

ITEM 17 PRE-AUDIT RUSH FINANCIALS - 30 JUNE 2021

This report presents the preliminary pre-audit rush financial results for the year ended 30 June 2021. This result will change for the external valuation of CivicRisk and has the potential to change through the external audit process.

The pre-audit financials for June 2021 show an Operating Result [pre-capital] surplus of \$2.1M and Operating Result surplus of \$36.9M.

The pre-audit financial results compared to budget are favourable over the key performance indicators. The Operating Result [pre-capital] shows favourable variance of \$15.1M, while the Funds Available from Operations Result, which better reflects the underlying improvement in Council's capacity from operations is \$6.1M favourable compared to budget. In addition to improvement in operational results, there was a favourable financial variance in the capital works expenditure that led to the Total Funds Result variation of \$15.6M.

The Statement of Financial Position at the end of the period indicates that there is enough cash to support external restrictions.

Council expended \$81.3M on its Capital Works Program compared to a budget of \$89.0M, although \$3.1M of this expenditure was transferred to operation expense as it did not meet Council's capital thresholds for capitalisation at year end.

RECOMMENDATIONS

- 1 The financials be received and noted.
- 2 That \$5M be transferred to the Property Investment Fund and \$10.6M be transferred to the Strategic Projects Restricted Asset from the improved funds result of \$15.6M.

REPORT AUTHORISATIONS

Report of: Brian Jenkins, Chief Financial Officer

Authorised by: Renee Campbell, Director Corporate Services - Connected + Engaged City

ATTACHMENTS

- 1 Financial Statements - June 2021
- 2 Capital Project Report - June 2021

BACKGROUND

This report presents the pre-audit Financial Performance of the organisation for June 2021. The below table provides a summary of the organisation's overall financial results for the year.

RUSH PRE-AUDIT POSITION	Original Budget	Revised Budget	2021 Actual	Variation
	\$M	\$M	\$M	\$M
KEY MOVEMENTS	1-Jul	30-Jun	30-Jun	
Operating Revenue	269.0	282.3	287.1	4.8
Operating Costs	(291.0)	(295.3)	(285.0)	10.3
Operating Result [Pre Capital]	(22.0)	(13.0)	2.1	15.1
Capital Grants & Contributions	35.5	31.6	34.9	3.2
Operating Result	13.4	18.6	36.9	18.4
Funds Available from Operations	56.9	66.5	72.7	6.1
Capital Works	93.4	89.0	78.2	10.9
Contributed Assets	11.6	11.6	12.6	(1.0)
Transfer to Restricted Cash	1.4	3.9	3.9	-
Borrowings Repaid	5.2	5.2	5.3	(0.0)
Funded from:				
- Operational Funds	56.9	66.5	72.7	6.1
- Other Funding	45.6	41.3	41.0	(0.3)
Total Funds Surplus/(Deficit)	(9.1)	(1.9)	13.7	15.6

FINANCIAL PERFORMANCE

The preliminary June 2021 Operating Result [pre-capital] of \$2.1M is a favourable variance compared to budget of \$15.1M. Although this variation includes substantial end of year non-funds adjustments like revaluations, depreciation expense, loss on disposals and reclassifications from capital to operating, it also includes improvements against operational budgets for COVID-19 provision (not required) \$4.0M, centrally controlled budgets \$3.0M and savings across the services and projects \$2.2M. This is offset by some of the Capital Works Program being transferred to operating from the current and prior years.

The Operating Result of \$36.9M is a positive variance of \$18.4M compared to budget. This includes the net variation above increased by a higher level of capital grants and contributions of \$3.3M.

The Funds Available from Operations indicates a favourable variation of \$6.1M. This result excludes non-cash variations and transfers to and from Restricted Assets but includes the variation in cash payments for Employee Entitlements. This result best represents the operational budget variations that impact our funding position and current financial capacity.

The Total Funds result as at 30 June 2021 has a favourable variance of \$15.6M compared to budget. This variation includes the Funds Available from Operations together with variation in the Capital Budget. The favourable financial variance in the Capital Budget of \$9.5M was after the \$3.1M of the expenditure from the program was transferred to operational expense as they did not meet the accounting thresholds for capitalisation.

At the end of June, the Capital Works Program had an expenditure of \$81.3M compared to a budget of \$89.0M. This result includes the \$3.1M subsequently moved from capital to operating for the current financial year.

The preliminary pre-audit financial result has been impacted by a number of end of year variations relating to valuation and reclassification, including:

• Revaluation of the waste facility provision	+\$5.6M
• Revaluation of employee leave entitlements provision	+\$3.7M
• Reclassification of current year capital to operating	-\$3.1M
• Reclassification of prior year works in progress to operational	-\$2.3M
• Revaluation of the workers compensation provision	-\$1.9M
• Loss on disposal of assets	-\$2.0M
• Transition of CivicRisk Mutual	-\$0.8M

The loss on disposal of assets relates to the replacement of assets that have not been fully depreciated and have a book value at the time of disposal (\$3.5M). This has been partially offset by the proceeds on the sale of plant and equipment (\$1.5M).

From 1 July 2020, the CivicRisk entities previously recognised as joint ventures were legally combined into CivicRisk Mutual Ltd, a company limited by guarantee. Through this process the three joint ventures novated their assets, liabilities and member surpluses into the new entity. This transition required Council to recognise the new entity as a financial asset through the profit and loss at fair value. The entity was recognised as a Joint Venture valued at \$3.5M on 30 June 2020. On 1 July 2020, the asset was transferred to Financial Assets at the fair value of Council's interest in the new entity. This value was calculated on a present value basis to be \$2.8M causing a movement of \$0.8M as a non-cash transaction through profit and loss. The valuation of Council's interest in the CivicRisk entity as at 30 June 2021 has not yet been received. Following the receipt of this information, any variation to the current fair value will be recognised through the income statement.

This improvement in financial performance provides additional capacity for the future and the opportunity to reinstate some funding that was redirected towards emergency COVID-19 requirements in 2020. The COVID-19 pandemic response strategy included the redirection of funds held for future investment (Strategic Projects \$4.0M and Property Investment \$5.0M) and the use of Council's Available Funds with a future budget commitment to reinstate these funds over the following five years. The financial forecasts that are contained in the Adopted 2021-2022 Operational Plan include the repayment of funds drawn from the Property Investment Fund (PIF) of \$5.0M and a savings program to 2024-2025 to achieve this. The long-term financial projections do not include a planned reimbursement for Strategic Projects Restricted Asset although annual improvements against budget are traditionally directed to this restriction when available.

It is also recognised that while the net financial impacts of COVID-19 were better than anticipated in 2020-2021, the prolonged impacts and, especially the start to 2021-2022, will require much of those funds to be carried forward into the current year. It is proposed that the Property Investment Fund be repaid at year end to extinguish that internal debt \$5.0M and that the remaining \$10.6M be allocated to the Strategic Projects Restricted Asset to, in the first instance, be available to support COVID-19 support provisions and operations impacts during 2021-2022 and then future actions determined through the cyclical planning process.

By doing this, the initial transfers to restricted assets can be processed as end of year transactions consistent with prior years and decisions relating to allocation of these funds can be made in the current year through Council resolution and budget review. A separate report is included in the August Council meeting to consider COVID-19 support and actions in the current period. Any allocations of funds from those considerations will be allocated from the Strategic Project Restricted Asset.

FINANCIAL POSITION

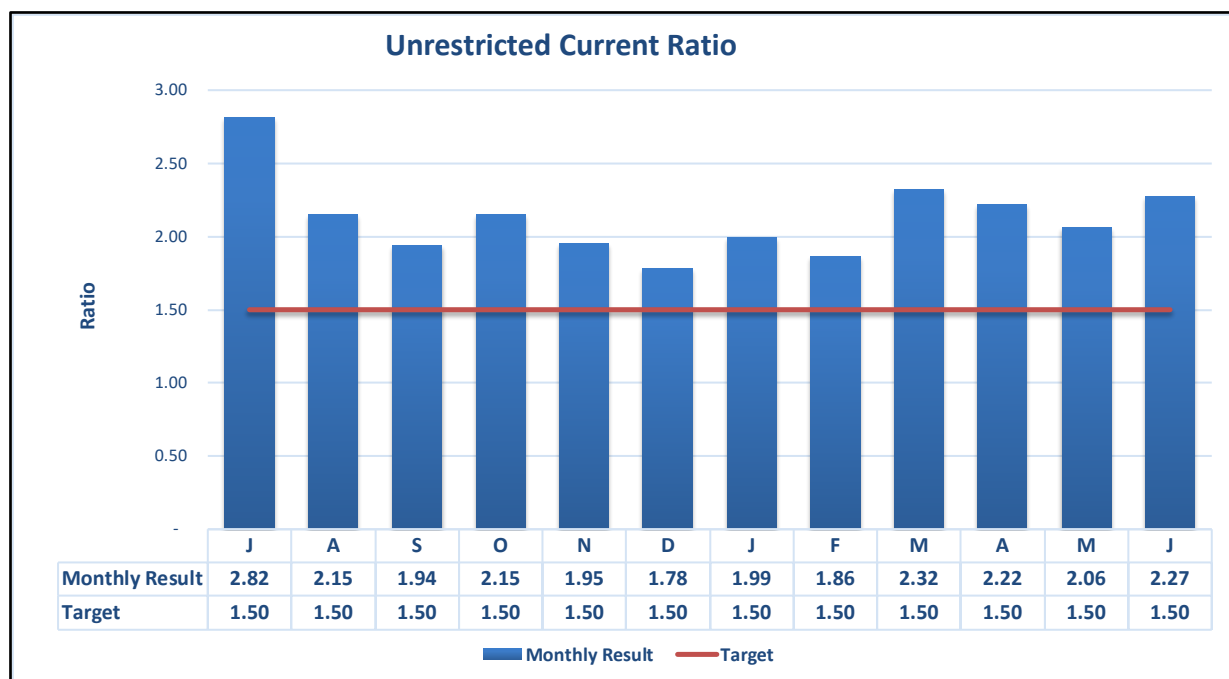
Council's cash and investments increased during June 2021 to holdings of \$172.0M compared to \$156.5M at the end of May 2021. This increase includes the reallocation of \$2.7M for CivicRisk to Cash and Investments. A significant portion of these funds are subject to restriction meaning they can only be utilised for specific purposes. As a result, Council's true available cash position is more accurately depicted by considering available funds that are uncommitted and not subject to restriction.

CASH, INVESTMENTS & AVAILABLE FUNDS				
	Actual 2019/20	Original Budget 2020/21	March QR 2020/21	Actual YTD June 2021
	\$M	\$M	\$M	\$M
Total Cash and Investments	157.5	114.2	132.3	172.0
Less Restrictions:				
External	74.7	73.7	69.3	78.1
Internal	62.7	39.0	49.5	55.1
CivicRisk Investment				2.7
Total Restrictions	137.4	112.7	118.8	135.9
Available Cash	20.1	1.6	13.5	36.1
Adjusted for :				
Payables	(30.6)	(26.2)	(26.6)	(28.2)
Receivables	21.7	23.7	24.5	21.9
Other	14.2	12.5	10.9	9.3
Net Payables & Receivables	5.3	10.1	8.8	2.9
Available Funds	25.4	11.6	22.2	39.0

External restrictions are funds that must be spent for a specific purpose and cannot be used by Council for general operations. Internal restrictions are funds that Council has determined will be used for a specific future purpose, although Council may vary that use by resolution of Council. Further details on the internal and external restrictions can be found in the Cash Flow Statement (Attachment 1).

The level of cash and investments in Council's available funds position is significantly higher than the Financial Strategy target range of 3.5% to 5.5% of operational revenue (pre-capital) due to significant funds improvements across the 2020-2021 year.

The Unrestricted Current Ratio measures the Council's liquidity position or ability to meet short term obligations as they fall due. The below graph reflects Council's performance against the Local Government benchmark of greater than 1.5 times.



Borrowings

Council continues to have financial strength in its low level of borrowing. The Debt Service Cover Ratio measures the availability of operating cash to service debt including interest, principal and lease payments. Council's Debt Service Cover Ratio as at June 2021 exceeds the Local Government benchmark of greater than two times.

Council's Financial Strategy includes provision for additional borrowing in the future and Council will consider borrowing opportunities from time to time to bring forward the completion of capital projects where immediate funding is not available.

Provisions

Provisions represent the Council's obligation to make future payments as a result of past events. Provisions are revalued each financial year with any movements recognised through profit and loss. The value of provisions has reduced from \$100.9M in 2019-2020 to \$96.9M in 2020-2021. This movement predominately relates to the revaluation of the employee leave entitlements, workers' compensation and waste facility provisions.

Employee leave entitlements reflect the current value of the future payments, which are discounted based on published long term government bond rates. The overall decrease in the provision of \$1.4M is impacted by valuation changes (-\$3.7M) including changes in discount rates (-\$1.9M), the estimated salary increases as a result of the new enterprise agreement (-\$2.0M) and an increase in the superannuation contribution percentage from 9.5% to 10% (+\$0.2M) offset by the impact of movement in the leave balances of employees (+\$2.3M). As a result of these factors the movement within the provision was \$4.3M lower than anticipated.

The workers' compensation provision is valued by an external actuary. As at 30 June 2021, the value of the provision increased by \$1.9M as a result of a change in methodology that increased the value of existing claims. This increase was \$1.6M higher than anticipated.

The provision for the remediation of Council's waste facility is calculated based on the forecast costs to rehabilitate the site. During the prior financial year, the reduction in the provision exceeded the carrying value of the corresponding tip asset and therefore all further adjustments are recognised through Other Expenses. The provision was reduced by a further \$5.6M in 2020-2021 as a result of reductions to the forecast rehabilitation costs and changes to the discount rates applied.

Infrastructure, Property, Plant & Equipment

The Statement of Financial Position shows that \$2.69B of assets (written down value) are controlled and managed by Council for the community as at 30 June 2021 compared to \$2.66B at 30 June 2020.

During 2020-2021, Council’s open space and recreation, swimming pools and other assets were revalued. The \$11.5M increase to the fair value of these asset classes was recognised through the asset revaluation reserves meaning there was no impact on the Operating Result in the current financial year, however, will have an impact on the depreciation expense moving forward.

Asset contributions of \$12.5M were recognised during 2020-2021. These contributed assets are mainly the result of development activities.

At the time of preparing this report, the valuation for Council’s investment property as at 30 June 2021 was not available. Any variation to the current valuation will be processed following the receipt of this information.

Accounting Standards

For the year ended 30 June 2021, AASB 1059 Service Concession Arrangements: Grantors is applicable to Council for the first time. A review of the standard found there is no impact on Council as no arrangements are in place which fall under this accounting standard.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Wollongong 2022 goal ‘*We are a connected and engaged community*’. It specifically delivers on the following:

Community Strategic Plan Strategy	Delivery Program 2018-2022 4 Year Action	Operational Plan 2021-2022 Operational Plan Actions
4.3.2 Resources (finance, technology, assets and people) are effectively managed to ensure long term financial sustainability	4.3.2.1 Effective and transparent financial management systems are in place	<p>Monitor and review achievement of Financial Strategy</p> <p>Continuous budget management is in place, controlled and reported</p> <p>Provide accurate and timely financial reports monthly, quarterly and via the annual statement</p>

CONCLUSION

The pre-audit financial result at the end of June is positive across the key performance indicators.

WOLLONGONG CITY COUNCIL				
1 July 2021 to 30 June 2021				
	Original Budget \$'000	Current Budget \$'000	Actual YTD \$'000	Variance \$'000
Income Statement				
Income From Continuing Operations				
Revenue:				
Rates and Annual Charges	208,445	208,790	209,160	371
User Charges and Fees	27,034	30,620	31,021	401
Interest and Investment Revenues	2,343	2,193	1,431	(762)
Other Revenues	9,498	2,133	6,444	4,311
Rental Income	0	6,399	6,309	(89)
Grants & Contributions provided for Operating Purposes	21,679	32,161	32,748	587
Grants & Contributions provided for Capital Purposes	35,460	31,557	34,876	3,319
Total Income from Continuing Operations	304,459	313,852	321,989	8,137
Expenses From Continuing Operations				
Employee Costs	140,635	143,606	139,781	3,826
Borrowing Costs	2,374	2,131	2,179	(48)
Materials, Contracts & Other Expenses	104,493	107,032	97,580	9,452
Depreciation, Amortisation + Impairment	63,702	63,335	61,413	1,922
Internal Charges (labour)	(18,432)	(18,751)	(16,193)	(2,558)
Internal Charges (not labour)	(1,733)	(2,058)	(1,712)	(347)
Profit/Loss on Disposal of Assets			1,995	(1,995)
Total Expenses From Continuing Operations	291,038	295,295	285,043	10,251
Operating Result	13,421	18,557	36,946	18,389
Operating Result [pre capital]	(22,039)	(13,000)	2,070	15,070
NET SURPLUS (DEFICIT) [Pre capital] %	4.4%	5.9%	11.5%	226.0%
Funding Statement				
Net Operating Result for the Year	13,421	18,557	36,946	18,389
Add back:				
- Non-cash Operating Transactions	82,363	82,215	76,574	(5,641)
- Restricted cash used for operations	29,815	30,931	27,782	(3,149)
- Income transferred to Restricted Cash	(54,169)	(50,638)	(54,568)	(3,930)
- Payment of Right of Use Leases	0	0	(417)	(417)
- Payment of Accrued Leave Entitlements	(14,533)	(14,533)	(13,660)	873
- Payment of Carbon Contributions	0	0	0	0
Net Share Joint Venture using Equity Method	0	0	0	0
Funds Available from Operations	56,897	66,533	72,658	6,124
Borrowings repaid	(5,242)	(5,242)	(5,260)	(18)
Advances (made by) / repaid to Council	0	0	0	0
Operational Funds Available for Capital Budget	51,655	61,291	67,397	6,106
CAPITAL BUDGET				
Assets Acquired	(93,359)	(89,032)	(78,159)	10,872
Contributed Assets	(11,562)	(11,562)	(12,601)	(1,039)
Transfers to Restricted Cash	(1,447)	(3,947)	(3,947)	0
Funded From :-				
- Operational Funds	51,655	61,291	67,397	6,106
- Sale of Assets	1,801	1,662	1,532	(130)
- Internally Restricted Cash	13,371	7,785	5,832	(1,953)
- Borrowings	0	0	0	0
- Capital Grants	4,762	6,411	7,587	1,176
- Developer Contributions (Section 94)	11,931	10,614	16,143	5,529
- Other Externally Restricted Cash	1,170	1,785	1,736	(49)
- Other Capital Contributions	12,559	13,041	8,158	(4,882)
TOTAL FUNDS SURPLUS / (DEFICIT)	(9,119)	(1,952)	13,679	15,631

WOLLONGONG CITY COUNCIL		
As at 30 June 2021		
	Actual 2020/21 \$'000	Actual 2019/20 \$'000
Statement of Financial Position		
Current Assets		
Cash Assets	53,920	56,050
Investment Securities	103,334	97,422
Receivables	21,859	21,668
Inventories	463	381
Current Contract Assets	4,707	5,669
Other	6,682	10,572
Assets classified as held for sale	111	0
Total Current Assets	191,076	191,761
Non-Current Assets		
Non Current Cash Assets	12,000	4,000
Non Current Investment Securities	2,723	0
Non-Current Inventories	5,972	5,972
Property, Plant and Equipment	2,690,486	2,655,487
Investment Properties	5,000	5,000
Westpool Equity Contribution	0	3,484
Intangible Assets	152	254
Right-Of-Use Assets	1,471	1,790
Total Non-Current Assets	2,717,804	2,675,987
TOTAL ASSETS	2,908,881	2,867,748
Current Liabilities		
Current Payables	28,222	28,215
Current Contract Liabilities	8,177	5,948
Current Lease Liabilities	377	341
Current Provisions payable < 12 months	13,929	13,272
Current Provisions payable > 12 months	45,373	47,811
Current Interest Bearing Liabilities	5,497	5,260
Total Current Liabilities	101,575	100,848
Non-Current Liabilities		
Non Current Payables	0	0
Non Current Interest Bearing Liabilities	6,942	12,439
N/C Lease Liabilities	1,196	1,519
Non Current Provisions	37,578	39,775
Total Non-Current Liabilities	45,716	53,734
TOTAL LIABILITIES	147,291	154,582
NET ASSETS	2,761,590	2,713,166
Equity		
Accumulated Surplus	1,410,061	1,360,922
Asset Revaluation Reserve	1,223,955	1,214,858
Restricted Assets	127,574	137,386
TOTAL EQUITY	2,761,590	2,713,166

WOLLONGONG CITY COUNCIL		
CASH FLOW STATEMENT		
as at 30 June 2021		
	YTD Actual 2020/21 \$ '000	Actual 2019/20 \$ '000
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Receipts:</i>		
Rates & Annual Charges	212,502	203,414
User Charges & Fees	28,796	29,485
Interest & Interest Received	2,266	4,130
Grants & Contributions	59,355	68,394
Bonds, deposits and retention amounts received	755	1,701
Other	12,731	24,185
<i>Payments:</i>		
Employee Benefits & On-costs	(124,972)	(118,396)
Materials & Contracts	(63,576)	(72,791)
Borrowing Costs	(691)	(910)
Bonds, deposits and retention amounts refunded		(1,405)
Other	(32,862)	(35,081)
Net Cash provided (or used in) Operating Activities	94,306	102,726
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Receipts:</i>		
Sale of Investments	56,040	69,835
Sale of Infrastructure, Property, Plant & Equipment	1,532	958
<i>Payments:</i>		
Purchase of Investments	(69,745)	(41,173)
Purchase of Investment Property	-	(1,998)
Purchase of Infrastructure, Property, Plant & Equipment	(78,658)	(91,213)
Purchase of real estate assets	-	(24)
Net Cash provided (or used in) Investing Activities	(90,831)	(63,615)
CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Payments:</i>		
Repayment of Borrowings & Advances	(5,260)	(7,935)
Repayment of Finance Lease Liabilities	(346)	(312)
Net Cash Flow provided (used in) Financing Activities	(5,606)	(8,247)
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,131)	30,864
plus: Cash & Cash Equivalents - beginning of year	56,051	25,187
plus: Investments on hand - end of year	118,057	101,423
Cash & Cash Equivalents and Investments - year to date	171,977	157,474

WOLLONGONG CITY COUNCIL		
CASH FLOW STATEMENT		
as at 30 June 2021		
	YTD Actual 2020/21 \$ '000	Actual 2019/20 \$ '000
Total Cash & Cash Equivalents and Investments - year to date	171,977	157,474
<i>Attributable to:</i>		
External Restrictions (refer below)	78,088	75,470
Internal Restrictions (refer below)	55,076	62,675
Unrestricted	38,813	19,329
	171,977	157,474
External Restrictions		
Developer Contributions	38,719	35,099
RMS Contributions	115	350
Specific Purpose Unexpended Grants	9,687	3,568
Special Rates Levy Wollongong Mall	282	214
Special Rates Levy Wollongong City Centre	59	49
Local Infrastructure Renewal Scheme	277	274
Unexpended Loans	965	2,686
Domestic Waste Management	10,746	14,216
Private Subsidies	5,420	6,167
West Dapto Home Deposit Assistance Program	9,640	10,987
Stormwater Management Service Charge	2,178	1,860
Total External Restrictions	78,088	75,470
Internal Restrictions		
Property Investment Fund	4,388	7,889
Strategic Projects	35,958	42,900
Sports Priority Program	943	938
Car Parking Strategy	1,051	2,195
MacCabe Park Development	1,590	1,440
Darcy Wentworth Park	171	171
Garbage Disposal Facility	3,415	561
West Dapto Development Additional Rates	6,951	6,067
Southern Phone Natural Areas	173	173
Lake Illawarra Estuary Management Fund	436	341
Total Internal Restrictions	55,076	62,675

Manager Project Delivery Division Commentary on 2020-2021 Financial Year Capital Budget Report

On 29 June 2020, Council approved a Capital budget for 2020-2021 of \$93.4M which has been adjusted each month since then. By the end of June 2021, the approved Capital Budget has been decreased to \$89.0M as a result of multiple funding and Council revenue funding adjustments throughout the year which have been reported in prior months. Council achieved expenditure at the end of June 2020 of \$81.3M.

This will differ from the amount reported in the final reported result as various projects are reclassified from capital to operational with the expenditure moved correspondingly.

Program	Final expenditure vs Budget - Commentary on significant variations
Traffic Facilities	Several projects under investigation were reprogrammed due to significant changes in the required scope of work and associated project costs. At end of year these projects were under review.
Roadworks	Out of a large program, a number of road pavement reconstruction and road resurfacing projects were not fully completed by 30 June due to a combination of wet weather and COVID-19 restrictions.
Bridges, Boardwalks and Jetties	McCauley Beach/Hewitts Creek shareway bridge was not completed by 30 June due wet and unfavourable weather conditions throughout June which delayed painting of the structural steel. The bridge was reopened early in July.
West Dapto Infrastructure Expansion	The Wongawilli Rd upgrade project program was adversely affected by modifications to the delivery approach to minimise impacts on the community including wet weather and COVID-19 restrictions late in June. Two projects in the design phase did not achieve expected milestones by 30 June.
Footpaths	Out of a large program, one new footpath project in Rosemont St west Wollongong was not completed by 30 June due to wet weather, delays associated with service pit adjustments and a construction site on a residential block.
Cycle/Shared Paths	Out of a large program, the new share way project on Ursula Rd Bulli was not completed by 30 June due to initial delays in the community engagement phase. Once construction finally commenced delays from wet weather impacted the completion date which will now be end of July. Delays were experienced in the design of several future shareway projects, arising from the late introduction of TfNSW requirements for signalised road crossings.
Car Parks New	The scope and cost of the Cringila Hills Community Park Car park was increased due to the introduction of grant funding which allowed accelerated development on this site increased. This larger carpark was completed by 30 June.
Car Parks Renew	The Fairy Meadow SLSC carpark resurface/upgrade was not completed by 30 June due to delays associated with weather and COVID-19 restrictions in late June. It is expected that this will be complete by early August.
Floodplain Management	A number of flood debris control project outsourced designs ran behind the estimated schedule resulting in lower expenditure when compared to allocated budget.

Program	Final expenditure vs Budget - Commentary on significant variations
Stormwater Management	<p>A large program of pipe reline projects completed for less than the allocated budget.</p> <p>Multiple construction projects were underway but not completed by 30 June due to impacts of wet weather in June.</p>
Administration Buildings	<p>Two projects in the main administration building were delayed as design resources were directed to higher priority community projects. Council also undertook extended procurement negotiations to achieve better value for the community.</p>
Community Buildings	<p>Warrawong CC&L design expenditure behind schedule due to delays experienced in investigating the involvement of other stakeholders in the project.</p> <p>Several construction projects were completed under budget and two others were not fully complete at 30 June as originally planned.</p>
Public Facilities	<p>Barbeque shelter at Windang Tourist Park ran behind schedule due to the incorporation of roof top PV Cells aimed at improving Council's energy efficiency.</p>
Recreation Facilities	<p>Project at Brickyard Point for permanent pedestrian safety fence reprogrammed due to Contractor delays.</p>
Sporting Facilities	<p>Several projects managed directly by sporting clubs failed to complete projects by 30 June.</p> <p>Two Council managed construction projects were not completed on time as a result of delays in materials supply arising from COVID-19 restrictions.</p>
Treated Water Pools	<p>Project to replace pool blanket at Corrimal pool not completed by 30 June due to delays in materials supply arising from COVID-19 restrictions.</p>
Waste Facilities	<p>Several projects for minor capital works/upgrades were not progressed during the year due to resourcing movements and a focus on higher priority projects.</p>
Motor Vehicles	<p>Delays in suppliers delivering replacement vehicles due the impact of COVID-19 restrictions on vehicle imports.</p>
Major Plant (trucks, backhoes etc)	<p>Several items of large mobile plant were able to be delivered ahead of the scheduled delivery timeframe which offset the lack of deliveries of motor vehicles.</p>
Information Technology	<p>Several items of IT hardware were delivered ahead of schedule to facilitate delivery of Council's major IT network upgrade to direct connect all sites in Council's network via NBN.</p>
Land Acquisitions	<p>Delay in finalising purchase of one land parcel in West Dapto.</p>
Contingency	<p>Contingency utilised to manage variations across the capital delivery programme.</p>

CAPITAL PROJECT REPORT					
as at the period ended 30 June 2021					
ASSET CLASS PROGRAMME	\$'000			\$'000	
	CURRENT BUDGET		YTD EXPENDITURE	VARIATION	
	EXPENDITURE	OTHER FUNDING		EXPENDITURE	OTHER FUNDING
Roads And Related Assets					
Traffic Facilities	1,714	(1,267)	1,645	0	0
Public Transport Facilities	212	0	240	0	0
Roadworks	14,359	(2,420)	13,568	0	0
Bridges, Boardwalks and Jetties	1,615	0	1,432	0	0
TOTAL Roads And Related Assets	17,900	(3,687)	16,885	0	0
West Dapto					
West Dapto Infrastructure Expansion	6,501	(6,501)	6,294	0	0
TOTAL West Dapto	6,501	(6,501)	6,294	0	0
Footpaths And Cycleways					
Footpaths	7,007	(2,822)	6,969	0	0
Cycle/Shared Paths	4,756	(2,886)	4,529	0	0
Commercial Centre Upgrades - Footpaths and Cycleway	3,684	(1,359)	3,710	0	0
TOTAL Footpaths And Cycleways	15,447	(7,067)	15,208	0	0
Carparks					
Carpark Construction/Formalising	923	(400)	1,007	0	0
Carpark Reconstruction or Upgrading	1,512	(375)	1,417	0	0
TOTAL Carparks	2,435	(775)	2,424	0	0
Stormwater And Floodplain Management					
Floodplain Management	785	(130)	720	0	0
Stormwater Management	4,399	0	4,161	0	0
Stormwater Treatment Devices	13	0	9	0	0
TOTAL Stormwater And Floodplain Mar	5,197	(130)	4,890	0	0
Buildings					
Cultural Centres (IPAC, Gallery, Townhall)	1,179	0	1,162	0	0
Administration Buildings	1,939	(580)	1,483	0	0
Community Buildings	9,978	(640)	9,803	0	0
Public Facilities (Shelters, Toilets etc.)	130	0	59	0	0
TOTAL Buildings	13,225	(1,220)	12,508	0	0
Commercial Operations					
Tourist Park - Upgrades and Renewal	794	0	791	0	0
Crematorium/Cemetery - Upgrades and Renewal	263	0	267	0	0
Leisure Centres & RVGC	170	0	171	0	0
TOTAL Commercial Operations	1,227	0	1,228	0	0
Parks Gardens And Sportfields					
Play Facilities	2,095	(308)	2,119	0	0
Recreation Facilities	2,121	(1,431)	1,956	0	0
Sporting Facilities	1,861	(470)	1,477	0	0
Lake Illawarra Foreshore	0	0	0	0	0
TOTAL Parks Gardens And Sportfields	6,077	(2,210)	5,552	0	0

CAPITAL PROJECT REPORT					
as at the period ended 30 June 2021					
ASSET CLASS PROGRAMME	\$'000			\$'000	
	CURRENT BUDGET		YTD EXPENDITURE	VARIATION	
	EXPENDITURE	OTHER FUNDING		EXPENDITURE	OTHER FUNDING
Beaches And Pools					
Beach Facilities	434	0	444	0	0
Rock/Tidal Pools	991	0	999	0	0
Treated Water Pools	884	0	833	0	0
TOTAL Beaches And Pools	2,309	0	2,276	0	0
Waste Facilities					
Whytes Gully New Cells	2,422	(2,422)	2,200	63	0
TOTAL Waste Facilities	2,422	(2,422)	2,200	63	0
Fleet					
Motor Vehicles	1,450	(809)	1,049	0	0
TOTAL Fleet	1,450	(809)	1,049	0	0
Plant And Equipment					
Mobile Plant (trucks, backhoes etc.)	4,380	(853)	4,976	0	0
TOTAL Plant And Equipment	4,380	(853)	4,976	0	0
Information Technology					
Information Technology	2,375	0	2,603	0	0
TOTAL Information Technology	2,375	0	2,603	0	0
Library Books					
Library Books	1,322	0	1,317	0	0
TOTAL Library Books	1,322	0	1,317	0	0
Public Art					
Art Gallery Acquisitions	100	0	100	0	0
TOTAL Public Art	100	0	100	0	0
Emergency Services					
Emergency Services Plant and Equipment	20	0	14	0	0
TOTAL Emergency Services	20	0	14	0	0
Land Acquisitions					
Land Acquisitions	1,773	(1,759)	1,716	0	0
TOTAL Land Acquisitions	1,773	(1,759)	1,716	0	0
Non-Project Allocations					
Capital Project Contingency	4,834	0	0	0	0
Capital Project Plan	36	0	35	0	0
TOTAL Non-Project Allocations	4,870	0	35	0	0
Not Applicable					
TOTAL Not Applicable	0	0	0	0	0
GRAND TOTAL	89,032	(27,432)	81,275	63	0