

CITY OF COFFS HARBOUR

INTEGRATED PLANNING AND REPORTING



DRAFT DELIVERY PROGRAM FINANCIAL INFORMATION 2024-2026 (April 2024)

INDEX

<u>Financial Information Documents</u>	Page
2024/25 to 2025/26 Consolidated Income Statements	1
2024/25 Income Statement by Fund	2
2025/26 Income Statement by Fund	3
1 Year Restricted Equity (Reserves) Transfers by Reserve Type	4
Appendix A - 2024/25 Financial Estimates	5 / 6
Appendix B - Statement of Borrowings	7
Appendix C - 2024/25 Allocation of Special Rate Variation and Levy Funds	8 / 10



2024/25 to 2025/26 Consolidated Income Statements

2023/24 \$'000	<i>Description</i>	2024/25 \$'000	2025/26 \$'000
Operating Income			
113,800	Rates & Annual Charges	119,579	124,443
48,761	User Charges & Fees	49,232	50,256
6,985	Interest & Investment Revenue	11,790	11,891
17,635	Other Revenues	18,334	12,378
16,949	Grants & Contributions - Operating Purposes	17,359	15,409
35,417	Internal Revenue	34,193	35,475
239,547	Total Income from Continuing Operations	250,486	249,853
Operating Expenditure			
63,064	Employee Benefits & Oncosts	68,264	70,846
6,273	Borrowing Costs	5,283	4,225
63,876	Materials & Services	66,442	59,101
45,875	Depreciation & Amortisation	50,970	52,499
11,613	Other Expenses	13,054	13,353
35,417	Internal Expenses	34,193	35,475
226,118	Total Expenditure from Continuing Operations	238,205	235,499
13,429	OPERATING SURPLUS	12,280	14,354
38,374	Capital Grants, Contributions and Donations	22,963	19,159
38,374	CAPITAL REVENUE	22,963	19,159
51,802	NET OPERATING RESULT (Incl. Capital Grants & Contributions)	35,244	33,513
69,032	Capital Expenditure	56,059	47,630



2024/2025 Income Statement by Fund

<i>Description</i>	General Budget \$'000	Water Budget \$'000	Sewer Budget \$'000	Total Budget \$'000
Operating Income				
Rates & Annual Charges	79,758	5,482	34,339	119,579
User Charges & Fees	29,171	17,242	2,819	49,232
Interest & Investment Revenue	10,177	588	1,024	11,790
Other Revenues	18,197	71	67	18,334
Grants & Contributions provided for Operating Purposes	17,159	180	20	17,359
Internal Revenue	33,226	607	360	34,193
Total Income from Continuing Operations	187,688	24,169	38,629	250,486
Operating Expenditure				
Employee Benefits & Oncosts	57,730	4,047	6,487	68,264
Borrowing Costs	1,770	1,649	1,865	5,283
Materials & Services	62,588	2,548	1,306	66,442
Depreciation & Amortisation	32,693	6,549	11,727	50,970
Other Expenses	10,286	949	1,819	13,054
Internal Expenses	22,593	4,414	7,185	34,193
Total Expenses from Continuing Operations	187,660	20,156	30,390	238,205
OPERATING SURPLUS	28	4,013	8,239	12,280
Capital Grants, Subsidies, Contributions and Donations	16,861	3,129	2,973	22,963
CAPITAL REVENUE	16,861	3,129	2,973	22,963
NET OPERATING RESULT (Incl. Capital Grants & Contributions)	16,889	7,142	11,212	35,244
Capital Expenditure	45,729	5,810	4,520	56,059



2025/2026 Income Statement by Fund

<i>Description</i>	General Budget \$'000	Water Budget \$'000	Sewer Budget \$'000	Total Budget \$'000
Operating Income				
Rates & Annual Charges	82,989	5,731	35,724	124,443
User Charges & Fees	29,448	17,902	2,906	50,256
Interest & Investment Revenue	10,263	594	1,035	11,891
Other Revenues	12,236	73	69	12,378
Grants & Contributions provided for Operating Purposes	15,203	185	21	15,409
Internal Revenue	34,491	625	360	35,475
Total Income from Continuing Operations	184,629	25,110	40,114	249,853
Operating Expenditure				
Employee Benefits & Oncosts	59,884	4,213	6,749	70,846
Borrowing Costs	1,684	1,194	1,347	4,225
Materials & Services	54,955	2,579	1,568	59,101
Depreciation & Amortisation	33,674	6,746	12,079	52,499
Other Expenses	10,554	969	1,830	13,353
Internal Expenses	23,385	4,585	7,505	35,475
Total Expenses from Continuing Operations	184,136	20,285	31,078	235,499
OPERATING SURPLUS	493	4,825	9,036	14,354
Capital Grants, Subsidies, Contributions and Donations	12,874	3,223	3,063	19,159
CAPITAL REVENUE	12,874	3,223	3,063	19,159
NET OPERATING RESULT (Incl. Capital Grants & Contributions)	13,367	8,047	12,099	33,513
Capital Expenditure	29,950	8,150	9,450	47,630

Reserve Movements 2024/25 TO 2025/26

	2023/24 Projected Closing Balance	2024/25		Closing Balance	2025/26		Closing Balance
	Budget Transfers Into Reserve	Budget Transfers Out Of Reserve	Budget Transfers Into Reserve		Budget Transfers Out Of Reserve		
External Restrictions							
General:							
Developer Contributions	21,794,484	2,976,760	(6,275,961)	18,495,283	3,036,300	(3,700,672)	17,830,911
Unexpended Grants	21,692,000	-	-	21,692,000	-	-	21,692,000
Domestic Waste	46,619,580	5,536,595	(1,800,000)	50,356,175	5,391,111	-	55,747,286
Water:							
Unexpended Loans	262,933	-	-	262,933	-	-	262,933
Developer Contributions	7,088,700	3,137,730	(3,128,930)	7,097,500	3,231,700	(3,222,800)	7,106,400
T2S Savings - Water	93,000	-	-	93,000	-	-	93,000
Water Infrastructure Assets	17,202,114	4,245,524	(2,681,070)	18,766,568	4,803,143	(4,927,200)	18,642,511
Sewer:							
Unexpended Loans	-	-	-	-	-	-	-
Developer Contributions	6,887,240	2,985,885	(2,973,400)	6,899,725	3,075,335	(3,062,600)	6,912,460
T2S Savings - Sewer	491,000	-	-	491,000	-	-	491,000
Sewer Infrastructure Assets	34,720,119	12,758,249	(1,546,600)	45,931,768	13,393,160	(6,387,400)	52,937,528
Total External Restrictions	156,851,170	31,640,743	(18,405,961)	170,085,952	32,930,749	(21,300,672)	181,716,029
Internal Restrictions							
Asset Infrastructure Renewal	14,667,793	-	-	14,667,793	-	(90,000)	14,577,793
CBD Masterplan	431,354	-	(250,000)	181,354	-	(189,495)	(8,141)
CitySmart Solutions	505,714	52,754	-	558,468	42,279	-	600,747
Coastal Works Business Unit	1,287,840	1,213,973	-	2,501,813	334,575	-	2,836,388
Coffs Harbour Airport Lease	22,557,859	48,661	(360,150)	22,246,370	62,085	(360,150)	21,948,305
Community Facilities	4,173,603	2,349,057	(1,715,877)	4,806,783	2,549,413	(1,243,895)	6,112,301
Deposits, Retentions and Bonds	4,192,000	-	-	4,192,000	-	-	4,192,000
Employees Leave Entitlement	8,601,000	-	-	8,601,000	-	-	8,601,000
Environmental Levy	380,241	1,898,240	(1,988,183)	290,298	1,979,161	(1,708,830)	560,629
Environmental Lab	2,655,337	235,177	(3,050,000)	(159,486)	244,483	(60,000)	24,997
Flood Mitigation Works	5,963,988	557,945	(479,039)	6,042,894	573,092	(381,241)	6,234,745
Holiday Parks	10,616,794	5,271,200	(3,480,000)	12,407,994	5,355,535	(1,360,000)	16,403,529
Non Domestic Waste	15,628,858	-	(938,705)	14,690,153	-	(370,837)	14,319,316
Plant Replacement	13,666,137	2,632,398	(4,412,022)	11,886,513	2,634,842	(2,613,612)	11,907,743
Renewable Energy	748,771	-	(165,429)	583,342	-	(165,729)	417,613
Revotes - SRV	13,002,299	9,200,469	(8,113,199)	14,089,569	9,564,490	(6,591,530)	17,062,529
RMS Pine Creek Handover	1,743,900	-	(52,850)	1,691,050	-	(54,597)	1,636,453
RMS - Sapphire to Woolgoolga	1,566,000	-	-	1,566,000	-	-	1,566,000
Strategic Initiatives	1,069,000	120,000	-	1,189,000	120,000	-	1,309,000
T2S Savings	378,000	-	-	378,000	-	-	378,000
Unexpended Contributions	2,144,000	-	-	2,144,000	-	-	2,144,000
Unexpended Loan Funds	1,376,239	-	-	1,376,239	-	-	1,376,239
Other	13,349,000	3,914,483	-	17,263,483	3,953,628	-	21,217,111
Total Internal Restrictions	140,705,727	27,494,357	(25,005,454)	143,194,630	27,413,583	(15,189,916)	155,418,297
TOTAL RESTRICTIONS	297,556,897	59,135,100	(43,411,415)	313,280,582	60,344,332	(36,490,588)	337,134,326
Unrestricted Cash	29,702,890			28,009,896			25,455,028
Total Cash & Investments	327,259,787			341,290,478			362,589,354

Appendix A – Financial Estimates

2024/25 Financial Estimates

General Fund

The following result is projected for the City of Coffs Harbour's General Fund:

GENERAL

Year	Net Operating Before Capital (\$'000)		Net Operating After Capital (\$'000)	
2024/25	28	Surplus	16,594	Surplus
2025/26	493	Surplus	13,063	Surplus

Operational incomes and expenditures are tightly budgeted and have been subject to constant scrutiny in recent years.

There are significant capital works planned which are funded from rate variations, trading operations, grants, loans, S7.11 contributions, reserves, etc.

- **2024/25 Funding from Levies and Special Variations to General Income** is detailed in **Appendix B** of this document.
- **Annual Charges for 2024/25** are detailed in the City's **Statement of Revenue Policy**.

Appendix A – Financial Estimates

2024/25 Financial Estimates (continued)

Water and Sewer Funds

Both the Water and Sewer Funds have undertaken substantial programs of capital works in recent years. These works have been essential to maintain the integrity of the infrastructure and liveability of our city. These programs have been funded by a combination of loan funds, developer contributions, reserve funds and grants.

Water and Sewer charges have been held to reasonable increases in recent years, despite the significant loan repayments that require to be serviced. The Delivery Program provides for operating surpluses in the Sewer and Water Funds. Details are set out below:

WATER

Year	Net Operating Before Capital (\$'000)		Net Operating After Capital (\$'000)	
2024/25	4,013	Surplus	7,142	Surplus
2025/26	4,825	Surplus	8,047	Surplus

SEWER

Year	Net Operating Before Capital (\$'000)		Net Operating After Capital (\$'000)	
2024/25	8,239	Surplus	11,212	Surplus
2025/26	9,036	Surplus	12,099	Surplus

These surpluses are primarily due to reducing loan repayments along with growth in assessments and increased developer contributions. A number of water and sewer strategies including developer servicing plans will be finalised over the coming 12 months to update the pricing pathway, asset management plans and long term financial plan for Water and Sewer.

Appendix B – Statement of Borrowings

Proposed Loan Borrowings for 2024/25

- No internal or external loans have been proposed for 2024/25.

The City recognises that loan borrowings for capital works are an important funding source for Local Government and that the full cost of infrastructure should not be borne entirely by present-day ratepayers, but be contributed to by future ratepayers who will also benefit.

The City will restrict all borrowings to expenditure on identified capital projects that are considered by the City to be of the highest priority, and which are unable to be funded from revenue, reserves or unrestricted cash.

Appendix C – Allocation of Special Rate Variation and Levy Funds

2023/24 Funding from Levies and Special Variations to General Income

Over recent years, the City has secured NSW Government approval on a number of occasions for Special Rate Variations (SRVs) to generate funding for specified priority projects.

It is City practice to identify SRV allocations each year in the Operational Plan and then account for SRV expenditure in the subsequent Annual Report.

2014/15 to 2016/17 “Financial Sustainability” Program

The City applied for a Special Rate Variation – to be phased in over three years - to help meet a \$6.2m shortfall in annual funding for asset maintenance and renewal to support the delivery of services desired by the community.

The Independent Pricing and Regulatory Tribunal (IPART) approved the SRV in two stages, the first year being 2014/15. The approval was subject to the following conditions:

1. *That Council uses the additional income for the purposes of funding the program of maintenance, rehabilitation and renewal of infrastructure.*
2. *Council reports in its Annual Report for the period 2014/15 to 2023/24 on:*
 - a) *The program of expenditure that was actually funded by the special variation and the reasons for any significant differences from the program listed in Appendix A of IPART’s Determination; and*
 - b) *The outcomes achieved as a result of the special variation.*

In May 2015, IPART announced its approval of the remainder of the SRV package to be implemented in 2015/16 and 2016/17, with the following consent conditions:

1. *The Council uses the additional income for the purposes of funding the proposed program of expenditure (Proposed Program) set out in Appendix A of “Coffs Harbour City Council’s application for a special variation for 2015-16”.*
2. *The Council reports in its Annual Report for each Year, from Year 2015-2016 to Year 2024-2025 (inclusive) on the following for that Year:*
 - a. *The program of expenditure that was actually funded;*
 - b. *Any significant differences between the Proposed Program and the program of expenditure that was actually funded and the reasons for those differences;*
 - c. *The outcomes achieved;*
 - d. *The Council’s actual revenue, expenses and operating balance;*
 - e. *Any significant differences between the Council’s actual revenue, expenses and operating balances and the revenues, expenses and operating balance forecasted in the Long Term Financial Plan and the reasons for those differences; and*
 - f. *Any corrective action taken, or to be taken, to address any differences reported.*

Continued next page.

Appendix C – Allocation of Special Rate Variation and Levy Funds

Year	Approved SRV*
2014/15	7.90%
2015/16	8.14%
2016/17	7.75%

*Includes approved 'rate pegging' allowance

The SRV package generates additional ordinary rate funds to address the City's annual General Fund infrastructure maintenance and renewal gap. The table on the following page shows the proposed allocation of works for these additional funds in 2024/25 across particular asset categories and expenditure.

"Financial Sustainability" Program

	2024/25 (\$)
Road Pavement Renewals	
Christmas Bells Road / Hogbin Drive Roundabout	2,750,000
Safety Beach Drive Upgrade	80,000
Upper Orara Road Dairyville rural culvert	490,000
Road Pavement Renewals	1,500,000
Eastern Dorrigo Way Culvert Extension	264,356
Sub Total	5,084,356
Open Space Assets	
England's Park Seawall Replacement Stage 1	312,000
Ocean Parade Playground Renewal	60,000
Lowanna Park Playground Upgrade	200,000
Other Minor Asset Renewal	500,000
Playground Works	300,000
Parks and Recreational Asset New / Upgrade Works	100,000
Sub Total	1,472,000
Building Renewals	
Botanic Gardens Office Roof Replacement	50,000
Toormina Rd Community Hall	80,000
Boronia Park Amenities	60,000
Building Minor Renewal	615,000
Building Renewals	400,000
Boundary St Community Amenities Renewal	200,000
Community Halls Renewals	300,000
Sub Total	1,705,000
Other Transport Assets	
Car Park New / Upgrade Works	109,620
Guardrail New / Upgrade Works	133,939
Orlando St Kerb and Guttering	450,000
Sawtell Rd Kerb and Guttering	492,978
Sub Total	1,186,537
Total "Financial Sustainability" Allocations	9,447,893

Please Note: This is a preliminary program based on preliminary investigations. Changes may be required subject to geotechnical investigation and further asset deterioration. These figures include \$2,564,250 of grant funds.

Appendix C – Allocation of Special Rate Variation and Levy Funds

Environmental Levy for 2024/25

The Environmental Levy (a Special Rate) is calculated with a 'base amount' to raise approximately 47% of the levy with the balance raised as an ad valorem rate applied to land values. The purpose of the Environmental Levy is to fund environmental works, and it is levied on all rateable land.

	2024/25 (\$)
Total Revenue	1,649,847



COFFS HARBOUR CITY COUNCIL
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