Waterloo Road Resheet	\$159,000.00
ASV Sales & Service Pty Ltd	Two Telehandler AGRI	\$354,701.60
Pacific Blue Metal Pty Ltd	Resheet The Boulevarde	\$201,993.00
All Pavement Solutions Pty Limited	Resurfacing Program	\$165,779.00
Stabilised Pavements of Australia Pty Ltd	Wallanbah Road segs 130, 140	\$540,179.48
The Trustee for GLN Planning Unit Trust	Draft MidCoast Development Control Plan	\$188,034.00
Stabilcorp Pty Ltd	Stabilisation Tuloa Ave Coorilla &	\$152,756.80

Contractor	Details	Value (inc GST)
	Gemalla Streets	
OutKat Pty Ltd	Stroud CRC Fitout, Electrical, Water	\$154,825.00
Stabilised Pavements of Australia Pty Ltd	Wallanbah Road segs 190 - 210	\$648,792.76
Aus Coast Diving Pty Ltd	Coomba Park Baths	\$170,000.00
Bridgeworks (Aust) Pty Ltd	Deep Creek Bridge Replacement	\$1,919,665.00
Bridgeworks (Aust) Pty Ltd	Limeburners Creek Bridge Replacement	\$2,052,160.00
Finn Valley Plant & Civil Pty Ltd	Bowman Farm Road Repair	\$244,987.95
Water Resources Drilling Pty Ltd	Five Production Bores Nabiac	\$ 456,137.00
Pacific Blue Metal Pty Ltd	Gravel Clareval The Bucketts Way	\$160,000.00
Stabilised Pavements of Australia Pty Ltd	Stabilisation Warwiba Rd & South Heron Rd	\$450,000.00
Audit Office of NSW	Audit 2022-23 Financial Statements	\$225,500.00
Automation Group Pty Limited	4RF Digital Radios Project	\$265,113.20
Eire Construction Pty Ltd	Gloucester Res Contingency	\$220,000.00
Collins Williams Pty Ltd	Survey & Design Comboyne Road	\$196,996.80
KPMG Australia Technology Solutions Pty Ltd	Delivery Partner Services BTP	\$1,241,983.81
Pacific Blue Metal Pty Ltd	Pultney Street Roundabout Asphalt Works	\$220,000.00
Pacific Blue Metal Pty Ltd	Wynter - Manning St Roundabout Asphalt Works	\$269,500.00
Garwood International Pty Ltd	Isuzu NPR Garbage Truck	\$188,370.99
Stabilised Pavements of Australia Pty Ltd	Stabilisation Works Kolinda Drive	\$571,670.00
Interflow Pty Ltd	Sewer Lining Forster	\$396,268.13
Saltwater Earthmoving	Railway Street Road Reconstruction	\$446,131.88

Contractor	Details	Value (inc GST)
Mayric Engineering	Wingham Grandstand Roof	\$414,700.00
Fenworx Pty Ltd	Asphalt Works Farquhar Street	\$571,239.00
Frontier Assembly Pty Ltd	Ellenborough Falls Construction Phase One	\$158,400.00
Michilis Pty Ltd	Cove Boulevard Works North Arm Cove	\$194,989.30
Accurate Asphalt & Road Repairs Pty Ltd	Road Repairs The Bucketts Way	\$191,776.20
Hunter H2O Holdings Pty Ltd	Operational Works Planning Co-ordination	\$273,620.60
Alliance Construction Group Pty Ltd	Taree Green Waste Processing Area	\$176,072.51
Bestwick Earthmoving Pty Ltd	2022-23 Urban Roads Reseal	\$265,650.00
Stabilised Pavements of Australia Pty Ltd	Stabilisation & Spray Seal Central Lansdowne Road	\$300,000.00
Pointe Engineering Pty Ltd	Taree Landfill Landslip Remediation Work	\$241,993.40
Colas New South Wales Pty Ltd	Asphalt Works The Thunderbolts Way	\$2,817,301.75
VOR Environmental Australia Pty Ltd	New Grit Arrestor System Forster Sewage Treatment Plant	\$175,010.00
Hydroflux Epco Pty Limited	Harrington Sewage Treatment Plant Replacement Screen	\$244,399.10
Project Management Partners Pty Ltd	Project Management Framework	\$238,810.00
Gongues Constructions Pty Ltd	Nabiac Water Treatment Plant Upgrade Stage 1	\$13,909,665.00
Fenworx Pty Ltd	Road Works Princes Street	\$610,500.00
Kentan Machinery Pty Ltd	Seven Kubota Out Front Mowers & Two Trailers	\$325,400.76
Pointe Engineering Pty Ltd	Curricabark Road Landslip	\$190,490.30

Contractor	Details	Value (inc GST)
SportSafe Surfaces Australia	Cundletown Tennis Courts Resurfacing	\$176,000.00
Bosun Engineering Consultants Pty Ltd	CLIRP Flood Recovery Projects	\$407,500.00
KAZAC Civil Pty Ltd	Asphalting Works Manning River Road/Bligh Street Intersection	\$176,748.81
Detection Services Pty Ltd	Geospatial AI Pipeline Risk Monitoring	\$492,338.00
Holcim Australia Pty Ltd	Gravel Upper Lansdowne	\$250,000.00
Stabilcorp Pty Ltd	Stabilisation First Ridge Road Smiths Lake	\$219,142.07
Mullane Maintenance Pty Ltd	Replacement Water Meters	\$155,000.00
Stabilised Pavements of Australia Pty Ltd	Stabilisation & Spray Seal Jacks Road Gloucester	\$258,349.52
Own World Pty Ltd	Civic Centre Furniture	\$578,063.20
Total Drain Cleaning Services Pty Ltd	CCTV Bulahdelah Sewer	\$203,653.89
Pall Australia Pty Ltd	WH015807 Module MF UNA-620A	\$271,157.24
Mick Perry Concreting Pty Ltd	Concrete Works Vincent Fazio Park	\$158,323.00
Toisch Pty Ltd	Kings Flat Creek & Laurie's No.1 Bridges Replacement	\$1,724,794.50

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 7 September 2022. 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 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.

Allowances

Allowance Description	Amount
Mayoral allowance	\$62,510.00
Elected Member allowance	\$278,410.00
Superannuation	\$35,797.00
Expenses	\$161,097.00
TOTAL	\$537,814.00

Reportable Expenses

Reportable Expenses Description	Amount
Dedicated office equipment	\$10,560.00
Telephone & internet expenses	\$10,637.00
Conference & seminars	\$9,650.00
Training	\$3,850.00
Partner's expenses	\$0.00
Childcare expenses	\$995.00

Reimbursed Expenses

Reimbursed Expenses Description	Amount
Travel within LGA	\$15,682.78
Travel outside LGA	\$2,832.20
Conferences	\$9,650.00
Professional Development	\$3,850.00
Non-Council-Issues Phone / Internet	\$3,198.24
Home Office	\$603.52
Accommodation / Meals	\$1,410.06
Carer Expenses	\$995.00

Councillor Overseas Visits

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

There were no overseas visits by councillors, council staff or other persons representing council (including visits sponsored by other organisations) during 2022-23.

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	N / A
Induction refresher course	N / A
Supplementary induction course	N / A
Ongoing professional development program	<p>LGNSW Annual Conference 23-25 October 2022 – attended by Cr Pontin, Cr Tickle, Cr Epov, Cr Fowler, Cr Howard, Cr Miller, Cr Sandilands, Cr Smith, Cr Stinson</p> <p>Code of Conduct Training by external provider 15 September 2022 - attended by Cr Pontin, Cr Tickle, Cr Bell, Cr Epov, Cr Fowler, Cr Howard, Cr Miller, Cr Smith, Cr Stinson, Cr West</p> <p>National General Assembly of Local Government 13-15 June 2023 – attended by Cr Pontin</p>

Development contributions and development levies

Environment Planning and Assessment Regulation 2021 cl 218A(1) (2)(a),(b),(c),(d),(e),(f),(g) (3)(a),(b)

Project number & description	Kind of public amenity or public service to which the project relates	Amount of monetary contributions or levies used or expended on the project	Percentage of cost of the project funded by contributions or levies	Amounts expended that have been temporarily borrowed from money to be expended for another purpose under the same or another contributions plan	Value of land and material public benefit other than money or land used for the project	Project complete - Yes / No
Project Number 101916 - Blackhead Sports Field Lighting	Hallidays Point 2001 Superseded Plan - Open Space - allocation approved by Council Resolution 78/2023 Ordinary Meeting 22/03/2023	\$28,477	100%	\$0	\$0	No
Project Number 101461 - Wingham Library	Wingham 2001 Superseded Plan - Roads / Open Space - Allocation approved by Council Resolution 24/03/2021	\$400,000	44%	\$0	\$0	Yes

Project number & description	Kind of public amenity or public service to which the project relates	Amount of monetary contributions or levies used or expended on the project	Percentage of cost of the project funded by contributions or levies	Amounts expended that have been temporarily borrowed from money to be expended for another purpose under the same or another contributions plan	Value of land and material public benefit other than money or land used for the project	Project complete - Yes / No
Project 101709 - Fazio Park Tuncurry Water Playground	Forster District Open Space Plan - Allocation approved by Council Resolution 139/2022 Ordinary Meeting 27/04/2022	\$670,000	43%	\$0	\$0	Yes
Project (Works) 100336 - The Lakes Way Forster (Palm Lakes)	Forster District Major Roads Plan	\$4,011,565	100%	\$0	\$0	No
Project 100367 - Manning Entertainment Centre - New Studio Space	Cultural Facilities - 2016 GTCC Plan - Greater Taree Area	\$553,872	11%	\$0	\$0	Yes

Project number & description	Kind of public amenity or public service to which the project relates	Amount of monetary contributions or levies used or expended on the project	Percentage of cost of the project funded by contributions or levies	Amounts expended that have been temporarily borrowed from money to be expended for another purpose under the same or another contributions plan	Value of land and material public benefit other than money or land used for the project	Project complete - Yes / No
Project 100361 - Manning Entertainment Centre - New Studio Space - Additional Items	Taree 2001 Superseded Plan - Open Space - Allocation approved by Council Resolution	\$7,528	11%	\$0	\$0	No
No Project - Funds Released via Council Resolution of 25/09/2019 - 2001 GTCC Superseded Plans	Greater Taree 2001 Superseded Plan - Central Library	\$74,103	0%	\$0	\$0	Yes
No Project - Funds Released via Council Resolution of 25/09/2019 - 2001 GTCC Superseded Plans	Greater Taree 2001 Superseded Plan - Aquatic Centre	\$27,517	0%	\$0	\$0	Yes

Project number & description	Kind of public amenity or public service to which the project relates	Amount of monetary contributions or levies used or expended on the project	Percentage of cost of the project funded by contributions or levies	Amounts expended that have been temporarily borrowed from money to be expended for another purpose under the same or another contributions plan	Value of land and material public benefit other than money or land used for the project	Project complete - Yes / No
No Project - Funds Released via Council Resolution of 25/09/2019 - 2001 GTCC Superseded Plans	Greater Taree 2001 Superseded Plan - Rural Fire Fighting	\$65,951	0%	\$0	\$0	Yes
No Project - Funds Released via Council Resolution of 25/09/2019 - 2001 GTCC Superseded Plans	Hallidays Point 2001 Superseded Plan - Rural Fire Fighting	\$20,371	0%	\$0	\$0	Yes
No Project - Funds Released via Council Resolution of 25/09/2019 - 2001 GTCC Superseded Plans	Old Bar 2001 Superseded Plan - Rural Fire Fighting	\$3,013	0%	\$0	\$0	Yes

Project number & description	Kind of public amenity or public service to which the project relates	Amount of monetary contributions or levies used or expended on the project	Percentage of cost of the project funded by contributions or levies	Amounts expended that have been temporarily borrowed from money to be expended for another purpose under the same or another contributions plan	Value of land and material public benefit other than money or land used for the project	Project complete - Yes / No
No Project - Funds Released - Superseded Gloucester Shire Council Plans	Bushfire	\$549	0%	\$0	\$0	Yes

The total value of all contributions and levies received during the 2022-23 financial year was \$7,862,880.

The total value of all contributions and levies expended during the 2022-23 financial year was \$5,862,947.

Disability Inclusion Action Plan

Disability Inclusion Act 2014 s13(1)

Overview

MidCoast Council's second Disability Inclusion Action Plan (DIAP) was developed in 2022 after consultation with people with disability and their carers', and disability service providers. The DIAP was adopted by Council on 27 July 2022. This report outlines progress made against the strategies in the DIAP during 2022-23.

Focus Area 1 – Attitudes and Behaviours

Objective – People living with disability on the MidCoast are recognised and valued

Action: Recognise and celebrate International Day of People with Disability and other significant dates through Council events and social media networks

In celebration of 2022 International Day of People with Disability, Council and the Manning Regional Art Gallery partnered with Dundaloo Support Services to run a community art project called "Imagine". Art packs were distributed to people with disability via schools and service providers. The resulting art works were converted into giant posters which were pasted onto the external walls of the Manning Regional Art Gallery to form an accessible exhibition.

The MidCoast Assist Disability Awareness Concert was held in December 2023. The event was a fantastic night for the participants to stand up, have a voice and build capacity. It also helped to break stereotypes and showcase the capabilities of people living with a disability.

Objective – MidCoast Council's use of graphics is representative of our community

Action: Use content that includes people with disabilities when depicting the community

Council uses a diversity of visual media to communicate internally and engage with our community externally including print, digital and social media channels. Council has included a conscious objective to include representation of different communities and cultures including people with disabilities and is exploring alternative avenues for the representation of people with nonphysical disabilities.

Focus Area 2 – Liveable Communities

Objectives – Footpath safety and connectivity are improved; Opportunities for active transport are improved and promoted

Action: Seek funding for additional works not identified in the Pedestrian Access & Mobility Plan

Action: Continue to consult with the community to identify improvements

Community input into the Pedestrian Access and Mobility Plan (PAMP) has assisted us in planning and prioritising community needs. Council acknowledges that each project that is delivered is an incremental improvement to removing restrictions and enabling people to use our transport network.

The following works were completed during the year:

The Pelican Boardwalk in Forster received a new decking made from new specially reinforced plastic that provides better grip for those walking, using walking aids or the tyres of mobility aids.

Funding was secured to extend the Pelican Boardwalk further towards the beach to improve beach access.

The Diamond Beach viewing platform has been upgraded with reinforced plastic planks and the paths have been widened and repaved to improve accessibility.

Funding was secured to upgrade the Hawks Nest Fisherman's Platform delivering a revitalisation project providing a safe and accessible facility for the recreational fishing community.

The Browns Creek walkway has been repaired and is now more accessible and safer for people with disability

A path extension along Oxley Street in Taree was undertaken to improve pedestrian connectivity with the Chatham Street path and the broader path network.

A path extension along Boomerang Drive resulted in improve pedestrian connectivity with the residential areas and local school.

Pathways on Mirreen Street and Tuloa Street in Hawks Nest now link Peter Sinclair Gardens to the local shopping facilities.

Work on the Wingham Streetscape project continues with detailed designs considering disabled parking in compliance with Australian Standards, with quantum of spaces in accordance with the approved strategic plan; and improving footpath levels for property access where possible. Construction will take place over several years as funding becomes available.

Focus Area 2 – Liveable Communities cont.

Objective – MidCoast Council’s community Inclusion & Wellbeing Reference Group advocates for the needs of people with disability

Action: Council officers advise the Community Inclusion & Wellbeing Reference Group and support identified actions

The Community Inclusion & Wellbeing Reference Group was established in December 2022 and is meeting quarterly.

Meetings have explored strategic priorities across the Disability Inclusion Action Plan, Ageing Strategy, Open Spaces and Recreation Strategy. The Community Inclusion & Wellbeing Reference Group have worked with Council’s specialist planners to explore Council’s community facilities and recreation work plans for upgrades and advocated for accessibility upgrades to Council facilities.

Objectives – Council’s amenities meet the needs of people with disability; Council’s recreational spaces meet the needs of people with disability

Action: Seek funding to install lift-and-change facilities where appropriate

Fazio Park Water Playground

The new Fazio Park Water Playground in Tuncurry has been opened. Accessible design ensured the playground is accessible with flat access, aligning with principles of Play Space Strategy, Universal Design and intergenerational play. New amenities at the park include ambulant facilities and a fully accessible adult change facility.

Action: Provide compliant accessible toilets

Park Amenities Upgrades

The following improvements were made to public amenities:

John Wright Park Tuncurry; Providence Park at Hawk Nest and Old Bar Park: works to rebuild amenities were completed and include ambulant and accessible amenities.

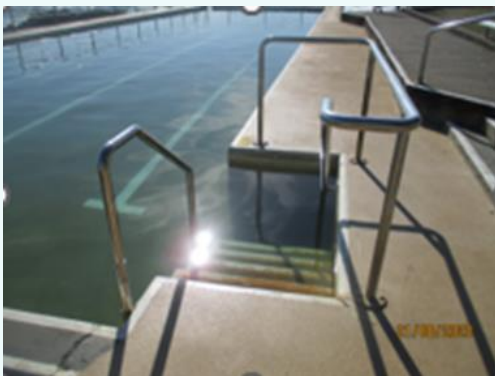
Bulahdelah Lions Park: accessible amenities were constructed where none were previously available.

Focus Area 2 – Liveable Communities cont.

Objectives – Council’s amenities meet the needs of people with disability; Council’s recreational space meets the needs of people with disability

Action: Seek funding to install lift-and-change facilities where appropriate

Action: Provide compliant accessible toilets



Pool Upgrades

Tea Gardens Pool: A major upgrade of Tea Gardens Pool was completed in January 2023, including both accessible bathrooms being upgraded with wider doors, improved toilet, sink and shower access and level paths from the pool entrance, improving access from the bathrooms all the way to the carpark. Improved emergency access was also achieved.

A speciality ramp has also been added to the main pool to allow access for people with mobility difficulties, and new storage sheds for some of the pool’s user groups to store mobility aids in a safe, dry space have been provided.

Black Head Ocean Pool: this popular ocean pool was upgraded with final sealing work completed to allow a smooth, safe surface for all community members. The works particularly benefit residents who may have lower mobility or use mobility aids.

Open Space and Recreation Strategy

Council’s new Open Space and Recreation Strategy was developed and approved, after extensive consultation with the community. The new Strategy recognises that we have a broad demographic in our LGA and includes strategies to improve accessibility and connection across the LGA, including access to the beach.

Area-specific Master Plans will be developed to sit under the Open Space and Recreation Strategy. A Taree Recreational Grounds Master Plan is now being developed to make this open space more accessible. Planning commenced to consult with community for the development of the Old Bar Park Master Plan.

Focus Area 2 – Liveable Communities cont.

Objectives – Council’s amenities meet the needs of people with disability; Council’s recreational space meets the needs of people with disability

Action: Other public spaces and facilities



Public Spaces and Facilities Improvements

The following improvements were made to other public spaces and facilities:

Nabiac & Bulahdelah Showgrounds: Council received feedback from the community regarding the Draft Nabiac and Bulahdelah Showgrounds Plans and after completing a final submission, the NSW Department of Planning and Environment endorsed the plans in February 2023. Plans have been adopted.

Gloucester District Park: Council obtained funding from the NSW Government to repair or replace picnic shelters, park benches and pathways, and undertake minor improvements. Consultation with the Bucketts Way Neighbourhood Centre identified a list of repairs for the Aboriginal cultural area, Minimbah Park. Works included asphalt repairs to improve access for people with disability, parents with prams and people with mobility walkers.

Gloucester Grandstand: works to provide seating for 484 people, new steps, handrails, an accessible seating area and more accessible parking were completed. The project was funded by the NSW Government’s Stronger Country Communities Program.

Blackhead Skate Park: planning for a new Skate Park commenced, to create an open space welcoming to everyone including access ramps, flatter surrounding spots to watch the action and wider skating platforms to suit a range of scooters and skateboards.

Forster: several picnic tables have been widened and structurally changed so that a wheelchair can comfortably pull in under the table.

Focus Area 2 – Liveable Communities cont.

Objectives – Council’s amenities meet the needs of people with disability; Council’s recreational space meets the needs of people with disability

Action: Include wheelchair beach access in Forster Main Beach Master Plan

Wheelchair access to beaches is included in the Open Space and Recreation Strategy. Master plans sit under this overarching strategy and funding is currently being sought to implement access to main beaches in the LGA.

Action: Other building works

Wingham Library

The \$1,000,000 major renovation and expansion of Wingham Library was completed. The project was jointly funded by MidCoast Council and the State Government with \$500,000 coming from the 2019/20 Public Library Infrastructure Grant Program from the NSW Government, as well as a further \$400,000 from the Wingham area developer contributions, and \$100,000 from the library general budget.

Key features of the project included a ground-floor extension, and restoration of the library’s top-floor. Upstairs was previously unused by the community but now includes additional study areas, relaxation seating and a large meeting room with the capacity to host events. The top floor is now accessible by a new internal lift and the roof of the extension has been replaced. Furniture selection considered library users of all abilities including features such as electronically adjustable tables, accessible public computers and internet kiosks, and accessible public amenities.

Manning Entertainment Centre

Funding was secured with an Accessibility Grant from Create NSW (Creative Capital) money for minor improvements including stair safety in the auditorium, handrails, footpaths and portable chair lift, quiet room and automatic doors for foyer all of which will improve access for patrons.

The Beryl Jane Flett Studio was completed. The vibrant new theatre space provides an accessible and affordable performance space that will allow for a greater range of performance options for the MidCoast community.

A full access audit has been commissioned for the Manning Entertainment Centre (MEC). The report advises on compliance and inform a priority list for seeking future grant funding and accessibility improvement projects.

Focus Area 2 – Liveable Communities cont.

Funding has been secured for purchasing a portable wheelchair lift that can move throughout the space to assist patrons and performers living with disability improving access the main stage.

The MEC car park and pathways have been resurfaced to allow easier access for lower mobility patrons.

Community Halls

The Lower Manning Resilience Group is working with Council to add solar power generators and lights to community halls for disasters making them more visible and accessible, while also having a power source to run various living assistance items that need power to run.

Forster Community Centre

The MidCoast Assist disability services has completed plans to improve the facilities to better meet the needs of the community, including upgrades to the breakout areas and kitchen including Disability Discrimination Act (DDA) compliant lower power points, benches suitable for wheelchair access, etc. A hoist for wheelchair access in the MidCoast Assist minibus has been installed.

Objective – Ensure adequate accessible parking bay provision

Action: Conduct parking surveys in high-use areas to ensure adequate accessible parking bays available

Action: Follow standards/guidelines regarding the number of accessible parking bays provided for any new works

The Transport Assets Team continues to assess need and respond to community demand for accessible parking. The Bulahdelah community provided input to the location of accessible parking in the town centre.

Focus Area 3 – Employment

Objective – MidCoast Council is an accessible and inclusive place of work and people with disability feel comfortable and safe working here

Action: Undertake a Recruitment Review through the Australian Network on Disability

The Australian Network on Disability completed a Recruitment Review and provided a Report in October 2022. An Action Plan has been developed in accordance with the recommendations provided by the Australian Network on Disability. Many of the recommendations have been actioned. Council will continue to implement the remaining actions through 2023.

Action: Develop an Action Plan from the Australian Network on Disability Recruitment Review report

MidCoast Assist participants have been catering for, serving, and meeting Councillors in the specially provided Catering Kitchen at Yalawanyi Ganya during Council Meetings. This fosters capacity building, raises awareness of what people with disability can do, and has allowed connections to develop between the participants and Councillors.

Objective – Raise awareness with local businesses of the benefits of employing people with disability

Action: Liaise with Chambers of Commerce to raise awareness of the benefits of employing people with disability

MidCoast Assist has been boosting life skills building with participants through a program where participants interview management level employees within Council and external business. The process – from filming location to selecting the interviewees – is discussed and decided with the help of the participants.

The Customer Service team has started researching the creation of 'greeting' roles to be filled by local people with disabilities.

Objective – People with disability are included on Council interview panels

Council is currently updating its employee database to allow accurate reporting of diversity information. Once complete, Council will be able to efficiently identify employees with disability to potentially include on interview panels.

Focus Area 4 – Systems and Processes

Objective – Council Staff are aware of the needs of people with disability

Our Customer Service team are now offering in-person and over-the-phone assistance navigating our and other related websites like Service NSW to people who struggle with digital literacy.

Council's Communications team finalised a major overhaul of our website to add more accessibility features and to make it more intuitive.

Council is now releasing copies of new Strategy Plans to council hubs, depots, and Libraries to provide an option for perusal for those with low digital literacy.

Libraries continue to invest in and enhance the service offering including:

- Computers across the MidCoast Libraries branches have been upgraded to speciality touch screen monitors. This means that it is easier for library patrons to access and increase digital literacy. Some of the benefits include the ability to increase magnification on screen with a swipe of two fingers, better speakers to make audio clearer, Bluetooth connectivity to allow connection to hearing devices, etc. Patrons have been blown away with the improvements and there has been a noticeable increase in computer usage.
- A significant investment in large-print books, audiobooks, DVD and CD collections which are popular with people with vision impairment and low literacy. Suggestions and requests from disability support groups contribute to the relevancy and currency of the collection.
- The online audio and e-book collection through Borrowbox, Libby and Canopy services is growing in popularity and new releases are added regularly. Usage of these platforms has increased by 11%.
- Self-service check outs offer independency to users.
- Refinements in collection processing have resulted in large print labels being larger and clearer.
- The home library lending service, delivering books to people who have difficulty leaving their homes continues to grow, with more than 50 new clients added in the last year. This service suits people with mobility challenges.

Focus Area 4 – Systems and Processes cont.

Objective – Council Staff are aware of the needs of people with disability

- Tech Savy classes are offered in the library and in local nursing homes and retirement villages to assist people with the skills required to use the online platforms.
- New Wingham and Forster Library pathways have been improved with more space between shelves so that all collections are more accessible and turning is easier with the use of mobility aids.
- Substantial dyslexic and literacy collections are updated regularly.
- A wide variety of online databases and other resources; availability of 24/7 online services, including access to the catalogue and membership details.

Objective – People living with disability are included in engagement activities and their ideas are considered in the development of plans for services, facilities, and activities

Action: Community Relations team continues to upskill in engagement practices.

Action: Increase opportunity for participation of people with disability in community engagement activities

Council's Engagement, Community & Education team and Community Development team have progressed to a full IAP2 qualification with some team members achieving full qualifications. IAP2 (International Association for Public Participation) is the peak body for community and stakeholder engagement sector. Its approach to engagement improves environmental, social and governance outcomes and increases trust in the democratic process.

A review of the community engagement strategy was conducted which included a randomised but weighted telephone survey, where people with disability were consulted to determine how we can better meet their needs.

People with disability are identified as a stakeholder in all engagement activities and the Engagement team tailors activities to encourage participation as necessary, including providing the opportunity for one-on-one interviews, phone interviews etc.

Environmental Upgrade Agreements

Local Government Act 1993 Act s54P(1)

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

Equal Employment Opportunity (EEO) management plan activities

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

- A new EEO Management Plan and Fair Treatment Policy
- Implemented a Bullying, Harassment & Discrimination Prevention Policy
- Annual Employment Based Training Scheme to offer traineeship and apprenticeship opportunities
- Mandatory Training on Sexual Harassment for Manager and Employees
- Implemented an action plan to address outcomes of an audit of Council's recruitment processes undertaken by the Australian National Disability Network
- Mandatory Code of Conduct Training for all employees
- Development of a LEAD program for future leaders
- Employee participation in 'Women Rising' program to develop future female leaders
- Employee participation in the "Rural Management Challenge" to develop potential leaders

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.

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 8A: Details of the review carried out by the agency 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

Reviews carried out by the agency	Information made publicly available by the agency
No	No

Clause 8B: The total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications)

Total number of applications received
64

Clause 8C: The total number of access applications received by the agency 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)

Number of Applications Refused	Wholly	Partly	Total
	0	2	2
% of Total	0%	100%	

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	6	5	0	0	1	0	0	0	12	16%
Not for profit organisations or community groups	0	1	0	0	0	0	0	0	1	1%
Members of the public (by legal representative)	5	8	1	3	2	0	0	0	19	25%
Members of the public (other)	18	16	4	3	2	0	0	0	43	57%
Total	29	30	5	6	5	0	0	0	75	
% of Total	39%	40%	7%	8%	7%	0%	0%	0%		

* 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*	4	0	0	0	0	0	0	0	4	5%
Access applications (other than personal information applications)	27	27	5	6	4	0	0	0	69	92%
Access applications that are partly personal information applications and partly other	0	2	0	0	0	0	0	0	2	3%
Total	31	29	5	6	4	0	0	0	75	
% of Total	41%	39%	7%	8%	5%	0%	0%	0%		

* 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	1	50%
Cabinet information	0	0%
Executive Council information	0	0%
Contempt	0	0%
Legal professional privilege	1	50%
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	2	

*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	7%
Law enforcement and security	1	2%
Individual rights, judicial processes and natural justice	29	67%
Business interests of agencies and other persons	9	21%
Environment, culture, economy and general matters	1	2%
Secrecy provisions	0	0%
Exempt documents under interstate Freedom of Information legislation	0	0%
Total	43	

Table F: Timeliness

	Number of applications*	% of Total
Decided within the statutory timeframe (20 days plus any extensions)	63	98%
Decided after 35 days (by agreement with applicant)	1	2%
Not decided within time (deemed refusal)	0	0%
Total	64	

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total	% of Total
Internal review	2	1	3	50%
Review by Information Commissioner*	1	0	1	17%
Internal review following recommendation under section 93 of Act	1	0	1	17%
Review by NCAT	1	0	1	17%
Total	5	1	6	
% of Total	83%	17%		

*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review	% of Total
Applications by access applicants	3	100%
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0	0%
Total	3	

Table I: Applications transferred to other agencies.

	Number of applications transferred	% of Total
Agency-Initiated Transfers	0	0%
Applicant - Initiated Transfers	0	0%
Total	0	

Legal Proceedings (Costs Incurred)

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

Matter	Court	Cost	Status	Result
Palm Lake Resorts Pty Ltd	Land and Environment Court of NSW	\$ 216,934.45	Ongoing	Ongoing
Serenitas Pty Ltd	Land and Environment Court of NSW	\$235,176.13	Finalised	Appeal upheld. Development Consent granted
O'Hara	Land and Environment Court of NSW	\$59,395.40	Finalised	Appeal upheld. Development Consent granted
Private Property Pty Ltd	Land and Environment Court of NSW	\$34,469.66	Finalised	Appeal upheld. Conditional exemption granted

Matter	Court	Cost	Status	Result
Wolin Property Investments Pty Ltd	Land and Environment Court of NSW	\$26,090.95	Finalised	Appeal upheld. Development Consent granted
Tea Gardens Farms Pty Ltd	Land and Environment Court of NSW	\$12,325.35	Ongoing	Ongoing
Jarane Pty Ltd	Land and Environment Court of NSW	\$5,530.00	Ongoing	Ongoing
Doyle	Local Court	\$4,070.34	Finalised	Matter withdrawn and Penalty Infringement issued
Longview Farm	Local Court	\$3,407.25	Finalised	Matter convicted
Pascall Investments Pty Ltd	Local Court	\$2,092.38	Finalised	Matter convicted
V & K Holdings Pty Ltd	Land and Environment Court of NSW	\$1,979.45	Ongoing	Ongoing
Brokers Property Holdings Pty Ltd	Local Court	\$1,426.70	Finalised	Matter withdrawn
Agility Pty Ltd	Local Court	\$786.50	Finalised	Matter convicted

Modern slavery

Local Government Act 1993 Act s428(4)(d)

Council's Statement of Business Ethics Policy was revised during 2022-23 to include an explicit requirement that all suppliers to Council must comply with the Modern Slavery Act 2018 (NSW), and to clarify that compliance with the Statement of Business Ethics Policy applied to all proposals submitted by suppliers.

The policy revisions included additional information in regard to Council's opposition to all forms of modern slavery and its requirements of its suppliers in regard to human rights. The revised policy has been adopted following a period of public exhibition.

Further measures to increase awareness of the Modern Slavery Act 2018 (NSW) and its implications have been identified for action in 2023-24. Overall direction has been taken from the Office of the Anti-slavery Commissioner.

Private swimming pool inspections

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

34 inspections of tourist and visitor pools.

34 inspections of properties with more than two dwellings.

119 Inspections resulted in the issuance of compliance certificate.

167 Inspections resulted in the issuance of a non-compliance certificate.

Public interest disclosure

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

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 4 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.

Statistical Information on PIDs

Description	July 2022 – June 2023
Number of public officials who made PIDs	2
Number of PIDs received	2
Of PIDs received, number primarily about:	
Corrupt Conduct	0
Maladministration	0
Serious and substantial waste	2
Government information contravention	0
Local government pecuniary interest contravention	0
Number of PIDs finalised	0

Commentary on PID Obligations

MidCoast Council has established an internal reporting policy. The current version of this policy was adopted by Council on 11 March 2020.

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.

Rates & charges written off during the year

Local Government (General) Regulation 2021 cl 132

Description	Amount
Postponed Rates and Charges <i>Local Government Act 1993 s 595</i>	\$24,974.00
Council Resolution <i>Local Government (General) Regulation 2021 cl 131</i>	\$25,405.00
Pensioner Rate Reductions <i>Local Government Act 1993 s 575(2)</i>	\$4,633,286.00
Concealed Leak Applications <i>Local Government (General) Regulation 2021 cl 132</i>	\$159,800.00

Recovery and threat abatement plans

Fisheries Management Act 1994 s220ZT(2)

Not applicable to MidCoast Council

Service Optimisation Program

Local Government Act 1993 s428(3) & Integrated Planning & Reporting Guidelines (5.3)

In September 2021 the NSW Office of Local Government (OLG) released a new Integrated Planning & Reporting Framework that included a requirement for Councils to deliver a program of service reviews. The OLG further advised that it expected a service review program to be in place following the September 2024 elections. In preparation for the introduction of a program of reviews, Council has developed profiles for its 32 key services, identified 95 sub-services, and commenced work on capturing the current level of service outputs provided.

The following areas of service were reviewed through community engagement activities and the development of strategies and plans:

- Economic Development – a five-year strategy supporting economic capacity, through collaboration with local businesses and the business community
- Open Space and Recreation – a 12-year strategy that provides a key planning mechanism for the management of public open spaces

- Culture – a ten-year cultural plan focused on addressing key priorities areas identified by local Aboriginal people and community service providers
- Community Engagement – a four-year strategy supporting communication and engagement with the community and providing information on community’s role in decision-making
- On-Site Wastewater – a four-year strategy to guide the regulation of septic systems across the region
- Water – a 30-year strategy to guide the provision of water supply and storage.

Stormwater management services

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

\$888,580 was levied in 2022-23 through the Stormwater Management Charge.

During 2022-23 \$2,051,000 was spent on projects, including:

- Completion of construction plans for Dunns Creek water quality improvement wetland
- Refurbishment of two gross pollutant traps, Blackhead and Diamond Beach
- Commencement of an independent audit of wetlands and bioretention
- Maintenance of gross pollutant traps, water quality improvement wetlands and bioretention.

An amount of \$940,380 remains in the Stormwater Management Reserve for ongoing works.

Total persons who performed paid work on Wednesday 23 November 2022

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

On Wednesday 23 November 2022, there were 1,038 persons directly employed by Council. This is detailed in the following table:

Description	Number
Persons employed on a permanent full-time basis	744
Persons employed on a permanent part-time basis	140
Persons employed on a casual basis	95
Persons employed under a fixed term contract	59
Persons employed by Council who are "senior staff" for the purposes of the <i>Local Government Act 1993</i>	3
Persons engaged by Council, under a contract or other arrangement with the person's employer, that is wholly or principally for the labour of the person	60
Persons supplied to Council under a contract of other arrangement with the person's employer, as an apprentice or trainee	0

Total remuneration package of the General Manager

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

Description	Amount
Total value of salary component of the package	\$405,013.00
Total amount of any bonus, performance or other payments	\$0.00
Super	\$44,551.00
Non-Cash	\$0.00
Fringe Benefits	\$0.00

Total remuneration of senior staff members

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

Description	Amount
Total value of salary component of the package	\$844,114.00
Total amount of any bonus, performance or other payments	\$0.00
Super	\$90,096.00
Non-Cash	\$0.00
Fringe Benefits	\$0.00

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

The total amount contributed or otherwise granted to financially assist other for the 2022-23 year was \$486,000.

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 and Susan Eve Hill regarding dedication of a Biodiversity Lot in exchange for two residential lots	Current – no activity during reporting period. To be actioned after subdivision construction works are completed
Carmona Drive, South Forster (2012)	Agreement between Council and Acornlane Pty Limited and Homeborne Pty Limited and the Minister for Environment in connection with rezoning of land. Relates to environmental restoration works and dedication of land to the Minister	Current – no activity during reporting period
Seven Mile Beach, The Lakes Way, South Forster (2007)	Agreement between Council and Seven Mile Beach Holdings Pty Limited in connection with rezoning of land	Current – no activity during reporting period
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 offsets via a vegetation management plan and requires any development over the site to meet a set of water quality objectives	Current – no activity during reporting period
210 Diamond Beach Road, Diamond Beach (2013)	Agreement between Council and SAF Properties Pty Limited regarding the provision of environmental corridors and community infrastructure such as access, facilities and landscaping	Current – Development Application (317/2012/DA) for subdivision approved 1 May 2013. Subdivision construction occurred during reporting period and public reserve has been dedicated to Council
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 – land for public access dedicated to Council during reporting period

VPA	Overview	Status
391 Diamond Beach Road, Diamond Beach (2019)	Agreement between Council and Sybury Pty Limited regarding the preparation of a Public Access Strategy by Council and adoption by 11 October 2020, and the 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 (DA2021/1724) approved by Council on 21 December 2022 that would enable subsequent dedication of land to Council for construction of footpath through a condition of consent
90 High Street, Black Head (2014)	Agreement between Council and Halliday Shores Retirement Living Pty Limited regarding the provision of landscaping	Current – no activity during reporting period
303 Blackhead Road, Hallidays Point (2010)	Agreement between Council, John Earnings Pty Limited, Island Point Plantations Pty Limited, and Brichris Pty Limited regarding the dedication of lands and associated works at Tallwoods Village, Hallidays Point	Current – Development Application (DA2022/0665) lodged during the reporting period and is still under assessment
323 Blackhead Road, Hallidays Point (2010)	Agreement between Council and Benvenutos regarding dedication of lands and associated works at Tallwoods Village, Hallidays Point	Current – no activity during reporting period
Harrington Waters Estate (2007)	Agreement between Council and Roche Group Pty Limited 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 Pty Limited, 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 Limited regarding dedication of a Biodiversity Lot to Council and payment of a monetary contribution towards ongoing management	Current – no activity during reporting period. Awaiting registration of the subdivision to enable the transfer of the biodiversity land to Council

VPA	Overview	Status
Tropic Gardens Drive, Smiths Lake (2013)	Agreement between Council and Overpa Pty Limited regarding the rezoning of land at Tropic Gardens Drive Relates to environmental restoration works and protection of land	Current – no activity during reporting period
Tallwoods Eastern Lands (2010)	Agreement between Council and Tallwoods Pty Limited 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 Pty Limited 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 is currently working on the masterplan for the development
FIGTREES on the Manning (2010)	Agreement between Council, Chase Taree Developments Pty Limited, Hocana Pty Limited and Spsychala regarding the provision of public infrastructure associated with redevelopment of the former Lower Manning Dairy Cooperative at Chatham	Current – infrastructure in this development has been funded from a Commonwealth grant. The agreement will need to be revised following completion of these works
Kolodong Estate, Kolodong Road, Taree (2019)	Agreement between Council, Wayne Peter Green and Nancy Jean Green and Benwaydan Pty Limited regarding the landowner contributing to the cost of an intersection upgrade at Kolodong/Wingham Roads if Council undertakes the works prior to the development proceeding	Current – at the 28 September 2022 meeting, Councillors adopted an amended planning agreement for the Kolodong Estate, after a period of public exhibition. The revised agreement allows the main landowner to construct a roundabout at the intersection of Kolodong and Wingham Roads
North Shearwater at Tea Gardens (2012)	Agreement between Council and Wolin Investments Pty Limited 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

VPA	Overview	Status
Chapmans Road, Tuncurry (2008)	Agreement between Council and 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 Development Control Plan	Current – partly implemented by preparation of a Development Control Plan. The required land dedication will be implemented when the next Development Application for residential subdivision on the land is lodged
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	Completed – agreement finalised and discharged during reporting period. Removed from the title of the land
Sanderling Avenue, Hawks Nest (2021)	Agreement between Council and Core Property Development Pty Limited and Leric Group Pty Limited to pay a monetary contribution to Council to fund environmental research and restoration, open space improvements and a contribution to the Hawks Nest Surf Club	Current – no activity during reporting period. Funds have previously been paid to Council, and planning has commenced for the expenditure of the environmental research and restoration elements of the funding
Parry's Cove Subdivision, Tea Gardens (2022)	Agreement between Council and Sheargold Property Developments Pty Limited, SGD 1 Pty Limited and SGD 2 Pty Limited to dedicate land to Council and transferring the Biodiversity Stewardship Agreement for this land to Council	Current – no activity during reporting period
Pacific Highway, Bulahdelah (2022)	Agreement between Council and Lindfield Property Nominee Pty Limited and N G P Investments (No. 2) Pty Limited to pay Council \$500,000 in two payments to offset any adverse potential economic impacts of a Highway Service Centre on the Bulahdelah business community	Current – no activity during reporting period. Council has been working with the community to determine the best approach for spending the initial funds

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.



04

**FINANCIAL STATEMENTS
2022-23**

MidCoast Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2023



MidCoast Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2023



MidCoast Council

General Purpose Financial Statements

for the year ended 30 June 2023

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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.

MidCoast Council

General Purpose Financial Statements

for the year ended 30 June 2023

Statement by Councillors and Management

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.

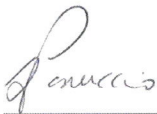
Signed in accordance with a resolution of Council made on 25 October 2023.



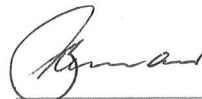
Claire Pontin
Mayor
25 October 2023



Katheryn Stinson
Councillor
25 October 2023



Adrian Panuccio
General Manager
25 October 2023



Phil Brennan
Responsible Accounting Officer
25 October 2023

MidCoast Council

Income Statement

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
Income from continuing operations				
168,201	Rates and annual charges	B2-1	168,844	163,221
56,453	User charges and fees	B2-2	55,930	52,826
4,277	Other revenues	B2-3	7,234	5,402
35,011	Grants and contributions provided for operating purposes	B2-4	46,628	44,359
43,027	Grants and contributions provided for capital purposes	B2-4	81,433	71,830
3,010	Interest and investment income	B2-5	9,006	2,966
2,273	Other income	B2-6	9,001	5,870
312,252	Total income from continuing operations		378,076	346,474
Expenses from continuing operations				
96,168	Employee benefits and on-costs	B3-1	85,196	77,604
82,797	Materials and services	B3-2	101,565	82,668
8,942	Borrowing costs	B3-3	9,193	9,757
80,301	Depreciation, amortisation and impairment of non-financial assets	B3-4	107,413	78,351
10,385	Other expenses	B3-5	16,300	11,840
923	Net loss from the disposal of assets	B4-1	22,373	5,509
279,516	Total expenses from continuing operations		342,040	265,729
32,736	Operating result from continuing operations		36,036	80,745
32,736	Net operating result for the year attributable to Council		36,036	80,745
(10,291)	Net operating result for the year before grants and contributions provided for capital purposes		(45,397)	8,915

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

MidCoast Council

Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Net result for the year (as per Income Statement)		36,036	80,745
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	191,944	395,859
Total items which will not be reclassified subsequently to the operating result		191,944	395,859
Total other comprehensive income for the year		191,944	395,859
Total comprehensive income for the year attributable to Council		227,980	476,604

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 2023

\$ '000	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	50,691	61,855
Investments	C1-2	120,550	99,740
Receivables	C1-4	68,300	51,872
Inventories	C1-5	1,394	1,556
Other		981	3,560
Total current assets		241,916	218,583
Non-current assets			
Investments	C1-2	159,377	159,927
Receivables	C1-4	628	3,328
Inventories	C1-5	1,034	1,034
Infrastructure, property, plant and equipment (IPPE)	C1-6	4,273,132	4,036,580
Investment property	C1-7	27,912	27,802
Right of use assets	C2-1	2,525	3,001
Total non-current assets		4,464,608	4,231,672
Total assets		4,706,524	4,450,255
LIABILITIES			
Current liabilities			
Payables	C3-1	39,485	32,014
Contract liabilities	C3-2	36,504	24,945
Lease liabilities	C2-1	694	660
Borrowings	C3-3	17,331	19,325
Employee benefit provisions	C3-4	23,591	24,566
Provisions	C3-5	6,546	–
Total current liabilities		124,151	101,510
Non-current liabilities			
Lease liabilities	C2-1	2,037	2,575
Borrowings	C3-3	148,368	158,507
Employee benefit provisions	C3-4	1,799	458
Provisions	C3-5	28,858	13,874
Total non-current liabilities		181,062	175,414
Total liabilities		305,213	276,924
Net assets		4,401,311	4,173,331
EQUITY			
Accumulated surplus	C4-1	3,067,777	3,031,741
IPPE revaluation surplus	C4-1	1,333,534	1,141,590
Total equity		4,401,311	4,173,331

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 2023

\$ '000	Notes	2023			2022		
		Accumulated surplus	IPPE revaluation surplus	Total equity	Accumulated surplus	IPPE revaluation surplus	Total equity
Opening balance at 1 July		3,031,741	1,141,590	4,173,331	2,950,996	745,731	3,696,727
Net operating result for the year		36,036	–	36,036	80,745	–	80,745
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	191,944	191,944	–	395,859	395,859
Total comprehensive income		36,036	191,944	227,980	80,745	395,859	476,604
Closing balance at 30 June		3,067,777	1,333,534	4,401,311	3,031,741	1,141,590	4,173,331

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 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
Cash flows from operating activities				
Receipts:				
168,201	Rates and annual charges		165,693	167,334
56,453	User charges and fees		56,569	55,766
78,038	Grants and contributions		124,017	105,919
3,010	Interest received		6,940	2,475
–	Bonds, deposits and retentions received		150	1,045
6,550	Other		30,478	23,346
Payments:				
(94,078)	Payments to employees		(84,678)	(81,419)
(82,797)	Payments for materials and services		(104,922)	(90,030)
(8,942)	Borrowing costs		(8,943)	(9,574)
(10,385)	Other		(5,126)	(24,273)
116,050	Net cash flows from operating activities	G1-1	180,178	150,589
Cash flows from investing activities				
Receipts:				
–	Redemption of term deposits		86,200	69,070
–	Sale of investments		13,540	12,500
–	Sale of real estate assets		1,300	8,472
1,500	Proceeds from sale of IPPE		1,033	4,125
Payments:				
–	Acquisition of term deposits		(112,000)	(117,550)
–	Purchase of investments		(8,000)	(19,300)
(131,157)	Payments for IPPE		(160,510)	(99,697)
(129,657)	Net cash flows from investing activities		(178,437)	(142,380)
Cash flows from financing activities				
Receipts:				
8,625	Proceeds from borrowings		7,100	8,625
Payments:				
(20,153)	Repayment of borrowings		(19,233)	(25,677)
–	Principal component of lease payments		(772)	(694)
(11,528)	Net cash flows from financing activities		(12,905)	(17,746)
(25,135)	Net change in cash and cash equivalents		(11,164)	(9,537)
61,855	Cash and cash equivalents at beginning of year		61,855	71,392
36,720	Cash and cash equivalents at end of year	C1-1	50,691	61,855
259,667	plus: Investments on hand at end of year	C1-2	279,927	259,667
296,387	Total cash, cash equivalents and investments		330,618	321,522

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

MidCoast Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 25 October 2023. 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 2021 (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 C1-7
- ii. fair values of infrastructure, property, plant and equipment – refer Note C1-6
- 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 2023 reporting period. Council has elected not to apply any of these pronouncements before its operative date in the annual reporting period beginning 1 July 2022.

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 from 1 July 2022. None of these standards had a significant impact on reported position, performance or disclosures.

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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Functions or activities										
Our Unique Diverse & Culturally Rich Communities	22,904	20,990	37,468	29,109	(14,564)	(8,119)	6,765	6,138	265,152	250,714
Our Connected Community	208,525	191,095	233,075	181,075	(24,550)	10,020	94,352	85,605	4,157,762	3,931,374
Our Environment	9,096	8,336	15,522	12,059	(6,426)	(3,723)	3,096	2,809	25,439	24,053
Our Thriving & Growing Economy	4,524	4,145	7,926	6,157	(3,402)	(2,012)	1,887	1,712	60,803	57,492
Strong Leadership & Shared Vision	133,027	121,908	48,049	37,329	84,978	84,579	21,961	19,925	197,368	186,622
Total functions and activities	378,076	346,474	342,040	265,729	36,036	80,745	128,061	116,189	4,706,524	4,450,255

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	2023	2022
Ordinary rates		
Residential	67,338	65,329
Farmland	9,602	9,450
Business	11,112	10,816
Mining	213	278
Less: pensioner rebates (mandatory)	(2,282)	(2,342)
Rates levied to ratepayers	85,983	83,531
Pensioner rate subsidies received	1,253	1,277
Total ordinary rates	87,236	84,808
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	18,645	18,154
Stormwater management services	886	878
Water supply services	15,080	14,469
Waste management services (non-domestic)	6,953	6,656
Sewerage services	41,107	39,328
Less: pensioner rebates (mandatory)	(2,351)	(2,400)
Annual charges levied	80,320	77,085
Pensioner annual charges subsidies received:		
– Water	485	503
– Sewerage	446	463
– Domestic waste management	357	362
Total annual charges	81,608	78,413
Total rates and annual charges	168,844	163,221

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	2023	2022
Specific user charges (per s502 - specific 'actual use' charges)		
Water supply services	26,155	24,581
Sewerage services	2,600	2,313
Trade Waste	108	113
Total specific user charges	28,863	27,007
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s608)		
Planning and building regulation	3,128	3,679
Section 149 certificates (EPA Act)	326	329
Section 603 certificates	272	379
Laboratory Fees	121	54
Water & Sewerage Connection Fees	644	1,002
Animal control	109	110
Beach vehicle licencing	757	702
Caravan park and camping grounds licence	31	51
Community health fees (food inspection fees etc.)	212	246
Engineering – fixing levels and DA fees	51	54
Freedom of information fees	8	8
On site sewer waste management fees	1,050	1,045
Section 735a charges	26	52
Total fees and charges – statutory/regulatory	6,735	7,711
(ii) Fees and charges – other (incl. general user charges (per s608))		
Cemeteries	1,343	1,018
Tourism	30	19
Waste disposal tipping fees	7,041	6,151
Leaseback fees – Council vehicles	1,201	1,172
Library and art gallery	56	19
Saleyards	210	263
Swimming centres	222	146
Private works – section 67	65	192
Entertainment centre	533	395
Landing fees	33	48
Ageing services	1,938	2,023
Community land / property rentals	46	46
Damage bonds	199	193
Mooring fees	134	121
Other service fees and misc income	1,461	978
Transport for NSW fees for service	621	774
Parks and recreation	188	75
National disability insurance scheme	5,011	4,475
Total fees and charges – other	20,332	18,108
Total other user charges and fees	27,067	25,819
Total user charges and fees	55,930	52,826
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	44,473	41,602
User charges and fees recognised at a point in time	11,457	11,224
Total user charges and fees	55,930	52,826
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	2023	2022
Fines	494	503
Legal fees recovery – rates and charges (extra charges)	3	2
Commissions and agency fees	189	193
Diesel rebate	213	187
Insurance claims recoveries	1,840	1,175
Other	1,058	1,061
Recycling	1,610	1,513
Reimbursements	1,827	768
Total other revenue	7,234	5,402
Timing of revenue recognition for other revenue		
Other revenue recognised over time	–	–
Other revenue recognised at a point in time	7,234	5,402
Total other revenue	7,234	5,402

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 2023	Operating 2022	Capital 2023	Capital 2022
General purpose grants and non-developer contributions (untied)				
Current year allocation				
Financial assistance – general component	3,553	6,733	–	–
Financial assistance – local roads component	1,754	2,975	–	–
Payment in advance - future year allocation				
Financial assistance – general component	14,842	10,338	–	–
Financial assistance – local roads component	6,789	4,590	–	–
Amount recognised as income during current year	26,938	24,636	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Water supplies	–	–	935	776
Library	145	321	108	430
Storm/flood damage	8,158	1,000	796	–
Bushfire and emergency services	2,699	7,279	131	56
Community care	1,293	1,331	–	–
Employment and training programs	924	704	–	–
Heritage and cultural	122	193	450	1,977
Local Infrastructure Renewal Scheme subsidy	43	131	–	–
Street lighting	216	47	–	–
Transport for NSW contributions (regional roads, block grant)	1,102	1,135	3,844	3,719
Transport (roads to recovery)	–	3,579	–	–
Transport (other roads and bridges funding)	839	250	46,833	35,561
Waste and sustainability	–	30	252	339
Environmental works	1,144	671	162	85
Recreation improvements	–	25	3,769	2,371
Stronger country community funding	56	105	444	1,270
Crown reserve contribution (caravan parks)	616	608	–	–
Misc. contributions	240	361	–	–
Other specific grants	1,383	132	283	3
Other contributions	565	874	176	1,535
Total special purpose grants and non-developer contributions – cash	19,545	18,776	58,183	48,122
Non-cash contributions				
Bushfire services	145	947	947	4,208
Sewerage (excl. section 64 contributions)	–	–	1,489	1,497
Water supplies (excl. section 64 contributions)	–	–	1,651	1,331
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)	–	–	4,987	2,578
Total other contributions – non-cash	145	947	9,074	9,614
Total special purpose grants and non-developer contributions (tied)	19,690	19,723	67,257	57,736
Total grants and non-developer contributions	46,628	44,359	67,257	57,736
Comprising:				
– Commonwealth funding	29,550	30,160	4,721	3,935
– State funding	17,035	14,199	54,233	47,295
– Other funding	43	–	8,303	6,506
	46,628	44,359	67,257	57,736

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2023	Operating 2022	Capital 2023	Capital 2022
Developer contributions:					
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services	G4	–	–	7,988	4,338
S 64 – sewerage service contributions		–	–	3,311	4,991
S 64 – water supply contributions		–	–	2,877	4,765
Total developer contributions – cash		–	–	14,176	14,094
Total developer contributions		–	–	14,176	14,094
Total contributions		–	–	14,176	14,094
Total grants and contributions		46,628	44,359	81,433	71,830
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time		56	130	54,163	42,868
Grants and contributions recognised at a point in time		46,572	44,229	27,270	28,962
Total grants and contributions		46,628	44,359	81,433	71,830

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 2023	Operating 2022	Capital 2023	Capital 2022
Unspent grants				
Unspent funds at 1 July	4,851	4,582	23,395	14,605
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	9	60	–	–
Add: Funds received and not recognised as revenue in the current year	2,470	1,246	26,582	17,390
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(2,293)	(959)	(460)	(107)
Less: Funds received in prior year but revenue recognised and funds spent in current year	(597)	(78)	(16,044)	(8,493)
Unspent funds at 30 June	4,440	4,851	33,473	23,395
Unspent Contributions				
Unspent funds at 1 July	–	1,599	58,313	47,789
Add: contributions recognised as revenue in the reporting year but not yet spent	–	–	15,660	18,723
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	(1,599)	(18,974)	(8,199)
Unspent contributions at 30 June	–	–	54,999	58,313

B2-4 Grants and contributions (continued)

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	2023	2022
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	876	694
– Cash and investments	7,954	2,178
– Other	176	94
Total interest and investment income (losses)	9,006	2,966

Accounting policy

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

B2-6 Other income

\$ '000	Notes	2023	2022
Reversal of revaluation decrements on IPPE previously expensed			
Footpaths		6,225	–
Total reversal of revaluation decrements on IPPE previously expensed charged to Income Statement	C1-6	6,225	–
Fair value increment on investment properties			
Fair value increment on investment properties		110	3,637
Total fair value increment on investment properties	C1-7	110	3,637
Rental income			
Investment properties			
Lease income (excluding variable lease payments not dependent on an index or rate)		1,344	1,234
Lease income relating to variable lease payments not dependent on an index or a rate		161	132
Total Investment properties		1,505	1,366
Other lease income			
Other Council properties		1,161	867
Total other lease income		1,161	867
Total rental income	C2-2	2,666	2,233
Total other income		9,001	5,870

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2023	2022
Salaries and wages	72,071	70,079
Employee leave entitlements (ELE)	9,214	5,523
Superannuation	8,910	8,205
Workers' compensation insurance	3,394	2,467
Fringe benefit tax (FBT)	15	27
Payroll tax	1,277	1,047
Training costs (other than salaries and wages)	341	207
Protective clothing	349	224
Other	34	55
Total employee costs	95,605	87,834
Less: capitalised costs	(10,409)	(10,230)
Total employee costs expensed	85,196	77,604

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	2023	2022
Raw materials and consumables		15,523	14,239
Contractor costs		58,041	43,880
Consultancy costs		3,417	2,912
Audit Fees	F2-1	227	247
Councillor and Mayoral fees and associated expenses	F1-2	437	326
Advertising		452	501
Bank charges		494	474
Electricity and heating		6,995	5,596
Insurance		3,285	2,951
Office expenses (including computer expenses)		76	61
Postage		405	378
Printing and stationery		360	395
Street lighting		1,112	1,004
Subscriptions and publications		550	641
Telephone and communications		848	1,358
Valuation fees		418	454
Travel expenses		135	101
Other expenses		2,031	1,682
Plant running costs		4,845	4,511
Legal expenses:			
– Legal expenses: planning and development		1,419	417
– Legal expenses: other		73	97
Expenses from short-term leases		20	78
Expenses from leases of low value assets		348	338
Variable lease expense relating to usage		54	27
Total materials and services		101,565	82,668
Total materials and services		101,565	82,668

Accounting policy

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

B3-3 Borrowing costs

\$ '000	Notes	2023	2022
(i) Interest bearing liability costs			
Interest on loans		8,803	9,572
Interest on leases		95	83
Total interest bearing liability costs		8,898	9,655
Total interest bearing liability costs expensed		8,898	9,655
(ii) Other borrowing costs			
Amortisation of discounts and premiums:			
– Remediation liabilities	C3-5	295	102
Total other borrowing costs		295	102
Total borrowing costs expensed		9,193	9,757

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	2023	2022
Depreciation and amortisation			
Plant and equipment		5,580	5,841
Office equipment		26	88
Furniture and fittings		175	238
Computer equipment		1,244	1,731
Land improvements (depreciable)		334	316
Infrastructure:	C1-6		
– Buildings		11,556	8,883
– Other structures		626	580
– Roads		28,987	26,651
– Bridges		3,374	3,400
– Footpaths		773	777
– Stormwater drainage		4,291	3,600
– Water supply network		14,112	12,869
– Sewerage network		10,539	9,860
– Swimming pools		244	155
– Other open space/recreational assets		2,140	1,861
Right of use assets	C2-1	649	600
Other assets:			
– Library books		362	396
– Cemetery assets		28	31
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-6	249	249
– Quarry assets	C3-5,C1-6	16	1
Total depreciation and amortisation costs		85,305	78,127
Impairment / revaluation decrement of IPPE and other non-financial assets			
Land improvements (depreciable)		–	224
Infrastructure:	C1-6		
– Bridges		22,108	–
Total IPPE and other non-financial assets impairment / revaluation decrement costs charged to Income Statement		22,108	224
Total depreciation, amortisation and impairment for non-financial assets		107,413	78,351

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 C1-6 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	2023	2022
Impairment of receivables			
Rates and annual charges		–	80
User charges and fees		90	212
Total impairment of receivables	C1-4	90	292
Fair value decrement on investments			
Fair value decrement on investments through profit and loss		–	71
Total Fair value decrement on investments	C1-2	–	71
Other			
– Emergency services levy		253	133
– NSW fire brigade levy		250	211
– NSW rural fire service levy		2,047	2,499
– Waste levy		6,375	7,327
– Other contributions/levies		651	808
Donations, contributions and assistance to other organisations (Section 356)		486	499
Adjustment to Asset Remediation Provision		6,148	–
Total other		16,210	11,477
Total other expenses		16,300	11,840

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	2023	2022
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		–	135
Less: carrying amount of property assets sold/written off		–	(856)
Gain (or loss) on disposal		–	(721)
Gain (or loss) on disposal of plant and equipment			
	C1-6		
Proceeds from disposal – plant and equipment		1,033	867
Less: carrying amount of plant and equipment assets sold/written off		(2,089)	(1,167)
Gain (or loss) on disposal		(1,056)	(300)
Gain (or loss) on disposal of infrastructure			
	C1-6		
Proceeds from disposal – infrastructure		–	315
Less: carrying amount of infrastructure assets sold/written off		(22,538)	(9,627)
Gain (or loss) on disposal		(22,538)	(9,312)
Gain (or loss) on disposal of real estate assets held for sale			
	C1-5		
Proceeds from disposal – real estate assets		1,300	8,503
Less: carrying amount of real estate assets sold/written off		(79)	(3,698)
Gain (or loss) on disposal		1,221	4,805
Gain (or loss) on disposal of investments			
	C1-2		
Proceeds from disposal/redemptions/maturities – financial assets		13,540	12,500
Less: carrying amount of financial assets sold/redeemed/matured		(13,540)	(12,500)
Gain (or loss) on disposal		–	–
Gain (or loss) on disposal of term deposits			
	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		86,200	69,070
Less: carrying amount of term deposits sold/redeemed/matured		(86,200)	(69,070)
Gain (or loss) on disposal		–	–
Gain (or loss) on disposal of non-current assets classified as ‘held for sale’			
Proceeds from disposal – non-current assets ‘held for sale’		–	2,808
Less: carrying amount of ‘held for sale’ assets sold/written off		–	(2,789)
Gain (or loss) on disposal		–	19
Net gain (or loss) from disposal of assets		(22,373)	(5,509)

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 29 June 2022 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	2023 Budget	2023 Actual	2023 ----- Variance -----	
Revenues				
Rates and annual charges	168,201	168,844	643	0% F
User charges and fees	56,453	55,930	(523)	(1)% U
Other revenues	4,277	7,234	2,957	69% F
The material variations from the original budget include:				
- Insurance recoveries not included in original budget and related to prior year events (\$1.5 million)				
- Reimbursement of expenditure incurred by Council on behalf of sporting groups on facility upgrades (\$500,000)				
- Additional income from the sale of scrap metal in excess of original expectations (\$500,000)				
- Additional recovery of lost investment principal and interest associated with legal action against Lehman Brothers (\$400,000)				
Operating grants and contributions	35,011	46,628	11,617	33% F
The material variations in respect of this item are impacted by the Accounting Standard revenue recognition requirements for grants and contributions and by the manner in which Council budgets for grants and contributions.				
Council's budget reflects the expected total grant funding provided under the grant agreement for the relevant project, not the anticipated amount that may be recognised during the financial period. As such it is difficult to reconcile actual grant income with the original budget.				
Material variations from the original budget include:				
- Financial assistance grant (FAG) whereby the Commonwealth Government paid 100% of the 2023-2024 FAG in advance in June 2023 which is recognised as revenue on receipt. This has generated a positive variation to the budget amount of \$7.688 million.				
- Additional subsidy for the employment of trainees and apprentices (\$475,000)				
- Additional Storm Damage grant approvals for prior year events				
Capital grants and contributions	43,027	81,433	38,406	89% F
The material variations in respect of this item are impacted by the Accounting Standard revenue recognition requirements for grants and contributions and by the manner in which Council budgets for grants and contributions.				
Council's budget reflects the expected total grant funding provided under the grant agreement for the relevant project, not the anticipated amount that may be recognised during the financial period. As such it is difficult to reconcile actual grant income with the original budget.				
The following variations are included in the actual amount:				
- Non-cash contributions of assets (\$3.846 million)				
- Additional Section 7.11 developer contributions (\$5.80 million)				
- Additional grant funding of road-related programs (\$28 million)				
Interest and investment income	3,010	9,006	5,996	199% F
Material variations from the original budget relates to the additional investment interest revenue earned, being \$5.509 million greater than the original budget due to the significant increases in interest rates in the 2023-23 financial year as a result of the increases in the cash rate by the Reserve Bank of Australia. A further \$175,000 relates to additional interest charges on outstanding rates and annual charges which is driven by a higher prescribed interest rate and a growth in outstanding rates and charges.				
Other income	2,273	9,001	6,728	296% F

B5-1 Material budget variations (continued)

\$ '000	2023 Budget	2023 Actual	2023 ----- Variance -----	
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The material variation from the original budget relates to the reversal of a revaluation decrement on Footpaths previously expensed of \$6.225 million.

Expenses

Employee benefits and on-costs	96,168	85,196	10,972	11%	F
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Council's original budget does not exclude employee costs that will be capitalised, from the Income Statement. When these costs are taken into account the favourable variance to budget reduces to under 10%.

Materials and services	82,797	101,565	(18,768)	(23)%	U
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Council experienced general cost increases in excess of budget estimates across all aspects of its operations during 2022-2023. It also took on additional works that were not expected at the time of preparing the original budget. Material variations from the original budget include:

- Natural Disaster works undertaken by contractors (\$12 million)
- Grant funded works on non-Council owned assets that would ordinarily be capitalised (\$1.993 million)
- Additional legal expenses in respect of planning and development matters (\$1.2 million)
- Increased fuel expenses (\$880,000)

Borrowing costs	8,942	9,193	(251)	(3)%	U
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Depreciation, amortisation and impairment of non-financial assets	80,301	107,413	(27,112)	(34)%	U
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Material variations from the original budget relate to:

- The revaluation decrement of \$22.108 million on bridges
- Additional depreciation expense on a number of asset classes totaling \$4.989 million, the largest being buildings (\$2.196 million), water supply network (\$1.212 million), roads (\$987,000) and sewerage network (\$639,000).

Other expenses	10,385	16,300	(5,915)	(57)%	U
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The variance in this item is related to an adjustment to an asset remediation provision (\$6.148 million). Council engaged an external contractor to review its waste management remediation plans and estimates at 30 June 2023. That review identified the need to increase asset remediation provisions for future works in respect of some facilities that had been closed. The corresponding expense was booked to the Income Statement. This was not included in the original budget.

Net losses from disposal of assets	923	22,373	(21,450)	(2,324)%	U
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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.

Statement of cash flows

Cash flows from operating activities	116,050	180,178	64,128	55%	F
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The budget Cash Flow Statement is largely based on the Income Statement with adjustments for significant non-cash items, namely depreciation expense. The variations are therefore reflective of the variances outlined in the Income Statement categories above.

Cash flows from investing activities	(129,657)	(178,437)	(48,780)	38%	U
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The variation is related to an increase in the holdings of term deposits, an additional \$30 million in capital expenditure on IPP&E and several components that are not included within Council's annual budgeting.

Cash flows from financing activities	(11,528)	(12,905)	(1,377)	12%	U
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The variation is related to Council not borrowing the full amount originally projected in the budget as the total amount of funding was not required.

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2023	2022
Cash assets		
Cash on hand and at bank	23,823	32,832
Cash equivalent assets		
– Deposits at call	26,868	29,023
Total cash and cash equivalents	50,691	61,855

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	50,691	61,855
Balance as per the Statement of Cash Flows	50,691	61,855

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	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Financial assets at fair value through the profit and loss				
Unlisted equity securities	–	227	–	227
Total	–	227	–	227
Debt securities at amortised cost				
Long term deposits	106,550	105,500	86,200	100,050
NCD's, FRN's (with maturities > 3 months)	14,000	53,650	13,540	59,650
Total	120,550	159,150	99,740	159,700
Total financial investments	120,550	159,377	99,740	159,927
Total cash assets, cash equivalents and investments	171,241	159,377	161,595	159,927

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.

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

\$ '000	2023	2022
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	330,618	321,522
Less: Externally restricted cash, cash equivalents and investments	<u>(258,727)</u>	<u>(252,566)</u>
Cash, cash equivalents and investments not subject to external restrictions	71,891	68,956
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended loans – general	2,630	7,829
Subdivision bonds	4,813	4,916
Sundry bonds and deposits	4,854	3,630
Other sale of land, planning guarantee and relocation, tender and sundry deposits	34	49
Specific purpose unexpended grants – general fund	<u>36,504</u>	<u>24,945</u>
External restrictions – included in liabilities	48,835	41,369
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	29,686	26,789
Developer contributions – water fund	5,986	9,759
Developer contributions – sewer fund	19,327	21,765
Specific purpose unexpended grants (recognised as revenue) – general fund	1,409	3,301
Water fund	27,061	25,360
Domestic waste management	41,888	44,789
Stormwater management	940	2,107
Sewer fund	78,748	72,276
Stratford-Duralie Coal Contributions	1,490	1,504
Crown Lands Act – Section 106 (Forster Boat Harbour)	363	310
Other contributions to works	678	695
ARTC Rail Crossing	521	521
Cattai Wetlands – Environmental Trust	474	461
Nabiac Showground	213	204
Other	<u>1,108</u>	<u>1,356</u>
External restrictions – other	209,892	211,197
Total external restrictions	258,727	252,566

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)

\$ '000	2023	2022
(b) Internal allocations		
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	7,286	5,224
Employees leave entitlement	4,282	4,282
Carry over works	2,099	6,849
Building Infrastructure Reserves	2,385	3,700
Environmental Levy Reserve	6,021	5,826
Commercial Waste	1,823	2,473
Election	516	291
Emergency Management	1,263	1,335
Land & Property Reserves	4,468	3,820
IT Infrastructure Reserves	3,214	101
Budget Management Reserves	851	851
Parks Infrastructure Reserves	511	546
Road Infrastructure Reserves	2,226	2,236
SRV Infrastructure Reserve	13,249	12,828
FAG in advance	15,000	14,927
Other	3,351	3,070
Total internal allocations	68,545	68,359

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	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Rates and annual charges	18,611	–	14,919	–
Interest and extra charges	2,170	–	2,303	–
User charges and fees	6,926	–	6,153	–
Accrued revenues				
– Interest on investments	3,027	–	828	–
– Water & Sewerage Accrued Income	3,191	–	3,225	–
– Other income accruals	1,427	–	1,491	–
Government debtors	28,997	–	22,245	–
Net GST receivable	2,369	–	1,688	–
On site sewer management charges	134	–	71	–
Building and land rentals	2	–	3	–
Other receivables	2,787	628	197	3,328
Total	69,641	628	53,123	3,328
Less: provision for impairment				
Rates and annual charges	(473)	–	(473)	–
Interest and extra charges	(406)	–	(406)	–
User charges and fees	(462)	–	(372)	–
Total provision for impairment – receivables	(1,341)	–	(1,251)	–
Total net receivables	68,300	628	51,872	3,328

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	2023 Current	2023 Non-current	2022 Current	2022 Non-current
(i) Inventories at cost				
Real estate for resale	302	1,034	426	1,034
Stores, materials and/or trading stock	1,092	–	1,130	–
Total inventories at cost	1,394	1,034	1,556	1,034
Total inventories	1,394	1,034	1,556	1,034

(i) Other disclosures

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
(a) Details for real estate development				
Residential	92	115	216	115
Industrial/commercial	210	919	210	919
Total real estate for resale	302	1,034	426	1,034

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 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period										At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	Impairment reversal / prior period revaluation decrements reversal (via P&L)	WIP transfers	Adjustments and transfers	Tfrs from / (to) Inventory	Revaluation increments (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	125,729	–	125,729	118,555	36,082	–	–	–	–	(119,854)	–	–	–	160,512	–	160,512
Plant and equipment	74,775	(40,238)	34,537	–	–	(730)	(5,580)	–	–	5,692	–	–	77,700	(43,782)	33,918	
Office equipment	4,418	(4,305)	113	–	–	(2)	(26)	–	–	–	–	–	264	(180)	84	
Furniture and fittings	5,137	(3,203)	1,934	–	–	–	(175)	–	–	78	–	–	5,215	(3,378)	1,837	
Computer equipment	9,836	(5,324)	4,512	–	–	(1,357)	(1,244)	–	–	–	–	–	4,253	(2,341)	1,912	
Land:																
– Operational land	97,183	–	97,183	–	–	–	–	–	–	476	–	42	97,701	–	97,701	
– Community land	140,047	–	140,047	–	–	–	–	–	–	–	–	51,499	191,546	–	191,546	
– Land under roads (post 30/6/08)	164	–	164	–	7	–	–	–	–	–	–	–	171	–	171	
Land improvements – depreciable	6,260	(3,534)	2,726	–	–	–	(334)	–	–	356	–	153	6,985	(4,083)	2,902	
Infrastructure:																
– Buildings	438,604	(176,944)	261,660	–	–	(206)	(11,556)	–	–	10,140	(208)	14,405	473,559	(199,324)	274,235	
– Other structures	14,587	(3,806)	10,781	–	–	(7)	(626)	–	–	572	(39)	–	15,102	(4,422)	10,680	
– Roads	1,498,913	(729,493)	769,420	–	–	(14,995)	(28,987)	–	–	63,504	(572)	328,881	1,802,787	(685,536)	1,117,251	
– Bridges	356,388	(149,186)	207,202	–	–	(700)	(3,374)	(22,108)	–	4,093	147	(38,073)	201,802	(54,616)	147,186	
– Footpaths	37,378	(20,379)	16,999	–	–	(24)	(773)	–	6,225	1,368	1,860	8,636	49,092	(14,802)	34,290	
– Bulk earthworks (non-depreciable)	1,071,748	–	1,071,748	–	–	(1,463)	–	–	–	8,867	207	(279,184)	800,176	–	800,176	
– Stormwater drainage	388,805	(183,906)	204,899	–	–	(1,078)	(4,291)	–	–	8,073	298	126,894	506,769	(171,975)	334,794	
– Water supply network	929,657	(403,008)	526,649	–	–	(1,542)	(14,112)	–	–	8,080	–	34,717	805,529	(251,735)	553,794	
– Sewerage network	793,571	(276,668)	516,903	–	–	(2,368)	(10,539)	–	–	5,591	–	(58,146)	656,143	(204,702)	451,441	
– Swimming pools	11,168	(6,399)	4,769	–	–	–	(244)	–	–	314	–	270	12,123	(7,015)	5,108	
– Other open space/recreational assets	54,558	(18,866)	35,692	–	–	(155)	(2,140)	–	–	2,204	(1,693)	1,892	57,025	(21,226)	35,799	
Other assets:																
– Library books	4,350	(3,386)	964	–	–	–	(362)	–	–	446	–	–	4,797	(3,747)	1,050	
– Cemetery assets	1,249	(681)	568	–	–	–	(28)	–	–	–	–	–	1,249	(709)	540	
– Other	1,117	–	1,117	–	–	–	–	–	–	–	–	–	1,117	–	1,117	
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):																
– Tip assets	11,023	(10,775)	248	–	–	–	(249)	–	–	–	15,088	–	26,111	(11,023)	15,088	
– Quarry assets	182	(166)	16	–	–	–	(16)	–	–	–	–	–	182	(182)	–	
Total infrastructure, property, plant and equipment	6,076,847	(2,040,267)	4,036,580	118,555	36,089	(24,627)	(84,656)	(22,108)	6,225	–	15,088	42	191,944	5,957,910	(1,684,778)	4,273,132

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

C1-6 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 ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Tfns from/(to) 'held for sale' category	Tfns from/(to) investment properties	Revaluation increments (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000																
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
Land:																
– 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
Infrastructure:																
– 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
Other assets:																
– Library books	4,039	(2,990)	1,049	–	–	–	(396)	–	311	–	–	–	–	4,350	(3,386)	964
– Other	1,117	–	1,117	–	–	–	–	–	–	–	–	–	–	1,117	–	1,117
– Cemetery assets	1,249	(650)	599	–	–	–	(31)	–	–	–	–	–	–	1,249	(681)	568
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):																
– 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
Total infrastructure, property, plant and equipment	5,464,248	(1,844,345)	3,619,903	80,601	30,835	(11,648)	(77,527)	(224)	–	(1,216)	–	–	395,859	6,076,847	(2,040,267)	4,036,580

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

C1-6 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 IPPE revaluation surplus. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against IPPE revaluation surplus 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:

Plant and equipment	Years	Other equipment	Years
Office equipment	3 to 10	Playground equipment	5 to 15
Office furniture	4 to 30	Benches, seats etc.	5 to 40
Computer equipment	3 to 10		
Vehicles	3 to 20	Buildings	
Heavy plant/road making equipment	3 to 30	Buildings	5 to 100
Other plant and equipment	4 to 25		
Water and sewer assets		Stormwater assets	
Dams and reservoirs	10 to 200	Drains	20 to 100
Bores	20 to 80	Culverts	50 to 100
Sewer Pipe Network	25 to 131	Long life assets	to 200
Water Pipe Network	15 to 90		
Pumps and telemetry	10 to 70		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	10 to 100	Bulk earthworks	Infinite
Sealed roads: structure	15 to 100	Swimming pools	3 to 50
Unsealed roads	15 to 100	Other open space/recreational assets	3 to 100
Bridges	50 to 100	Other structures	4 to 80
Road pavements	15 to 100		
Kerb, gutter and footpaths	2 to 100		

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 metre 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 when calculating the englobo value.

C1-6 Infrastructure, property, plant and equipment (continued)

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 red fleet, land and buildings as assets of the Council in these financial statements.

C1-7 Investment properties

Owned investment property

\$ '000	2023	2022
At fair value		
Opening balance at 1 July	27,802	24,165
Net gain/(loss) from fair value adjustments	110	3,637
Closing balance at 30 June	27,912	27,802

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
2023						
Opening balance at 1 July	317	575	61	1,240	808	3,001
Additions to right-of-use assets	-	-	153	-	-	153
Adjustments to right-of-use assets due to re-measurement of lease liability	5	(39)	-	-	54	20
Depreciation charge	(22)	(153)	(37)	(383)	(54)	(649)
Balance at 30 June	300	383	177	857	808	2,525
2022						
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)
Balance at 30 June	317	575	61	1,240	808	3,001

C2-1 Council as a lessee (continued)

(b) Lease liabilities

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Lease liabilities	694	2,037	660	2,575
Total lease liabilities	694	2,037	660	2,575

(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
2023					
Cash flows	765	1,347	922	3,034	2,731
2022					
Cash flows	760	1,869	960	3,589	3,235

(d) Income Statement

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

\$ '000	2023	2022
Interest on lease liabilities	95	83
Variable lease payments based on usage not included in the measurement of lease liabilities	54	27
Depreciation of right of use assets	649	600
Expenses relating to short-term leases	20	78
Expenses relating to low-value leases	348	338
	1,166	1,126

(e) Statement of Cash Flows

Total cash outflow for leases	1,194	1,138
	1,194	1,138

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)

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 C1-7)
- property, plant and equipment – where the rental is incidental, or the asset is held to meet Councils service delivery objective (refer note C1-6).

\$ '000	2023	2022
---------	------	------

(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)	1,344	1,234
Lease income relating to variable lease payments not dependent on an index or a rate	161	132
Total income relating to operating leases for investment property assets	1,505	1,366

Operating lease expenses

Direct operating expenses that generated rental income	191	225
Total expenses relating to operating leases - investment properties	191	225

(ii) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	1,161	867
Total income relating to operating leases for Council assets	1,161	867

(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	1,905	1,943
1–2 years	1,727	1,734
2–3 years	1,546	1,427
3–4 years	1,221	1,308
4–5 years	1,125	1,026
> 5 years	4,745	5,165
Total undiscounted lease payments to be received	12,269	12,603

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	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Prepaid rates	4,739	–	4,198	–
Goods and services	18,463	–	11,656	–
Accrued expenses:				
– Borrowings	925	–	1,064	–
– Salaries and wages	4,431	–	3,902	–
Security bonds, deposits and retentions	10,587	–	10,437	–
Other	340	–	757	–
Total payables	39,485	–	32,014	–

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

\$ '000	2023	2022
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	9,956	9,405
Total payables	9,956	9,405

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	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Funds to construct Council controlled assets	(i)	33,247	-	23,562	-
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15	(ii)	3,257	-	1,383	-
Total contract liabilities		36,504	-	24,945	-

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	2023	2022
Funds to construct Council controlled assets	16,896	8,493
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15	596	78
Total revenue recognised that was included in the contract liability balance at the beginning of the period	17,492	8,571

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	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Loans – secured ¹	17,331	148,368	19,325	158,507
Total borrowings	17,331	148,368	19,325	158,507

(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	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	177,832	(12,133)	–	–	–	–	165,699
Lease liability (Note C2-1b)	3,235	(772)	153	20	–	95	2,731
Total liabilities from financing activities	181,067	(12,905)	153	20	–	95	168,430

\$ '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	(17,052)	–	–	–	–	177,832
Lease liability (Note C2-1b)	2,855	(696)	993	–	–	83	3,235
Total liabilities from financing activities	197,739	(17,748)	993	–	–	83	181,067

(b) Financing arrangements

\$ '000	2023	2022
Total facilities		
Credit cards/purchase cards	250	750
Total financing arrangements	250	750
Drawn facilities		
– Credit cards/purchase cards	82	72
Total drawn financing arrangements	82	72
Undrawn facilities		
– Credit cards/purchase cards	168	678
Total undrawn financing arrangements	168	678

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)

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	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Annual leave	8,575	–	8,655	–
Long service leave	15,016	1,799	15,911	458
Total employee benefit provisions	23,591	1,799	24,566	458

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

\$ '000	2023	2022
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	15,973	16,356
	15,973	16,356

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	2023	2023	2022	2022
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration (future works)	6,546	28,858	–	13,874
Total provisions	6,546	28,858	–	13,874

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2023		
At beginning of year	13,874	13,874
Unwinding of discount	294	294
Additional provisions	21,236	21,236
Total other provisions at end of year	35,404	35,404
2022		
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	13,874	13,874

Nature and purpose of provisions

Asset remediation

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

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

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

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

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within infrastructure, property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate. Once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in profit or loss as they occur.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation Surplus

The infrastructure, property, plant and equipment (IPPE) revaluation surplus 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 2023	Water 2023	Sewer 2023
Income from continuing operations			
Rates and annual charges	113,412	14,694	40,738
User charges and fees	23,818	28,608	3,504
Interest and investment income	6,568	520	1,918
Other revenues	6,324	505	405
Grants and contributions provided for operating purposes	46,628	–	–
Grants and contributions provided for capital purposes	71,169	5,463	4,801
Other income	9,001	–	–
Total income from continuing operations	276,920	49,790	51,366
Expenses from continuing operations			
Employee benefits and on-costs	68,247	8,829	8,120
Materials and services	70,037	15,353	16,175
Borrowing costs	2,019	4,194	2,980
Depreciation, amortisation and impairment of non-financial assets	80,621	15,486	11,306
Other expenses	15,685	470	145
Net losses from the disposal of assets	17,121	2,213	3,039
Total expenses from continuing operations	253,730	46,545	41,765
Operating result from continuing operations	23,190	3,245	9,601
Net operating result for the year	23,190	3,245	9,601
Net operating result attributable to each council fund	23,190	3,245	9,601
Net operating result for the year before grants and contributions provided for capital purposes	(47,979)	(2,218)	4,800

D1-2 Statement of Financial Position by fund

\$ '000	General 2023	Water 2023	Sewer 2023
ASSETS			
Current assets			
Cash and cash equivalents	16,319	16,547	17,825
Investments	82,050	13,500	25,000
Receivables	53,425	8,847	6,028
Inventories	1,394	–	–
Other	923	29	29
Total current assets	154,111	38,923	48,882
Non-current assets			
Investments	101,127	3,000	55,250
Receivables	628	–	–
Inventories	1,034	–	–
Infrastructure, property, plant and equipment	3,151,170	627,302	494,660
Investment property	25,065	1,424	1,423
Right of use assets	2,225	231	69
Total non-current assets	3,281,249	631,957	551,402
Total assets	3,435,360	670,880	600,284
LIABILITIES			
Current liabilities			
Payables	36,594	1,547	1,344
Contract liabilities	36,300	204	–
Lease liabilities	694	(6)	6
Borrowings	6,539	5,347	5,445
Employee benefit provision	17,645	2,973	2,973
Provisions	6,546	–	–
Total current liabilities	104,318	10,065	9,768
Non-current liabilities			
Lease liabilities	1,713	258	66
Borrowings	43,905	65,639	38,824
Employee benefit provision	1,320	239	240
Provisions	28,858	–	–
Total non-current liabilities	75,796	66,136	39,130
Total liabilities	180,114	76,201	48,898
Net assets	3,255,246	594,679	551,386
EQUITY			
Accumulated surplus	2,176,066	445,368	446,343
Revaluation reserves	1,079,180	149,311	105,043
Council equity interest	3,255,246	594,679	551,386
Total equity	3,255,246	594,679	551,386

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 minimise the risk to capital. Preservation of capital is the principal consideration of the investment policy and portfolio construction. The second consideration is to ensure that there are sufficient liquid funds to meet all reasonably anticipated cash flow requirements. Council then aims to achieve the best possible return given the above considerations. 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	2023	2022
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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	1,183	1,350

(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.

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

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

Credit risk profile

Receivables – 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	
2023				
Gross carrying amount	–	18,910	2,004	20,914
2022				
Gross carrying amount	–	15,566	1,727	17,293

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	
2023						
Gross carrying amount	46,439	566	206	315	1,829	49,355
Expected loss rate (%)	0.42%	8.56%	11.58%	7.10%	9.51%	0.94%
ECL provision	194	48	24	22	174	462
2022						
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%
ECL provision	135	71	15	17	134	372

(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 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
2023							
Borrowings	5.26%	–	25,745	82,208	116,576	224,529	165,699
Payables	0.00%	10,587	28,899	–	–	39,486	39,485
Total financial liabilities		10,587	54,644	82,208	116,576	264,015	205,184
2022							
Borrowings	4.60%	–	28,237	88,040	126,104	242,381	177,832
Payables	0.00%	10,437	21,577	–	–	32,014	32,014
Total financial liabilities		10,437	49,814	88,040	126,104	274,395	209,846

Loan agreement breaches

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

E2-1 Fair value measurement

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 2023	Fair value measurement hierarchy					
			Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
			2023	2022	2023	2022	2023	2022
Recurring fair value measurements								
Investment property C1-7								
		30/06/23	21,500	21,500	–	–	21,500	21,500
		30/06/23	3,565	3,565	–	–	3,565	3,565
		30/06/23	2,847	2,737	–	–	2,847	2,737
			27,912	27,802	–	–	27,912	27,802
Infrastructure, property, plant and equipment C1-6								
		n/a	–	–	160,512	125,729	160,512	125,729
		n/a	–	–	33,918	34,537	33,918	34,537
		n/a	–	–	84	113	84	113
		n/a	–	–	1,837	1,934	1,837	1,934
		n/a	–	–	1,912	4,512	1,912	4,512
		30/06/22	–	–	97,701	97,183	97,701	97,183
		30/06/23	–	–	191,546	140,047	191,546	140,047
		30/06/23	–	–	171	164	171	164
		30/06/23	–	–	2,902	2,726	2,902	2,726
		30/06/23	–	–	274,235	261,660	274,235	261,660
		30/06/22	–	–	10,680	10,781	10,680	10,781
		30/06/23	–	–	1,117,251	769,420	1,117,251	769,420
		30/06/23	–	–	147,186	207,202	147,186	207,202
		30/06/23	–	–	34,290	16,999	34,290	16,999
		30/06/23	–	–	800,176	1,071,748	800,176	1,071,748
		30/06/23	–	–	334,794	204,899	334,794	204,899
		30/06/23	–	–	5,108	4,769	5,108	4,769
		30/06/23	–	–	35,799	35,692	35,799	35,692
		n/a	–	–	1,050	964	1,050	964
		n/a	–	–	540	568	540	568
		30/06/21	–	–	1,117	1,117	1,117	1,117
		30/06/23	–	–	15,088	248	15,088	248
		30/06/23	–	–	–	16	–	16
		30/06/23	–	–	553,794	526,649	553,794	526,649
		30/06/23	–	–	451,441	516,903	451,441	516,903
			–	–	4,273,132	4,036,580	4,273,132	4,036,580

E2-1 Fair value measurement (continued)

Valuation techniques

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

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are 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 2023 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.

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. 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.

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 accumulated 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.

Plant, Office & Computer Equipment, Furniture & Fittings

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

E2-1 Fair value measurement (continued)

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

Office Equipment: Scanners, 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.

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.

Community Land

Community land was revalued at 30 June 2023. 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 2022.

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.

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 m2 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.

Land Improvements - Depreciable

Land Improvements were comprehensively revalued at 30 June 2022. Council indexed land improvements at 30 June 2023 by 5.58% based on the movement in the building price index from Rawlinson since last revaluation. This asset class comprises land improvements such as foreshore improvements, streetscaping and landscaping. These assets may be

E2-1 Fair value measurement (continued)

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.

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. Council indexed buildings at 30 June 2023 by 5.58% based on the movement in the building price index from Rawlinson since last revaluation.

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.

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. Council indexed other open space/recreational assets and Swimming Pools at 30 June 2023 by 5.58% based on the movement in the building price index from Rawlinson since last revaluation.

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.

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.

Landfill Remediation

E2-1 Fair value measurement (continued)

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 at 30 June 2023.

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.

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 were revalued at 31 March 2023.

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.

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.

Work In Progress

Assets within the category of work in progress are incomplete.

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.

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 at 31 March 2023.

E2-1 Fair value measurement (continued)

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.

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 (DICL) 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.

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
Infrastructure, property, plant and equipment		
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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	125,729	104,197	34,537	33,090	113	201	1,934	252	4,512	5,655	97,183	74,830	140,047	107,102
Total gains or losses for the period														
Recognised in other comprehensive income – revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	21,805	51,499	32,945
Other movements														
Transfer from another asset category	-	-	-	-	-	-	-	-	-	-	42	-	-	-
Transfers from/(to) another asset class	(119,854)	(89,892)	5,691	8,455	-	-	78	1,920	-	588	476	630	-	-
Purchases (GBV)	154,637	111,424	-	-	-	-	-	-	-	-	-	-	-	-
Disposals (WDV)	-	-	(730)	(1,167)	(2)	-	-	-	(1,357)	-	-	(82)	-	-
Depreciation and impairment	-	-	(5,580)	(5,841)	(26)	(88)	(174)	(238)	(1,244)	(1,731)	-	-	-	-
Closing balance	160,512	125,729	33,918	34,537	85	113	1,838	1,934	1,911	4,512	97,701	97,183	191,546	140,047

\$ '000	Water network		Sewerage network		Buildings		Roads		Bridges		Footpaths stormwater earthworks		Other structures	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	526,649	502,643	516,904	491,078	261,660	218,339	769,420	683,896	207,202	185,550	1,293,646	1,167,353	10,781	10,990
Total gains or losses for the period														
Recognised in other comprehensive income – revaluation surplus	34,717	28,624	(58,146)	28,098	14,405	53,790	328,881	72,671	(38,073)	19,570	(143,654)	122,817	-	(126)
Other movements														
Transfer from another asset category	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from/(to) another asset class	8,080	8,790	5,591	8,324	9,931	(795)	62,932	43,568	4,240	5,697	20,673	11,695	533	497
Disposals (WDV)	(1,542)	(539)	(2,368)	(736)	(206)	(774)	(14,995)	(4,081)	(700)	(215)	(2,565)	(3,842)	(7)	-
Depreciation and impairment	(14,112)	(12,869)	(10,539)	(9,860)	(11,555)	(8,900)	(28,987)	(26,634)	(25,482)	(3,400)	1,161	(4,377)	(626)	(580)
Closing balance	553,792	526,649	451,442	516,904	274,235	261,660	1,117,251	769,420	147,187	207,202	1,169,261	1,293,646	10,681	10,781

\$ '000	Open space swimming pools		Other asset classes		Total	
	2023	2022	2023	2022	2023	2022
Opening balance						
	40,461	26,812	5,802	7,913	4,036,580	3,619,901

continued on next page ...

E2-1 Fair value measurement (continued)

\$ '000	Open space swimming pools		Other asset classes		Total	
	2023	2022	2023	2022	2023	2022
Recognised in other comprehensive income – revaluation surplus	2,162	15,665	153	–	191,944	395,859
Transfer from another asset category	–	–	–	–	42	–
Transfers from/(to) another asset class	825	212	15,891	311	15,087	–
Purchases (GBV)	–	–	7	(1,205)	154,644	110,219
Disposals (WDV)	(155)	(212)	–	–	(24,627)	(11,648)
Depreciation and impairment	(2,385)	(2,016)	(989)	(1,217)	(100,538)	(77,751)
Closing balance	40,908	40,461	20,864	5,802	4,273,132	4,036,580

E2-1 Fair value measurement (continued)

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 Fund) 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 8.0% of salaries for the year ending 30 June 2023 (increasing to 8.5% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$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 2022. 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 Fund and recognised as an expense for the year ending 30 June 2023 was \$531,034.33. The last formal valuation of the Fund was performed by the Fund Actuary, Mr Richard Boyfield, as at 30 June 2022.

Council's expected contribution to the plan for the next annual reporting period is \$495,495.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2023 is:

Defined Benefit reserves only *	\$millions	Asset Coverage
Assets	2,290.9	-
Past Service Liabilities	2,236.1	102.4%
Vested Benefits	2,253.6	101.7%

* 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 \$346,874.64 as at 30 June 2023.

Council's share of that deficiency cannot be accurately calculated as the Fund 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	6.0% per annum
Salary inflation	3.5% per annum
Increase in CPI	6.0% FY22/23 2.5% per annum thereafter

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

(ii) Statewide Limited

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

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

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

(iii) 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)

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	2023	2022
Compensation:		
Short-term benefits	1,570	1,502
Post-employment benefits	165	121
Total	1,735	1,623

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of KMP using Council services (e.g. access to Council swimming pool) will not be disclosed.

Nature of the transaction	Ref	Transactions during the year	Outstanding balances
\$ '000			
2023			
Employee expenses relating to close family members	1	170	-
Property rental from grazing lease	2	1	-
Provision of Services - Planning and Building regulation	3	12	-
2022			
Employee expenses relating to close family members	1	151	-
Property rental from grazing lease	2	5	-

1 There are three (2022: three) close family members of Council's KMP employed by MidCoast Council under current Council award on an arms length basis.

2 1 KMP had a grazing lease over Council property which is used for agistment of cattle with rental paid on a quarterly basis. This lease expired on 31 December 2022.

3 Council purchased planning and building regulation services during the year from a company controlled by a member of the KMP and their close family members of Council. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following Council's procurement processes.

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2023	2022
Mayoral fee	63	55
Councillors' fees	278	231
Other Councillors' expenses (including Mayor)	96	40
Total	437	326

The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:

F2 Other relationships

F2-1 Audit fees

\$ '000	2023	2022
Audit and other assurance services: Auditors of the Council - NSW Auditor General:		
Audit of financial statements	<u>227</u>	<u>247</u>
Total fees paid or payable to the Auditor-General	<u>227</u>	<u>247</u>

G Other matters

G1-1 Statement of Cash Flows information

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

\$ '000	2023	2022
Net operating result from Income Statement	36,036	80,745
Add / (less) non-cash items:		
Depreciation and amortisation	85,305	78,127
(Gain) / loss on disposal of assets	22,373	5,509
Non-cash capital grants and contributions	(9,219)	(10,561)
Reversal of prior year IPP&E revaluation decrements / impairment previously costed direct to the P&L	(6,225)	–
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as ‘at fair value’ or ‘held for trading’	–	71
– Investment property	(110)	(3,637)
– Revaluation decrements / impairments of IPP&E direct to P&L	22,108	224
Unwinding of discount rates on reinstatement provisions	294	102
Interest on leases	95	81
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(13,818)	(6,384)
Increase / (decrease) in provision for impairment of receivables	90	291
(Increase) / decrease of inventories	38	99
(Increase) / decrease of other current assets	2,579	(2,762)
Increase / (decrease) in payables	6,807	962
Increase / (decrease) in accrued interest payable	(139)	–
Increase / (decrease) in other accrued expenses payable	529	(265)
Increase / (decrease) in other liabilities	274	1,617
Increase / (decrease) in contract liabilities	11,559	10,917
Increase / (decrease) in employee benefit provision	366	(3,332)
Increase / (decrease) in other provisions	21,236	(1,215)
Net cash flows from operating activities	180,178	150,589

(b) Non-cash investing and financing activities

Bushfire services	947	5,155
Subdivider contributions ‘in kind’	8,127	5,406
Total non-cash investing and financing activities	9,074	10,561

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2023	2022
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Sewerage and water infrastructure	6,509	6,139
Road infrastructure	24,612	18,129
Buildings	2,881	7,098
Other	9,515	10,530
Total commitments	43,517	41,896
These expenditures are payable as follows:		
Within the next year	43,517	41,896
Total payable	43,517	41,896
Sources for funding of capital commitments:		
Unexpended Loans	1,855	4,932
Future grants and contributions	723	11,876
Externally restricted reserves	38,325	18,409
Internally restricted reserves	2,614	6,679
Total sources of funding	43,517	41,896

G3-1 Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

G4 Statement of developer contributions as at 30 June 2023

G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2022	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Drainage	491	6	-	-	14	-	-	511	-
Roads	10,070	2,171	-	-	228	(4,304)	-	8,166	-
Parking	712	815	-	-	44	-	-	1,571	(500)
Open space	5,329	1,603	-	-	192	(814)	-	6,310	500
Community facilities	1,099	193	-	-	38	-	-	1,330	-
Other	3,386	2,124	-	-	144	(554)	-	5,100	-
Surf Life Saving	203	67	-	-	7	-	-	277	-
Bushfire Facilities	680	147	-	-	21	(89)	-	759	-
Administration Building	406	(293)	-	-	3	-	-	116	-
Multi Purpose Community Centre	216	130	-	-	10	-	-	356	-
Library Book Stock	411	55	-	-	14	-	-	480	-
Aquatic Centre	509	133	-	-	18	(28)	-	632	-
Rec & Community Facilities	132	3	-	-	4	-	-	139	-
Central Library Building	1,267	256	-	-	42	(74)	-	1,491	-
GLW Admin	-	-	-	-	-	-	-	-	-
Other – Surf Life Saving Hawks Nest	-	-	-	-	-	-	-	-	-
Bridges	-	-	-	-	-	-	-	-	-
Rural Fire Fighting	-	-	-	-	-	-	-	-	-
Plan Preparatory	-	-	-	-	-	-	-	-	-
Other - Finance	123	90	-	-	5	-	-	218	-
Section 94 Officer	-	-	-	-	-	-	-	-	-
Plan Administration	742	136	-	-	25	-	-	903	-
Other - Finance - contra	-	-	-	-	-	-	-	-	-
S7.11 contributions – under a plan	25,776	7,636	-	-	809	(5,863)	-	28,359	-
S7.12 levies – under a plan	458	227	-	-	20	-	-	705	-
Total S7.11 and S7.12 revenue under plans	26,234	7,863	-	-	829	(5,863)	-	29,064	-
S7.11 not under plans	161	-	-	-	5	-	-	166	-
S7.4 planning agreements	394	50	-	-	13	-	-	457	-
S64 contributions	31,524	6,188	-	-	711	(13,111)	-	25,312	-
Total contributions	58,313	14,101	-	-	1,558	(18,974)	-	54,999	-

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 2022	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
CONTRIBUTION PLAN (former Gloucester Shire Council)										
Roads	497	4	-	-	14	-	-	515	-	
Parking	7	-	-	-	-	-	-	7	-	
Rec & Community Facilities	132	3	-	-	4	-	-	139	-	
Total	636	7	-	-	18	-	-	661	-	
CONTRIBUTION PLAN - FORSTER DISTRICT (former Great Lakes Council)										
Drainage	478	6	-	-	14	-	-	498	-	
Roads	3,942	1,209	-	-	33	(4,012)	-	1,173	-	
Parking	646	815	-	-	42	-	-	1,503	-	
Open space	3,083	499	-	-	84	(670)	-	2,996	-	
Community facilities	959	170	-	-	33	-	-	1,162	-	
Surf Life Saving	19	31	-	-	1	-	-	51	-	
Central Library	1,267	182	-	-	42	-	-	1,491	-	
Aquatic Centre	509	105	-	-	18	-	-	632	-	
Total	10,903	3,017	-	-	267	(4,682)	-	9,506	-	
CONTRIBUTION - GREAT LAKES WIDE (former Great Lakes Council)										
Library Book stocks	236	34	-	-	8	-	-	278	-	
Bushfire facilities	680	58	-	-	21	-	-	759	-	
Administration building	406	(293)	-	-	3	-	-	116	-	
Plan Administration	435	84	-	-	15	-	-	534	-	
Total	1,757	(117)	-	-	47	-	-	1,687	-	
CONTRIBUTION PLAN - TEA GARDENS / HAWKS NEST (former Great Lakes Council)										
Roads	126	56	-	-	5	-	-	187	-	
Parking	59	-	-	-	2	-	-	61	(500)	
Open space	371	61	-	-	27	-	-	459	500	
Community facilities	140	23	-	-	5	-	-	168	-	
Surf Life Saving	43	3	-	-	1	-	-	47	-	
Total	739	143	-	-	40	-	-	922	-	
CONTRIBUTION PLAN - ROAD HAULAGE (former Great Lakes Council)										
Roads	389	392	-	-	22	-	-	803	-	
Total	389	392	-	-	22	-	-	803	-	
CONTRIBUTION PLAN - RURAL ROADS BULADHDELAH, STROUD & RURAL OPEN SPACE (former Great Lakes Council)										
Roads	628	46	-	-	19	-	-	693	-	

continued on next page ...

G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2022	Contributions received during the year					Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other	Interest and investment income earned					
Open space	165	29	-	-	6	-	-	200	-	
Total	793	75	-	-	25	-	-	893	-	
CONTRIBUTION PLAN - THE BRANCH LANE (former Great Lakes Council)										
Roads	118	2	-	-	3	-	-	123	-	
Total	118	2	-	-	3	-	-	123	-	
CONTRIBUTION PLAN - COOMBA RD & SHALLOW BAY RD (former Great Lakes Council)										
Roads	191	1	-	-	6	-	-	198	-	
Total	191	1	-	-	6	-	-	198	-	
CONTRIBUTION PLAN - 2001 PLAN GREATER TAREE (former Greater Taree City Council)										
Open Space	147	68	-	-	6	-	-	221	-	
Surf Life Saving	141	33	-	-	5	-	-	179	-	
Central Library Building	-	74	-	-	-	(74)	-	-	-	
Library Book Stock	175	21	-	-	6	-	-	202	-	
Aquatic Centre	-	28	-	-	-	(28)	-	-	-	
Bushfire Facilities	-	66	-	-	-	(66)	-	-	-	
Other - Finance	43	29	-	-	2	-	-	74	-	
Plan Administration	307	52	-	-	10	-	-	369	-	
Total	813	371	-	-	29	(168)	-	1,045	-	
CONTRIBUTION PLAN 2001 PLAN TAREE (former Greater Taree City Council)										
Roads	534	24	-	-	16	-	-	574	-	
Open space	239	35	-	-	8	(8)	-	274	-	
Other - Finance	6	-	-	-	-	-	-	6	-	
Total	779	59	-	-	24	(8)	-	854	-	
CONTRIBUTION PLAN - 2001 PLAN WINGHAM (former Greater Taree City Council)										
Roads	732	-	-	-	13	(292)	-	453	-	
Open Space	108	-	-	-	-	(108)	-	-	-	
Bushfire Facilities	-	-	-	-	-	-	-	-	-	
Total	840	-	-	-	13	(400)	-	453	-	
CONTRIBUTION PLAN - 2001 HALLIDAYS POINT (former Greater Taree City Council)										
Roads	632	329	-	-	28	-	-	989	-	
Open Space	826	122	-	-	27	(28)	-	947	-	
Bushfire facilities	-	20	-	-	-	(20)	-	-	-	
MP Community Centre	129	20	-	-	4	-	-	153	-	
Other - Finance	1	-	-	-	-	-	-	1	-	
Total	1,588	491	-	-	59	(48)	-	2,090	-	
CONTRIBUTION PLAN - 2010 PLAN OLD BAR (former Greater Taree City Council)										

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G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2022	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
Drainage	13	-	-	-	-	-	-	13	-	
Roads	1,310	108	-	-	41	-	-	1,459	-	
Open Space	193	789	-	-	28	-	-	1,010	-	
Bushfire Facilities	-	3	-	-	-	(3)	-	-	-	
MP Community Centre	52	110	-	-	5	-	-	167	-	
Other - Finance	29	23	-	-	2	-	-	54	-	
Total	1,597	1,033	-	-	76	(3)	-	2,703	-	
CONTRIBUTION PLAN - 2001 PLAN HARRINGTON (former Greater Taree City Council)										
Roads	971	-	-	-	28	-	-	999	-	
Open space	197	-	-	-	6	-	-	203	-	
Bushfire Facilities	-	-	-	-	-	-	-	-	-	
MP Community Centre	35	-	-	-	1	-	-	36	-	
Other - Finance	1	-	-	-	-	-	-	1	-	
Total	1,204	-	-	-	35	-	-	1,239	-	
CONTRIBUTION PLAN NUMBER 2016										
Other	3,386	2,124	-	-	144	(554)	-	5,100	-	
Other - Finance	43	38	-	-	1	-	-	82	-	
Total	3,429	2,162	-	-	145	(554)	-	5,182	-	
S7.12 Levies – under a plan										
CONTRIBUTION PLAN OLD BAR (former Greater Taree City Council)										
General Purpose	79	-	-	-	2	-	-	81	-	
Total	79	-	-	-	2	-	-	81	-	
CONTRIBUTION PLAN MCC 2016 (covers former Greater Taree City Council area)										
General Purpose	337	212	-	-	16	-	-	565	-	
Total	337	212	-	-	16	-	-	565	-	
CONTRIBUTION PLAN GLOUCESTER 2015 (former Gloucester Shire Council)										
General Purpose	42	15	-	-	2	-	-	59	-	
Total	42	15	-	-	2	-	-	59	-	

G4-3 Contributions not under plans

\$ '000	Opening balance at 1 July 2022	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
(former Great Lakes Council)										
Roads	161	-	-	-	5	-	-	-	166	-
Total	161	-	-	-	5	-	-	-	166	-

G4-4 S7.4 planning agreements

363 Diamond Beach Road, Diamond Beach (Seashells)

Other	59	-	-	-	1	-	-	-	60	-
Total	59	-	-	-	1	-	-	-	60	-

391 Diamond Beach Road, Diamond Beach

Other	88	-	-	-	3	-	-	-	91	-
Total	88	-	-	-	3	-	-	-	91	-

Murray Road, Wingham

Other	119	-	-	-	4	-	-	-	123	-
Total	119	-	-	-	4	-	-	-	123	-

Sanderling Avenue, Hawks Nest

Other	128	-	-	-	4	-	-	-	132	-
Total	128	-	-	-	4	-	-	-	132	-

72 Clarkson Street, Nahiack

Other	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

Bulahdelah Highway Service Centre

Other	-	50	-	-	1	-	-	-	51	-
Total	-	50	-	-	1	-	-	-	51	-

G4-5 S64 contributions

Former MidCoast Water Contributions

Water Contributions	9,759	2,877	-	-	168	(6,818)	-	-	5,986	-
Sewer Contributions	21,765	3,311	-	-	543	(6,293)	-	-	19,326	-
Total	31,524	6,188	-	-	711	(13,111)	-	-	25,312	-

G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2023	Indicator 2023	Indicator 2022	Benchmark
1. Operating performance ratio				
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(7,161)	(2.47)%	4.20%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	290,308			
2. Own source operating revenue ratio				
Total continuing operating revenue excluding all grants and contributions ¹	243,680	65.55%	66.11%	> 60.00%
Total continuing operating revenue ¹	371,741			
3. Unrestricted current ratio				
Current assets less all external restrictions	97,532	2.58x	2.80x	> 1.50x
Current liabilities less specific purpose liabilities	37,742			
4. Debt service cover ratio				
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	87,337	2.99x	2.75x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	29,198			
5. Rates and annual charges outstanding percentage				
Rates and annual charges outstanding	19,902	10.70%	8.89%	< 10.00%
Rates and annual charges collectable	186,066			
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	262,741	14.10 months	12.85 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	18,639			

(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 ³		Water Indicators		Sewer Indicators		Benchmark
	2023	2022	2023	2022	2023	2022	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(7.48)%	2.14%	(0.05)%	1.73%	16.74%	15.31%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	56.48%	57.91%	89.02%	85.83%	90.64%	87.03%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	2.58x	2.80x	3.95x	4.16x	5.00x	6.15x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	4.25x	3.38x	2.08x	2.01x	2.44x	2.28x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	10.80%	9.02%	11.46%	7.50%	10.15%	9.05%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	10.16 months	9.09 months	14.41 months	15.38 months	37.98 months	34.76 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.



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 2023, the Statement of Financial Position as at 30 June 2023, 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 2023, 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).

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 have fulfilled my other ethical responsibilities in accordance with APES 110.

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 2023 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. 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.



Lawrissa Chan
Delegate of the Auditor-General for New South Wales

31 October 2023
SYDNEY



Councillor Claire Pontin
Mayor
MidCoast Council
PO Box 482
TAREE NSW 2430

Contact: Lawrissa Chan
Phone no: (02) 9275 7255
Our ref: R008-16585809-46667

31 October 2023

Dear Mayor Pontin

**Report on the Conduct of the Audit
for the year ended 30 June 2023
MidCoast Council**

I have audited the general purpose financial statements (GPFS) of the MidCoast Council (the Council) for the year ended 30 June 2023 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 2023 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.

SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS

I identified the following significant audit issues and observations during my audit of the Council's financial statements. These issues and observations were addressed as part of my audit.

User access management for a key system

Our review of user access management for a key system identified the following issues:

- no periodic user access review performed this financial year
- privileged user activity log was not reviewed on a periodic basis, even though the log was enabled.

INCOME STATEMENT

Operating result

	2023	2022	Variance
	\$m	\$m	%
Rates and annual charges revenue	168.8	163.2	↑ 3.4
Grants and contributions revenue	128.1	116.2	↑ 10.2
Operating result from continuing operations	36.0	80.7	↓ 55.4
Net operating result before capital grants and contributions	(45.4)	8.9	↓ 610.1

Rates and annual charges revenue (\$168.8 million) increased by \$5.6 million (3.4 per cent) in 2022–23 mainly due to rate peg increase of 2.3 per cent.

Grants and contributions revenue (\$128.1 million) increased by \$11.9 million (10.2 per cent) in 2022–23, mainly due to an increase in capital grants received for transport (other roads and bridges funding) of \$11.3 million.

The Council's operating result from continuing operations (\$36.0 million including depreciation, amortisation and impairment expense of \$107.4 million) was \$44.7 million lower than the 2021–22 result. This was due to an increase in materials and services and \$22.1 million revaluation decrement for bridges that was recognised in the income statement.

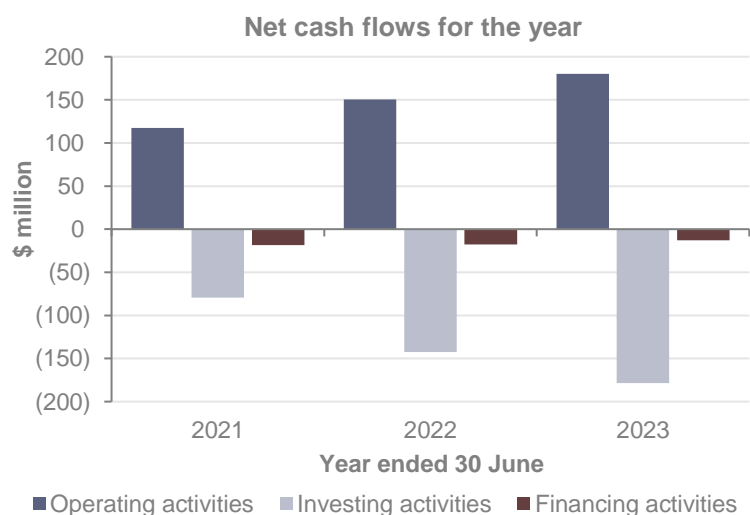
The net operating result before capital grants and contributions (-\$45.4 million) was \$54.3 million lower than the 2021–22 result. This was due to \$18.9 million increase in materials and services and \$22.1 million revaluation decrement for bridges that was recognised in the income statement.

STATEMENT OF CASH FLOWS

Cash flows from operating activities increased by \$29.6 million mainly due to an increase in receipts from grants and contributions and a reduction in other payments.

Cash flows from investing activities increased by \$36.1 million due to additional payments for infrastructure, property, plant and equipment of \$60.8 million, which is offset by a redemption of term deposits of \$17.1 million and a reduction in purchases of investments of \$11.3 million.

Cash flows from financing activities reduced by \$4.8 million, mainly due to repayment of borrowings.



FINANCIAL POSITION

Cash and investments

Cash and investments	2023	2022	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	330.6	321.5	Externally restricted balances comprise mainly of developer contributions, water and sewer funds.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	258.7	252.6	Externally restricted cash and internal allocations have remained steady compared to the prior year.
• Internal allocations	68.5	68.4	

Debt

At 30 June 2023, Council had:

- \$165.7 million in external borrowings (\$177.8 million in 2021-22), including \$17.3 million classified as current, with the remaining balance classified as non-current
- \$0.25 million in credit card facility with \$0.17 million unused.

PERFORMANCE

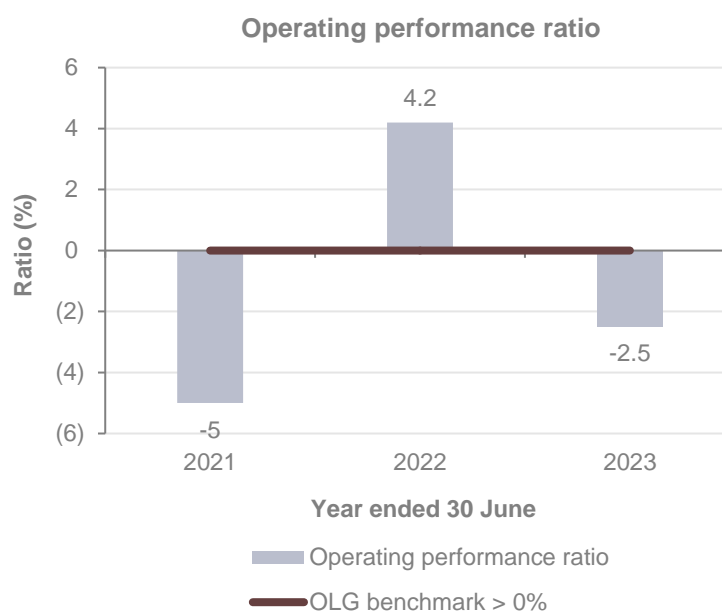
Performance measures

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 Council did not meet the benchmark for the current reporting period.

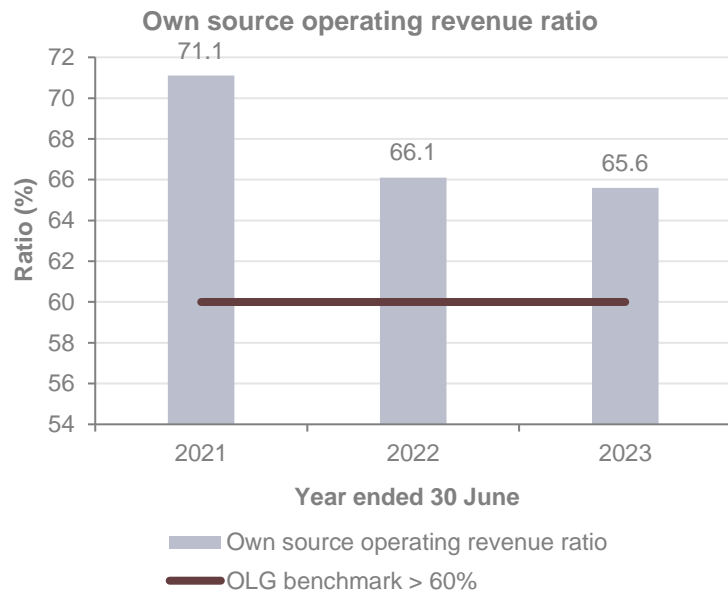
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

The Council exceeded the benchmark for the current reporting period.

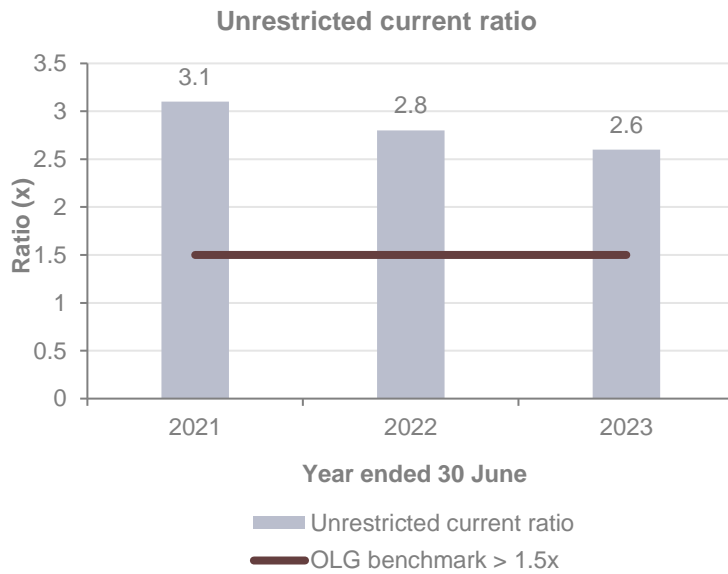
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

The Council exceeded the benchmark for the current reporting period.

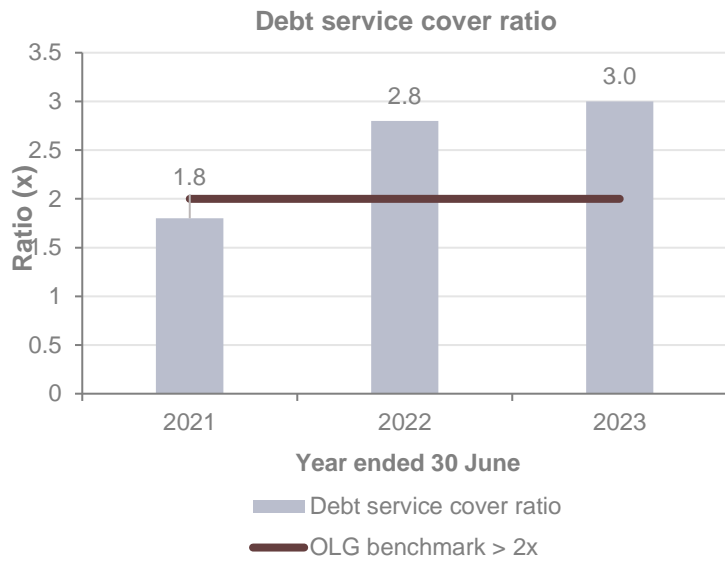
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

The Council exceeded the benchmark for the current reporting period.

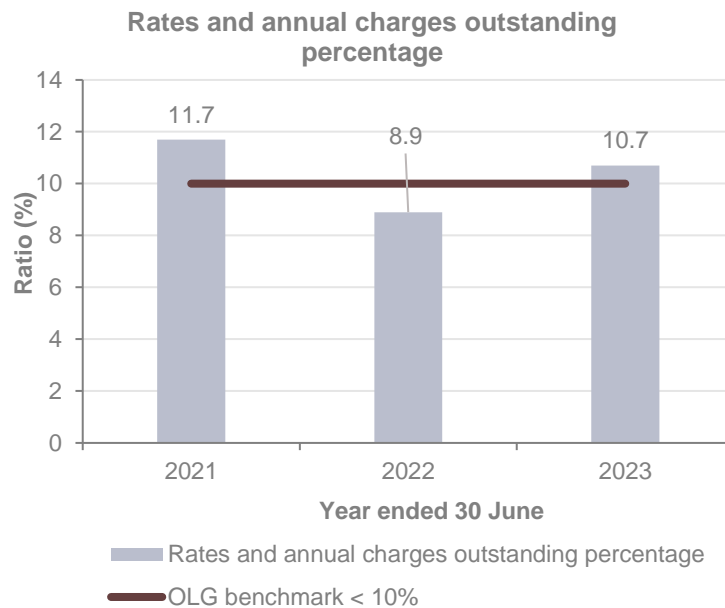
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

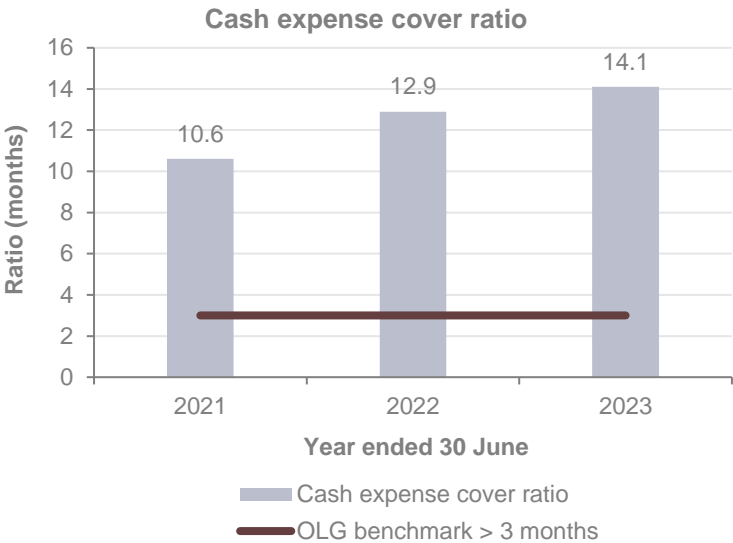
The Council did not meet the benchmark for the current reporting period.

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.



Cash expense cover ratio

The Council exceeded the benchmark for the current reporting period. 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.



Infrastructure, property, plant and equipment renewals

Council renewed \$118.6 million of infrastructure, property, plant and equipment during the 2022–23 financial year, compared to \$80.6 million in the prior year. A further \$36.1 million was spent on new assets, compared to \$30.8 million in the prior year.

OTHER MATTERS

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.

Lawrissa Chan
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

MidCoast Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2023



MidCoast Council

Special Purpose Financial Statements

for the year ended 30 June 2023

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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 2023

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:

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- 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
- Sections 3 and 4 of the NSW Department of Planning and Environment, *Water's Regulatory and assurance framework for local water utilities*.

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records; and
- present overhead reallocation charges to 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.

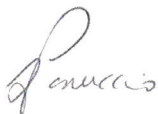
Signed in accordance with a resolution of Council made on 25 October 2023.



Claire Pontin
Mayor
25 October 2023



Katheryn Stinson
Councillor
25 October 2023



Adrian Panuccio
General Manager
25 October 2023



Phil Brennan
Responsible Accounting Officer
25 October 2023

MidCoast Council

Income Statement of water supply business activity

for the year ended 30 June 2023

\$ '000	2023	2022
Income from continuing operations		
Access charges	14,694	14,076
User charges	27,401	25,982
Fees	1,207	1,291
Interest and investment income	520	178
Other income	505	307
Total income from continuing operations	44,327	41,834
Expenses from continuing operations		
Employee benefits and on-costs	8,829	7,577
Borrowing costs	4,194	4,553
Materials and services	15,353	14,357
Depreciation, amortisation and impairment	15,486	13,963
Net loss from the disposal of assets	2,213	529
Calculated taxation equivalents	269	275
Debt guarantee fee (if applicable)	710	762
Other expenses	470	525
Total expenses from continuing operations	47,524	42,541
Surplus (deficit) from continuing operations before capital amounts	(3,197)	(707)
Grants and contributions provided for capital purposes	5,463	6,872
Surplus (deficit) from continuing operations after capital amounts	2,266	6,165
Surplus (deficit) from all operations before tax	2,266	6,165
Surplus (deficit) after tax	2,266	6,165
Plus opening retained profits	442,251	435,049
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	269	275
– Debt guarantee fees	710	762
Less:		
– Tax equivalent dividend paid	(127)	–
Closing accumulated surplus	445,369	442,251
Return on capital %	0.2%	0.6%
Subsidy from Council	24,221	17,869
Calculation of dividend payable:		
Surplus (deficit) after tax	2,266	6,165
Less: capital grants and contributions (excluding developer contributions)	(935)	(775)
Surplus for dividend calculation purposes	1,331	5,390
Potential dividend calculated from surplus	666	2,695

MidCoast Council

Income Statement of sewerage business activity

for the year ended 30 June 2023

\$ '000	2023	2022
Income from continuing operations		
Access charges	40,738	38,961
User charges	3,222	3,152
Fees	282	403
Interest and investment income	1,918	651
Other income	405	593
Total income from continuing operations	46,565	43,760
Expenses from continuing operations		
Employee benefits and on-costs	8,120	6,992
Borrowing costs	2,980	3,418
Materials and services	16,175	15,710
Depreciation, amortisation and impairment	11,306	10,610
Net loss from the disposal of assets	3,039	727
Calculated taxation equivalents	233	238
Debt guarantee fee (if applicable)	443	504
Other expenses	145	147
Total expenses from continuing operations	42,441	38,346
Surplus (deficit) from continuing operations before capital amounts	4,124	5,414
Grants and contributions provided for capital purposes	4,801	6,488
Surplus (deficit) from continuing operations after capital amounts	8,925	11,902
Surplus (deficit) from all operations before tax	8,925	11,902
Less: corporate taxation equivalent (25%) [based on result before capital]	(1,031)	(1,354)
Surplus (deficit) after tax	7,894	10,548
Plus opening retained profits	436,856	424,212
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	233	238
– Debt guarantee fees	443	504
– Corporate taxation equivalent	1,031	1,354
Less:		
– Tax equivalent dividend paid	(116)	–
Closing accumulated surplus	446,341	436,856
Return on capital %	1.4%	1.6%
Subsidy from Council	12,781	11,452
Calculation of dividend payable:		
Surplus (deficit) after tax	7,894	10,548
Surplus for dividend calculation purposes	7,894	10,548
Potential dividend calculated from surplus	3,947	5,274

MidCoast Council

Income Statement of Midcoast Assist

for the year ended 30 June 2023

\$ '000	2023 Category 1	2022 Category 1
Income from continuing operations		
Fees	8,352	7,239
Grants and contributions provided for operating purposes	1,042	1,146
Other income	243	12
Total income from continuing operations	9,637	8,397
Expenses from continuing operations		
Employee benefits and on-costs	7,465	7,434
Borrowing costs	2	1
Materials and services	1,418	2,292
Depreciation, amortisation and impairment	105	127
Calculated taxation equivalents	335	236
Total expenses from continuing operations	9,325	10,090
Surplus (deficit) from continuing operations before capital amounts	312	(1,693)
Surplus (deficit) from continuing operations after capital amounts	312	(1,693)
Surplus (deficit) from all operations before tax	312	(1,693)
Less: corporate taxation equivalent (25%) [based on result before capital]	(78)	–
Surplus (deficit) after tax	234	(1,693)
Plus accumulated surplus	767	2,224
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments Payroll	335	236
– Corporate taxation equivalent	78	–
Add:		
Less:		
Closing accumulated surplus	1,414	767
Return on capital %	72.9%	(368.6)%
Subsidy from Council	–	1,709

MidCoast Council

Statement of Financial Position of water supply business activity

as at 30 June 2023

\$ '000	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	16,547	16,619
Investments	13,500	15,500
Receivables	8,847	8,845
Other	29	6
Total current assets	38,923	40,970
Non-current assets		
Right of use assets	231	245
Investments	3,000	3,000
Infrastructure, property, plant and equipment	627,302	593,300
Investment property	1,424	1,369
Total non-current assets	631,957	597,914
Total assets	670,880	638,884
LIABILITIES		
Current liabilities		
Contract liabilities	204	852
Lease liabilities	(6)	7
Payables	1,547	1,635
Borrowings	5,347	5,199
Employee benefit provisions	2,973	3,012
Total current liabilities	10,065	10,705
Non-current liabilities		
Lease liabilities	258	266
Borrowings	65,639	71,009
Employee benefit provisions	239	59
Total non-current liabilities	66,136	71,334
Total liabilities	76,201	82,039
Net assets	594,679	556,845
EQUITY		
Accumulated surplus	445,368	442,251
Revaluation reserves	149,311	114,594
Total equity	594,679	556,845

MidCoast Council

Statement of Financial Position of sewerage business activity

as at 30 June 2023

\$ '000	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	17,825	37,291
Investments	25,000	22,000
Receivables	6,028	5,306
Other	29	–
Total current assets	48,882	64,597
Non-current assets		
Right of use assets	69	72
Investments	55,250	34,750
Infrastructure, property, plant and equipment	494,660	554,216
Investment property	1,423	1,369
Total non-current assets	551,402	590,407
Total assets	600,284	655,004
LIABILITIES		
Current liabilities		
Lease liabilities	6	6
Payables	1,344	1,457
Borrowings	5,445	6,024
Employee benefit provisions	2,973	3,012
Total current liabilities	9,768	10,499
Non-current liabilities		
Lease liabilities	66	68
Borrowings	38,824	44,333
Employee benefit provisions	240	59
Total non-current liabilities	39,130	44,460
Total liabilities	48,898	54,959
Net assets	551,386	600,045
EQUITY		
Accumulated surplus	446,343	436,856
Revaluation reserves	105,043	163,189
Total equity	551,386	600,045

MidCoast Council

Statement of Financial Position of Midcoast Assist

as at 30 June 2023

\$ '000	2023 Category 1	2022 Category 1
ASSETS		
Current assets		
Cash and cash equivalents	2,041	1,786
Receivables	554	635
Total current assets	2,595	2,421
Non-current assets		
Infrastructure, property, plant and equipment	431	459
Right of use assets	92	61
Total non-current assets	523	520
Total assets	3,118	2,941
LIABILITIES		
Current liabilities		
Payables	795	1,297
Lease liabilities	31	19
Employee benefit provisions	779	806
Total current liabilities	1,605	2,122
Non-current liabilities		
Lease liabilities	62	42
Employee benefit provisions	37	10
Total non-current liabilities	99	52
Total liabilities	1,704	2,174
Net assets	1,414	767
EQUITY		
Retained earnings	1,414	767
Total equity	1,414	767

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 2021 (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% (21/22 25%)

Land tax – the first \$969,000 of combined land values attracts 0%. For the combined land values in excess of \$969,000 up to \$5,925,000 the rate is \$100 + 1.6%. For the remaining combined land value that exceeds \$5,925,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% 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% (21/22 25%).

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 2022/2023 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)

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.02% at 30/6/2023.

(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 2023 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 2023, the Statement of Financial Position of each Declared Business Activity as at 30 June 2023 and 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 2023, 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 2022–23 (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).

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 have fulfilled my other ethical responsibilities in accordance with APES 110.

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 2023 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. 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.



Lawrissa Chan
Delegate of the Auditor-General for New South Wales

31 October 2023
SYDNEY

MidCoast Council

SPECIAL SCHEDULES
for the year ended 30 June 2023



MidCoast Council

Special Schedules

for the year ended 30 June 2023

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MidCoast Council

Permissible income for general rates (Merger Councils)

\$ '000	Notes	2022/23	2023/24
		MidCoast Council	MidCoast Council
Notional general income calculation ¹			
Last year notional general income yield	a	86,414	88,742
Plus or minus adjustments ²	b	336	642
Notional general income	c = a + b	86,750	89,384
Permissible income calculation			
Or rate peg percentage	e	2.25%	3.90%
Or plus rate peg amount	i = e x (c + g)	1,952	3,486
Sub-total	k = (c + g + h + i + j)	88,702	92,870
Plus (or minus) last year's carry forward total	l	83	32
Less valuation objections claimed in the previous year	m	(11)	-
Sub-total	n = (l + m)	72	32
Total permissible income	o = k + n	88,774	92,902
Less notional general income yield	p	88,742	92,817
Catch-up or (excess) result	q = o - p	32	85
Carry forward to next year ⁶	t = q + r + s	32	85

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 2024.

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 2022–23 (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).

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 have fulfilled my other ethical responsibilities in accordance with APES 110.

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 2023 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 2023'.

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. 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.



Lawrissa Chan
Delegate of the Auditor-General for New South Wales

31 October 2023
SYDNEY

MidCoast Council

Report on infrastructure assets as at 30 June 2023

Asset Class	Asset Category	Estimated cost		2022/23 Required maintenance ^a	2022/23 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings	Other Buildings	6,984	6,984	1,004	395	60,674	91,279	7.0%	61.0%	19.0%	13.0%	0.0%
	Council Offices/Administration Centres	14,880	14,880	982	622	53,600	89,250	41.0%	5.0%	2.0%	52.0%	0.0%
	Council Works Depots	2,100	2,100	139	86	6,460	12,673	9.0%	7.0%	56.0%	28.0%	0.0%
	Council Public Halls	4,003	4,003	274	12	12,449	24,945	0.0%	16.0%	50.0%	34.0%	0.0%
	Libraries	890	890	104	87	5,369	9,450	0.0%	18.0%	75.0%	7.0%	0.0%
	Cultural/Community Facilities	31,734	31,734	2,706	1,837	135,683	245,962	4.0%	25.0%	47.0%	23.0%	1.0%
	Sub-total	60,591	60,591	5,209	3,039	274,235	473,559	11.39%	27.07%	34.08%	26.93%	0.50%
Other structures	Other structures Not Included In Buildings	1,268	1,268	166	736	10,680	15,102	20.0%	52.0%	10.0%	18.0%	0.0%
	Sub-total	1,268	1,268	166	736	10,680	15,102	20.00%	52.00%	10.00%	18.00%	0.00%
Roads	Sealed roads	150,566	150,566	13,575	33,143	951,408	1,523,619	13.0%	39.0%	31.0%	14.0%	3.0%
	Unsealed roads	6,708	6,708	3,562	650	46,996	75,002	12.0%	28.0%	57.0%	2.0%	1.0%
	Bridges	7,728	7,728	2,016	607	147,186	201,802	20.0%	59.0%	16.0%	4.0%	1.0%
	Footpaths/Cycleways	3,084	3,084	672	160	34,290	49,092	29.0%	29.0%	39.0%	2.0%	1.0%
	Kerb & Guttering	22,419	22,419	336	48	118,847	204,165	11.0%	10.0%	74.0%	4.0%	1.0%
	Bulk earthworks	–	–	–	–	800,176	800,176	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	190,505	190,505	20,161	34,608	2,098,903	2,853,856	37.99%	26.94%	25.14%	8.13%	1.90%
Water supply network	Water supply network	57,201	57,201	9,219	9,625	553,794	805,529	36.0%	35.0%	16.0%	9.0%	4.0%
	Sub-total	57,201	57,201	9,219	9,625	553,794	805,529	36.00%	35.00%	16.00%	9.00%	4.00%
Sewerage network	Sewerage network	50,962	50,962	9,533	8,598	451,441	656,143	36.0%	27.0%	24.0%	9.0%	4.0%
	Sub-total	50,962	50,962	9,533	8,598	451,441	656,143	36.00%	27.00%	24.00%	9.00%	4.00%
Stormwater drainage	Stormwater drainage	36,551	36,551	2,513	422	334,794	506,769	20.0%	45.0%	30.0%	4.0%	1.0%
	Sub-total	36,551	36,551	2,513	422	334,794	506,769	20.00%	45.00%	30.00%	4.00%	1.00%

MidCoast Council

Report on infrastructure assets as at 30 June 2023 (continued)

Asset Class	Asset Category	Estimated cost		2022/23 Required maintenance ^a	2022/23 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Open space / recreational assets	Swimming pools	2,866	2,866	133	1,255	5,108	12,123	1.0%	5.0%	50.0%	39.0%	5.0%
	Other Recreational/Open Space Assets	5,542	5,542	627	6,286	35,799	57,025	11.0%	50.0%	25.0%	10.0%	4.0%
	Sub-total	8,408	8,408	760	7,541	40,907	69,148	9.25%	42.11%	29.38%	15.08%	4.20%
Total – all assets		405,486	405,486	47,561	64,569	3,764,754	5,380,106	33.00%	30.13%	24.89%	9.75%	2.30%

(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 2023

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2023	Indicator 2023	Indicator 2022	Benchmark
Buildings and infrastructure renewals ratio				
Asset renewals ¹	118,555	128.13%	117.43%	> 100.00%
Depreciation, amortisation and impairment	92,525			
Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	405,486	10.33%	2.98%	< 2.00%
Net carrying amount of infrastructure assets	3,925,266			
Asset maintenance ratio				
Actual asset maintenance	64,569	135.76%	114.03%	> 100.00%
Required asset maintenance	47,561			
Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	405,486	7.54%	2.00%	
Gross replacement cost	5,380,106			

(*) 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 2023

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2023	2022	2023	2022	2023	2022	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	158.21%	137.37%	42.01%	103.06%	49.77%	43.37%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	10.18%	2.82%	10.33%	4.07%	11.29%	2.70%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	160.87%	130.17%	104.40%	92.55%	90.19%	95.84%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	7.59%	1.97%	7.10%	2.31%	7.77%	1.76%	

(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.



05

**ANNUAL CARBON
EMISSIONS REPORT**

Image: Solar Panels in Gloucester

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 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 2022-23 and summarises the key initiatives that are currently being implemented by Council to lower its emissions.

Background

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 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.

The 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 increasing 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 2022-23 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.

Greenhouse gas emissions are expressed as carbon dioxide equivalent (CO₂-e). CO₂-e expresses the warming effect of different greenhouse gases as an equivalent amount of carbon dioxide. It is the amount of carbon dioxide that would give the same warming effect as each greenhouse gas that is emitted or stored by an activity. For example, methane (CH₄) has a global warming potential (GWP) of 25, which means 1 tonne of CH₄ is 25 tonnes of CO₂-e.

Discussion

Council staff are currently modelling future carbon emissions to project how expected changes to waste management, a cleaner electricity grid and expected uptake of electric vehicles will impact our emissions profile. Major changes include:

- the trial and implementation of landfill gas flaring,
- implementation of Food Organics & Garden Organics (FOGO) in waste management,
- increased uptake of behind-the-meter solar at Council owned sites,
- increased grid-scale renewable energy,
- planned closures of coal fired power stations and
- projected uptake of electric vehicles.

Council's 2022-23 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 2022-23 was 108,138 t CO₂-e, these are presented in the tables and graphs below, which was a decrease of 21% on 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 4% over this time. This is a direct result of an increase in waste to landfill since 2018-19. Waste is the biggest contributor to Council's carbon emissions footprint representing approximately 80% of Council's total emissions.

It is important to note that fugitive emissions from sewage treatment plants are not included in the figures below. Fugitive emissions from sewage treatment have proven difficult to reliably calculate and Water & Systems staff are working on this. Current calculations for fugitive emissions from wastewater treatment range from an additional 2 – 20% of our total annual emissions profile.

Table 1: Annual CO₂-e emissions by source

Source (t CO ₂ -e)	2018/19	2019/20	2020/21	2021/22	2022/23
Fuel	4,383	3,729	5,574	4,741	4,708
Electricity	25,037	22,737	24,224	22,503	18,008
Waste	75,228	88,326	96,258	110,469	85,423
Total	104,649*	114,792	126,058	137,714	108,138

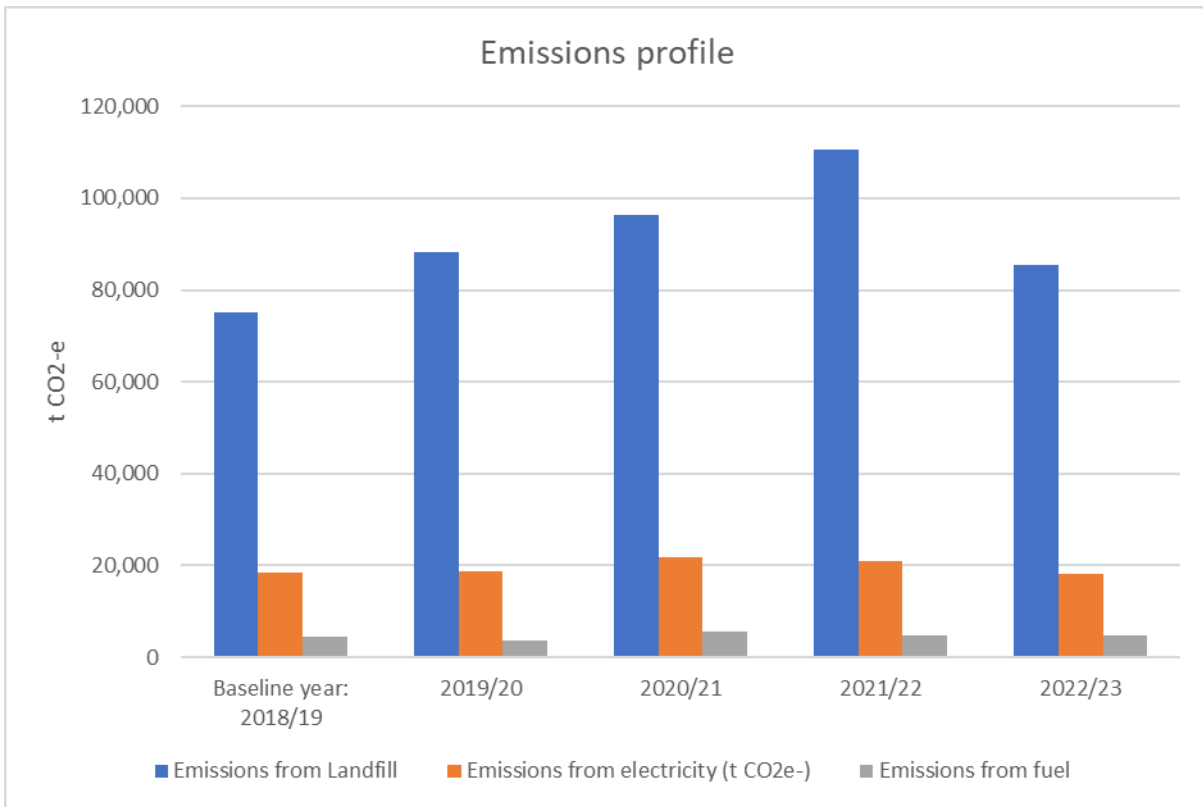


Figure 1: Annual CO2-e emissions by source.

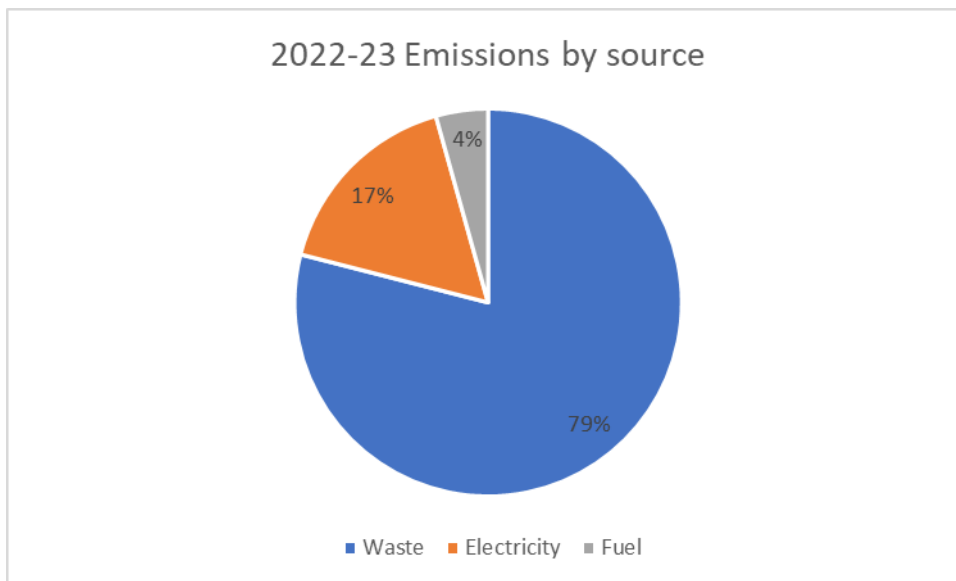


Figure 2: 2022-23 Emissions breakdown

Landfill emissions

Council continues to improve our understanding of landfill emissions, which are very difficult to calculate and lead to fluctuations in our emissions year on year. Although there is a level of uncertainty with the exact quantity of our landfill emissions, we know that emissions from landfill are significant and need to be reduced. While Council pursues emissions reduction projects, we are also striving to better understand and measure the emissions from landfill.

Approximately 80% of Council's carbon emissions are a direct result of waste sent to landfill. Although the waste is generated by the community, Council is the owner of the landfill sites where the emissions are produced. Council's adopted Waste Strategy and Climate Change Strategy outline a range of projects and objectives to decrease the emissions generated by waste, as well as identify opportunities to offset the emissions that cannot be reduced.

When organic material enters a landfill, it is compacted and buried. The landfill site is compacted to reduce the space required to store waste and maximise how much waste can fit into the cell. When organic material breaks down in the presence of oxygen, it releases the carbon dioxide that was stored within the material. But when organic material breaks down in an anaerobic (without oxygen) environment such as a landfill site, methane is produced rather than carbon dioxide. Methane is 25 times more potent as a greenhouse gas compared to carbon dioxide.

The Waste Strategy has set an ambitious target of diverting 70% of waste from landfill. This target requires a multi-pronged approach to change the composition of what the community sends to landfill, how Council processes this waste and how we deal with the emissions from the landfill sites. Council staff are participating in a Hunter Joint Organisation (JO) program to improve measurements and reporting of landfill gas emissions and expect to see improvements in our understanding of these emissions in the coming months.

Landfill gas flaring

Council will be implementing a trial of landfill gas flaring in the 2023-24 financial year. This trial will determine the commercial viability of gas flaring and guide how Council should structure future contracts for this service. The trial will also inform how much gas can be captured for flaring and the quantity of carbon-offsets that can be generated by this process. Flaring methane at a landfill site can generate Australian Carbon Credit Units (ACCUs) that can be sold, traded or retired depending on volume, price and business needs.

Organic materials have embodied carbon that has been absorbed from the environment while the organism was living. When organic material breaks down in a natural aerobic environment, it releases the stored carbon back into the atmosphere. This short-term carbon cycle operates in a 1-for-1 exchange and is therefore carbon-neutral. When organic material breaks down in an anaerobic setting, methane is produced instead of carbon dioxide, increasing the potency of the gas exchange by 25 times. By flaring (burning) the methane gas, the methane is turned back into carbon dioxide and 'corrects' the carbon exchange.

FOGO

Council already has a successful green waste program for garden organic material and will be implementing Food Organics & Garden Organics (FOGO) to further divert organic material from entering the landfill sites. FOGO will mean that residents will be able to place their kitchen scraps into their green bin rather than the red bin. The contents of the green bin will then be composted in a new purpose-built facility that treats the organic material to reduce the production of methane and produce a rich organic material that can be used as a soil conditioner. For every tonne of organic material that is diverted from landfill, it is expected that 1.9 tonnes of CO₂-e is avoided.

A 2021 audit of Council's kerbside waste collection scheme indicated that approximately 50% of red bin contents could be collected and recycled by the FOGO service if sorted correctly at the household. This would significantly decrease the quantity of organic matter breaking down in landfill and reduce our landfill emissions. In the lead up to FOGO being implemented, Council will increase community engagement to help residents understand how to use the new services.

Energy emissions

In 2022-23 Council consumed 26,056 MWh of electricity from the grid. This figure has been relatively consistent for the last three years. Water & Systems consume approximately 70% of Council's electricity use for water and sewer. Electricity consumption contributes approximately 17% of Council's total emissions with a total of 18,008 t CO₂-e from electricity emissions.

Water treatment and pumping requirements do not tend to change significantly from year to year. Sewage treatment energy needs also remain consistent, even as the population grows, the treatment plants tend to operate relatively consistently.

The National Energy Market (NEM) continues to become cleaner, meaning more and more of the grid electricity that we consume is coming from renewable energy sources.

In the 2022-23 financial year, Council installed 102 kW of roof top solar at four Water & Systems sites, plus 86 kW of solar and 70 kW of battery storage at Waste Management Facilities sites. The Water & Systems team also began purchasing 100% renewable energy for the Water & Systems small site contract accounts.

The purchase of 100% renewable energy for Water & Systems small contract accounts has decreased the emissions by 1,000 t CO₂-e in the first 6 months of the contract. In the graph below we can see that the gap between electricity consumption and the associated emissions is growing. This gap will increase as the grid gets cleaner and Council purchases more renewable electricity.

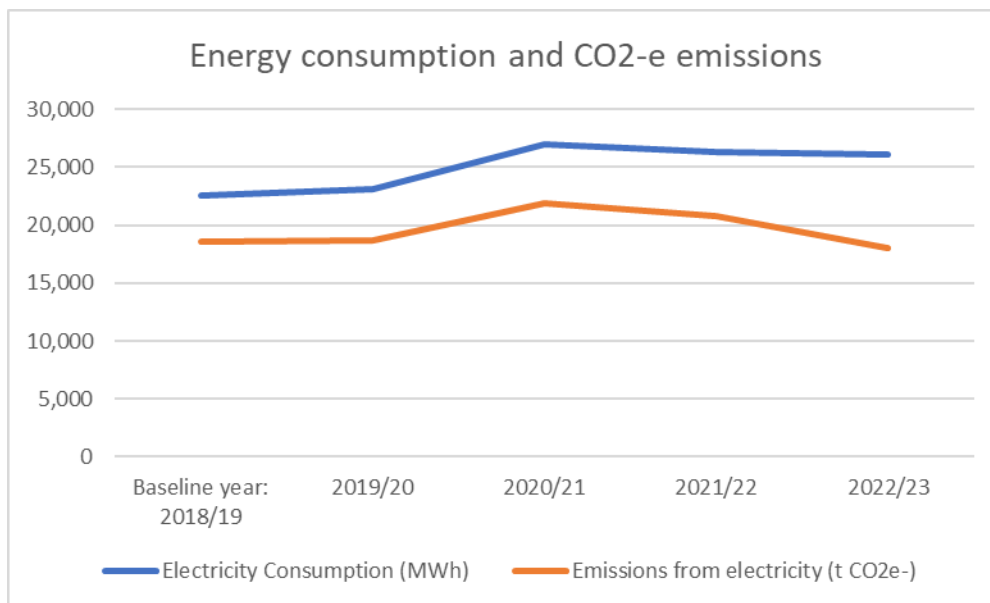


Figure 3: Electricity consumption data measured by our electricity retailers and associated CO₂-e emissions.

What is not shown in our electricity consumption data is the electricity that Council produces with solar panels onsite and consumes. An example of Council self-consuming renewable energy onsite can be found at Yalawanyi Ganya.

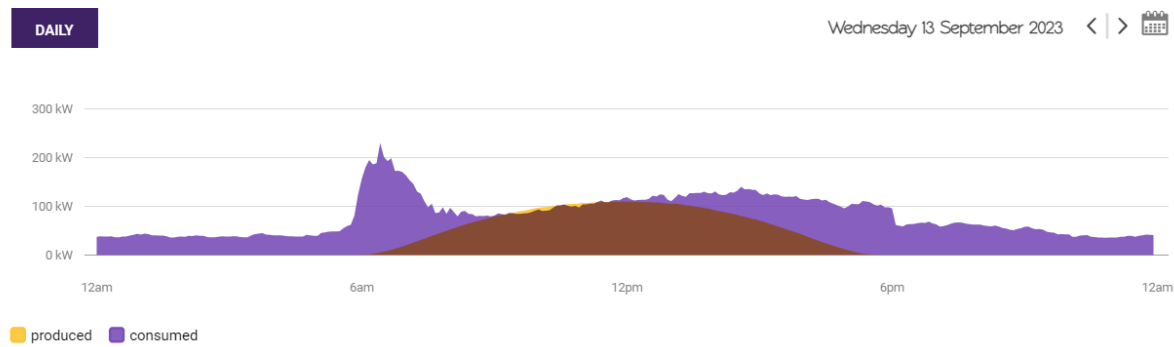


Figure 4: Yalawanyi Ganya energy consumption and solar production.

The purple data shows total energy consumption on site at Yalawanyi Ganya. The ‘brown’ data is solar electricity that Council is self-consuming. There are brief moments throughout the day when the solar panels are producing more power than the building needs (displayed in yellow), this energy is being exported to the grid to be consumed elsewhere. In the late morning through to the middle of the day Yalawanyi Ganya is producing and consuming its own renewable energy.

Not all sites have suitable roof space and appropriate energy load profiles to produce their own renewable electricity, but where it is possible, Council will seek to install solar to be less reliant on the grid. Behind the meter solar energy is the cheapest form of electricity available. Producing and consuming renewable energy on site avoids transmission losses and fees, retailer margins, environmental levies and other charges that grid electricity has built into the costs. Consuming renewable energy that is produced on site is helping Council reduce our emissions and costs.

Fleet emissions

Fuel consumption and subsequent carbon emissions have remained consistent over the past few years. Council’s Fleet Team continue to seek fuel efficiency with new plant and equipment. Council now has three fully electric vehicles that are based in Yalawanyi Ganya and are used as pool cars. These vehicles are reducing Council’s carbon emissions by avoiding the use of petrol or diesel vehicles that would otherwise be used. These electric vehicles are charged at Yalawanyi Ganya using 100% renewable electricity. Council’s fleet team have also increased the number of hybrid vehicles in the fleet with a total of 12 hybrid and 1 plug-in hybrid vehicle.

Water Consumption

Water consumption at Council assets has been declining since the 2018-19 baseline. Weather conditions have contributed to a decrease in water consumption though a decrease in irrigation requirements and reduced evaporation. Council has also increased smart metering which helps detect leaks and prevent wastage.

MidCoast Council’s long-term water strategy, *Our Water Our Future 2050*, was adopted by Council in August 2023. The strategy outlines how Council will provide sustainable and affordable water and sewer services to the MidCoast community over the next 30 years. *Our Future Our Water 2050* sets a clear path for how we will navigate the challenges we face from climate change and population growth and proposes a range of solutions to make the region more resilient.

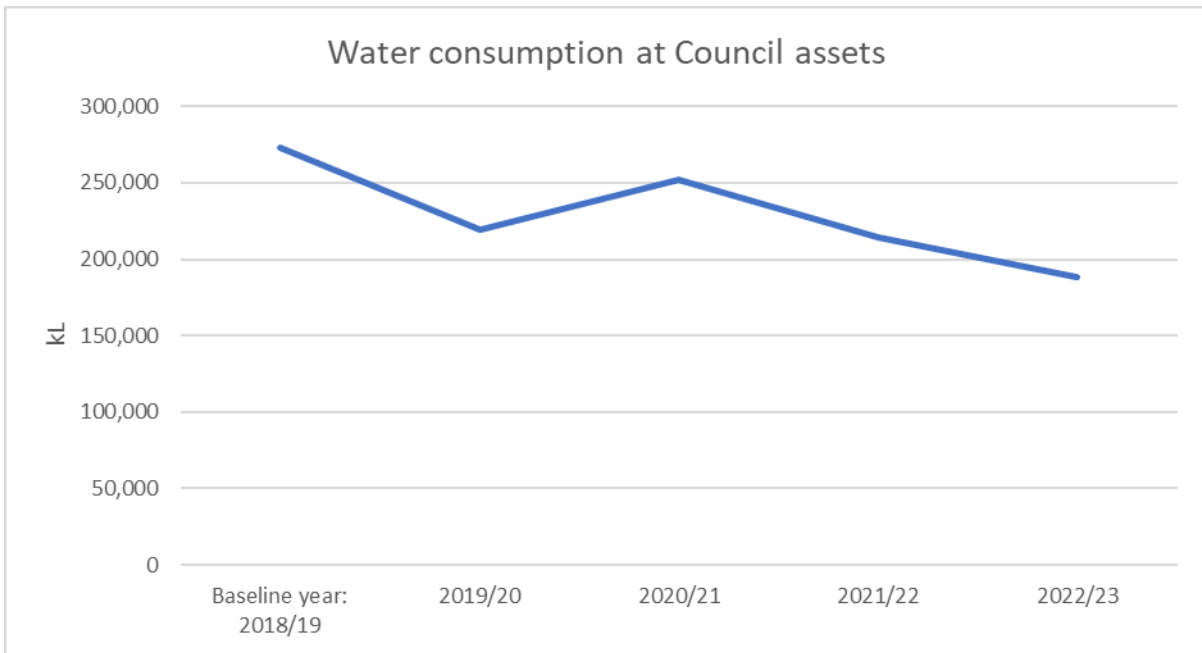


Figure 5: Downward trend in water consumption driven by weather conditions and water efficiency measures.

Consultation

This report was prepared in consultation with the members of Council’s Climate Change Project Control Group.

Community Impacts

While the Climate Change Strategy largely focuses on addressing Council’s carbon emissions and climate change risks, Council does recognise through its June 2019 resolution and declaration the important role of government in building the capacity of the community and households to take their own action. The first step in influencing the community to take action is for Council to lead by example which can be demonstrated by adopting emission reduction and renewable energy targets and undertaking measures to reduce its own carbon footprint.

Council will focus on supporting the community to reduce its own emissions as part of its Phase 2 work on the community’s climate change response. This will encompass action around strategic planning, education and capacity building, incentives and financial support, advocacy and collaboration, infrastructure development and land use planning.

Council’s newly appointed Senior Sustainability and Climate Change Officer has recently undertaken a community workshop with the University of the Third Age (U3A) Environmental Group. The workshop discussed climate change, the carbon cycle and actions that Council and the community can take to address the current carbon imbalance.

Governance

Council has recently begun an Internal Audit process to review our response to climate change and climate risks. Outcomes of this process will help further guide our ongoing response to climate change and the risks posed to Council assets and the community.

During 2022-23 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. Council has also been working closely with the Hunter JO on several sustainability working groups that will strengthen our sustainability performance.

The Climate Change Project Control Group (PCG) has been working within Council to better coordinate Council's response to climate change including the implementation of the Climate Change Strategy. The Climate Change PCG has recently completed a Management Diagnostics workshop through the Sustainability Advantage program that is designed to identify strengths and weaknesses in our approach to addressing climate change.

Alignment with MidCoast Community Strategic Plan

Actions to reduce Council's carbon emissions align with the outcomes and strategies outlined in Council's Community Strategic Plan, specifically:

Community Outcome 2: *An integrated and considered approach to managing our natural and built environments.*

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

Strategic Objective 2.3: *Council works towards net zero emissions.*

2.3.1 *Incorporate renewable energy and energy efficiency in future design and planning*

2.3.2 *Promote energy and resource efficiency initiatives to our community*

2.3.3 *Invest in renewable energy efficient measures, power purchasing agreements and carbon sequestration*

2.3.4 *Minimise waste through education, reduction, reuse, recycling and repurposing*

Climate Change is also one of five key areas of importance that are addressed in the service statements throughout Council's current Delivery Program and Operational Plan, particularly in relation to waste, fleet, energy efficient streetlighting and the installation of renewable energy systems such as solar PV.

