



Lake Illawarra  
Authority

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PMIN13/1153/3

# Annual Report



**2012-2013**

***Lake Illawarra Authority***

State Government Office Block  
Level '0' (Basement)  
84 Crown St, Wollongong NSW 2500

PO Box 867 Wollongong NSW 2520

Telephone: (02) 4275 9471  
Facsimile: (02) 4225 0480



Lake Illawarra  
Authority

29 October 2013

The Hon Andrew Stoner MP  
Minister for Regional Infrastructure and Services  
Level 30  
Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

Dear Minister Stoner

**Annual Report 2012/13**

I have pleasure in presenting the Lake Illawarra Authority's annual report for the year ending 30 June 2013 for presentation to Parliament.

The year has seen the Authority continue the restoration program aimed at improving the environment of Lake Illawarra, its foreshores and related environs.

The report has been prepared in accordance with the Annual Reports (Statutory Bodies) Act 1984 as amended and associated Regulation and the Public Finance and Audit Act 1983.

Yours sincerely

Brian Dooley  
Executive Officer





# MAP OF LAKE ILLAWARRA



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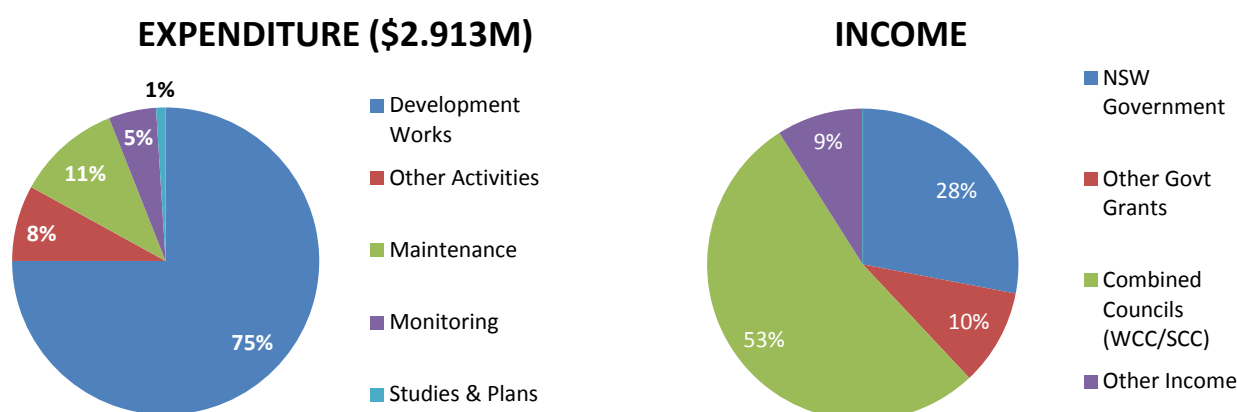


## **2012/13 in REVIEW**

In 2012 the NSW Government authorised the Parliamentary Secretary for Natural Resources, Mr Troy Grant MP, to undertake a review of the future management options for Lake Illawarra. The review was tabled in Parliament in May 2013. The conclusion of the report was that the Lake Illawarra Authority had achieved its objectives as defined in the Lake Illawarra Authority Act 1987 and could now be disbanded.

The term of the board of the Authority formally expired on 22 July 2013. During the 2012-13 year the board of the Authority continued to direct the Executive Officer on management issues for Lake Illawarra. For the 2012-13 year funding was provided from those government programs that historically supported the Authority's operations.

During 2012/13 works with a value of some \$2.913m were completed. The pie charts below describe the income sources and expenditure distributions for the 2012/13 financial year. Income and expense sources exclude the in kind contributions by the State government which meet the cost of staff supporting the Lake Illawarra Authority under the *Lake Illawarra Authority Act (1987)*.



Significant works undertaken in the year included:

- A major bio retention basin was constructed on Horsley Creek protecting Lake Illawarra from sediment and chemical pollution.
- Underwater inspection of the southern breakwater was performed by Manly Hydraulics Laboratory revealing the wall was stable and performing to design expectations.
- New recreational fishing platform and fish cleaning table were completed at the Judbooley Parade foreshore parkland west of Windang Bridge.
- Approval to, and trial of, cable ski as a new tourist venture in Griffins Bay.
- Completion of a Foreshore Restoration Plan from Purry Burry Point to Heritage Park at Windang.
- Construction work was undertaken on the new 2 km Tallawarra Shareway from Gilba Road to the Tallawarra Power Station as well as a shareway at Koonawarra Bay.
- Completion of shared pathway adjoining the drainage channel on the southern perimeter of Fred Finch Park, at Berkeley. Approximately 450m of pathway was completed and the existing car park area was sealed.
- Completion of a range of new boating facilities at Wollamai Point, Skiway Park, Griffins Bay and Boonerah Point.
- Completion of dredging stabilisation works at Koonawarra Bay.

In addition to the foregoing works Authority resources were directed to planning further works listed in the 2006 Strategic Plan

Brian T Dooley  
Executive Officer

## **OVERVIEW**

### **CHARTER**

The *Lake Illawarra Authority Act 1987 (LIA Act)* was proclaimed on 11 February 1988. The NSW Government established the Lake Illawarra Authority (LIA) with the aim of improving the environment of the lake, its foreshores and immediate environs.

Under the *Lake Illawarra Authority Act 1987*, the LIA undertook 'development works' or caused them to be carried out. Development works include:

- The removal of ooze, silt, sand, sediment, algae and weed accumulations;
- The deepening of channels and bays and associated disposal of spoil;
- The construction of silt traps and nutrient filters at entry points of streams and stormwater drains to the lake;
- The landscaping of foreshores, including the planting and removal of trees and other vegetation;
- The provision of recreational facilities and amenities, including beaches, boat ramps, boat sheds, jetties, wharves, moorings and appropriately designed car parks; and
- The carrying out of land reclamation and associated works for the protection of the environment.

For the purposes of carrying out development works, the LIA was able to do all things as it considered necessary, including entering into contracts and acquiring land.

### **LIA MISSION STATEMENT**

"The LIA aims to achieve a healthy, attractive, well-managed amenity for the benefit of the community."

### **LIA VISION**

"A loved and living lake respected by the community as an asset of value."

### **LIA REVIEW**

During 2012 the NSW Government appointed the Parliamentary Secretary for Natural Resources, Mr Troy Grant MP to undertake a review of the Lake Illawarra Authority. The Review of LIA concluded that the LIA through the *LIA Act* had achieved its objectives. The Review recommended that the management of Lake Illawarra and its foreshores be returned to the care of the Council of the City of Wollongong and the Council of the City of Shellharbour in keeping with practices elsewhere in NSW.

## **MANAGEMENT AND STRUCTURE**

### **FINANCIAL YEAR**

Pursuant to section 4(1A) of the *Public Finance and Audit Act 1983* the Authority's 2012-13 financial year commenced on 1 July 2012 and ended on the 30 June 2013.

### **LIA MEMBERSHIP**

As at 30 June 2013, responsibility for administration of the *Lake Illawarra Authority Act 1987* was held jointly by the Minister for Regional Infrastructure and Services, the Hon. Andrew Stoner MP and the Minister for Primary Industries, the Hon. Katrina Hodgkinson MP.

Under the *Lake Illawarra Authority Act 1987*, membership of the LIA consisted of ten part-time members appointed by the responsible Minister.

The 10 members of the Board were made up of five community representatives as well as one nominee each from Wollongong and Shellharbour City Councils and one member appointed to represent each of the Southern Rivers Catchment Management Authority (SRCMA), Department of Primary Industries (Fisheries) and the Department of Primary Industries (Catchment & Lands).

The Minister appointed one of the community representatives as the Chairperson of the LIA.

While a Review of the LIA was being undertaken, in July 2012 the Minister appointed an interim Board with a term expiring on 22 July 2013. Details of LIA members for the year ending 30 June 2013 are listed below.

#### **Community Representatives**

Mr Doug Prosser OAM	Chairperson
Mr Ron Hales	Member
Mr Shane Cook	Member
Ms Diane Johnston	Member
Ms Jennifer Butler	Member

#### **Council Representatives**

Cr Helen Stewart	Shellharbour City Council
Cr Bede Crasnich	Wollongong City Council

#### **Agency and Departmental Representatives**

Ms Pam Green	SRCMA
Dr Trevor Daly	DPI (Fisheries)
Mr Craig Abbs (to Jan 2013)	DPI (Catchment and Lands) <sup>(1)</sup>
Replaced by Mr Mark Matchett	

### **Notes**

1. During the year 2012/13 the Department of Primary Industries (Catchment and Lands) representative retired in January 2013 and the position was taken by Mark Matchett as the approved Department of Primary Industries representative.

## MEETINGS

The LIA formally met on (7) seven occasions during the financial year. Minutes of these meetings were recorded under the direction of the Executive Officer and were subsequently ratified by those members who had been present at the meetings.

Member attendance at the meetings was as follows

Member	No. of Meetings	Attended
Doug Prosser	7	7
Shane Cook	7	5
Ron Hales	7	7
Diane Johnston	7	5
Jennifer Butler	7	7
Cr Bede Crasnich	7	3
Cr Helen Stewart	7	7
Pam Green	7	3
Trevor Daly	7	6
DPI Representative	7	5

## ADVISORY COMMITTEES

During 2012/13 there were no functioning Advisory Committees established by the LIA.

## STAFFING OF LIA

Under s7 (1) of the LIA Act, the LIA may:

- a) with the approval of the Minister, and
- b) on such terms and conditions as may be approved by the Department of Premier and Cabinet, arrange for the use of the services of any staff or facilities of a government department, administrative office or public authority.

Historically, the department supporting the Minister responsible for administering the LIA Act has provided staff and facility support <sup>(2)</sup>.

## EXECUTIVE OFFICER

The affairs of the LIA are managed by the Executive Officer, subject to and in accordance with the directions of the LIA. The Executive Officer is Mr Brian Dooley an officer appointed under s7 (2) of the LIA Act.

## Notes

2. To enable the Lake Illawarra Authority to exercise its functions, staff support for the year was provided through the Department of Primary Industries (Catchment and Lands). The DPI is a division of the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS).

## ADMINISTRATION AND ACCESS

Administration supporting the LIA was conducted from the Wollongong State Government Office building.

**Street Address:**

State Government Office Block  
Level 0 (Basement)  
84 Crown Street  
Wollongong NSW 2500

**Postal Address:**

PO Box 867  
Wollongong NSW 2520

**Telephone No:** (02) 4275 9471

**Facsimile No:** (02) 4225 0480

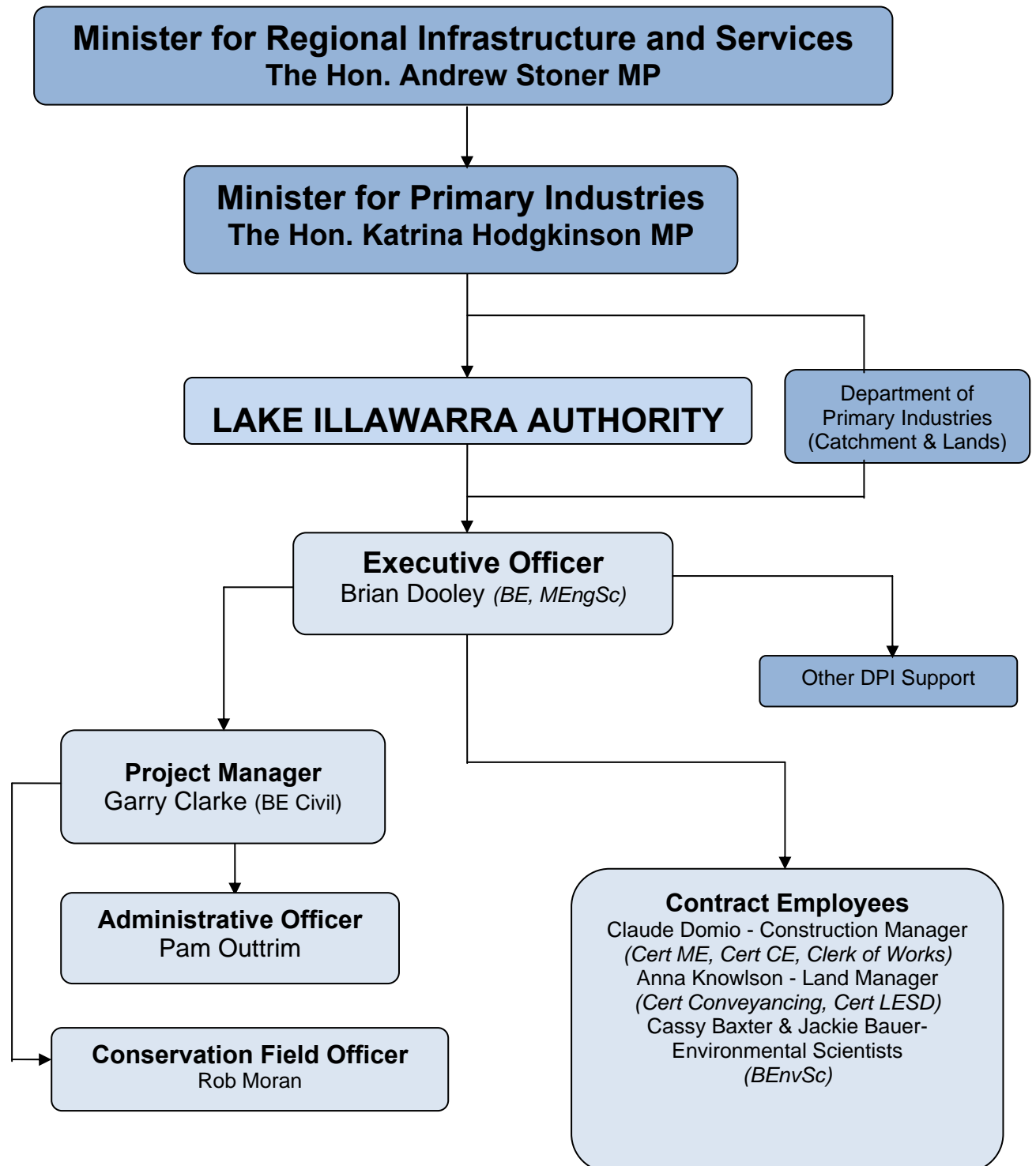
**Email:** [pam.outtrim@lands.nsw.gov.au](mailto:pam.outtrim@lands.nsw.gov.au)

**Web site:** [www.lia.nsw.gov.au](http://www.lia.nsw.gov.au)

**Business Hours:** 8.30am to 4:30pm (Monday - Friday)

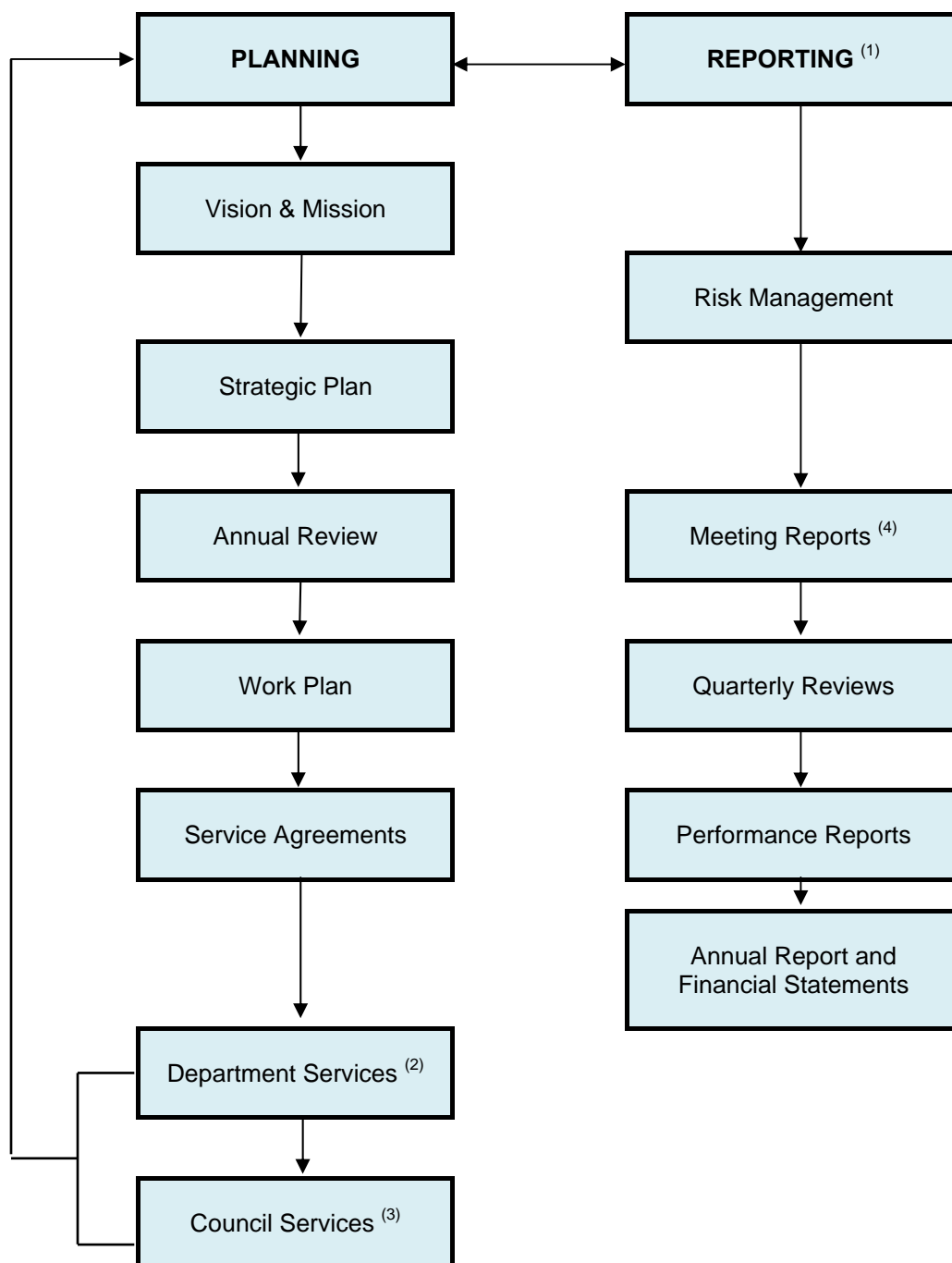
## ORGANISATIONAL STRUCTURE

**LAKE ILLAWARRA AUTHORITY  
AS AT 30 JUNE 2013**



# PLANNING AND PERFORMANCE REPORTING FRAMEWORK

## LAKE ILLAWARRA AUTHORITY



### Notes

(1) The Executive Officer of the LIA is responsible for managing the affairs of the LIA subject to and in accordance with any direction of the LIA (s8 LIA Act)

(2) Staff from the Department of Primary Industries (supporting the Minister) provide services to the LIA under the LIA Act 1987 (s7 LIA Act). Services include administration, project management, accounting management, risk management, property management, legal advice, technical advice, policy advice and Ministerial advice.

(3) Wollongong and Shellharbour City Councils provide services for works undertaken "in kind" within their respective LGAs.

(4) Reports against performance and expenditure targets for LIA Board.



## **REPORT ON LIA OPERATIONS - 2012-2013 FINACIAL YEAR**

### **REVIEW OF LIA BY NSW GOVERNMENT**

In 2012 the Deputy Premier and Minister administering the *LIA Act* commissioned a review of the Lake Illawarra Authority to determine if the LIA had achieved its objectives and to consider future management options for Lake Illawarra.

The review found the current condition of the lake displayed a significant improvement from when the LIA was formed in 1988 when the condition of the lake was deemed to be very poor. The main reasons for the improvement are considered to be the effectiveness of the programs implemented by the LIA including the permanent entrance opening works and the major investment directed at improving stormwater discharges into the lake.

The review also concluded that the *LIA Act* should be repealed and management of Lake Illawarra returned to both Wollongong and Shellharbour City Councils with strategic planning and coordination to be provided by an Estuary Management Committee. This meant the term of the LIA Board members would officially conclude on 22 July 2013, this being the date on which 12 month Ministerial appointments to the Board would expire.

### **Lake Illawarra Coastal Zone Management Study and Plan**

In support of the review of LIA operations in 2012/13, work was commenced on a review of Lake Illawarra Strategic Plan (2006). It was envisaged that a new Lake Illawarra Coastal Zone Management Plan (CZMP) would identify management actions to ensure alignment with government priorities as well as managing risks to public safety and built assets in and around the lake. The plan was intended to assess the effects of climate change including sea level rise, pressures on lake ecosystem including risks to estuary health and community uses of the waterway and foreshore areas.

The new plan will detail strategies and actions to achieve a number of objectives to continue improvements to the environment of the lake, its foreshores and related environs. Major strategies will include, amongst other things, the need to: maintain the entrance in an open condition; dredge shallow bay areas to remove ooze accumulations; maintain navigation channels; continue the installation of stormwater controls on drains; complete the shared pathway around the perimeter of the lake; improve boating facilities; and enhance and protect riparian vegetation along the Lake foreshore and feeder streams. The CZMP will help guide the proposed new Lake Illawarra Estuary Management Committee.

### **LAKE ILLAWARRA MANAGEMENT PROGRAM**

The LIA's management program aimed to bring about real and lasting improvements to the environment of the lake, its foreshores and related environs. The LIA addressed this through the issues and management objectives identified as part of the "Lake Illawarra Estuary Management Study and Strategic Plan (2006)".

The lake improvement program was implemented on a priority basis as funds become available. Generally, funding of LIA's works was on the basis of 1:1 between State and Local Government. Wollongong and Shellharbour City Councils each made contributions to the LIA either through cash or "in kind". Where appropriate, Councils performed works on behalf of the LIA in accordance with pre-agreed estimates. Other works were performed by contractors following competitive tender processes. Other projects employed "Work for the Dole" clients although these were generally for smaller works or maintenance activities.

The management program undertaken by the LIA was based on the issues and objectives as outlined below:

		Management Strategy / Action							
		Entrance Works	Dredging	Algal Harvesting	Foreshore Cleanup	Stormwater Controls and Wetland Filters	Recreational Boating Facilities	Foreshore Enhancements	Other Activities
Management Objective	Entrance Condition	√	√						
	Water Quality	√	√	√	√	√			
	Algal Blooms	√	√	√		√			
	Organic Wrack and Ooze	√	√		√				
	Erosion and Sedimentation	√				√			
	Catchment Inputs					√			√
	Ecology and the Fishery	√	√	√	√	√		√	
	Waterway Usage	√	√	√	√		√	√	
	Riparian Zones					√		√	
	Flooding	√				√			
	Visual Amenity	√	√	√	√		√	√	
	Community Involvement						√	√	√
	Cultural and Heritage							√	√
	Foreshore Access		√	√	√		√	√	
	Commercial Opportunities	√	√	√	√		√		
	Funding (Revenue)								√

The following sections outline the LIA's achievements in the 2012/13 financial year towards each objective outlined in this table.

## **LIA ACHIEVEMENTS UP TO 30 JUNE 2013**

### **ENTRANCE CONDITION/MANAGEMENT**

**Aim: Create a stable entrance to the lake which is predominantly open.**  
*A permanent entrance improves water quality and boosts recreation and tourism opportunities.*

#### **Entrance Breakwaters and Channel Stability**

Since completion of construction of the breakwaters they have continued to perform well in reducing the amount of sand feeding into the channel. The entrance remained open during the year. Rubbish was removed from the breakwaters on a weekly basis.

The breakwaters have been monitored and the walls have been assessed as working well with no threat to their integrity at present. The breakwaters are popular with the public for walking and fishing and great importance is placed on ensuring the safety to those accessing the breakwaters.

During the 2012-13 year repairs and monitoring of the breakwaters was undertaken to ensure public safety.

An underwater inspection of the southern breakwater was performed by Manly Hydraulics Laboratory revealing the wall was stable and performing to design expectations.

#### **Windang Foreshore Groynes and Revetment Wall**

Further bank protection works were required to help minimise erosion by construction of a third rock groyne. The third groyne was built to the east of the 2 groynes constructed in May 2012.

The constructed groyne field has been immensely popular for fishing and general recreation. The groyne field is monitored regularly.

### **WATER QUALITY**

**Aim: Improve the water quality of the lake to a standard that protects its ecological, recreational and aesthetic values.**  
*Good water quality supports a healthy ecosystem and boosts tourism interest in the lake.*

There are 13 streams and 191 drains entering the lake of which 115 can be classified as major. In addition, there are 15 sewer pump stations with potential overflows located around the edge of the lake. Since the establishment of the LIA in 1988 approximately 46% of the major drains discharging to the lake have been fitted with water quality treatment devices.

#### **Pollution Control Devices**

Existing pollution control devices on drains around the lake as well as the large constructed wetlands at Kully Bay and Budjong Creek were maintained during the 2012/13 year. Works included the removal of trash and litter.

Major Works costing some \$221,000 were progressed to reduce the amount of litter and pollutants discharging into the lake from the Horsley Creek catchment. As part of its contribution to the Lake Illawarra Authority, Shellharbour City Council completed the Horsley Creek Bio-retention Basin and Swale Project. Minor storm water controls were also undertaken around the lake in 2012/13.

Designs were initiated for further stormwater outfall controls at various discharge pipes at Primbee.

### Water Quality

Water quality data is one of the key indicators used to assess the health of the lake. Results show that the environmental health of the lake varies due to seasonal variations, entrance condition and catchment rainfall.

In 2012/13, the Lake Illawarra Authority (LIA) continued water quality monitoring at a number of sites across the lake providing data on a range of parameters.

Data collected from the probes located at Cudgerie Bay and Koonawarra Bay provided information on pH, salinity (conductivity), dissolved oxygen, water temperature and water level.

Recreational water quality was monitored at the entrance lagoon off Reddall Reserve, which is used for recreation including swimming. Sampling was undertaken by Sydney Water as part of the Beachwatch Program in accordance with the Office of Environment and Heritage (OEH) guidelines. Between July 2012 and June 2013 outcomes for the analysis of enterococci are summarised as follows:

- As with most other estuaries and beaches, results showed that bacteria levels fluctuated generally in response to rainfall
- Water quality in the entrance lagoon area (widely used for swimming) met the ANZECC water quality guidelines for primary contact recreation for most of the period. When the guidelines were occasionally exceeded, levels were not excessive and posed little risk to human health.

The State Government's Beach Watch Program for the period generally rated the entrance area as 'good' i.e. 4 stars. A summary of the 2012/13 reporting period in comparison with previous years is shown below.

Star Rating	Enterococci (cfu/100mL)	Description	Jun 09- Jun 10	Jun10- Jun11	Jun 11- Jun 12	Jun 12- Jun 13
4	<41	Good	50 (84%)	45 (77%)	45 (75%)	50 (83%)
3	41-200	Fair	8(13%)	7 (12%)	9 (15%)	7 (12%)
2	201-500	Poor	2 (3%)	4 (6%)	5 (9%)	2 (3%)
1	>500	Bad	0	3 (5%)	2 (1%)	1 (2%)
		<b>Total</b>	60 (100%)	59 (100%)	61 (100%)	60 (100%)

Based on weekly reporting the 2012/13 reporting period achieved a 95% fair to good star rating. This is higher than the previous year which achieved a 90% fair to good star ratings.

Water samples were monitored on a monthly basis at 6 sites – Griffins Bay, Kanahooka, Burroo Bay, Back Channel, Windang Bridge and at the Southern Break wall for chlorophyll-a, ammonia (NH<sub>3</sub>), Total Nitrogen (TN), Oxidised Nitrogen (NO<sub>x</sub>), Total Dissolved Nitrogen (TDN), Total Phosphorus (TP), Total Dissolved Phosphorus (TDP), Filterable Reactive Phosphorus (FRP) and turbidity. Results for the period July 2012 to June 2013 showed:

- Chlorophyll-a values were found to have a lake average of 6.51ug/L which is above the ANZECC trigger of 4ug/L. The higher lake average is due to the high chlorophyll-a values recorded 17 July 2012, which ranged from 35 (Site 1) to 54 mg/L (Site 4).
- The average ammonia value was found to be above the ANZECC trigger value of 0.015mg/L with a lake average of 0.023mg/L. This value was largely driven by high ammonia readings within Griffins Bay.
- Total nitrogen values were below the ANZECC trigger value of 0.3mg/L with an average over all sites of 0.230mg/L.
- The Oxidise Nitrogen lake average was found to be slightly above the ANZECC trigger value of 0.017mg/L. This value was found to be driven by higher NO<sub>x</sub> values from Southern Entrance Wall (Site 1).
- Total Phosphorus values were marginally above the ANZECC trigger value of 0.03mg/L, with the average over all sites of 0.037mg/L.
- Turbidity was found to be consistently within the ANZECC recommended range of 0.5 to 10 NTU, with the average over all sites of 3.25 NTU

## ALGAL BLOOMS

**Aim: Reduce the incidence of macroalgae and other forms of algae that degrade and dominate the natural ecological function of the lake.**  
*The control and management of massive algal blooms will restore natural ecosystem function and enhance recreational use of the lake.*

Macroalgal blooms have occasionally occurred in Lake Illawarra, particularly in the shallow waters along the Windang Peninsula and within Whyjuck Bay. Blooms occur in response to a number of factors including nutrient concentrations (nitrogen and phosphorus), water depth and water temperature. Macroalgae species within Lake Illawarra are typically green or brown algae and include *Chlorophyta*, *Phaeophyta* and *Rhydophyta*.

The LIA holds a permit 06/152 issued by the NSW Department of Primary Industries under Part 7 of the *Fisheries Management Act 1994* to remove algae on a needs basis.

Over the past few years since the permanent opening of the lake's entrance the amount of macroalgae observed in the lake has significantly reduced resulting in less harvesting being necessary. There was very little macroalgae in the lake in 2012/13.

## ORGANIC WRACK AND OOZE ACCUMULATION

**Aim: Reduce ooze formation and malodorous conditions around the lake as a result of the accumulation and decay of seagrass and macroalgae.**

*Reducing the deposition of ooze and organic products minimises odours that otherwise deter tourism and degrade local water quality.*

Lake Illawarra is highly productive and organic matter readily accumulates within the system. Biological processes are an important part of the functioning of the lake. Occasionally, natural gases are emitted from the lake during carbon cycling. Emissions can be highly unpleasant to nearby residents and users of the lake.

Foreshore cleanup was continued through the year on an as needs basis. Work involved the removal of excessive accumulations of decomposing seagrass wrack from the foreshore at Lake Heights, Kully Bay and Windang Peninsular. Other cleanup activities included removal of rubbish carried by stormwater discharges into the lake. During 2012/13 an estimated volume of 1700 cubic metres of wrack, rubbish and algal accumulations were removed from the lake foreshore.

## EROSION AND SEDIMENTATION

**Aim: Reduce the rate of sedimentation in the lake to a pre-European level, restore areas of the lake degraded by excessive sedimentation and minimise further erosion around the lake.**

*Sedimentation control is necessary to retain the opportunity for recreational boating and for the maintenance of biodiversity.*

Ongoing bank erosion of streams due to flood flows and sediment loads from the catchment as a result of urbanisation are a major threat to the health of the lake. Erosion of riparian areas around the lake also reduces habitat.

During the year the LIA produced a report for a Lake Illawarra Wetland Rehabilitation Plan funded under the Office of Environment and Heritage, Estuary Management Program. The plan has assessed areas around the lake that may require rehabilitation work such as saltmarsh protection, erosion control, weeding and revegetation on the foreshores.

Planning work was also undertaken during 2012/13 for bank protection work planned for the Lake Heights foreshore.

## CATCHMENT INPUTS/MANAGEMENT

**Aim: Seek to ensure that land usage decisions are made having regard to the quality and amenity of the environmental and recreational values of the Lake.**

*Appropriate land use within the lake catchment will contribute to the long term wellbeing of the lake.*

Proposed urban expansion at West Dapto, Haywards Bay, Tallawarra, Kembla Grange, Marshall Mount, Tullimbar and Calderwood will result in increased development within the Lake Illawarra catchment in the future.

The potential for increased siltation and pollution of Lake Illawarra from future development has always been a matter of great concern. Regulation of development in the future will need to consider water quality targets and the provision of specific future infrastructure to manage stormwater discharges to limit the risk of potential damage to Lake Illawarra.

In late 2012, Sydney Water's proposal for water and wastewater servicing of the West Dapto Urban Release Area and adjacent growth areas was placed on public exhibition. The LIA made a submission to the Department of Planning & Infrastructure indicating that Sydney Water should ensure the environmental values of the lake are not compromised by the work.

The LIA was concerned that future development pressures resulting in wastewater overflows may impact the future health of Lake Illawarra given the extreme sensitivity of the lake to further nutrient inputs.

## ECOLOGY AND THE FISHERY

**Aim: Protect the abundance and diversity of native aquatic and terrestrial flora and fauna and restore habitats.**  
*Natural areas must be maintained and protected in order to maintain their tourism appeal.*

### Seagrass Distribution

There have been a number of surveys of seagrass distribution and abundance within Lake Illawarra over the past 20 years. The species of seagrass within the lake are *Zostera*, *Halophila* and *Ruppia*.

Recently seagrass monitoring in Lake Illawarra has been undertaken as part of a three year study. Seagrass areas have been increasing since 2009 suggesting seagrass beds within the lake have stabilised and are increasing after completion of entrance works. In 2012/2013 there was 851.6 hectares of seagrass recorded.

In mid 2012 the LIA renewed its Permit to Harm Seagrass issued by Department of Primary Industries (Fisheries) under Part 7 of the *Fisheries Management Act 1994* in order to undertake development works within areas of seagrass distribution.

### Saltmarsh Distribution

The LIA completed a report on 'Saltmarsh Vegetation Classification and Condition Mapping' of the Lake Illawarra foreshores. This report estimated that approximately 40ha of saltmarsh field exists around Lake Illawarra. Saltmarsh communities are vulnerable to changes in water level and the report recommended steps that can be taken to protect these saltmarsh communities.

During 2012/13, the LIA continued to oversee the protection and conservation of saltmarsh areas. Measures to restrict vehicular and pedestrian access to saltmarsh meadows were implemented. There are several significant saltmarsh communities located on private land around Lake Illawarra and landowners should be encouraged to implement methods to ensure protection of these saltmarsh areas.



### **Monitoring of Avifauna**

Lake Illawarra is a wetland of national significance and a wide variety of shore birds and sea birds have been recorded within the lake environs.

The LIA has worked with OEH (NPWS), Both Councils and the Illawarra Bird Clubs to ensure that potential risks to bird habitat are mitigated. The main threats to bird populations are disturbance or loss of habitat and exposure to predators and disturbance by human visitation such as dog walking, vehicles accessing habitat, bait collecting, boating and fishing.

### **WATERWAY USAGE**

**Aim: Permit appropriate recreational use of the estuary and foreshores compatible with ecosystem values.**

*Improved boating facilities support tourism and recreational opportunity*

#### **Berkeley Boatharbour**

In 2012-13 the LIA was successful in being offered a grant under NSW Roads and Maritime Services, Better Boating Program towards Stage 1 (Design) for an upgrade to the existing boating facilities at Berkeley Boatharbour. Tenders for the design works were invited. The works included design of an upgrade of the trailer parking area and the provision of 2 wash down bays on the eastern side of the harbour.

#### **Yallah Bay Boating Facility**

Following the recent upgrade of the Jetty and Boat Ramp at Yallah Bay it was considered that there was a requirement for the provision of public amenities. A Review of Environmental Factors was prepared for the future construction of an Ecotoilet facility to service the Yallah Bay Boat Ramp area.

#### **Skiway Park Jetty and Boat Ramp**

During 2012/13 the LIA completed an upgrade to the Jetty and Boat Ramp facilities at Skiway Park, Oak Flats to help improve the boating facilities. The project was partly funded under NSW Roads and Maritime Services, Better Boating Program.

#### **Burroo Bay Jetty Modification and Waterway Improvements**

During the year tenders were invited to dredge sediment from around the newly upgraded jetty / pontoon and boat ramp area to improve boating access. Dredging works are to be partly funded under the NSW Crown Lands Waterways Program and the NSW Roads and Maritime Services, Better Boating Program. Work is expected to be completed by the end of 2013.

#### **Griffins Bay and Boonerah Point and Wollamai Point Jetty Upgrades**

The LIA completed work on jetty modifications at the Griffins Bay (King St), Boonerah Point and Wollamai Point jetties. The projects were partly funded under NSW Roads and Maritime Services, Better Boating Program.

### **Judbooley Parade Foreshore Fishing Platform**

Work was completed by the LIA on a new recreational fishing platform and fish cleaning table at the Judbooley Parade foreshore parkland west of Windang Bridge. The project was partly funded under the Department of Primary Industries (Fisheries) Recreational Fishing Trust Program.

### **Jetty / Wharf / Pontoon Structures and Boardwalks**

There are some 20 wharves and jetties around the lake, which have been largely constructed by the LIA. To assist with forward maintenance programs the LIA arranged for a Condition Assessment to be undertaken of the jetty structures. Minor repairs to existing jetties/wharves/pontoon structures and boardwalks around the lake will be carried out by the end of 2013.

### **Private Domestic Waterfront Structures**

The LIA administered 35 Licences covering private structures such as jetties, boat ramps etc on land vested in the LIA under the *LIA Act*.

### **Commercial Cable Ski Operation**

During 2012/13 the LIA facilitated the establishment of a new tourist venture in Griffins Bay. The operation consists of several structures erected on jetty structures between which a cable ski has been installed. The new operation trialled in 2012/13 and is expected to continue to operate in future years.

## **RIPARIAN ZONES**

**Aim: To restore and protect foreshore vegetation and maximise public access to the lake without compromising ecosystem protection or visual amenity objectives.**

*Fully functional riparian zones enhance water quality, provide habitat and provide opportunity for recreation and tourism.*

### **Purry Burry Point to Heritage Park, Windang**

During the year the LIA sought tenders for the design of a program to restore the foreshore vegetation from Purry Burry Point at Primbee to Heritage Park at Windang. An aboriginal heritage assessment was also initiated to ensure any works along this part of the foreshore avoided impacts on any aboriginal heritage materials.

### **Oaklands Foreshore, Windang**

The LIA commissioned a Tree Assessment report for the newly defined foreshore land adjacent to Oaklands Village at Windang. Following the tree assessment tree maintenance work was undertaken according to the recommendations in the report.

Several exotic tree species were removed due to the risk posed to adjoining mobile homes.

### **Foreshore Riparian Zone Projects**

The LIA continued to carry out repairs to fencing and protective buffers to prevent vehicular access to sensitive habitat areas on the foreshores of the lake. In addition works were undertaken to maintain foreshore areas including weed removal, mulching and replanting at sites such as Heritage Park at Windang, Tallawarra foreshore, and Fred Finch Park at Berkeley. Areas remote from public scrutiny attract

vandalism, dumping and arson making the erection of fencing and the planting of fire resistant shrubs necessary.

## FLOODING

**Aim: To minimise the impact of flooding on public and private assets whilst adopting a policy of minimal intervention in natural processes wherever possible.**

*Appropriate response to flood risk minimises losses and injuries.*

### Lake Illawarra Floodplain Risk Management Study and Plan

The Lake Illawarra Floodplain Risk Management Study and Plan has been completed in co-operation with both Councils. The documents describe potential flood behaviour as well as the extent of flood risk and hazard around the lake perimeter taking into account sea level rise scenarios. The documents also examine controls for development within specified flood risk precincts and discuss possible management options. Finalised reports were available to answer community inquiries.

## VISUAL AMENITY

**Aim: To preserve and enhance the visual quality of the lake, its foreshores and the catchment.**

*A visually appealing lake will attract tourism.*

During the year, the LIA continued to maintain some 50ha of parkland and habitat areas on the 38km perimeter of the lake including mowing, weeding of foreshore land and removal of rubbish. Shoreline cleanups resulted in the removal of several hundred tonnes of litter and debris from foreshore areas resulting in improved visual amenity and a reduction in malodorous conditions. Rubbish removed included car and truck tyres, shopping trolleys, woody debris, plastic bags and bottles.

## COMMUNITY INVOLVEMENT

**Aim: To increase public awareness of the values and sensitive nature of the estuary in order to minimise activities that adversely impact on lake environments.**

*Enhanced community education can lead to a reduction in behavior that threatens the lake.*

### Community Updates

During the year several community update notices providing information on the LIA's activities were published in local newspapers.

### Other Education / Information Initiatives

The LIA has maintained a website [www.lia.nsw.gov.au](http://www.lia.nsw.gov.au) which provided information about the lake and LIA activities to the public.

### Review of the LIA Operations

As part of the Review of the LIA undertaken by Mr Troy Grant, MP a detailed communication strategy was developed. Members of the community and stakeholder

groups were given the opportunity to make submissions providing their comments to the review. Mr Grant's report on the Review was tabled in Parliament and released to the public in May 2013.

### **Northcliffe Drive Education Centre / Amenities Building**

The LIA has an Education Centre and Amenities Building located at Warrawong on the foreshores of Lake Illawarra. A "not for profit" group, Futureworld currently holds a licence to occupy the first floor level of the Education Centre.

Futureworld has established a hands-on exhibition to showcase solutions to estuary management, sustainable catchment management and alternative (green) energy technologies through its Education Program. Futureworld is run by volunteers assisting with visits by school children and other groups.

## **CULTURE AND HERITAGE**

**Aim: To preserve cultural heritage values of the Lake and foreshores.**

*Conservation of indigenous and non-indigenous cultural heritage sites in perpetuity will raise awareness.*

During the year a number of Aboriginal Cultural Heritage Assessments were undertaken for projects around the lake to satisfy legislative planning requirements. Assessments were undertaken as part of proposed foreshore improvements at Windang, Primbee and Koon Bay.

## **FORESHORE ACCESS**

**Aim: To maximise opportunities for public foreshore access to the lake.**

*A diverse range of well maintained accessways enhances community appreciation of the lake and encourages tourism.*

### **Lake Illawarra Shared Pathways**

The pathways adjoining the lake that have been created through the efforts of the LIA are heavily used by the community. The LIA and the adjoining councils have a goal to provide formalised access for pedestrians and cyclists around the entire lake shoreline. Small sections of the foreshore remain without access via shared pathways. During the year the LIA advanced a number of projects aimed at pursuing the completion of pathways (for pedestrians and cyclists) around the entire perimeter of the lake.

### **Koonawarra Bay to Yallah Bay Foreshore**

Following investigation into possible aboriginal heritage relics on site it was determined that 2km of shared pathway would be constructed around the northern Tallawarra foreshore between Gilba Rd and the Tallawarra Power Station. This pathway includes 1.7km of concrete pathway and 300m of boardwalk / bridge. In addition 3 picnic shelters have been proposed along the route.

During the 2012/13 year construction work was undertaken on the concrete section of the shared pathway and the planning and design for the boardwalk progressed.

### **Koona Bay Shared Pathway**

The LIA progressed work on the section of shared pathway between Karroo and Wooroo Streets in 2012/13 including preparation of a Review of Environmental Factors and obtaining planning approvals to undertake construction of the pathway. In co-operation with Shellharbour City Council work was commenced on the sections of pathway to be constructed of concrete. The LIA initiated the design for the section to be constructed as a boardwalk. As well as accommodating aboriginal heritage constraints consideration had to be given in the design to the location of sewer mains located on the foreshore as well as adopting measures to minimise or compensate for impacts on saltmarsh communities.

### **Fred Finch Park Shared Pathway**

During the year shared pathway construction was undertaken adjoining the drainage channel on the southern perimeter of Fred Finch Park, at Berkeley. Approximately 450m of pathway was completed and the existing car park area was sealed at a combined cost of \$324,000.

### **Judbooley Parade Foreshore Precinct at Windang**

In co-operation with Wollongong City Council further work was completed at Judbooley Park including bank protection to support a new fishing timber platform. Planning, including a Review of Environmental Factors and an Aboriginal Due Diligence report was progressed in order to allow foreshore access behind the LIA's residential flat building at No. 17 Judbooley Parade.

### **Joes Bay Boardwalk**

Extensive public consultation was undertaken to determine the preferred design of the proposed boardwalk starting at the end of the King St Promenade and connecting to the eastern most laneway leading onto Lakeview Parade, Primbee. The majority opinion favoured a shared pedestrian / cycleway that takes a direct line between the starting point and ending point. The LIA commissioned the design of the boardwalk and also the landscaping of the public foreshore area at the ending point at Primbee.

## **COMMERCIAL AND TOURISM OPPORTUNITIES**

**Aim: To enhance the funding of environmental protection and future management activities in the Lake and foreshores through appropriate commercial use.**

*Sustainable tourism ventures will improve the Lake as a place to visit within the Illawarra Region.*

### **Griffins Bay Tourism Development**

A Draft Master Plan and Draft Planning Proposal have been prepared for a proposed development of the Griffins Bay area. The development opportunity of this site is recognised as having regional significance.

Further plans to pursue development opportunities were put on hold in 2012/13 while the Review of the Lake Illawarra Authority was undertaken. As the review concluded that the LIA could be closed it was recommended that further consultation be undertaken to determine the best agency to manage the development site.

### **Commercial Leases and Licenses**

The LIA receives income from several Leases and Licences that utilise LIA lands. These include two kiosks and weekly markets as well as land leased to an adjoining caravan park. The LIA also enters licence agreements with several circus operators to allow use of foreshore lands at Warrawong.

### **Cable Ski Operation in Griffins Bay**

During the year a cable ski operation was established in Griffins Bay. The new facility provided a new recreation / tourism opportunity and improved awareness of the potential of the Griffins Bay foreshores for further tourism developments.

## **FUNDING (REVENUE)**

**Aim: To continue to seek funding from Federal, State and Local Government sources as well as other opportunities to raise revenue.**  
*Continued financial support to implement the restoration program and achieve long term management objectives.*

During the 2012/13 year the LIA was funded through contributions from NSW State Government and the two adjoining Councils.

A number of grants were applied for to implement restoration and enhancement programs. Grants were obtained from:

- NSW Government's Estuary Management Program
- NSW Government's Coastal Management Program
- NSW Government's Floodplain Management Program
- NSW Government's Better Boating Program
- NSW Recreational Fishing Trust

The LIA also made extensive use of the Commonwealth's "Work for the Dole" program. During 2012/13 approximately 45 clients of the program were productively engaged on LIA works.

## **OTHER MANAGEMENT ISSUES**

### **LAKE ILLAWARRA COASTAL ZONE MANAGEMENT STUDY AND PLAN**

Aware of the State Government's review of Authority operations in 2012/13, the Authority continued a review of its Strategic Plan last updated in 2006. The objective of the 2006 plan was to ensure that the Authority's expenditure aligns with government priorities as well as managing risks to public safety and built assets in and around the lake. The plan review commenced in 2012/13 and will assess the effects of climate change including sea level rise, pressures on the lake's ecosystem including risks to estuary health and community uses of the waterway and foreshore areas. Aware of the possible outcomes of the government's review of the LIA's operations it was considered imperative that an updated plan be initiated to assist entities that might follow after the LIA.

The new plan will detail strategies and actions to achieve a number of objectives to bring about long term improvements to the environment of the lake, its foreshores and related environs.

It was anticipated that a draft edition of the revised plan would be provided to Wollongong City Council and Shellharbour City Council for attention by a possible future Estuary management Committee established to overview strategic planning of lake issues after closure of the LIA.

### **ASSET MANAGEMENT AND PURCHASES**

The LIA maintains an Asset Management Plan which covers infrastructure assets and land vested in the LIA. The plan details asset condition, useful remaining life, level of risk, priority and maintenance requirements.

A Condition Assessment of all the LIA's jetty structures was prepared in 2012/13. The Condition Assessment was used as a basis for maintenance undertaken in 2012/13 and as a platform for formalising a scheduled approach to future maintenance.

A Pesticide Use Notification Plan in accordance with the *Pesticides Regulation 2009* has been drafted. This plan applies to foreshore areas around Lake Illawarra within the LGA of Wollongong and Shellharbour City Councils and meets the community's general right to know about pesticide (and herbicide) applications made in public places.

### **GOVERNMENT INFORMATION (PUBLIC ACCESS)**

The *Government Information (Public Access) (GIPA) Act 2009* provides the main mechanism through which the public can apply to access Government-held documents, where those documents are not already made publicly available.

During the reporting year the LIA received no GIPA applications.



## INTERNAL AUDIT AND RISK MANAGEMENT

During the year the DTIRIS provided corporate governance support to the LIA including internal audit and risk management. DTIRIS has internal audit and risk management processes in place that are in all material respects compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

The Audit and Risk Committee for DTIRIS operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09-08.

These processes provide a level of assurance that enabled the Board of the LIA to understand, manage and satisfactorily control risk exposures.

The LIA reported on significant risks to its operations to ensure that strategies are either in place or are being developed to mitigate potential risks.

## INSURANCE

The LIA is covered in respect legal liability to any third party arising out of its operations through the NSW Government's Treasury Managed Fund (TMF).

In 2012/13 the LIA had two Statements of Claim against it lodged with the District Court of NSW. The LIA is being represented by lawyers appointed on behalf of the TMF. Both matters were on-going as at 30 June 2013.

## MULTICULTURAL POLICIES AND SERVICES PROGRAM

The Lake Illawarra Authority's Strategic Plan (2006) includes strategies to increase community awareness and participation in projects. Planning for projects undertaken by the LIA includes provisions to investigate aboriginal heritage and opportunities for community review, comment and involvement prior to works being undertaken.

The LIA has no employees. The Community Relations Commission has granted an exemption to the LIA to submit individual MPSP plans or annual reports to the Commission. However the Commission expects that multicultural issues and initiatives relating to the LIA will feature in the annual reports of the LIA's principal department.

## CONSULTANTS

Details of technical, scientific and engineering consultants used during the financial year.

- i) Greater than \$50,000: 0
- ii) Less than \$50,000: 12

All of the above were technical consultancies (engineering, archaeological, geotechnical and planning) managed by the LIA.

## PUBLICATIONS

Since 1988 the LIA has produced a large number of technical reports and brochures. A list is shown in Appendix A.

## **SUMMARY OF LAND**

The land within the 'development area' is vested in the LIA and includes the bed of Lake Illawarra as well as any reclaimed land and land acquired by the LIA. The 'development area' is described in Schedule 1 of the *Lake Illawarra Authority Act 1987*.

Since 1988 land reclamation has been undertaken within the development area by the LIA and both Councils. Reclaimed land is located on the northern and eastern foreshores of Griffins Bay along Northcliffe Drive and King Street, at Lake Illawarra South around the southern approach of Windang Bridge, around the Koonawarra Bay shoreline and on the foreshore of Skiway Park at Oak Flats. All reclaimed land is vested in the LIA.

As the need arises the LIA arranges for the survey and registration of any previously reclaimed land vested in the LIA. There is a requirement to create a title for these parcels of reclaimed land under the *Real Property Act* so they can be identified for any future land dealings, such as leases.

In July 2000 the LIA acquired some Crown land and small parcels of land owned by Wollongong City Council around the shores of Griffins Bay and Berkeley Boat Harbour. The acquired land was added to the LIA 'development area' as published in Government Gazette No.88 dated 14 July 2000. Certificates of titles were issued for the freehold land and the transfer of Crown land was registered in Deed Registered Book 4297 No.783. Part of the described reclaimed land has now been surveyed and registered under the *Real Property Act* in DP 1154074.

Other parts of the LIA's reclaimed land along Northcliffe Drive adjacent to Griffins Bay has been surveyed and defined by DP 1007487 and DP 1031766. Lot 1 DP1007487 is the building leased to the Department of Defence for the Naval Cadets and Lot 21 DP 1031766 is the Illawarra Rowing Centre which is licensed to four user groups for the storage of various types of watercraft.

In April 1998 the LIA with 50% financial assistance from Wollongong City Council purchased a property at Lot 1 DP 9944 being No.17 Judbooley Parade, Windang. In August 2001 the LIA, again with 50% financial assistance from Wollongong City Council, was able to purchase a second property at Lot 6 DP 9944 being No. 7 Judbooley Parade, Windang. Both these properties were acquired for the purposes of improving public access to the lake foreshore in this area. The demolition of the dwelling on Lot 6 DP 9944 in April 2012 has meant this lot can now be integrated into the surrounding public reserve owned by WCC. Accordingly Lot 6 DP 9944 was transferred to WCC in early 2013.

On 2 May 2003 as part of the sale of Pacific Power's Tallawarra Power Station, approximately 161.4ha of land along the foreshore of Lake Illawarra was transferred to the LIA. The land included Lot 1 DP 340578 and Lot 110 in DP 1050302. Part of Lot 110 included a large area of land being the bed of the Lake. The land was added to the LIA's 'development area' by notice published in the Government Gazette dated 16 July 2004.

On 22 April 2005 the Minister for Lands appointed the LIA as Trustee of Crown Reserves 51678 and 1004829 being Cudgeree Island and Windang Island, (being Crown Reserves, for public recreation and coastal environmental protection).

In 2005 the LIA and Winten No. 9 P/L entered a Deed of Agreement for Winten to transfer to the LIA part of the foreshore land adjacent to the Haywards Bay development on the western shores of Lake Illawarra. On completion of the Haywards Bay Estate works Winten will need to complete a subdivision plan which defines a parcel of land along the lake foreshore in order for it to be transferred into public ownership. Following the intended closure of the LIA further negotiations with Winten will be undertaken in 2013/14.

On 17 November 2006 the LIA acquired Crown land at the entrance to Lake Illawarra for the purpose of constructing the northern and southern breakwaters. The land is described as Lot 1 DP 1100879 being mainly the bed of the sea. The lot was added to the LIA's 'development area' by notice in Government Gazette No.139 dated 17 November 2006.

On 10 August 2009 the Minister for Housing transferred to the LIA the title for a small surplus parcel of land being Lot 142 DP 573617 located on the western lake foreshore at Gilba Rd Koonawarra. The transfer of the land was on the basis that the land is included in any future public recreation area proposed for the southern foreshore of the lake at Koonawarra Bay.

The LIA's acquisition of some land from Oaklands Village Land Pty Ltd that created a continuous strip of foreshore land for public access at Windang was notified in the Government Gazette dated 16 April 2010. The land is described as Lot 2 DP 1105592. Some reclaimed land on which minor encroachments of relocatable homes were located was exchanged as compensation to Oaklands Village.

In early 2011 the LIA executed a lease agreement with the owners of 'Jettys By The Lake' Caravan Park (Lake Illawarra Park Pty Ltd) at Windang, for the lease of parts of reclaimed foreshore land on which some relocatable homes are encroaching. As part of the agreement for the lease the caravan park owners were required to register an Easement for public access across their land from Windang Road to the lake foreshore.

### **Land Valuations**

The State Valuation Service assessed a market value of the land (and improvements) within the development area, including the bed of the lake as at 30 June 2011. The valuations adopted fair value methodology determined by best available market evidence.

The valuations for the year ending 30/6/2013 are reported within the financial statements.

## **BUDGETS**

### **PROVISIONAL BUDGET 2013/14**

### **FOR YEAR ENDING 30 JUNE 2014**

<b>INCOME</b>	<b>AMOUNT (\$)</b>	<b>Notes</b>
NSW Government Cash (Core Grant)	0	1
Other NSW Govt Grants & Commonwealth Income	187,000	2
Combined Councils (cash and in kind)	0	3
Other Income	1,092,000	4
Cash On Hand as at 1/7/13	91,000	5
<b>TOTAL</b>	<b>1,370,000</b>	<b>6</b>

<b>EXPENDITURE</b>	<b>Budget 2013/2014</b>	<b>Notes</b>
<b>Both Wollongong and Shellharbour LGAs</b>		
<b>Other Activities</b>		
Administration and Miscellaneous Services	20,000	7
Land Matters, Lease / Licences / Asset Management	30,000	7
Communications / Website upgrade / Publications, Newsletters, Brochures, etc	15,000	7
<b>Maintenance</b>		
Entrance Swimming Lagoon	15,000	7
Utility Charges (power, water) 6 months	25,000	7
<b>Monitoring</b>		
Water Quality (lagoon, MHL 3 sites & 6 lake sites)	20,000	7
Korrungulla Swamp Leachate	1,000	7
<b>Studies and Plans</b>		
CZMP	2,000	7
<b>SUBTOTAL</b>	<b>128,000</b>	
<b>Wollongong LGA</b>		
<b>Development Works</b>		
Entrance Groynes	80,000	7
Foreshore Clean Up	10,000	7
Joes Bay Boardwalk	12,000	7
Joes Bay Public Space	20,000	7
Primbee Stormwater Controls	7,500	7
Purry Burry Pt to Heritage Park Shareway (Stage 1)	30,000	7
Cudgerie Bay Bank Protection Construct	50,000	7
Lake Heights Bank Protection Construct	20,000	7
Berkeley Boat Harbour Improvements	37,000	7
Hooka Park Bridge	18,000	7
Fred Finch Park Wetland Habitat Improvements	40,000	7

Yallah Bay Shareway	252,500	7
Judbooley Park Access	5,000	7
Caravan Park Shore works	10,000	7
Caravan Park Bridge 1	60,000	7
Northcliffe Drive Park Works	5,000	7
Caravan Park Bridge 2	15,000	7
Hooka Park Works	15,000	7
Tallawarra Access, Seats & Landscape	30,000	7
Tallawarra toilet - Design	15,000	7
Currungoba Peninsula Shareway Options	5,000	7
Tallawarra Spit Landscape/Bush regeneration	25,000	7
<b>Maintenance</b>		
Windang Boardwalk	40,000	7
Education Study Centre	1,000	7
Illawarra Rowing Centre	1,000	7
Judbooley Pde Properties	1,000	7
Wollongong Jetties	60,000	7
Berkeley Boat Harbour	1,000	7
<b>SUBTOTAL WOLLONGONG LGA</b>	866,000	
<b>Shellharbour LGA</b>		
<b>Development Works</b>		
Picnic Island Works	45,000	7
Koona Bay Shareway (Stage 2)	200,000	7
Koona Bay Shareway (Stages 3-5) Approvals & Design	10,000	7
Burroo Bay Dredging Part 1 (Waterways Grant)	40,000	7
Burroo Bay Dredging Part 2 (BBP Grant)	50,000	7
<b>Maintenance</b>		
Reddall Kiosk	5,000	7
Windang Island	1,000	7
Wharves & jetties	25,000	7
<b>SUBTOTAL SHELLHARBOUR LGA</b>	376,000	
<b>TOTAL (Wollongong and Shellharbour Combined)</b>	1,370,000	

#### NOTES

1. State Government subsidy to be received for LIA Operations and Works Program in 2013/14.
2. State Government subsidies to be received under other programs for works not covered under Note 1 e.g. NSW Office of Environment and Heritage – Estuary / Coastal Management Programs, NSW Transport (Roads & Maritime Services) - Better Boating Program. Also includes Work for the Dole payments.
3. Combined cash and 'in kind' contribution to be received from Wollongong and Shellharbour City Councils.
4. Income to be received from interest, rentals, leases and licences etc (\$82,000), and major payments due in 2012/2013 but paid early in 2013/14 (\$300,000, \$51,865, \$182,000, and \$535,651 totalling \$1,091,516.
5. Cash On Hand as at 1/7/2013 - \$91,000.
6. Services provided by NSW Trade & Investment (Crown Lands) for administration, project management, financial management, risk management, property / asset management and Ministerial support are not provided in the above figures.
7. These works arise from commitments in 2012/13 and cover cash retained for works across both council areas. Responsibility for partner contributions for these works were addressed in 2012/13 accounts.
8. This amount does not include accommodation of the contributions imbalance at close of 2012/13. Shortfalls in contributions in 2012/13 were for Wollongong City Council \$7,237 and for Shellharbour City Council \$147,899. It is anticipated that correction will be via works in kind.

## COMPARISON BETWEEN THE PROVISIONAL BUDGET AND ACTUAL EXPENDITURE 2012/13

### FOR YEAR ENDING 30 JUNE 2013

This is the LIA's analysis of income and expenditure. It is based on a cash basis and therefore does not align with the audited financial statements.

INCOME	BUDGET (\$)	ACTUAL (\$)	NOTE
NSW Government	962,000	722,000	1
Other NSW Govt Grants	500,000	257,525	2
Combined Councils (cash and in kind)	1,462,000	1,333,699	3
Other Income	250,000	220,272	4
<b>SUB TOTAL</b>	<b>3,174,000</b>	<b>2,533,496</b>	
DPI (Crown Lands) Support	210,000	145,088	5
<b>TOTAL</b>	<b>3,384,000</b>	<b>2,678,584</b>	
Cash On Hand as at 1/7/12	1,534,000	91,000	6

EXPENDITURE	BUDGET (\$)	ACTUAL (\$)	
<b>Both Wollongong and Shellharbour LGAs</b>	0	0	
<b>Development Works</b>	0	0	
Artificial Reef	50,000	0.00	7
Entrance Groynes / Revetment Wall	80,000	103,432	8
Entrance Channel - Dredging of Drop Off	300,000	46,301	9
Jetty Condition Assessment	18,000	21,088	10
<b>Other Activities</b>	0	0	
Administration and Miscellaneous Services	90,000	28,119	11
Land Matters, Lease / Licences / Asset Management	100,000	38,447	12
Communications / Website upgrade / Publications, Newsletters, Brochures, etc	7,500	0.00	13
Community Education Program	7,500	851	14
Research Projects	5,000	5,310	15
Environmental Reporting	0	2,560	16
Trainee Field Staff	15,000	12,471	17
Contractors	0	125,126	18
Project Security	10,000	6,450	19
<b>Maintenance</b>	0	0	
Entrance Breakwaters / Training Wall	60,000	2360	20
Entrance Channel Little Tern Habitat	15,000	0	21
Entrance Swimming Lagoon	10,000	11,269	22
<b>Monitoring</b>	0	0	
Water Quality (lagoon, MHL 3 sites & 6 lake sites)	100,000	75,143	23
Entrance Channel and Beach Nourishment	15,000	0	24
Entrance Channel Tidal Gauging & Hydrosurvey	50,000	55,271	25

Entrance Breakwaters / Training Wall Diving Inspection	20,000	0	26
Korrungulla Swamp Leachate	5,000	1,285	27
<b>Studies and Plans</b>	0	0	
Lake Illawarra Coastal Zone Management Plan (includes Biodiversity Strategy)	50,000	28,075	28
Entrance Channel – Stability Assessment	15,000	15,000	29
<b>Wollongong LGA</b>	0	0	
<b>Development Works</b>	0	0	
Foreshore Clean Up	30,000	52,822	30
Algal Harvesting	5,000	32,980	31
King St Tourism Development	100,000	1,890	32
Griffins Bay Jetty Modification	90,000	45,295	33
Joes Bay / Primbee Bay Boardwalk	300,000	20,749	34
Primbee Bay Stormwater Controls	75,000	0	35
Purry Burry Pt to Heritage Park Access Improvements	100,000	27,035	36
Cudgerie Bay Bank Protection Design	5,000	2,107	37
Oaklands Village Bank Protection Design	5,000	0.00	38
Lake Heights Bank Protection	110,000	162	39
Wollamai Point Jetty Modification	70,000	83,198	40
Wollamai Point Foreshore Shelter	15,000	0	41
Berkeley Boat Harbour Improvements	200,000	33,763	42
Fred Finch Park Shareway	50,000	85,848	43
Fred Finch Park Wetland Habitat Improvements	50,000	0	44
Kanahooka Boat Ramp Upgrade	30,000	0	45
Koonawarra Bay Foreshore Improvements	100,000	85,994	46
Yallah Bay Shareway	500,000	322,454	47
Yallah Bay Boardwalk	215,000	45,635	48
Judbooley Pde Fishing Platform	150,000	117,750	49
Judbooley Pde Fish Cleaning Table	10,000	0	50
Judbooley Pde Foreshore & Access Improvements	200,000	265,169	51
Oaklands Village to Jetties By The Lake Access Improvements	50,000	2,170	52
Macquarie Rivulet Delta Wetland Habitat Improvements	60,000	0	53
Currungoba Peninsula Wetland Habitat Improvements	20,000	0	54
Purrah Bay Foreshore Habitat Protection	0	5,699	55
Kully Bay Toilet Refurbishment	0	330	56
Wollamai Point Works	0	388	57
Windang Foreshore Pine Tree Park + Fern St Seawall	0	199,317	58
Windang Heritage Park Improvements	0	694	59
Cycleway Improvements – Wollongong	0	1,600	60



Mullet Creek Fishway	0	45	61
Berkeley Boatharbour Fish Cleaning Table	0	2,820	62
Yallah Fish Cleaning Table	0	3,410	63
Yallah Bay Jetty Construction	0	124	64
Yallah Bay Car park Construction	0	194	65
Fish Cleaning Tables	0	239	66
<b>Maintenance</b>	0	0	
General Foreshore – various sites	60,000	46,950	67
King Street Foreshore	0	7,346	68
Northcliffe Drive Foreshore	0	20,065	69
Tallawarra Foreshore	0	22,104	70
Berkeley Boatharbour Maintenance	0	1,934	71
Windang Boardwalk	5,000	41,258	72
Education Study Centre	5,000	12,430	73
Illawarra Rowing Centre	5,000	3,261	74
Judbooley Pde Properties	10,000	7,252	75
Wetland and Stormwater Controls	20,000	0	76
Jetty / Platform / Boardwalks	25,000	0	77
<b>Shellharbour LGA</b>	0	0	
<b>Development Works</b>	0	0	
Foreshore Clean up	20,000	3,688	78
Algal Harvesting	5,000	0.00	79
Reddall Reserve Foreshore Improvements	25,000	11,778	80
Pelican View / Back Channel Wetland Habitat Improvements	20,000	0.00	81
Koona Bay Shareway	150,000	126,539	82
Koona Bay Wetland Habitat Improvements	20,000	0	83
Horsley Creek Delta Clearing	50,000	0	84
Oakey Creek Delta Clearing	50,000	0	85
Horsley Ck Bio Retention Basin & Swale	250,000	221,449	86
Skiway Park Boat Ramp Widening	175,000	174,494	87
Burroo Bay Dredging	50,000	9,893	88
Burroo Bay Wetland Habitat Improvements	20,000	0.00	89
Boonerah Point Jetty Modification	70,000	35,056	90
Skiway Park Jetty Construction	0	694	91
Cycleway Improvements – Shellharbour	0	3,168	92
<b>Maintenance</b>	0	0	
General Foreshore – various sites	30,000	34,549	93
Macquarie Rivulet Arboretum – Maintenance	0	224	94
Reddall Reserve Kiosk	0	30,850	95
Reddall Reserve (around bridge)	40,000	53,921	96
Windang Island	5,000	729	97
Wetland and Stormwater Controls	10,000	25,094	98

Jetty / Platform / Boardwalks	25,000	0	99
<b>TOTAL</b>	<b>4,708,000</b>	<b>2,913,165</b>	

## NOTES

### INCOME

1. Income received from the NSW Trade & Investment (Crown Lands) allocation.
2. Income received from the NSW / Federal Government from funding programs other than in 1 such as Estuary / Coastal / Floodplain Management Programs, Better Boating Program and Recreational Fishing Trust.
3. Income received from Wollongong & Shellharbour City Councils – cash and “in kind” works.
4. Income received from other sources e.g. bank interest, leases and licences, rentals, ground hire, book sales, etc.
5. Executive support by NSW Trade & Investment (Crown Lands) for administration, project, risk, accounting management and ministerial support not included.
6. Cash at Bank as at 1 July to cover commitments.

### EXPENDITURE

7. Artificial reef on hold.
8. Construction of three groynes
9. REF and approvals completed. Dredging on hold.
10. Assessment completed for structural and maintenance repairs on jetties around the Lake.
11. Administration, auditing insurances, members fees, depreciation and miscellaneous expenses as well as support by DPI (Crown Lands).
12. Management of property, leases and licenses, in particular Jettys By The Lake and Oaklands Village.
13. Update website and prepare community updates following LIA meetings.
14. Information provided to community
15. UoW project
16. State of Environment Reporting
17. Maintenance of foreshore land & improvements
18. Part of project costs.
19. Weekly security patrols at selected sites.
20. Minor repairs to structures.
21. Bird Island – no works carried out.
22. Inspect net and remove debris and vegetation. Repair holes. Dredge lagoon for summer period.
23. Annual agreement with MHL to operate and maintain automatic water quality stations in lake. Collection and analysis of samples from 6 sites around lake on a monthly basis.
24. Monitoring of channel condition and adjoining beaches.
25. Tidal gauging and hydrosurvey complete.
26. To be done in 2013/14
27. Quarterly monitoring of three groundwater bores and five surface water sites.
28. CZMP in preparation.
29. Assessment of the stability of the entrance channel e.g. breakwaters, training walls
30. Removal of organic wrack (decaying seagrass and algae) and rubbish from shoreline areas and dispose to LIA's Green Waste site at Primbee.
31. Remove algae from lake and dispose to LIA Green Waste site at Primbee.
32. Project on hold
33. Construction of low-level pontoon off the jetty.
34. Investigation, designs, and community consultation of boardwalk design across Joes Bay.
35. Designs for the construction of stormwater controls for four stormwater outlets in Primbee Bay.
36. Completion of foreshore restoration plan and cultural heritage investigations.
37. Feasibility of bank protection along Cudgerie Bay/Jettys by the Lake completed.
38. Feasibility of bank protection along Oaklands Village completed.
39. Concept designs for bank protection along Lake Heights foreshore.
40. Construction of low level landing at Wollamai Jetty.
41. Project on hold
42. Designs/construction drawings to upgrade Berkeley Boat Harbour.
43. Construction of shareway along Fred Finch Park.
44. Wetland Rehabilitation Plan developed. Implementation of wetland habitat improvements on hold.
45. Kanahooka boat ramp upgrade on hold.
46. Removal of sediment and re-vegetation
47. Construction of shareway along Yallah/Tallawarra foreshore
48. Design, materials and partial construction of the boardwalk connecting the shareway at Yallah/Tallawarra.
49. Construction of fishing platform at Judbooley Reserve.
50. Fish table manufactured and installed.
51. Landscape improvements to foreshore.

52. Access behind 17 Judbooley constructed.
53. Wetland Rehabilitation Plan developed. Implementation of wetland habitat improvements on hold.
54. Wetland Rehabilitation Plan developed. Implementation of wetland habitat improvements on hold.
55. Minor maintenance
56. Minor maintenance
57. Minor maintenance
58. Upgrade and repairs to retaining wall
59. Minor maintenance
60. Minor maintenance
61. Project on hold
62. Fish cleaning table installation completed.
63. Fish cleaning table installation completed.
64. Minor repairs
65. Minor repairs
66. Repairs and maintenance.
67. Mowing, weeding, and rubbish removal.
68. Mowing, weeding, and rubbish removal.
69. Mowing, weeding, and rubbish removal.
70. Mowing, weeding, and rubbish removal.
71. Mowing, weeding, and rubbish removal.
72. New piles and hand railing installed.
73. Minor repairs and maintenance.
74. Minor repairs and maintenance.
75. Council rates, water rates, and minor repairs to dwellings.
76. Remove litter and rubbish.
77. Repair structures.
78. Removal of organic wrack (decaying seagrass and algae) and rubbish from shoreline areas and dispose to LIA's Green Waste site at Primbee.
79. Remove algae from lake and dispose to LIA Green Waste site at Primbee.
80. No works completed.
81. No works completed.
82. Complete designs for Stage 2 shareway.
83. Wetland Rehabilitation Plan developed. Implementation of wetland habitat improvements on hold.
84. Project on hold
85. Project on hold
86. Major storm water treatment project complete.
87. Construction completed of widened boat ramp.
88. Approvals and REF completed. Contractor engaged.
89. Wetland Rehabilitation Plan developed. Implementation of wetland habitat improvements on hold.
90. Construction completed of widened boat ramp.
91. Construction of low-level pontoon off the jetty.
92. Minor repairs
93. Mowing, weeding, and rubbish removal.
94. Mowing, weeding, and rubbish removal.
95. Upgrade kiosk.
96. Mowing, weeding, and rubbish removal.
97. Weeding, and rubbish removal.
98. Remove litter and rubbish.
99. Repair of structures .

**Lake Illawarra Authority**

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## INDEPENDENT AUDITOR'S REPORT

### Lake Illawarra Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Lake Illawarra Authority (the Authority), which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

### The Board's Responsibility for the Financial Statements

The members of the Board of the Authority are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Authority
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



M T Spriggins  
Director, Financial Audit Services

17 October 2013  
SYDNEY

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## Lake Illawarra Authority

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### FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### CERTIFICATE UNDER SECTION 41C (1B) AND (1C) OF THE PUBLIC FINANCE AND AUDIT ACT, 1983

In our opinion the Financial Statements consisting of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes accompanying and forming part of the Financial Statements for the financial year ended 30 June 2013 exhibit a true and fair view of the financial position and transactions of the Authority for the year then ended.

The Financial Statements has been prepared in accordance with

- The applicable Australian Accounting Standards, which include Australian Accounting Interpretations; and
- The requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the Treasurer's Directions.

Further, we are not aware at this time of any circumstances, which would render any particulars in the financial statements to be misleading or inaccurate.

For and on behalf of the Authority.



Brian Dooley  
Executive Officer  
and Pursuant to Delegations of the Board

Date: 16<sup>th</sup> October 2013

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## Lake Illawarra Authority

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### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
<b>Expenses excluding losses</b>			
Other operating expenses	2(a)	106	81
Depreciation	2(b)	799	634
Grants and subsidies	2(c)	8	-
In kind work undertaken	2(d)	1,063	633
Project expenses	2(e)	1,368	1,350
<b>TOTAL EXPENSES EXCLUDING LOSSES</b>		<b>3,344</b>	<b>2,698</b>
<b>Revenue</b>			
Contributions	3(a)	2,856	2,474
Other revenue	3(b)	430	336
<b>Total Revenue</b>		<b>3,286</b>	<b>2,810</b>
<b>Gain/(loss) on disposal</b>	4	(500)	(67)
		<b>(500)</b>	<b>(67)</b>
<b>Net result for the year</b>		<b>(558)</b>	<b>45</b>
<b>Other comprehensive income</b>			
<i>Items that will not be classified subsequently to net results</i>			
Net increase / (decrease) in revaluation reserve		-	129
<i>Items that may be reclassified subsequently to net result</i>		-	-
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>129</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(558)</b>	<b>174</b>

*The accompanying notes form part of these financial statements*



## Lake Illawarra Authority

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	10(a)	247	1,709
Receivables	5	1,226	294
<b>Total Current Assets</b>		<b>1,473</b>	<b>2,003</b>
<b>Non-Current Assets</b>			
Property, plant and equipment			
- Land and buildings	6	38,925	39,039
- Plant and equipment	6	48	54
Total property, plant and equipment		38,973	39,093
<b>Total Non-Current Assets</b>		<b>38,973</b>	<b>39,093</b>
<b>Total Assets</b>		<b>40,446</b>	<b>41,096</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	7	271	363
<b>Total Current Liabilities</b>		<b>271</b>	<b>363</b>
<b>Total Liabilities</b>		<b>271</b>	<b>363</b>
<b>Net Assets</b>		<b>40,175</b>	<b>40,733</b>
<b>Equity</b>			
Accumulated funds		33,679	34,237
Asset revaluation reserve		6,496	6,496
<b>Total Equity</b>		<b>40,175</b>	<b>40,733</b>

*The accompanying notes form part of these financial statements*

## Lake Illawarra Authority

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total \$'000
<b>Balance at 1 July 2012</b>	34,237	6,496	40,733
<b>Net result for the year</b>	(558)	-	(558)
<b>Other comprehensive income</b>			
Net increase/(decrease) in asset revaluation reserve	-	-	-
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	(558)	-	(558)
<b>Balance at 30 June 2013</b>	<b>33,679</b>	<b>6,496</b>	<b>40,175</b>
<b>Balance at 1 July 2011</b>	34,192	6,367	40,559
<b>Net result for the year</b>	45	-	45
<b>Other comprehensive income</b>			
Net increase/(decrease) in asset revaluation reserve	-	129	129
<b>Other comprehensive income for the year</b>	-	129	129
<b>Total comprehensive income for the year</b>	45	129	174
<b>Balance at 30 June 2012</b>	<b>34,237</b>	<b>6,496</b>	<b>40,733</b>

*The accompanying notes form part of these financial statements*

## Lake Illawarra Authority

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
- Payments to Suppliers		(1,815)	(1,267)
<b>Receipts</b>			
- Other receipts		571	705
- Interest received		26	43
- Contributions		692	1,841
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	10 (b)	(526)	1,322
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of land and buildings, infrastructure systems and plant and equipment		(936)	(750)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		(936)	(750)
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		(1,462)	572
<b>Opening Cash and cash equivalents</b>		1,709	1,137
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	10 (a)	<b>247</b>	<b>1,709</b>

*The accompanying notes form part of these financial statements*

## Lake Illawarra Authority

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### Notes to the financial statements For the year ended 30 June 2013

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Reporting entity

The NSW Government established the Lake Illawarra Authority (the Authority) with the aim of transforming the degraded waters and foreshores of Lake Illawarra into an attractive recreational and tourist resource, by repairing the environmental damage which had accumulated over decades of development of the catchment. The *Lake Illawarra Authority Act 1987* (the Act) was proclaimed on 11 February 1988.

The Authority operates in New South Wales, Australia, with the office located at 84 Crown Street, Wollongong NSW 2500.

The Authority is a statutory body and a separate reporting entity. There are no other entities under its control. The Authority is a not-for-profit entity (as profit is not its principal objective) and has no cash generating units.

These financial statements for the year ended 30 June 2013 have been authorised for issue by the Board of the Authority on 16 October 2013.

##### (b) Basis of preparation

The Authority's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards, which include Australian Accounting Interpretations;
- the requirements of the *Public Finance and Audit Act 1983* and Regulation and
- the Financial Reporting Directions issued by the Treasurer.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

Property, plant and equipment are measured at fair value. These financial statements are prepared in accordance with the historical cost convention.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

## Lake Illawarra Authority

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### Notes to the financial statements For the year ended 30 June 2013

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (c) Statement of compliance

These financial statements and notes comply with the Australian Accounting Standards, which include Australian Accounting Interpretations.

##### (d) Revenue recognition

Revenue is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below:

- (i) Contributions from Government and other bodies are generally recognised as income when the Authority obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.
- (ii) Sale of Goods  
Revenue from the sale of goods is recognised as revenue when the Authority transfers the significant risks and rewards of ownership of the assets.
- (iii) Rendering of Services  
Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).
- (iv) Investment Revenue  
Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*. Rental revenue is recognised in accordance with AASB 117 *Leases* on a straight-line basis over the lease term.

##### (e) Insurance

The Authority's insurance activities are conducted through the NSW Treasury Managed Fund scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience and the insurance coverage is reviewed periodically to ensure that it is adequate.

##### (f) Accounting for the goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- The amount of GST incurred by the Authority as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- Receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

## **Notes to the financial statements**

### **For the year ended 30 June 2013**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **(g) Acquisition of assets**

The cost method of accounting is used for the initial recording of the acquisitions of assets controlled by the Authority. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction, or where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent that is the deferred payment amount is effectively discounted at an asset specific rate.

##### **(h) Capitalisation thresholds**

Property, plant and equipment, and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

##### **(i) Revaluation of property, plant and equipment**

Physical non-current assets are valued in accordance with the NSW Treasury Policy and Guidelines Paper Valuation of Physical Non-Current Assets at Fair Value (TPP 07-01). This policy adopts fair value in accordance with AASB116 Property, Plant and Equipment and AASB 140 Investment Property.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there are no feasible alternative uses for any asset, such as the lake bed of Lake Illawarra, that asset is valued at fair value for its existing use. When there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Land and buildings, including open space are re-valued at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. All land and building assets of the Authority were re-valued by the Department of Finance and Services (Valuation Services) as at 30 June 2011.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

**Notes to the financial statements**  
**For the year ended 30 June 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Revaluation of property, plant and equipment (continued)**

When revaluing non-current assets by reference to current prices for assets newer than those being re-valued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation surplus, except to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except to the extent that a credit balance exists in the asset revaluation surplus in respect of a class of assets, they are debited directly to the asset revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets but not otherwise.

Where an asset that has previously been re-valued, is disposed of, any balance remaining in the asset revaluation surplus in respect of that asset is transferred to accumulated funds.

**(j) Impairment of property, plant and equipment**

As a not-for-profit entity with no cash generating units, the Authority is effectively exempt from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

**(k) Equity and reserves**

**(i) Asset Revaluation Reserve**

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Authority's policy on the revaluation of property, plant and equipment as discussed in note 1(i).

**(ii) Accumulated Funds**

The category accumulated funds includes all current and prior year retained funds.

## Notes to the financial statements

### For the year ended 30 June 2013

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (l) Depreciation of property, plant and equipment

Except for certain heritage assets, depreciation is provided for on a straight-line basis for all depreciable assets, so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. Land is not a depreciable asset.

The following depreciation rates were applied in 2012/13 and 2011/12:

Property:	Rate
Buildings	2.5%-4%
Improvements	2%-6.7%

##### (m) Major Inspection costs

When each major inspection is performed, the labour cost of performing inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

##### (n) Maintenance

The day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

##### (o) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Accounts are generally issued on 30 day terms.

##### (p) Payables

These amounts represent liabilities for goods and services provided to the Authority and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

**Lake Illawarra Authority**

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## For the year ended 30 June 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (q) In-kind contributions

In-kind contributions are recorded as revenue and expense in the statement of comprehensive income, at fair value. In-kind contributions are received from local councils and the state government agency administering the Authority.

#### (r) Comparative information

Except where an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous year for all amounts reported in the financial statements.

#### (s) New Australian accounting issues but not effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective.

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments
- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 13 AASB 2011-8 and AASB 2012-1 regarding fair value measurement
- AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits
- AASB 127 *Separate Financial Statements*
- AASB 128 *Investments in Associates and Joint Ventures*
- AASB 1053 and AASB 2010-2 regarding differential reporting
- AASB 2010-10 regarding removal of fixed dates for first time adopters
- AASB 2011-2 regarding Trans-Tasman Convergence – RDR
- AASB 2011-4 removing individual KMP disclosure requirements
- AASB 2011-6 regarding RDR and relief from consolidation
- AASB 2011-7 regarding consolidation and joint arrangements
- AASB 2011-12 regarding Interpretation 20
- AASB 2012-1 regarding fair value measurement – RDR requirements
- AASB 2012-2 regarding disclosures – offsetting financial assets and financial liabilities
- AASB 2012-3 regarding offsetting financial assets and financial liabilities
- AASB 2012-4 regarding government loans – first time adoption
- AASB 2012-5 regarding annual improvements 2009-2-11 cycle
- AASB 2012-7 regarding RDR
- AASB 2012-9 regarding withdrawal of Interpretation 1039
- AASB 2012-10 regarding transition guidance and other amendments
- AASB 2012-11 regarding RDR requirements and other amendments

The possible impact of these Standards in the period of initial application will not have any material impact on the Authority's financial results.

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**Lake Illawarra Authority**

**Notes to the financial statements**

## For the year ended 30 June 2013

### 2. EXPENSES EXCLUDING LOSSES

#### (a) Other operating expenses

	2013 \$'000	2012 \$'000
Auditors remuneration	14	13
Trainee expenses	-	66
Board and Committee members remuneration	-	2
Counsultants	92	-
<b>Total Other operating expenses</b>	<b>106</b>	<b>81</b>

During the year the Authority paid its members a total of \$0(2012- \$1,665) for attending board meetings.

The fee for auditing the Authority's accounts for the year ended 30 June 2013 is \$14,000 (2012- \$12,500) payable to the Audit Office of NSW. The Audit Office received no other benefit.

#### (b) Depreciation

Depreciation on buildings and land improvements	793	630
Depreciation on Plant and equipment	6	4
<b>Total Depreciation</b>	<b>799</b>	<b>634</b>

#### (c) Grants and subsidies

Grants to community groups	8	-
<b>Total Grant and subsidies</b>	<b>8</b>	<b>-</b>

#### (d) In kind work undertaken

DTIRIS	218	209
Shellharbour City Council	424	142
Wollongong City Council	421	282
	<b>1,063</b>	<b>633</b>

In kind contributions are provided by Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) for accounting, management and engineering services. In kind contributions provided by Shellharbour City Council and Wollongong City Council are for the projects within the respective council areas.

**Lake Illawarra Authority**

## For the year ended 30 June 2013

### (e) Project expenses

	2013 \$'000	2012 \$'000
Contract services	509	289
Fee for services	10	237
Other Project expenses	850	824
<b>Total Project expenses</b>	<b>1,368</b>	<b>1,350</b>

## 3. REVENUE

### (a) Contributions

The contributors to the Authority have agreed to the following rates of contributions applicable to various programs. These rates are the same as in 2011/2012:

- For programs that are attributable to all three contributors, costs will be apportioned on the basis of 50% State Government; 34.4% Wollongong City Council; 15.6% Shellharbour City Council or any other agreed ratio.
- For programs that affect only the portion of the Lake Illawarra Area within the responsibility of either Wollongong City Council or Shellharbour City Council, the State Government will contribute on a 50:50 basis with the responsible Council.

#### Contributions received or receivable:

##### In cash, from

DTIRIS	1,042	1,083
Wollongong City Council	488	638
Shellharbour City Council	-	120
Others	263	-

##### In kind, from

DTIRIS	218	209
Wollongong City Council	421	282
Shellharbour City Council	424	142
	<b>2,856</b>	<b>2,474</b>

### (b) Other revenue

Asset recognised for the first time	244	-
Interest revenue	26	43
Rentals and licenses	30	160
Assets received free of charge	-	15
Other	130	118
	<b>430</b>	<b>336</b>

**Lake Illawarra Authority**

## For the year ended 30 June 2013

### 4. Gain/(loss) on disposal

	2013 \$'000	2012 \$'000
Loss on disposal	(500)	(67)

### 5. CURRENT ASSETS – RECEIVABLES

Trade debtors	1,146	294
GST receivable	75	-
Other	5	-
<b>Total Receivables</b>	<b>1,226</b>	<b>294</b>

Details regarding Credit Risk, Liquidity risk and Market risk including financial assets that are either past due or impaired are disclosed in note 11.

### 6. NON-CURRENT ASSETS – Property, Plant and Equipment

	Land \$'000	Buildings \$'000	Land Improvements \$'000	Work-in- Progress \$'000	Plant and Equipment \$'000	Total \$'000
<b>At 1 July 2012 - fair value</b>						
Gross carrying amount	25,180	1,704	13,557	1,334	61	41,836
Accumulated depreciation	-	(218)	(2,518)	-	(7)	(2,743)
Net Carrying amount	<b>25,180</b>	<b>1,486</b>	<b>11,039</b>	<b>1,334</b>	<b>54</b>	<b>39,093</b>
<b>At 30 June 2013 - fair value</b>						
Gross carrying amount	24,924	1,629	13,676	2,225	61	42,515
Accumulated depreciation	-	(260)	(3,270)	-	(13)	(3,542)
Net Carrying amount	<b>24,924</b>	<b>1,369</b>	<b>10,407</b>	<b>2,225</b>	<b>48</b>	<b>38,973</b>

### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting year is set out below:

	Land \$'000	Buildings \$'000	Land Improvements \$'000	Work-in- Progress \$'000	Plant and Equipment \$'000	Total \$'000
<b>Year ended 30 June 2013</b>						
Net carrying amount at start of period	25,180	1,486	11,039	1,334	54	39,093
Additions	244	-	28	907	-	1,179
Disposals	(500)	-	-	-	-	(500)
Reclassifications	-	(75)	91	(16)	-	-
Depreciation expense	-	(42)	(751)	-	(6)	(799)
Net carrying amount at end of period	<b>24,924</b>	<b>1,369</b>	<b>10,407</b>	<b>2,225</b>	<b>48</b>	<b>38,973</b>

**Lake Illawarra Authority**

## For the year ended 30 June 2013

### 6. NON-CURRENT ASSETS – Property, Plant and Equipment (continued)

	Land	Buildings	Land Improvements	Work-in-Progress	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2011 - fair value</b>						
Gross carrying amount	25,180	1,784	13,276	623	35	40,898
Accumulated depreciation	-	(184)	(1,813)	-	(1)	(1,998)
Net Carrying amount	<b>25,180</b>	<b>1,600</b>	<b>11,463</b>	<b>623</b>	<b>34</b>	<b>38,900</b>
<b>At 30 June 2012 - fair value</b>						
Gross carrying amount	25,180	1,704	13,557	1,334	61	41,836
Accumulated depreciation	-	(218)	(2,518)	-	(7)	(2,743)
Net Carrying amount	<b>25,180</b>	<b>1,486</b>	<b>11,039</b>	<b>1,334</b>	<b>54</b>	<b>39,093</b>

#### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting year is set out below:

	Land	Buildings	Land Improvements	Work-in-Progress	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Period ended 30 June 2012</b>						
Net carrying amount at start of period	25,180	1,600	11,463	623	34	38,900
Additions	-	-	30	711	24	765
Disposals	-	(67)	-	-	-	(67)
Net revaluation increment less revaluation decrements	-	-	129	-	-	129
Depreciation expense	-	(47)	(583)	-	(4)	(634)
Net carrying amount at end of period	<b>25,180</b>	<b>1,486</b>	<b>11,039</b>	<b>1,334</b>	<b>54</b>	<b>39,093</b>

Department of Finance and Services (Valuation Services) valued all land and building assets of the Authority as at 30 June 2011. The valuations adopted fair value methodology determined by best available market evidence.

### 7. CURRENT LIABILITIES – PAYABLES

	2013 \$'000	2012 \$'000
Trade creditors	31	31
Accrued expenses	84	308
Payable to DTIRIS	156	-
GST payable	-	24
<b>Total Payables</b>	<b>271</b>	<b>363</b>

Details regarding Credit Risk, Liquidity risk and Market risk including a maturity analysis of the above payables are disclosed in note 11.

## Lake Illawarra Authority

## 8. COMMITMENTS

### (a) Capital expenditure commitments

Aggregate capital expenditure contracted at balance date and not provided for:

	<b>2013</b> <b>\$'000</b>	<b>2012</b> <b>\$'000</b>
Not later than 1 year	80	411
<b>Total Capital Commitments</b>	<b>80</b>	<b>411</b>

The capital expenditure commitments above include GST of \$7k (2012 -\$37k), expected to be recoverable from the Australian Tax Office.

### (b) Operating lease commitments

The Authority did not have any lease payable commitments at balance date.

### (c) Finance lease commitments

The Authority did not have any lease payable commitments at balance date.

### (d) Operating lease receivable commitments

Operating lease revenue commitments in relation to non-cancellable leases, not recognised in the financial statements are as follows:

	<b>2013</b> <b>\$'000</b>	<b>2012</b> <b>\$'000</b>
Not later than 1 year	125	124
Later than 1 year and not later than 5 years	197	242
Later than 5 years	684	718
<b>Total lease receivables</b>	<b>1,006</b>	<b>1,084</b>

The operating lease receivable commitments include GST of \$91k (2012 -\$99k) that is expected to be payable to the Australian Tax Office.

## 9. CONTINGENT ASSETS AND LIABILITIES

There are no known contingent liabilities or assets at balance date.

**Lake Illawarra Authority**  
**Lake Illawarra Authority**

## 10. NOTES TO THE STATEMENT OF CASH FLOWS

### (a) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash at bank and cash on hand.

	2013 \$'000	2012 \$'000
Cash at bank and cash on hand	247	1,709
<b>Total Cash and cash equivalents</b>	<b>247</b>	<b>1,709</b>

### (b) Reconciliation of cash flows from operating activities to net result for the year

<b>Net cash flows from operating activities</b>	(526)	1,322
<b>Adjustment for non cash items:</b>		
Depreciation	(799)	(634)
Asset recognised for the first time	244	-
Asset acquired for nominal consideration	-	15
Loss on disposal	(500)	(67)
Increase/(decrease) in receivables	931	(617)
Decrease/(increase) in payables	92	26
<b>Net result for the year</b>	<b>(558)</b>	<b>45</b>

## 11. FINANCIAL INSTRUMENTS

The Authority's principal financial instruments are outlined below. These financial instruments arise directly from the Authority's operations or are required to finance the Authority's operations. The Authority does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Authority's main risks arising from financial instruments are outlined below, together with the Authority's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Authority's Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the DTIRIS Audit and Risk Committee.

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**Lake Illawarra Authority**

**Notes to the financial statements  
For the year ended 30 June 2013**

## 11. FINANCIAL INSTRUMENTS (continued)

### (a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
<b>Class:</b>			<b>2013</b>	<b>2012</b>
			<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	10(a)	N/A	247	1,709
Receivables <sup>1</sup>	5	Loans and receivables (at amortised cost)	1,151	294
<b>Financial Liabilities</b>	<b>Note</b>	<b>Category</b>	<b>Carrying Amount</b>	<b>Carrying Amount</b>
<b>Class:</b>			<b>2013</b>	<b>2012</b>
			<b>\$'000</b>	<b>\$'000</b>
Payables <sup>2</sup>	7	Financial liabilities measured at amortised cost	271	339

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

### (b) Credit risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash and receivables. No collateral is held by the Authority. The Authority has not granted any financial guarantees.

Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

#### (i) Cash and cash equivalents

Cash comprises cash on hand and in banks.

#### (ii) Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due.

## Lake Illawarra Authority

### Notes to the financial statements For the year ended 30 June 2013

## 11. FINANCIAL INSTRUMENTS (continued)



**(b) Credit risk (continued)**

This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

	<b>Total (1)(2) (\$'000)</b>	<b>Past due but not impaired (\$'000)</b>	<b>Considered impaired (\$'000)</b>
<b>2013</b>			
< 3 months overdue	343	343	-
3 months - 6 months overdue	-	-	-
> 6 months overdue	5	5	-
<b>2012</b>			
< 3 months overdue	6	6	-
3 months - 6 months overdue	33	33	-
> 6 months overdue	-	-	-

1. Each column in the table reports "gross receivables"
2. Ageing analysis excludes statutory receivables as these are not within the scope of AASB7 and excludes receivables that are not past due and not impaired. Therefore the total will not reconcile to the receivables total recognised in the statement of financial position.

**(c) Liquidity risk**

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior years, there were no defaults or breaches on any payables. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior years' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. NSW TC11/12 allows the Minister to award interest for late payment.

## Lake Illawarra Authority

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### Notes to the financial statements For the year ended 30 June 2013

#### 11. FINANCIAL INSTRUMENTS (continued)

**(d) Liquidity risk (continued)**

The table below summarises the maturity profile of the Authority's financial liabilities, together with the interest rate exposure.

*Maturity analysis and interest rate exposure of financial assets and liabilities*

	\$'000				Maturity Dates		
	Interest Rate Exposure						
	Nominal Amount <sup>(1)</sup>	Fixed Interest Rate	Variable Interest Rate	Non- interest bearing	< 1 yr	1-5 yrs	> 5 yrs
<b>2013</b>							
Payables	271	-	-	271	271	-	-
Total	<b>271</b>	-	-	<b>271</b>	<b>271</b>	-	-
<b>2012</b>							
Payables	339	-	-	339	339	-	-
Total	<b>339</b>	-	-	<b>339</b>	<b>339</b>	-	-

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Authority can be required to pay.

**(d) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's exposure to market risk is minimal as it has no borrowings and has no investments in NSW Treasury Corporation hour glass facilities. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on net result and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance date. The analysis is performed on the same basis for 2012. The analysis assumes that all other variables remain constant.

**Interest rate risk**

As the Authority has no interest bearing liabilities its exposure to interest rate risk is minimal. The Authority does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore for these financial instruments a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/-1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

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## Lake Illawarra Authority

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### Notes to the financial statements For the year ended 30 June 2013

#### 11. FINANCIAL INSTRUMENTS (continued)

**(d) Market risk (continued)**

The Authority's exposure to interest rate risk is set out below.

<b>\$'000</b>					
	<b>Carrying Amount</b>	<b>-1% Net result</b>	<b>Equity</b>	<b>1% Net result</b>	<b>Equity</b>
<b>2013</b>					
<i>Financial Assets</i>					
Cash and cash equivalents	247	(2)	(2)	2	2
<b>2012</b>					
<i>Financial Assets</i>					
Cash and cash equivalents	1,709	(17)	(17)	17	17

**(e) Fair value compared to carrying amount**

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of the financial instruments.

**12. AFTER BALANCE DATE EVENTS**

There are no significant events subsequent to balance date.

**End of audited Financial Statements**

## APPENDIX A - PUBLICATIONS

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### REPORTS

1. Lake Illawarra Entrance Works Project - Base Environmental Management Plan
2. Lake Illawarra Entrance Works Project - Construction Environmental Management Plan
3. Lake Illawarra Floodplain Risk Management Study and Plan
4. Lake Illawarra Estuary Management Study and Strategic Plan
5. Lake Illawarra Entrance Works Project – Investigation of Low Crest Structures
6. Lake Illawarra – An Ongoing History
7. Lake Illawarra Entrance Works Stage 2 - Transportation and Stockpiling of Rock for Use in Breakwater Structures – Review of Environmental Factors
8. Lake Illawarra Entrance Improvements Proposed Northern Training Wall off Perkins Beach (Windang) Beach – Detailed Investigations
9. Lake Illawarra Stage 2 Entrance Works – Archaeological Assessment
10. Proposed Lake Illawarra Entrance Works Stage 2 – Riparian and Aquatic Ecology
11. Preliminary Acid Sulfate Soil and Geotechnical Assessment – Proposed Improvements to the entrance to Lake Illawarra
12. Lake Illawarra Entrance Works Stage 2 – Traffic Management Assessment Report
13. Lake Illawarra Entrance Works Project Stage 2 – Environmental Impact Statement
14. Lake Illawarra Catchment Riparian Corridors Discussion Paper
15. Tallawarra Foreshore Land Assessment of Land Use Options
16. Lake Illawarra Estuary Processes Study
17. Lake Illawarra Entrance Improvements Proposed Northern Training Wall off Perkins (Windang) Beach
18. Dredging and Waterway Improvements to the Back Channel, Lake Illawarra – Hydraulic Numerical Monitoring
19. Proposed Dredging and Waterway Improvements to the Back Channel, Lake Illawarra
20. Proposed Kanahooka Boatramp Wave Break Jetty - Review of Environmental Factors
21. Proposed Mullet Creek Wharf - Review of Environmental Factors
22. Lake Illawarra Flood Study
23. Lake Illawarra Seagrass Mapping Survey
24. Lake Illawarra Data Compilation and Assessment Report
25. Lake Illawarra Entrance Foreshore Park, Reddall Reserve - Review of Environmental Factors
26. Lake Illawarra Windang Entrance Foreshore Improvements - Review of Environmental Factors
27. Lake Illawarra Berkeley Boatharbour Maintenance Dredging - Review of Environmental Factors
28. Koonawarra Bay Stage 2 Improvements – Review of Environmental Factors
29. Tuggerah Bay Dredging Stage 2 Improvements – Review of Environmental Factors
30. Griffins Bay Land Use Market Demand Options Study
31. Lake Illawarra Seagrass Recovery Assessment 1998
32. Lake Illawarra Foreshore Habitat Enhancement Program
33. Review of the Operation of the Algae Harvester in Lake Illawarra
34. Purry Burry Point to Oasis Caravan Park Foreshore Improvements - Review of Environmental Factors
35. Griffins Bay Foreshore Erosion Report
36. Lake Illawarra Maritime Museum Promotion Brochure
37. Dixs Wharf Options Report
38. Hooka Point Acid Sulfate Soil Management Plan
39. Koonawarra Bay Stage 2 Concept Options Report
40. Windang Island Conservation and Land Management Plan
41. Koonawarra Bay Geotechnical Investigation
42. Lake Illawarra Project Sheets
43. Karoo Bay Lake Illawarra – Restoration Project – Review of Environmental Factors
44. Proposed Wetlands (Budjong Creek and Kully Bay) - Review Environmental Factors
45. Lake Entrance Improvements Environmental Impact Statement
46. Lake Illawarra Works Program Environmental Appraisal Impact on Lake Nutrient Dynamics
47. Review of Environmental Factors for Madigan Boulevard Sediment Basin
48. Review of Environmental Factors for Illawarra Yacht Club Sediment Basin
49. Review of Environmental Factors for Central Park Oak Flats Water Control Pond
50. Review of Environmental Factors Pelican View Reserve Sediment Basin
51. Windang Peninsula Foreshore Improvements Stage 1
52. Seagrass Recovery Assessment Lake Illawarra 1995

53. Lake Illawarra Entrance Improvement Environmental Impact Assessment Community Newsletter April 1993
54. Review of Environmental Factors for Proposed Boardwalk at Joes Bay (2013)
55. Wetland Rehabilitation Plan (2013)
56. Restoration Plan – Purry Burry Point to Heritage Park (2013)
57. Review of Environmental Factors for Lake Heights Bank Protection (2013)
58. Review of Environmental Factors for Picnic Island Improvements (2013)

## **BROCHURES**

59. Lake Illawarra Brochure
60. Lake Illawarra Fishing Guide
61. Lake Illawarra Entrance Newsletter
62. Lake Illawarra Shared Pathways for Cyclists and Walkers ... Share the Shore
63. Windang Heritage Park Stage 1 Brochure
64. Wetlands Brochure and Map of Proposed Works
65. Lake Illawarra Authority Achievements: A Snapshot
66. Community Newsletter: Lake Illawarra - An Important Bird Habitat
67. Community Newsletter: Why Does the Lake Sometimes Look Dirty – Why Does the Lake Sometimes Smell
68. Community Newsletter: Northcliffe Drive Amenities and Education Study Centre
69. Community Newsletter: What is Happening at the Lake Entrance – Rehabilitation of Hooka Point
70. Community Newsletter: Southern Back Channel

## **GLOSSARY OF TERMS**

ACHAR	Aboriginal Cultural Heritage Assessment Report
AHIP	Aboriginal Heritage Impact Permit
ARI	Average Recurrence Interval
ASR	Australian Seabird Rescue
BBP	Better Boating Program
BLR	Boat Launching Ramp
BMA	Benthic Micro Algae
CAP	Catchment Action Plan
CLD	Crown Lands Division
cfu	colony forming units
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DPI	Department of Primary Industries
DoC	Department of Commerce
DoP&I	Department of Planning and Infrastructure
DTIRIS	Department of Trade and Investment, Regional Infrastructure and Services
EA	Environmental Assessment
ECL	Estuaries and Coastal Lakes
EEO	Equal Employment Opportunity
EHMP	Ecosystem Health Monitoring Program
EIS	Environmental Impact Statement
EMP	Environmental Management Plan
EO	Executive Officer
EPAA	Environmental Planning and Assessment Act 1979
EPL	Environment Protection Licence
FRM	Flood Risk Management
GIPA	Government Information Public Access
GIS	Geographical Information Systems
GPT	Gross Pollutant Trap
ICAC	Independent Commission Against Corruption
IPCC	Intergovernmental Panel on Climate Change
LEP	Local Environmental Plan
LGA	Local Government Area
LIA	Lake Illawarra Authority
LIAA	Lake Illawarra Authority Act 1987
LPI	Land and Property Information
MER	Monitoring and Evaluation Reporting
MIP	Maritime Infrastructure Program
MLC	Member of the Legislative Council
MP	Member of Parliament
MPSP	Multicultural Policies and Services Program
NHT	Natural Heritage Trust
NRC	Natural Resources Commission
NRM	Natural Resource Management
NRMAP	Natural Resource Management Action Plan
NSW	New South Wales
OAM	Order of Australia Medal
OH&S	Occupational Health and Safety
PAD	Potential Archaeological Deposits
REF	Review of Environmental Factors
REP	Regional Environmental Plan
SCC	Shellharbour City Council
SEPP	State Environmental Planning Policy
SLR	Sea Level Rise
SRCMA	Southern Rivers Catchment Management Authority
STP	Sewerage Treatment Plant
WCC	Wollongong City Council
WQCP	Water Quality Control Pond

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## **A BRIEF HISTORY**

Situated some 90 kilometres south of Sydney and 10 kilometres south of Wollongong, Lake Illawarra has long been popular with local people and visitors to the region.

Lake Illawarra, or “Jubborsay” as called by the Aboriginals of the 1800's has under gone many changes since it formed during the marine transgression associated with the last sea level rise some 7,000 to 20,000 years ago.

The lake is characterised by a coastal sand barrier and shallow flat bottom bed which is connected to the Pacific Ocean by a narrow shoaled channel that in the past has intermittently closed.

The lake has been an important asset in the Illawarra region (or in Aboriginal words, “Alowrie”, meaning high pleasant place by the sea) for a very long time and has a rich and diverse history, both Aboriginal and European.

Sighted in 1770 by Captain James Cook, the lake and the Illawarra region were first explored in 1796 by Matthew Flinders and George Bass. The first land grants surrounding the lake were made in the early 1800's and cedar, tea tree and animal hides were initially exported. The area to the west of the lake proved to be ideal for growing crops and vegetables as well as dairying and development of the catchment had started by the 1840s.

Even tourism was a developing industry in the late 1800s when boats carrying 40 to 50 people each made excursions to Hooka and Gooseberry Islands.

In 1880 there were four fishermen working the lake to supply the Sydney market. Today the lake supports about 20 professional fishermen with an annual catch of some 200 tonnes.

In 1888 a coke works had started on the western side of the lake and in 1895 a smelting works near Kanahooka was constructed.

Attempts to create a permanent entrance to the lake commenced in the late 1890s when the Illawarra Harbour and Land Corporation started work to build a harbour within the lake to permit ocean going vessels to approach Elizabeth Point to ship coal, lead and other products. Work commenced with the building of a tie-wall from Windang Island but work stopped shortly after commencement and a harbour was later constructed at Port Kembla. Remnants of the tie-wall remain today. The construction of twin breakwaters to keep the lake open more often than has occurred in the past has been undertaken by the Lake Illawarra Authority.

In 1921 the famous court case, Swan v Attorney General of NSW was held. The Court found that Lake Illawarra was not a harbour or inlet to the sea, nor was Mullet Creek a creek or inlet of the sea within the meaning of the Crown grant. As a result any chance of a 100 feet (33m) Crown Reserve around the entire lake and its creeks was lost. At law, Lake Illawarra remains a non-tidal “inlet of the sea”. Since the 1940s Wollongong and Shellharbour City Councils and more recently the Lake Illawarra Authority have endeavoured to acquire and preserve as much foreshore land as possible to claw back some of the edges of the lake into public hands.

In 1938, a bridge was constructed across the entrance channel connecting the shores of the lake for the first time. The current bridge and causeway were constructed in the early 1970s.

During World War 2 precautions were undertaken to halt the forward movement of enemy tanks and wheeled vehicles in the event of the Japanese forces deciding to attack Port Kembla Steelworks. It was decided to construct two anti-tank ditches. One from Brownsville to the western shore of the lake, now known as the Tank Trap and the other at Kemblawarra from the eastern edge of the lake between Old Shellharbour Road to the Perkins Beach sandhills. This ditch has commonly been referred to as the second entrance to the lake, which it never was.

In 1949, Tallawarra Power Station was commissioned. The coal-fired power station was decommissioned in 1989. The NSW Government completed the sale of the site in 2003 to allow the construction of a gas-fired power station, which will provide cleaner energy and less green house gases. The new power station is under construction.

As areas around the lake became more accessible, the population began to expand rapidly from 5,000 in the 1950s to about 90,000 today.

It wasn't until the early 1980s that all areas around the lake shoreline were connected to the sewer.

The significant increase in population growth and demand for development combined with runoff from agricultural activities in the catchment placed extreme pressure on the environmental health of the lake.

Environmental problems with the lake started to manifest themselves in the 1970s, when large algal blooms started to frequently occur.

The Lake Illawarra Authority was established by the NSW Government in 1988 with the task of repairing the damage that had occurred to the lake and its foreshores over the past 200 years.

In May 2013 a formal review of the Lake Illawarra Authority was concluded by Mr Troy Grant MP, Parliamentary Secretary for Natural Resources. The review concluded that the Lake Illawarra Authority had been successful in restoring Lake Illawarra.









State Government Office Block  
Level 0 (Basement),  
84 Crown St  
Wollongong NSW 2500

PO Box 867  
Wollongong NSW 2520

Telephone 02 4275 9471  
Facsimile 02 4225 0480  
Website [www.lia.nsw.gov.au](http://www.lia.nsw.gov.au)