



WOLLONGONG CITY COUNCIL

WORKING WITH YOU

ANNUAL REPORT 2009-10

Our Annual Report

The annual report is our key document advising the Wollongong community of Council's performance during 2009-10. It represents our commitment to transparent reporting and accountability to the community.

RELATIONSHIP BETWEEN OUR PLANNING DOCUMENTS

Our Strategic Directions 2010-13 sets out the context in which Council will plan and deliver services over the next three years. These directions will guide the delivery of services and facilities, and the allocation of necessary resources and community consultation; whilst allowing sufficient flexibility to respond to emerging issues.

Our management plan is also a three year plan that identifies the services and major projects Council will carry out to ensure we continue to work toward our strategic directions. It is a fully budgeted plan, which is reviewed annually and placed on public exhibition.

The annual report, along with representing the statutory reporting requirements of local government, offers an account of Council's principal activities during the past financial year to address the key services and major projects outlined in our management plan. Detailed audited financial statements accompany the annual report.

HOW TO ACCESS OUR PLANNING DOCUMENTS

You can access all of our planning documents through our website <http://www.wollongong.nsw.gov.au>

DISTRIBUTION

To reduce the impact on the environment, Council has decided not to print the full annual report document. Instead a summary version has been printed and is available from all Council libraries and community centres. The full annual report, past reports and various other Council publications are available on our website (www.wollongong.nsw.gov.au). Requests for hard copies of this report can be made by contacting the Organisational Strategy and Improvement Division on telephone 4227 7110 or write to:

Organisational Strategy and Improvement
Wollongong City Council
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Table of Contents

Administrator's Message.....	2
General Manager's Message.....	2
About Us.....	3
Our Organisational Structure.....	6
Principal Activities.....	8
Planning and Environment.....	8
Infrastructure and Works.....	12
Corporate and Community Services.....	17
Access and Equity	20
Access and Services to People with Diverse Linguistic and Cultural Backgrounds.....	22
Bush Fire Hazard Reduction Activities.....	23
Companion Animal Management	23
Condition of Public Works.....	24
Contracts Awarded	29
Controlled Entities.....	30
Environmental Planning and Assessment Agreements.....	30
External Bodies with Delegated Functions.....	30
Financial Assistance to Persons for Council Functions.....	32
Freedom of Information Act	32
Human Resource Activities.....	34
National Competition Policy	35
Overseas Visits.....	35
Partnerships, Cooperatives or Joint Ventures.....	35
Payment of Expenses and Provision of Facilities to Administrators.....	36
Privacy and Personal Information Protection.....	36
Rates and Charges Written Off.....	36
Senior Management Remuneration Packages.....	37
Services and Programs for Children.....	37
State of the Wollongong Environment.....	38
Stormwater Management Services.....	43
Summary of Legal Proceedings.....	47
Work Carried Out on Private Land.....	48
Financial Reports	
Financial Commentary.....	Attachment A
General Purpose Financial Statements.....	Attachment B
Special Purpose Financial Statements	Attachment C

Administrators' Message

During the 2009-10 financial year Council demonstrated a strong focus on financial sustainability as it continued its commitment to improving its financial position. Through internal reviews Council has found efficiencies and savings. As a result more than \$50M was invested in creating and renewing infrastructure across the city.

The Council's bi-annual community survey revealed more than 80 percent of residents are satisfied with Council's performance. We are particularly pleased to hear the majority feel Council has taken positive steps to rebuild the community's trust and we remain committed to further improving our services to the community in the year ahead.

This year the Minister for Planning gazetted the citywide Wollongong Local Environment Plan 2009, a key document that will set the direction for future development in the Wollongong Local Government Area. We adopted a new consolidated Development Control Plan and committed to the development of ten new town and village plans.

In May 2010 the Minister for Planning approved Stage 1 and 2 of the West Dapto release area. The West Dapto release area will see the development of 17,050 new dwellings and employment lands across 4,700 hectares.

Council approved the Initial Access Strategy for West Dapto. The strategy will provide new and upgraded road links to West Dapto and Horsley and secured a \$26.05M interest free loan from the NSW State Government. A key focus for 2010-12 will be building these roads, support new residents in West Dapto and provide improved access for existing residents.

We have made important progress in revitalising the city centre through refurbishing the Civic Plaza, Town Hall and exhibiting plans for Crown Street Mall. Works have progressed on the Blue Mile, making the city foreshore an attractive place for locals and visitors to spend time.

Over the next twelve months Council will continue its focus on renewing infrastructure across the city. Our priorities will continue to be building integrity and trust and embedding an environment of zero tolerance of fraud and corruption.

**Dr Colin Gellatly AO;
Robert McGregor AM; and
Richard Colley B.Com UNSW**

General Manager's Message

This past financial year, Council has delivered key services, focussed on renewal of our ageing infrastructure and continued to find operational savings. We've been successful despite the difficulties presented by the financial crisis, which saw many sectors struggle.

Throughout the past year Council has continued to focus on initiatives to achieve financial sustainability and improve the quality of our assets, while at the same time delivering high quality services and providing value to our ratepayers.

In June 2009 Council adopted its Strategic Directions 2009-12, identifying key focus areas and strategies for Council. This report presents significant progress towards these strategies. It also identifies the achievements of Council with respect to overall service delivery and key projects, provides information on Council's financial performance and the overall health of the organisation through the Executive Key Performance Indicators.

We were very fortunate this year to attract the support of the State and Federal Government through a number of grants. Thanks to their assistance, we made great progress on important renewal and upgrade projects such as the Blue Mile, Civic Plaza revitalisation and the refurbishment of the Town Hall.

I would like to thank Gabrielle Kibble AO for her contribution to Council as Administrator from March 2008 to December 2009. Ms Kibble was instrumental in establishing key improvements to planning processes. We would also like to welcome Administrator Richard Colley (BCom UNSW) who brings extensive experience in local government to his role with Wollongong City Council.

David Farmer

About Us

WHERE WE ARE

Wollongong is located 80 kilometres south of Sydney. The region occupies a narrow coastal strip bordered by the Royal National Park to the north, Windang Bridge to the south, the Tasman Sea to the east and the Illawarra escarpment to the west. The primary city of the Illawarra region, Wollongong is renowned for its magnificent natural environment, ranging from untouched rainforests to dramatic rocky sea cliffs and pristine sandy beaches.

Wollongong originated from the Aboriginal word 'woolyungah', meaning five islands, and was originally the home of the Wadi Wadi people.

OUR ROLE

Wollongong City Council's statutory role is to:

- provide appropriate services and facilities for the community;
- exercise community leadership;
- manage, develop, protect, restore, enhance and conserve the environment;
- have regard to the long term and cumulative effects of its decisions;
- be a custodian and trustee of public assets and to effectively account for and manage the assets for which it is responsible;
- raise funds for local purposes;
- keep the community informed about its activities;
- exercise its regulatory functions consistently and without bias; and
- be a responsible employer.

Council's role and priorities are reflected through its planning process and documents, and the wide variety of services and facilities provided to the community.

We place significant importance on corporate governance. It is an essential part of our business, with several key documents and policies put in place to ensure good corporate governance. These include:

- Code of Conduct
- Disclosure of Personal Interest
- Gifts and Benefits Register.

Members of the public and Council staff are encouraged to report unethical conduct, including the referral of matters to the Professional Conduct Coordinator and/or a network of protected disclosure officers.

We have a Corporate Governance Committee and an Audit Committee. They meet four times per year and each is comprised of the Council Administrators and three independent members. The responsibilities and functions of the committees are financial monitoring, planning and performance monitoring, risk management and ethical conduct. During the year the committees considered a range of key corporate activities, including:

- enterprise-wide risk management,
- legislative compliance,
- key performance monitoring,
- corporate governance trends and statistics,
- Council's financial strategy for 2009-25,
- fraud and corruption policies and awareness,
- procurement practices, and
- results of various audits.

OUR VISION

An innovative, prosperous and sustainable city offering its people, visitors and investors the highest standards of environment, community life, services and infrastructure.

OUR MISSION

To be a local government of excellence that enhances our city's quality of life and environment through effective leadership, community involvement and commitment to service.

OUR VALUES

To achieve the highest ethical standards in our everyday work practices, we will:

- Maintain integrity and earn trust,
- Treat customers as we want to be treated,
- Use the community's money wisely, and
- Bring out the best in each other.

OUR PEOPLE

As of 30 June 2010, Wollongong City Council staff establishment (full time equivalent) included:

- 977 permanent staff,
- 59 temporary staff,
- 15 fixed term staff, and
- 39 provisional, cadets/apprentice/trainee staff.

Our staff are primarily aged between 35 and 54 years (61%), with a gender balance of 46% female and 54% male. Our executive and senior management groups are made of 27% female and 73% male.

OUR COMMUNITY

Wollongong enjoys a rich sense of community and cultural heritage, and shares a deep respect for the traditions of all. Regular celebrations of diverse customs add to the vibrant tapestry of community life and provide another dimension to our increasingly sophisticated city.

Our current estimated population is 201,438 (2009) with 72% of our population born in Australia. Of those born overseas the main countries of birth were United Kingdom (6%), Macedonia (2%) and Italy (2%). In addition, we have a growing Chinese born population.

Known in past decades for its heavy manufacturing base, the city's key industry sectors now include retail, tourism, health, property, business services, and education.

For more information visit www.wollongong.nsw.gov.au and go to Community/City Demographics – Community Profile.

HOW WE COMMUNICATE AND CONSULT WITH OUR COMMUNITY AND OTHER STAKEHOLDERS

Consultation with our community and other stakeholders is an essential element in our operations and decision making processes. To keep our community and stakeholders informed about current and future activities we use a variety of communication tools, including: media releases, website, Council and public meetings, neighborhood forums, community engagement kiosks, formal consultation processes and planning documents such as strategic directions, management plan and annual report.

Involving the Community in Council Decisions and Planning

Council's consultation process aims to inform residents, promote community input and encourage people to have their say on current issues relating to the Wollongong Local Government Area (LGA). The community provided feedback on a number of public consultations in 2009-10, which included:

- Crown Street Mall Concept Designs
- Future Management of Bellambi Point
- Community Consultation Review
- Central Wollongong Youth Recreation Area and Skate Park
- Southern Suburbs Skate and Youth Recreation Space
- Judbooley Parade Landscape Masterplan
- Draft Pest Animal Management Policy
- Policy for commercial fitness training activities on public open space
- Dogs on beaches
- Refurbishment of North Beach Bathers Pavilion
- Draft Corrimal Town Centre Revitalisation Area
- Wollongong's Consolidated Development Draft Control Plan
- Review of 7d lands in Helensburgh, Otford and Stanwell Tops
- Local Environment Plan 2009 (continued until July 2009).

YOUR FEEDBACK – COMMUNITY SURVEY

In 2008 You Said (Community Survey 2008)	What we did in 2009-10	2010 Community Survey Results (medium + high satisfaction)
Overall Satisfaction Overall satisfaction was low - 55% of residents were satisfied with Council's performance overall.	<ul style="list-style-type: none"> Implemented a number of anti-corruption policies and procedures including Independent Hearing and Assessment Panel, and appointment of a Professional Conduct Coordinator. Audit of Council's internal culture and introduced actions plans to improve daily operations. 	↑ Overall satisfaction (80%)
Improvements Like to see improvements in: <ul style="list-style-type: none"> Maintenance of local roads Maintenance of footpaths Traffic flow in city centre Traffic flow in local area Availability of parking in city centre Provision of public toilets Council effective in its management of corporate governance. Planning Services 	<ul style="list-style-type: none"> Undertook over 450 separate capital works construction projects worth \$46.7M, including: <ul style="list-style-type: none"> ✓ Car parks \$4.20M ✓ Roads and bridges \$14.33M ✓ Footpaths and cycle ways \$6.34M Continued the preparation of village and town centre plans. Implemented the Inner City Parking Strategy. Carried out an overhaul of all major governance policies. Planning Services: <ul style="list-style-type: none"> ✓ IHAP ✓ New citywide LEP ✓ New citywide DCP 	↑ Maintenance of local roads (61%) ↑ Maintenance of footpaths (63%) ↑ Traffic flow in city centre (70%) ↑ Traffic flow in local area (75%) ↑ Availability of parking in city centre (45%) ↑ Availability of public toilets (50%) ↑ Steps have been taken to rebuild trust (63% in agreement) ↑ Development application process (41%). <i>Note only 56% of residents in 2010 indicated that the development application process was important to them.</i>
Performing Well Services where Council performed well: <ul style="list-style-type: none"> Domestic garbage collection Recycling service Green waste service Protection of natural environment Environmental education Standard of facilities and services at beaches Maintenance of parks and sports fields Maintenance of children's playgrounds and equipment Provision of services and facilities for children. 	<ul style="list-style-type: none"> Carried out the capital works program, with a budget, including: <ul style="list-style-type: none"> ✓ Waste \$1.22M ✓ Natural areas \$0.14M ✓ Beaches and pools \$1.21M ✓ Parks, gardens, sports fields \$3.14M. Provided waste and environmental education to over 20,000 school children and the community. Maintained 480 parks, and mowed 610 hectares of recreation areas. Managed 159 playgrounds. 	➤ Garbage, recycling and green waste collection (91%) ↑ Protection of natural environment (82%) ➤ Environmental programs and education (78%) ↑ Standard of service at patrolled beaches (91%) ↑ Maintenance of parks and sports fields (84%) ↑ Maintenance of children's playgrounds and equipment (74%) ↑ Provision of services and facilities for children (97%)
Communication Around 40% of residents were satisfied with Council's communication channels.	<ul style="list-style-type: none"> Distributed 294 media releases. Ran a weekly column in the Illawarra Mercury, Wollongong Advertiser and Northern Leader. Regularly updated Council's website. 	72% of residents were satisfied with the information Council provides about services, facilities and activities.
Customer Service 64% of residents that had contact with Council (within twelve months) were satisfied.	<ul style="list-style-type: none"> Customer Service Centre became fully operational in July 2009. 	74% of respondents were satisfied with overall service provided by Council staff during last encounter.

Organisational Structure (section 428 (2) (g))

COUNCIL

On Tuesday 4 March 2008, Gabrielle Kibble AO, Dr Colin Gellatly AO and Robert McGregor AM were appointed as the Administrators of Wollongong City Council. Following the resignation of Gabrielle Kibble AO in December 2009, Richard Colley (BCom UNSW) took up the position of Administrator of Wollongong City Council.

The Administrators are not employees or officers of the Council. Their role is to make decisions about the running of Wollongong City Council. The Administrators will hold Council meetings and ensure the General Manager and Council officers carry out decisions made at these meetings. They will carry out their role until local government elections.

Dr Colin Gellatly AO - is a former Director General of the Department of NSW Premier and Cabinet, Department of Land and Water Conservation and Department of Industrial Relations, Employment, Training and Further Education. Dr Gellatly is currently, Director of NSW Rugby League as well as Chair of Pillar Corporation (Wollongong based superannuation administration), and Director of the State Water Corporation.

Wollongong City Council Committees: Audit Committee and Corporate Governance Committee.

Robert McGregor AM - is the former CEO of NSW Health, the Chief Secretary's Department, the NSW Ambulance Service and the NSW Department of Industrial Relations.

Wollongong City Council Committees: Audit Committee and Corporate Governance Committee.

Richard Colley (BCom UNSW) - has a long history in both the private sector and local government. He was the General Manager of Bankstown City Council and the commissioner appointed to carry out 2008's public inquiry into Shellharbour Council and is also currently Chair of the NSW Local Government Grants Commission.

Wollongong City Council Committees: Audit Committee and Corporate Governance Committee.

Gabrielle Kibble AO (March 2008- December 2009) - is a former Director General of the Department of Urban Affairs and Planning, Director General of the NSW Department of Housing as well as former Director of Sydney Olympic Park Authority. Ms Kibble is Chair of the NSW Heritage Council and Chair of the Planning Assessment Commission.

Wollongong City Council Committees: Corporate Governance Committee.

Contact Details

Phone: 02 4227 7111

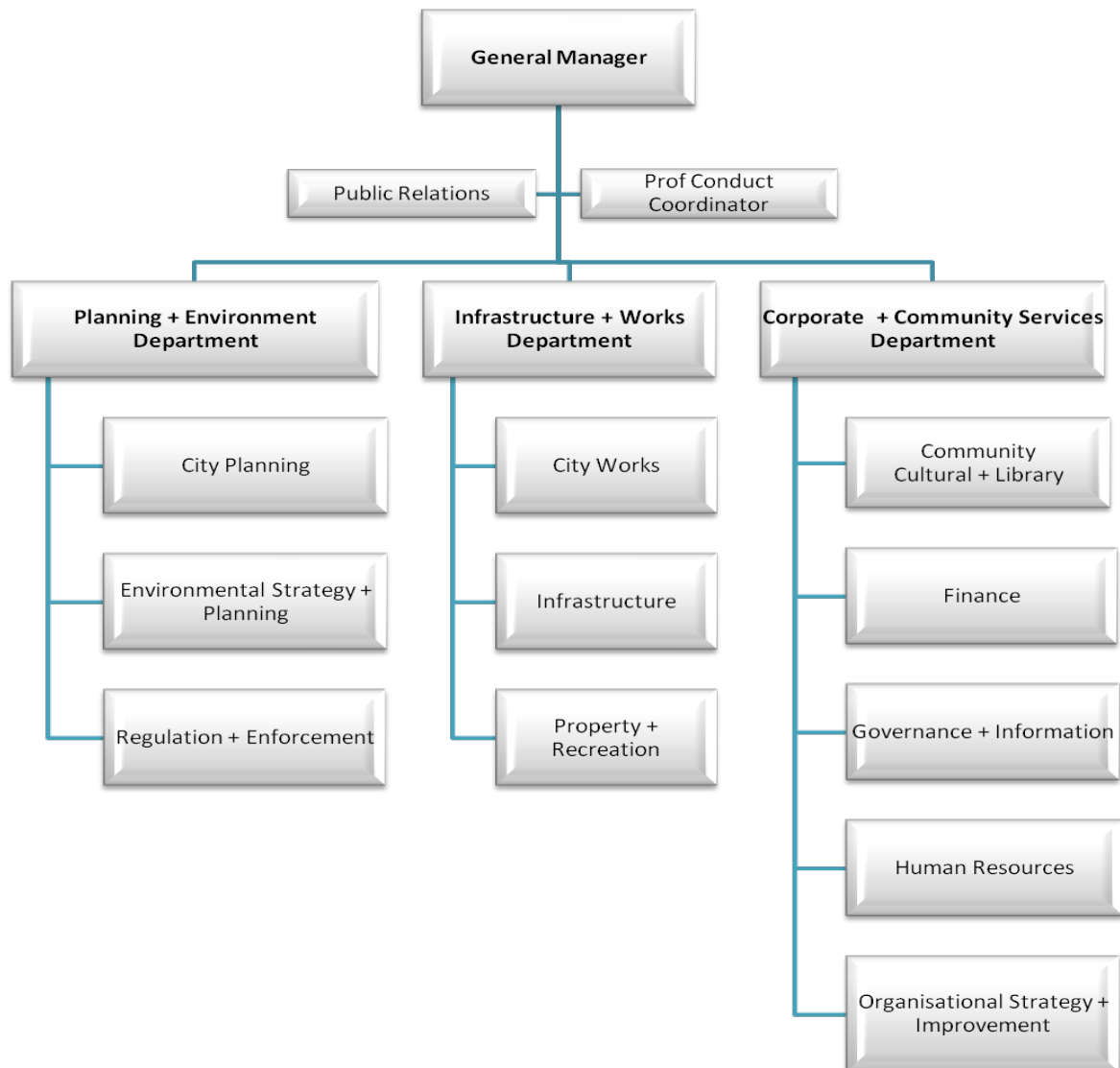
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SENIOR MANAGEMENT STRUCTURE as at 30 June 2010

Our senior management structure is made up of the General Manager, and three directors (Planning + Environment, Infrastructure + Works, and Corporate + Community Services). This team oversees policy development, strategy direction and overall management of the organisation.



Principal Activities (section 428 (2) (b))

The following information outlines Council's principal activities and major projects undertaken during 2009-10 as outlined in the Management Plan 2009-12. Key projects for the coming years are also identified. The principal activities and projects are structured around our three departments, namely:

- Planning + Environment
- Infrastructure + Works
- Corporate + Community Services

PLANNING + ENVIRONMENT

2009-10 HIGHLIGHTS

* Additional highlights are included in the State of Environment section of this report (page 39).

Wollongong Local Environmental Plan 2009

The Wollongong Local Environmental Plan 2009 was approved by the Minister for Planning in February 2010 and is now in force. It replaces the Wollongong LEP 1990 and Wollongong City Centre LEP 2007 as the principal planning instrument for our local government area.

Consolidated Development Control Plan

The Wollongong Development Control Plan (DCP) 2009 was endorsed by Council in December 2009, and came into force on 3 March 2010 following the approval of the Wollongong LEP 2009. The DCP replaces 89 separate DCPs and provides a single set of contemporary controls to regulate new development across the city.

West Dapto Release Area (Stages 1 and 2)

The Wollongong Local Environmental Plan (West Dapto) 2010 was approved by the Minister for Planning on 5 May 2010. This enables development to proceed in Stages 1 and 2 of the release area.

Following endorsement by Council, the draft Section 94 Development Contributions Plan was placed on public exhibition at the end of April 2010. During the exhibition period, the NSW Government announced changes to Section 94 developer contributions. Council is currently working with the development industry and the NSW Department of Planning to finalise the infrastructure requirements for West Dapto.

The draft DCP chapter for the West Dapto Release Area was approved by Council for exhibition on 15 December 2009, and was exhibited until 12 February 2010. The draft DCP chapter for the West Dapto Release Area will be finalised in conjunction with the draft Section 94 Development Contributions Plan.

Village and town centre plans

In December 2009, Council finalised the Corrimal Town Centre Revitalisation Study and resolved to prepare amendments to the Wollongong DCP 2009.

In February 2010, Council exhibited a draft priority list for the preparation of new town and village plans. Submissions received were reviewed and the list was adopted by Council in June 2010. The initial priority projects include the completion of the Port Kembla Main Street Review, and the commencement of reviews for the Warrawong and Figtree/Unanderra centres and Wongawilli Village. The plans will be prepared over the coming three years.

At A Glance

Operating Expenditure

Budget \$21.01M

Actual \$20.72M

Operating Revenue

Budget \$8.75M

Actual \$9.88M

Equivalent Full Time Staff: 173

(incl. Permanent, temporary, fixed term, provisional and cadet/apprentice/trainee)

Interesting Facts

- Assessed 1,584 development applications, with a total construction value of \$824M.
- Protected and restored around 52 hectares of natural areas.
- Ran Bushcare program, with 390 volunteers contributing 20,159 hours of restoration to 50 Bushcare sites.
- Organised Rise and Shine Campaign - 111 community groups collected around 14 tonnes of rubbish during Spring Clean Up.
- 15,000 people participated in Clean Up Australia activities, collecting close to 20.5 tonnes of rubbish.
- Provided waste and environmental education to over 20,000 school children and the community.
- Inspected 1,037 'primary' food shops.
- Distributed around \$30,000 in Wollongong Local Heritage Grants to seven heritage item owners.

Citywide Section 94A Development Contributions Plan

The Wollongong Section 94A Development Contributions Plan (2009) has been reviewed as part of the preparation of the Management Plan 2010-13, and was endorsed by Council for exhibition in July 2010.

A major review of the Section 94A Development Contributions Plan will recommence when the new state legislative framework is finalised.

Illawarra Climate Change Risk Assessment

Wollongong City Council worked with the Southern Councils Group to develop a Climate Change Adaptation Strategy and Action Plan. The project, funded by the Federal Government Local Adaptation Pathways Program, identifies a risk management approach for the impacts of climate change. Council is now in the process of reviewing the adaptation actions as part of its organisational planning process to include in our operations and projects.

Coastal Processes Study

Council has recently completed a Coastal Processes Study. The study identifies and maps the effects of future sea level rises on the Wollongong Local Government Area. Community information sessions were held in July to discuss the outcomes of the study. Council will now commence preparation of a Coastal Zone Management Plan to provide direction on how these hazards are to be managed. The preparation of the management plan will involve extensive community consultation and is expected to be completed in February 2012.

Sustainable Illawarra

Wollongong, Shellharbour and Kiama councils implemented the Sustainable Illawarra project using grant funding received from the NSW Environmental Trust and funding from local councils over the past three years. A key part of the project was 'Sustainability Begins at Home', an innovative community education program that empowered residents with the knowledge and skills to live more sustainable at home.

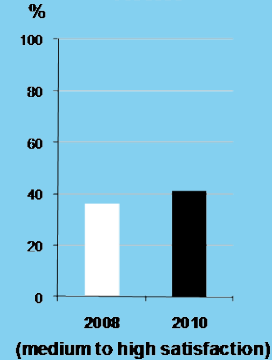
Since the launch of the program in June 2008, 123 sustainability activities have been held. Over 9,000 residents took part in a diverse range of free hands-on workshops, with topics ranging from bike maintenance to how-to-create a frog pond and water wise gardening.

Between July 2009 and June 2010, a total of 33 workshops, bushwalks and tours were held in the Wollongong region, engaging 669 residents. Over 4,800 residents attended seven major Sustainable Illawarra events.

The official closing ceremony for Sustainable Illawarra was held on 23 June 2010. This showcased the highlights of the project and identified how key aspects of the project will continue to be implemented by the three councils involved. The Thomas Dalton Park stormwater harvesting component of the project will be completed by June 2011.

Community Survey Results

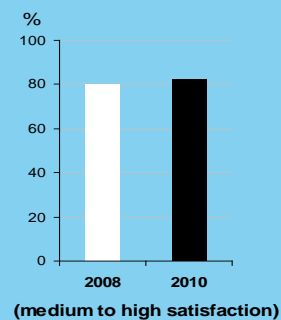
Development Application Process



In 2010, 41% of residents were satisfied with Council's development application process, compared to 36% in 2008.

Note: Only 56% of residents in 2010 indicated that the development application process was important to them.

Protection of Natural Environment



In 2010, 82% of residents were satisfied with Council's protection of the natural environment, compared to 80% in 2008.

Illawarra Food Security and Biodiversity

Wollongong, Shellharbour and Kiama councils are implementing a Food Security and Biodiversity project using grant funding from the NSW Environmental Trust.

Biodiversity component

The Draft Illawarra Biodiversity Strategy is complete and was on exhibition across the Illawarra Region in August 2010. Implementation of bush restoration works have commenced at six priority sites across the Illawarra, including: Mount Brown, Puckey's Estate, Wollongong LGA; Croom Reserve, Blackbutt Reserve, Bass Point, Shellharbour LGA; and Jerrara Dam, Kiama LGA. Community engagement has begun, with the successful delivery of the Mangerton Biodiversity Bash. Coordination is underway for community engagement at other key sites in the partner local government areas.

Food Security component

The Living Classroom project commenced this financial year, with the development of an outdoor kitchen at Cringila Public School underway. This site will function as a demonstration site. Other projects include a new garden at Kiama Public School and construction of a community garden at Bluehaven, Kiama. Group facilitation and development assessment processes are underway at Barrack Heights.

Wollongong City Council has finalised a Community Gardens on Community Land policy. Marketing materials have been produced for Food Fairness Illawarra. Support has been provided for a new good food peer education project called *Stir it Up!*. Planning is also underway for the re-issue of the popular 'Low Cost and Free Meals Directory' for the Illawarra.

Water and Energy Savings Action Plans

A review of the Water and Energy Savings plans continued with site assessments completed and identified water and energy actions documented. Projects completed during 2009-10 include the installation of remote monitoring devices for the Botanic Garden and Russell Vale Golf Course; and equipment upgrades at Dapto Pool. Council has also developed utilities and fuel management databases which monitor utilities consumption, emissions, track performance and identify anomalies. Development of these tools has improved Council's capacity to manage its assets with regards to environmental performance.

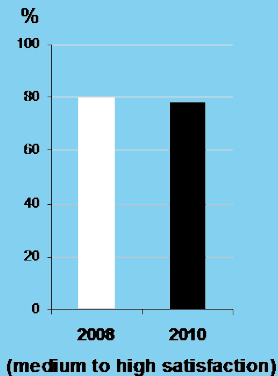
The development of Council's water use database has resulted in the rapid identification of leaks, including subsurface levels. Those leaks identified and repaired ranged from 1 kL to 60 kL/day. The databases have also increased awareness of consumption patterns.

A lighting retrofit in the Wollongong Mall saved an average of 16,966 kWh and 18 tonnes of CO₂-e each month for the first four months following the changeover (compared to the same time the previous year). A change in usage pattern, with lights on longer, has resulted in the energy savings decreasing to 9,134 kWh and 9.7 tonnes of CO₂-e per month for the following four months (based on previous year data).

The lighting retrofit in the Council Administration Building saved an average of 43,514 kWh and 46.5 tonnes of CO₂-e per month for the seven months post the retrofit. Electricity consumption increased from November 2009 due to heating, ventilating, and air conditioning upgrades occurring outside of operating hours.

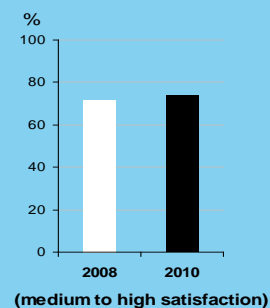
Community Survey Results

Environmental Education



In 2010, 78% of residents were satisfied with Council's environmental programs and education, compared to 80% in 2008.

Domestic Animal Control



In 2010, 74% of residents were satisfied with Council's domestic animal control, compared to 73% in 2008.

JJ Kelly Park Water Sensitive Urban Design and Sustainability

With the support of a NSW Environmental Trust grant, a recycled water project was implemented at JJ Kelly Park. The first batch of recycled water was supplied to JJ Kelly Park in December 2009. The project has delivered a number of sustainability related outcomes including enhanced biodiversity along the riparian corridor, and a renewed focus on water and energy conservation initiatives.

Erosion Sediment and Control

The Erosion, Sediment and Control Compliance Program aims to educate the building and construction industry, and increase its awareness of the environmental impacts of poorly maintained building sites. Council's Compliance Officers continue to monitor building and construction sites as part of normal patrols and specific Compliance Program days. To date, over 250 sites have been inspected.

Vertebrate Pest Animal Management Policy

As part of the Illawarra Escarpment Strategic Management Plan the draft Vertebrate Pest Animal Management Policy was publicly exhibited for four weeks during February 2010, and endorsed by Council in April. Work has commenced on implementation of the policy for high priority pests, including deer, rabbits and myna birds.

Pilot Swimming Pool Compliance Program

Due to the success of the program in 2008-09, a further ten week program was undertaken to coincide with the 2009-10 summer swimming season.

Council has received a lot of positive media coverage and the community has embraced the program, with a significant number of residents requesting to have their pool inspected. In the absence of mandatory backyard swimming pool fencing inspections being imposed, it is recommended that the program recommence during November 2010 to February 2011.

Mobility Parking Program

A trial Compliance Program targeting disabled parking across the LGA was completed. During the program, Council patrolled in excess of 28,000 mobility parking spaces, with 280 penalty notices and 250 warning notices issued to owners of vehicles not displaying permits.

In response to the positive feedback from access groups, media, community and shopping centre managers the patrolling of disabled parking spaces upon privately owned land has been incorporated into the general duties of Council's Parking Rangers.

Looking Ahead 2010-13

Some of the major projects that will shape our city over the next three years (2010-13) include:

- Continue to plan for the future stages of West Dapto Land Release.
- Plan for the future land release at Marshall Mount and Yallah.
- Prepare a Coastal Zone Management Plan.
- Implement key actions from the Illawarra Climate Change Risk Adaptation Strategy and Action Plan.
- Continue the preparation of village and town centre plans.
- Finalise a strategy for the Port Kembla town centre.
- Continue implementation of Water and Energy Savings action plans.
- Reduce turnaround times for development applications.

INFRASTRUCTURE AND WORKS

2009-10 HIGHLIGHTS

* Additional highlights are included in the State of Environment section of this report (page 39).

Wollongong Town Hall

During 2009-10, work commenced on the \$5.5M refurbishment of Wollongong Town Hall with the demolition of the foyer and partial strip out and refurbishment of the rest of the building.

Civic Plaza, Wollongong

The Civic Plaza in Wollongong underwent a major refurbishment with enhanced landscape works, lighting and new park furniture installed. The refurbished area has since hosted a number of outdoor entertainment events including a series of lunchtime live music performances. This project was primarily funded by the Federal Government.

Continental Pool, Wollongong

Construction of a new access ramp into the Continental pool was completed in October 2009. The ramp provides opportunities for people with mobility impairments to safely and more easily access the pool.

Sports Field Lighting Projects

Sports field lighting projects were completed at Hollymount Park, Russell Vale; Reed Park, Dapto; Darcy Wentworth Park, Warrawong; and Rex Jackson Pk, Helensburgh. The major lighting improvements now allow increased training opportunities and hosting of night time sporting events. Sports benefiting from these investments include rugby league, soccer, AFL and athletics. These projects were primarily funded by Federal Government grants.

Blue Mile

Work continued on the Blue Mile project with the following major projects completed/substantially completed:

- two separate share ways at Belmore Basin adjacent to the new seawall and adjacent to Cliff Road;
- improvements to traffic and pedestrian safety along Cliff Road;
- construction of the Cliff Road East Promenade between Belmore Basin and North Wollongong Beach which included new viewing platforms, landscaping and upgraded street lighting and access connections to the Continental Baths, Battery Park and North Wollongong Beach; and
- construction of Stage 1 of the Flagstaff Hill cliff top footpath to link the existing share way at the northern end of City Beach with the eastern tip of Flagstaff Hill. A new viewing platform was also constructed.

Dapto Square

Major refurbishment of the Dapto Square public domain has created a more open thoroughfare linking Dapto CBD with Dapto Plaza shopping centre. In addition, it provides an open area for the public to gather safely and hold public events. Work included the removal of large garden beds, new paving, new seating and lighting.

At A Glance

Operating Expenditure

Budget \$135.41M

Actual \$127.86M

Operating Revenue

Budget \$55.57M

Actual \$61.85M

Equivalent Full Time Staff: 590

(incl. Permanent, temporary, fixed term, provisional and cadet/apprentice/trainee)

Interesting Facts

- Looked after 880km of local roads, 330km of footpaths, 80km of cycle ways and 630km of stormwater pipes.
- Cleaned 102 public toilet sites each week; most daily.
- Emptied the majority of the city's 563 public bins daily.
- Removed 36 tonnes of dumped rubbish weekly.
- Collected around 130 tonnes of rubbish each week with four street sweeping machines.
- Maintained 1,531 hectares of open space.
- Maintained 480 parks covering 521 hectares.
- Mowed 610 hectares of recreation areas.
- Managed 370 commercial, community and sporting leases and licenses.
- Managed 159 playgrounds.
- Managed 9 swimming pools - 3 heated and 2 solar heated.
- Managed 9 tidal rock pools.
- Provided professional lifeguard service across 17 beaches.
- Delivered the Surf Sense education program to 7,000 school students and 1,000 international students.
- Operated 3 tourist parks.
- Maintained 5 cemeteries.

Harry Graham Drive, Mount Kembla

Major slope stabilisation works were completed during 2009-10 to allow the reopening of Harry Graham Drive above Kembla Heights. The project, funded by the Federal Government, cost in excess of \$2M.

Thomas Gibson Park - embellishment

Stage 1 of the Thomas Gibson Park embellishment project was completed with the construction of new pedestrian access linkages and installation of irrigation water tank. Stage 2 improvements will be undertaken during 2010-11.

Inner City Parking Strategy

Council constructed an additional car park between Stewart and George streets, and completed the refurbishment and expansion of the Rawson Street car park to alleviate the demand for permanent paid parking spaces near the CBD. Approximately 140 parking meters throughout the CBD were installed to ensure continuous supply of high turnover parking spaces close to shops and commercial premises. The introduction of Pay and Display Parking commenced in March 2010.

Crown Street Mall

Public consultation on the concept plans of Crown Street Mall, developed by the NSW Government Architect Office, was completed during 2009-10. The new financial year will see the lodgement of the development application, preparation of detailed designs and preliminary service adjustments.

North Beach Bathers Pavilion

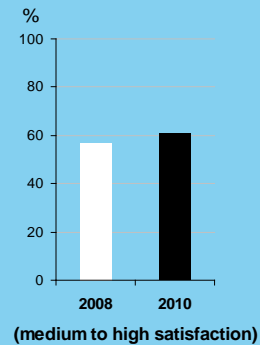
Development Approval was obtained for the redevelopment of the North Beach Bathers Pavilion which will include major structural repairs and upgrade of foundations, refurbished public amenities and lifeguard facilities, and construction of cafe and outdoor dining facilities. Following development application approval, work will commence on a detailed design to allow the project to transition to tender and construction phase in 2010-11.

West Dapto Initial Access Strategy

Council was successful in its application for \$26.05M loan from NSW government to finance the first stage of improvements to traffic access to the future housing developments in West Dapto. Public engagement will continue to fine tune design and delivery of the seven components of the access strategy.

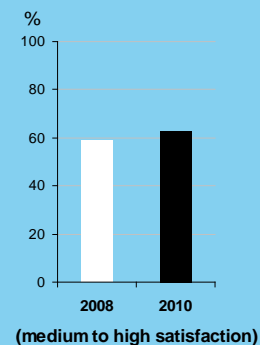
Community Survey Results

Maintenance of Local Roads



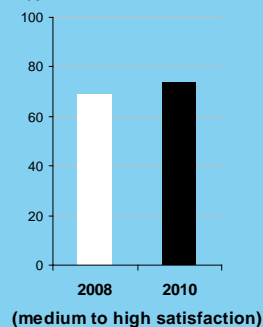
In 2010, 61% of residents were satisfied with Council's maintenance of local roads, compared to 57% in 2008.

Maintenance of Footpaths



In 2010, 63% of residents were satisfied with Council's maintenance of footpaths, compared to 59% in 2008.

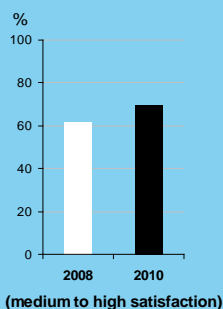
Maintenance of Children's Playground Equipment



In 2010, 74% of residents were satisfied with Council's maintenance of children's playground equipment, compared to 69% in 2008.

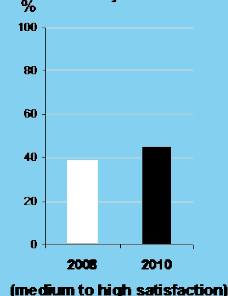
Community Survey Results

Traffic Flow in City Centre



In 2010, 70% of residents were satisfied with traffic flow in the city centre, compared to 62% in 2008.

Availability of Parking in City Centre



In 2010, 45% of residents were satisfied with the availability of parking in the city centre, compared to 39% in 2008.

Major Projects

During 2009-10 Wollongong City Council's Infrastructure and Works Department undertook over 450 separate capital works construction projects worth \$46.7M. Some of the major projects undertaken include:

Project Location	Work Description	Expenditure 2009-10 \$
Stormwater and Floodplain Management		
Blackman Parade, Unanderra	Creek clearing and channel lining for flood mitigation.	141,000
Cawley Street, Corrimal; Stuart Park, North Wollongong; Webb Park, Kanahooka	Installation of Stormwater Quality Improvement Infrastructure at four locations.	198,000
Foley Street, Gwynneville	Creek stabilisation through installation of rock protection.	213,000
Foothills Road, Corrimal	Embankment and creek stabilisation works including sewer concrete encasing.	174,000
Gilmore Street, West Wollongong	Reconstruct failing headwall on existing headwall.	118,000
Gorrell Street, Mangerton	Construct additional pipes to reduce local flooding.	116,000
William Street, Bulli	Construct additional pipe and discharge to creek.	110,000
Buildings		
Bus shelters	Installation of additional bus shelters along Gong Shuttle route.	201,000
Corrimal Community Centre and Library	Replace air conditioning equipment.	114,000
Dapto Ribbonwood Community Centre and Library	Install air conditioning in Heiniger Hall.	104,000
Helensburgh Pool	Replace roof of amenities/office building and solar heating equipment.	142,000
Illawarra Performing Arts Centre	Continue with installation of additional fire safety measures in Gordon Theatre.	194,000
Northcliffe Drive Berkeley	Internal fit out of the existing Illawarra Rowing Centre to accommodate Illawarra Canoe Club.	200,000
Stanwell Park Surf Club	Construct new storage for Council Lifeguards.	128,000
Thirroul Community Centre and Library	Complete fit out and commissioning of this new facility.	114,000
Various locations citywide	Replace electrical distribution boards to improve safety.	132,000
Windang Beach Amenities	Refurbish building and add new roof.	134,000
Wollongong City Council Administration Building	Replacement of major air conditioning plant.	2,956,000
Wollongong Town Hall	Commence major refurbishment and construct new entrance and foyer.	1,757,000
Woonona Surf Club	Refurbish exterior.	125,000
Parks and Recreation		
Bellambi Rock Pool, Bellambi	Demolition of failed concourse and wading pool and reinstatement of rock armouring.	606,000
Civic Plaza, Burelli Street, Wollongong	Major replacement landscaping, lighting and park furniture.	577,000
Continental Pool, Wollongong	Construct disabled access ramp.	253,000
Darcy Wentworth Park, Warrawong	Install replacement (upgraded) sports field lighting.	226,000
Hollymount Park, Woonona	Install replacement (upgraded) sports field lighting.	178,000
Reed Park, Dapto	Install replacement (upgraded) sports field lighting.	138,000
Rex Jackson Park, Helensburgh	Install replacement (upgraded) sports field lighting.	229,000

Project Location	Work Description	Expenditure 2009-10 \$
Parks and Recreation (continued)		
Stanwell Park Beach Reserve	Install new playground.	267,000
Thomas Gibson Park, Thirroul	Implementation of Stage 1 of Masterplan, including construction of new shared path, installation of stormwater retention tank and landscaping.	160,000
William Beach Park, Brownsville	Creek bank stabilisation and rock armouring.	149,000
Roads and Bridges		
Basset Street, Mt Ousley	Repairs to kerb and gutter, rebuild road pavement and replace asphalt surface.	319,000
Bendeena Gardens Road, Stanwell Tops	Construct new kerb gutter, stormwater drainage infrastructure, rebuild road pavement along shoulder and replace asphalt seal - completion of project commenced in 2008-09.	600,000
Gallop Street, Berkeley	Install sub-soil drains and replace sections of kerb and gutter plus replace a section of the asphalt surface near Berkeley Public School.	382,000
Harry Graham Drive, Kembla Heights	Construct pile retaining wall, improved stormwater drainage and slope stabilisation works.	2,267,000
Junction Street, Helensburgh	Commence project to construct new kerb and gutter, improve stormwater drainage, rebuild road pavement and replace road surface.	261,000
Kanahooka Road, Kanahooka	Repairs to kerb and gutter, stabilise road pavement and replace asphalt surface.	251,000
Keira Street Transit Mall	Relocate bus shelters into Burelli Street.	341,000
Princes Highway, Unanderra	Contribute to cost of constructing new rail crossing on existing cycleway.	284,000
Ryan Street, Balgownie	Rebuild centre lane pavement and replace asphalt surface.	270,000
Squires Way, bridge over Fairy Creek	Repair corrosion damage to bridge and install cathodic protection to mitigate further corrosion.	419,000
Trinity Row and Farrell Rd, Bulli	Construct new kerb and gutter, improve stormwater drainage, rebuild road pavement and replace asphalt surface.	535,000
Weerona Street, Berkeley	Repairs to kerb and gutter, stabilise road pavement and replace asphalt surface.	258,000
Footpaths and Cycle Ways		
Belmore Basin, Wollongong	Complete construction of new shareways.	540,000
Cliff Road, Wollongong	Construct upgraded shareway and viewing platforms.	3,042,000
Dapto CBD	Replacement of existing paving in Dapto Square and a section of Princes Highway.	483,000
Flagstaff Hill, Wollongong	Construct new footpath and viewing platform, cliff top walk.	604,000
Lake Heights	Reconstruct sections of damaged shareway.	254,000
Lawrence Hargrave Drive, Thirroul	Completion of two year project for Thirroul Commercial Centre footpath improvements.	297,000
Northern Cycleway, Towradgi and East Corrimal	Upgrade sections of shared path south of Towradgi Surf Life Saving Club and adjacent to Bellambi Lagoon.	234,000
Park Road, Woonona	New shared path connecting railway station to northern cycleway.	240,000

Project Location	Work Description	Expenditure 2009-10 \$
Car Parks		
City Centre, Wollongong	Implement city centre parking strategy to increase the availability of short term parking spaces in the CBD.	1,417,000
Fairy Meadow Beach, Fairy Meadow	Upgrade existing car park to include kerb and guttering, drainage, resurface and landscaping.	467,000
Fred Finch Park, Berkeley	Upgrade existing car park.	613,000
Headlands Avenue, Austinmer	Car park upgrade and park embellishment - works expanded to address significant asbestos contamination in excavated material.	540,000
Hollymount Park, Alice Street, Woonona	Construct new car park and access road on the site of existing car park.	298,000
Rawson Street, Wollongong	Complete reconstruction and expansion of existing car park	316,000
Stewart and George streets, Wollongong	Construct new car park to increase the number of leased CBD car spaces available	311,000
Road Re-Surfacing		
Foley Street, Gwynneville	Asphalt resurface between Porter Street and Gipps Road, Gwynneville.	213,000
Gladstone Avenue, Coniston	Asphalt resurface between Heaslip and South Street, Coniston.	45,907
Northcliffe Drive, Berkeley	Asphalt resurface between Nolan and Bristol streets, Berkeley.	66,545
Northcliffe Drive and Nolan Street Berkeley	Asphalt resurface roundabout.	176,145
Pioneer Road, Towradgi	Asphalt resurface between Glossop Street and Gregory Avenue, Towradgi.	257,000
Porter Street, Gwynneville	Asphalt resurface between Foley Road, Gwynneville and North Wollongong Railway Station.	156,000

Looking Ahead 2010-13

Some of the major projects that will shape our city over the next three years (2010-13) include:

- Implementation of the West Dapto Access Strategy.
- Continue construction of the Blue Mile master plan.
- Reopening Keira Street (between Burelli and Crown streets) to two-way traffic.
- Complete redevelopment of the Town Hall.
- Relocation of the Warrawong Library to new premises.
- Commence work on redevelopment of Crown Street Mall.
- Commence work on redevelopment of North Beach Bathing Pavilion.
- Develop plans for the future redevelopment of MacCabe Park.
- Continue expansion of the city's cycleway network.
- Continue with investment into stormwater harvesting and reuse for irrigation of major sporting facilities.
- Continue with refurbishment of the city's tidal pools.
- Construction of a new waste transfer station at Whytes Gully.
- Design and construct new amenities and building refurbishment at Sandon Point Surf Lifesaving Club.

CORPORATE + COMMUNITY SERVICES

2009-10 HIGHLIGHTS

Integrated Customer Service

The Customer Service team became fully operational in July 2009 with the opening of the new Customer Service Centre and an in-house call centre. In the first year of operation 116,000 phone calls were taken from the community and 35,000 in-person enquiries were addressed through the Customer Service Centre.

Refinements in the Customer Service Request Management System, Policy and procedures positioned the team to work with all Council staff to deliver an improved level of service to the community. A centralised customer service model has also been well received by the community.

Financial Sustainability

Over the past three years Council has introduced planned operational savings and commenced a program of service reviews. These service reviews will examine Council's operations to ensure that the right services are being provided as efficiently as possible within the funding available. Specific savings of \$11.8M have been identified and incorporated into Council's future budgets over the past two years.

Annual Service Review Program

The annual review program aims to ensure Council is providing the best value for money service to our community. There are currently ten service reviews underway and 14 in deployment.

Governance Health Check

The Governance Health Check is conducted on a regular basis, with a report presented to the Corporate Governance Committee quarterly. Recommendations for improvements have been implemented following a review by Council's internal auditors. The audit found that Council is in good shape following the completion of many reforms.

Fraud and Corruption Policy

Council adopted a new Fraud and Corruption policy. In association with this, staff education has been conducted and the message of zero tolerance has been delivered.

Work Cover Self Insurance Audit

WorkCover conducted two audits on Workers Compensation/Injury Management (February 2010) and Occupational Health and Safety (March 2010). Both audits were successfully completed and a new three year Self Insurance Licence has been issued.

Procurement Compliance Program and Procedure

Council reviewed and revised its Procurement Policy to provide an efficient and effective base system and foundation for procurement practices. The new Procurement Policy also demonstrates Council's support for the strengthening of local economic capacity.

At A Glance

Operating Expenditure

Budget \$58.99M

Actual \$58.72M

Operating Revenue

Budget \$129.84M

Actual \$141.85M

Equivalent Full Time Staff: 291

(incl. Permanent, temporary, fixed term, provisional and cadet/apprentice/trainee)

Interesting Facts

- Council officer in attendance at each of the eight neighbourhood forum meetings.
- Council issued with a new three year license from WorkCover.
- Operated seven libraries and one mobile library.
- Provided 56 community centres, 47 of which are licensed to community organisations.
- Addressed 1,250 reports of graffiti on Council, private and commercial premises.
- Provided programs and activities to 23,611 young people.
- Provided 48,700 taxi vouchers to Aged, Disabled and Transport Disadvantaged People.
- Provided 43,929 hours of respite and social support to people who are aged or have a disability.
- Had 328 bookings for our Interpreter service with 31 different language groups requested.
- Coordinated Australia Day celebrations, with around \$50,000 people in attendance.
- Funded and organised the 2009 Viva La Gong festival, with around 4,000 people in attendance.
- Provided \$83,000 in sponsorship to 36 community events.
- Distributed the Cultural Grant, worth 32,000 amongst 17 projects.
- Funded a regional art gallery, visited by approximately 47,000 patrons.

Wollongong City Gallery

At the request of the Wollongong City Gallery (WCG) Ltd Board, the management of the Wollongong City Gallery was transferred to Council from July 1, 2009. The final transfer of assets (collection) will occur after the liquidation of the WCG Ltd Company is complete early in the next financial year. All management processes have been transferred and a smooth transition of staff without any negative impact on the community or visitors to the gallery.

During 2009-10 the gallery delivered a range of exhibitions, public programs and educational activities including ***Just Imagine*** a collaborative project with DET focussed children, visual literacy and creative writing and thinking, ***Zhongjian: Midway*** a Wollongong City Gallery developed contemporary art exhibition which has toured China and regional Australian venues, and ***Pallingjang: Saltwater*** another touring exhibition focussing on local and South Coast Indigenous stories and cultures.

Thirrour Library and Community Centre

Since its opening in June 2009, the Thirrour Library and Community Centre has provided significant benefit to the local community. To date, there have been 2,639 new members, 135,000 visits and 153,650 loans, while the community centre bookings totalled 7,346 hours. A total of 51,431 people have attended activities at the centre and 2,367 bookings have been made over the past year.

Sandon Point Keeping Place

Discussions between Stockland and five Indigenous stakeholder groups have continued as the community works to develop a Sandon Point Keeping Place. The objective is to develop a place that incorporates local Aboriginal stories, satisfies the needs of the various stakeholders and further builds on a project of the Illawarra Aboriginal Land Council (IALC) to create a walkway over the dunes.

Community Transport

Wollongong City Council was successful in winning the tender from NSW Transport and Infrastructure to provide Community Transport Services for Shellharbour and Wollongong LGA's, via a consortium arrangement with Shellharbour City Council. The new service will commence operation from 1 October 2010. A steering committee will oversee the transition of existing programs and clients to the new service. It is anticipated that the transition to the new service model will be finalised by June 2011.

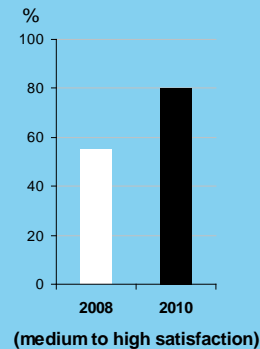
Crime Prevention - Partner with NSW Government/NSW Police

As part of the Crime Prevention Partnership (CPP) a number of strategies have been implemented to target and reduce crime in three key areas: Alcohol/Non Domestic Violence Assault; Steal from Motor Vehicle; and Malicious Damage.

In addition, Council has developed the draft Safety in the City Strategy to meet the unique needs of our city centre. The goals of the strategy are to increase actual and perceived community safety in the city, reduce graffiti and vandalism and reduce antisocial behaviour and crime associated with alcohol use.

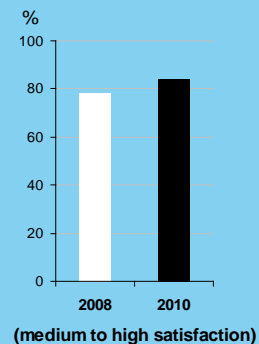
Community Survey Results

Overall Satisfaction



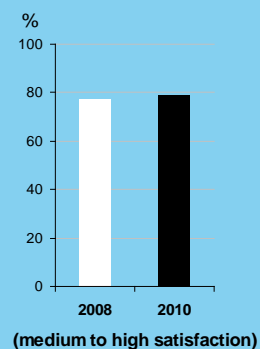
In 2010, 80% of residents were satisfied with Council overall, compared to 55% in 2008.

Wollongong City Library



In 2010, 84% of residents were satisfied with Wollongong City Library, compared to 78% in 2008.

Provision of Community Halls and Centres



In 2010, 79% of residents were satisfied with the provision of community halls and centres, compared to 77% in 2008.

Community, Recreation and Library Facilities

Initial works have commenced on long term planning for community, recreation and library facilities across the Wollongong LGA. However delays have occurred due to resources being assigned to other priorities, such as the relocation of Warrawong Library and the Town Hall project.

Council's Values

A review of Council's values was undertaken during 2009-10. Following an organisation wide consultative process, four new values were adopted:

- Maintain integrity and earn trust,
- Treat customers as we want to be treated,
- Use the community's money wisely,
- Bring out the best in each other.

Westpool for Council's Insurance

An independent review of Council's insurance procurement in 2008-09 recommended that Council move towards gaining membership to Westpool and United Independent Pools (UIP).

Following this advice, Council joined as an Associate Member in July 2009. Between November 2009 and March 2010, KPMG undertook, on behalf of Westpool and UIP, a due diligence review of Wollongong City Council's specific risks. Following a positive outcome of the review, Westpool and UIP offered Council full membership to commence from 31 October 2010.

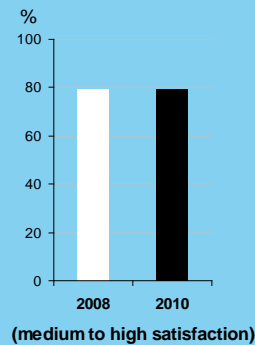
Electronic Document Management System (EDMS)

Phase One of the implementation of the Electronic Document Management System (EDMS) is completed, with phase two nearing completion. Some work remains in migrating operational systems to the new technical repository, created for those document types inappropriate for EDMS.

The EDMS project has improved wide level access to Council documents, security of private and confidential documents, visibility of access to Council records via audit trails, document version control and more inclusive and accurate records.

Community Survey Results

Arts, Entertainment & Cultural Activities



(medium to high satisfaction)

In 2010, 79% of residents were satisfied with Council's arts, entertainment and cultural activities, the same result as in 2008.

Looking Ahead 2010-13

Some of the major projects that will shape our city over the next three years (2010-13) include:

- Open the refurbished Wollongong Town Hall.
- Develop the 2010-13 Community Safety and Crime Prevention Plan.
- Implement the City Centre Safety Plan 2010-13.
- Implement a Customer Service accreditation process.
- Facilitate the development of a Community Strategic Plan.
- Review Council's Financial Strategy.
- Finalise the procurement compliance program and procedures.
- Implement enterprise-wide risk treatment plans.
- Enhance web and online customer service.
- Finalise completion of and implement a new Workforce Management Plan.
- Major review of salary system to provide flexibility for workforce to meet changing organisational and community needs.

Local Government Act Requirements

Wollongong City Council 2009-10 Annual Report was produced in compliance with the Local Government Act 1993 (section 428) and the Local Government (General) Regulation 2005 (clauses 132, 217 and 224). The following information is a requirement under the Act to include in a council's annual report.

ACCESS AND EQUITY (section 428 (2) (r) clause 217 (1) (d) (i))

Wollongong City Council's *Social Plan 2007-11* describes the local community, summarises the key issues facing this community, and formulates strategies which Council and other agencies could implement in order to address identified needs. The social plan strategies are based on principles of access and equity and are linked to Council's management plan.

The *Social Plan 2007-11* comprises three volumes: Volume 1 Target Group Plan; Volume 2 Issues Plan; and Volume 3 Demographic Profile.

Council monitors the progress of the social plan annually through its Annual Status Report. For the 2009-10 period approximately 90% of strategies had commenced or been completed. The following information provides the achievements from the social plan for 2009-10. For a comprehensive report, refer to the Social Plan Annual Status Report available on Council's website www.wollongong.nsw.gov.au.

Aboriginal People

- The Garawanga D'harawal'o'ngun (Our D'harawal dreaming) project was successfully implemented at four schools with over 120 students attending. The project built respect and understanding of Aboriginal culture through stories of flora and fauna of the area.
- A total of \$5,000 was funded to seven Aboriginal and non-Aboriginal community groups through Council's NAIDOC week grants program. Seven individual NAIDOC week events were held with over 400 people in attendance.
- Council contributed to and participated in the NAIDOC dinner held in July 2010 with over 220 people in attendance.
- Council's Aboriginal Reference Group has met on three occasions as per its charter and is working with Council to implement its Aboriginal Employment Strategy.
- Coomaditchie Aboriginal Community, along with four other community groups, was involved in a successful graffiti prevention community mural at Port Kembla pool.

Children

- Council held a local forum where the results of the Australian Early Education Index (AEDI) were distributed to organisations working with children. This data provides important local information on children that can be used to inform decision making related to program and service delivery.
- As part of National Child Protection Week, Council promoted positive parenting through the 'Parenting with the Stars' project.
- Council held the Annual Grandparents Picnic (funded through Families NSW) with more than 100 grandparents and their grandchildren in attendance. This picnic is an opportunity to recognise and celebrate the important role grandparents play in the community and also share information and resources to support them in their role.
- The Viva La Gong festival included a children's workshop component. These workshops provided children with a range of experiences including juggling and hoola hoops.
- Wollongong City Gallery conducted 48 school holiday workshops, 26 in term workshops for school students, 14 guided tours for pre-schools, 48 tours for primary schools and 16 for high school students.
- A bi-lingual story event was held at the Central Library to mark Refugee Week during June 2010.

Young People

- Wollongong Youth Services engaged 23,421 young people throughout 2009-10 financial year.
- Wollongong Youth Services provided a safe place for young people aged 12 to 19 to participate in leisure activities. This facility was used by over 8,000 young people.
- Free English and Maths tutoring was made available two days a week for 38 weeks. The program accommodated 22 students and runs at capacity.
- The Living Library program was delivered to six local schools, with approximately 285 students, through 'whole year' events.

- The Links to Learning program for 'at risk' young people in Years 7, 8, and 9, funded by the Department of Education and Training, was run in partnership with Wollongong City Council.
- Wollongong Youth Centre hosts an artist in residence providing an opportunity for an emerging artist to develop art skills, mentor young artists and contribute to the cultural development of Wollongong.
- A public sculpture was designed and installed by the artist in residence.

Women

- Wollongong City Council assisted community members to form and develop the Illawarra Interfaith Women's Network – I – WIN – culminating in its launch on International Women's Day. The Network now meets monthly and has doubled its membership base.
- Arts based workshops targeting young women were held by the Artist in Residence at the Wollongong City Council Youth Centre.

Men

- Council continue to facilitate the Men's Shed program which is funded by the NSW Government Department of Ageing, Disability and Home Care.

Older People

- Council was awarded a tender to provide Community Transport services in both Wollongong and Shellharbour local government areas through a consortium with Shellharbour City Council.
- More than 4,000 local seniors participated in a program of 80 activities held throughout Wollongong to celebrate Seniors Week.
- A program of seminars for culturally and linguistically diverse day care groups on personal safety was launched. The seminars were delivered by Police and Department of Fair Trading.
- Social Support Services provided in-home, and out-of-home support to frail aged persons living on their own in the community.
- The Memory Walk was run in partnership with Illawarra Multicultural Services along the North Beach to Belmore Basin section of the Blue Mile. The walk will now become an annual event.

People with Disabilities

- Wollongong City Council partnered with Essential Personnel to work with young people with a disability leaving school. The program was designed to engage young people with disabilities in leisure activities in the broader community.
- Thirty young adults participated in a series of art workshops as part of the Celebration of Abilities program, a partnership between Wollongong City Council and the Wollongong City Gallery. The aim of the project was to celebrate the achievements and contribution of people with a disability and include people with special needs into the cultural life of the city. The final works were launched as part of International Day of People with a Disability.
- The Older People and People with a Disability Services Directory is a resource for the community and contains information and contact details for the agencies that provide services for older people, people with a disability and their carers. This valuable resource was reviewed in 2009 and updated.

People from Culturally and Linguistically Diverse Communities

- Council recorded 325 Interpreter Service bookings in 25 languages. The highest number of bookings was for Macedonian, Vietnamese and Burmese.
- Council supported a community mural at the Port Kembla pool, involving five local community groups.
- Wollongong City Council Library held a bi-cultural storytelling event for multicultural playgroups.
- Two Corporate Living Library events held at Wollongong City Council for staff from the community and business sector.
- Extensive community consultation for the Migration Heritage Public Art Project was undertaken.
- Council supported the Welcome to Wollongong festival for international students.
- Council partnered with Illawarra Multicultural Services to create an Art project working with newly arrived refugees mainly from Burma and the Congo.

All Communities

- Council's first Graffiti Clean Up Day was conducted with over 30 community members in attendance at two locations - Nicholson Park, Woonona and Lindsay Maynes Park, Unanderra.

ACCESS AND SERVICES TO PEOPLE WITH DIVERSE LINGUISTIC AND CULTURAL BACKGROUNDS (section 428 (2) (j))

Multicultural Reference Group

The Multicultural Reference Group continues to meet every three months to provide information and advice to Council to ensure residents from CALD background participate in the life of the community.

Language Aides

This service continues to deliver basic interpreting services to Council customers who have difficulty communicating in English. Languages currently on the panel are Macedonian, Serbian, Italian, Polish Turkish, Spanish and Greek.

Council Interpreter Service

This service provides on-site face-to-face NAATI-qualified interpreters for 27 languages and Language Support Workers for a further seven languages for which there are no local accredited interpreters. The latter role is an important one for the city's new and emerging communities. The Interpreter Service reached new heights in 2009-10 with record levels of usage: 328 bookings were made with 25 different languages requested over the year; the top five were Macedonian, Vietnamese, Burmese, Portuguese and Mandarin.

Translation of Dementia Respite Support Brochure

Council's Social Support Services undertook the translation of its Dementia Respite Services brochure into six community languages. The languages selected for translation were chosen following consultation with the community. They include Croatian, Chinese, Hungarian, Portuguese, Polish and Hungarian. These languages were selected as these communities have fewer resources than many of the larger CALD communities.

Diversity Awareness Training

Council continues to deliver Diversity Awareness Training to internal staff. Four Council staff training sessions were delivered within this period with approximately 20 staff at each session.

Living Library

The Living Library project celebrated two years in June 2010. The program has consolidated its important role in building bridges of understanding in the community through story sharing. The key to its success is its diverse collection of local community members who volunteer their time to share their life experiences through informal conversations with 'readers' during Living Library events. The program staged its first corporate event in 2009, attracting staff from business and community sector agencies. Living Library also participated in a student conference on social justice, which was attended by student leaders from eight different schools.

Illawarra Women's Interfaith Network (I-WIN)

This Network provides a regular forum for women of diverse faiths and spiritual paths to meet and share faith, experiences and ideas. The network is a community initiative supported by Council, and was launched on International Women's Day 2010. Since then, I-WIN has held regular meetings, its membership base has doubled and it has embarked upon a number of community projects.

Migration Public Art Project

Extensive community consultation was undertaken in early 2010 to identify the type of art work that the 'migrant' community would like to see that recognises and celebrates the contribution they have made to the community. The information from the consultation will be used to develop an artist's brief for the project.

BUSH FIRE HAZARD REDUCTION ACTIVITIES (section 428 (2) (i1))

Bushfire hazard reduction works is a high priority for Wollongong City Council both in terms of its statutory responsibilities and as a responsible land manager. In association with the Illawarra Bushfire Management Committee and the Illawarra Bushfire Management Plan, a coordinated program of bushfire hazard reduction works were undertaken during the year to reduce the threat of bushfires throughout the Wollongong LGA.

A total of 352 Asset Protection Zones (APZ) exist within the LGA which required establishment and/or maintenance through various on-ground works including hand clearing, trittering, mowing/slashing or hazard reduction burns. These APZ's comprised a total of 282.2 ha and serve to protect 6,958 assets within the LGA.

A total of 37 complaints/enquiries were received, investigated and completed during the year as well as the issuing of 66 hazard reduction certificates prior to the commencement of works. As a requirement of all land managers all of Council's hazard reduction works were recorded into the RFS web based BRIMS database.

Council was successful in obtaining grant funding from the RFS for additional works at 18 APZ sites to the value of \$39,200. These works were completed during the financial year.

Council's *FIREADY* program aims to support and encourage community participation in the ongoing maintenance of APZ sites. It recorded an average quarterly participation of 46 volunteers who contributed 154 hours per quarter over 10 sites.

Council conducted pile burns at two APZ sites and carried out three community bushfire education meetings in conjunction with the Rural Fire Service.

COMPANION ANIMAL MANAGEMENT (clause 217 (1) (f))

The Annual Pound Data Collection Forms and all data relating to dog attacks have been returned to the Department of Local Government for the 2009-10 period.

Council concluded its first year with the RSPCA undertaking Council's impounding activities in accordance with a Deed of Agreement. All companion animals are now housed and cared for at the RSPCA's new facility at Industrial Road, Unanderra. Under the terms of the contract the RSPCA becomes the owner of all companion animals not claimed within the legislated period. The RSPCA's reputation and network is seen as increasing the potential to re-home animals prior to euthanasia.

Council encourages the community to de-sex their companion animals through the differential in registration rates between desexed and non desexed cats and dogs.

All registration income returned to Council from the Companion Animal Fund from the Department of Local Government was expended into animal management. Council expended a total of \$941,980 on companion animal management activities during 2009-10.

This year companion animal education included the reviewing and updating of information on Council's website relating to companion animals. Education in relation to off-leash areas and general responsibilities whilst on public spaces also occurred during the Dogs on Beaches review, including public consultation at kiosks and neighbourhood forums.

The Dogs on Beaches review commenced in July 2009 with the public exhibition of the Dogs on Beaches Discussion Paper. At the expiry of the exhibition process 870 submissions were received. The results indicated community support to the proposed three tier traffic light system (74%) and a zero tolerance policy (67%). A review of environmental factors was also completed, which provides an environmental foundation for the policy. The revised final policy is expected to be implemented in 2010.

The current list of off-leash areas include:

- Figtree Oval, Figtree;
- Coniston Beach, Wollongong;
- Bellambi Beach, Bellambi;
- Proud Park, Helensburgh;
- Sharkeys Beach, Coledale;
- Little Austinmer Beach, Austinmer;
- McCauley's Beach, Thirroul;
- Riley Park, Unanderra;
- King George V Park, Port Kembla;
- MM Beach, Port Kembla;
- Perkins Beach, Windang;
- Eleebana Reserve, Koonawarra.

CONDITION OF PUBLIC WORKS (Section 428 (2) (d))

JUNE 2010 EVALUATION

	Number of Assets	Length (km)	Area (sq km)	Current Replacement Cost (CRC) (1) \$	Estimate Cost to Bring Asset to Satisfactory Standard (2) \$	Estimate of Annual Maintenance Expense to Keep Asset at Satisfactory Standard (3) \$	Estimate of Annual Renewal to Keep Asset at Satisfactory Standard (4) \$	Actual Maintenance Expenditure 2009-10 (5) \$	Actual Capital Renewal Expenditure 2009-10 (6) \$	Average Asset Condition (7)	% Below Satisfactory Standard	% Annual Maintenance Required
Buildings												
Administration Building	1	-	-	71,690,080	4,146,248	1,433,802	2,386,836	388,642	2,956,745	2.0	9.2%	2.0%
Amenity	160	-	-	53,815,630	2,129,428	748,965	1,211,637	324,632	374,440	3.1	4.0%	1.4%
Child Care Facility	19	-	-	29,225,913	1,066,284	409,163	735,666	88,122	14,189	2.5	5.5%	1.4%
Community Facility	81	-	-	107,904,759	3,664,325	1,516,531	2,713,902	714,696	303,282	3.1	3.9%	1.4%
Cultural Facility	4	-	-	55,889,721	2,749,995	784,047	1,783,142	204,193	672,420	2.5	8.7%	1.4%
Grandstand	9	-	-	16,476,253	703,862	230,668	360,958	20,725	-	3.4	5.8%	1.4%
Industrial	162	-	-	65,659,658	2,495,725	1,026,337	1,583,547	365,822	300,707	3.0	4.5%	1.4%
Leisure Centre	4	-	-	17,906,580	811,144	250,692	440,843	139,696	67,734	3.0	7.0%	1.4%
Office / Shops	47	-	-	47,754,942	1,810,127	743,838	1,195,414	477,085	1,399,493	2.8	4.8%	1.0%
Other	30	-	-	515,101	17,785	5,004	18,648	54,688	30,395	2.3	4.2%	1.4%
Public Toilet	78	-	-	8,477,630	332,821	119,720	199,337	226,106	4,121	3.2	3.8%	1.4%
Residential House	34	-	-	8,984,541	345,942	170,192	184,497	84,355	368,275	3.6	2.5%	1.0%
Surf Life Saving Club	17	-	-	46,521,804	1,583,485	725,365	1,258,509	332,790	136,553	2.6	4.6%	1.4%
Tourist Park Cabins	108	-	-	10,306,029	412,241	103,060	535,751	26,772	0	2.1	4.0%	1.0%
Total - Buildings				541,128,639	22,269,412	8,267,383	14,608,687	3,448,324	6,628,354			
Stormwater												
Headwalls etc	2,712	-	-	16,581,494	827,999	82,907	199,305	53,122	-	2.6	5.0%	0.5%
Major Culvert	191	4	-	12,280,841	465,576	122,808	128,095	26,012	-	2.4	4.1%	1.0%
Minor Culvert	815	25	-	47,706,825	1,669,739	238,534	477,068	12,110	-	2.6	3.5%	0.5%
Pipes	22,992	609	-	397,415,437	19,870,772	1,987,077	3,974,154	253,755	-	2.4	5.0%	0.5%
Pits	22,089	-	-	179,850,035	3,597,001	899,250	2,033,198	353,411	84,590	2.5	2.0%	0.5%
Riparian Assets	837	-	-	47,300,028	968,133	473,000	743,625	328,503	100,000	2.1	2.3%	1.0%
Total - Stormwater				701,134,661	27,399,219	3,803,578	7,555,445	1,026,913	184,590	2.4		

	Number of Assets	Length (km)	Area (sq km)	Current Replacement Cost (CRC) (1) \$	Estimate Cost to Bring Asset to Satisfactory Standard (2) \$	Estimate of Annual Maintenance Expense to Keep Asset at Satisfactory Standard (3) \$	Estimate of Annual Renewal to Keep Asset at Satisfactory Standard (4) \$	Actual Maintenance Expenditure 2009-10 (5) \$	Actual Capital Renewal Expenditure 2009-10 (6) \$	Average Asset Condition (7)	% Below Satisfactory Standard	% Annual Maintenance Required
Transport												
Road Seal												
Major Collector	680	124	1,242	27,683,727	4,429,396	692,093	748,342	574,999	1,487,139	3.7	16.0%	2.5%
Major Local	1,156	189	1,594	26,682,949	4,269,272	640,391	501,191	713,913	632,900	3.8	16.0%	2.4%
Minor Collector	1,073	164	1,566	26,202,425	4,192,388	628,858	499,201	426,149	539,439	3.6	16.0%	2.4%
Minor Local	2,088	327	2,466	41,002,405	6,560,385	943,055	822,902	807,282	872,099	3.5	16.0%	2.3%
Spray Seal	48	48	288	3,684,529	589,525	36,845	76,609	121,656	42,942	3.8	16.0%	1.0%
Sub-arterial	251	70	750	20,577,282	3,292,365	514,432	363,056	85,836	752,995	3.8	16.0%	2.5%
<i>Subtotal - Road Seal</i>				145,833,317	23,333,331	3,455,675	3,011,300	2,729,835	4,327,514	3.7		
Road Base												
Major Collector	667	122	1,226	39,790,249	6,366,440	-	584,746	-	1,621,008	3.7	16.0%	2.5%
Major Local	1,153	188	1,590	55,700,803	8,912,128	-	587,330	-	220,000	2.7	16.0%	2.4%
Minor Collector	1,071	164	1,565	55,092,280	8,814,765	-	593,262	-	140,591	2.7	16.0%	2.4%
Minor Local	2,084	327	2,461	85,580,503	13,692,880	-	924,777	-	404,558	2.5	16.0%	2.3%
Spray Seal	48	48	288	14,517,022	2,322,724	-	237,402	-	33,504	3.4	16.0%	1.0%
Sub-arterial	152	48	478	22,874,234	3,659,877	-	309,707	-	-	3.8	16.0%	2.5%
Unsealed Road	24	7	35	1,727,686	276,430	-	14,070	-	-	2.5	16.0%	-
<i>Subtotal - Road Base</i>				275,282,776	44,045,244	-	3,251,295	-	2,419,661	2.8		
Road Sub-Base												
Major Collector	1,341	243	1,229	107,679,406	17,178,939	-	1,341,549	-	-	2.3	9.0%	2.5%
Major Local	2,307	377	1,592	116,411,793	18,562,995	-	1,449,532	-	-	2.1	9.0%	2.4%
Minor Collector	2,132	327	1,550	114,234,931	18,216,286	-	1,422,463	-	-	2.2	9.0%	2.4%
Minor Local	4,176	656	2,460	132,485,689	21,088,514	-	1,646,453	-	62,920	2.0	9.0%	2.3%
Spray Seal	95	93	282	1,507,283	230,404	-	17,880	-	-	1.1	8.9%	1.0%
Sub-arterial	305	97	499	41,844,253	6,676,583	-	521,402	-	40,000	2.4	9.0%	2.5%
Unsealed Road	24	7	-	9,406	188	-	0	-	-	1.0	2.0%	-
<i>Subtotal - Road Sub-Base</i>				514,099,055	81,953,908	-	6,399,279	-	102,920	2.1		

	Number of Assets	Length (km)	Area (sq km)	Current Replacement Cost (CRC) (1) \$	Estimate Cost to Bring Asset to Satisfactory Standard (2) \$	Estimate of Annual Maintenance Expense to Keep Asset at Satisfactory Standard (3) \$	Estimate of Annual Renewal to Keep Asset at Satisfactory Standard (4) \$	Actual Maintenance Expenditure 2009-10 (5) \$	Actual Capital Renewal Expenditure 2009-10 (6) \$	Average Asset Condition (7)	% Below Satisfactory Standard	% Annual Maintenance Required
Car Parks												
Car park Appurtenance	113	20	-	4,815,169	376,604	48,152	61,912	-	7,716	2.2	7.4%	1.0%
Car park Base	270	46	422	43,717,073	6,936,431	-	711,533	-	960,525	2.7	16.0%	0.0%
Car park Seal	219	36	365	5,999,909	958,513	149,768	179,647	200,238	431,068	3.4	16.0%	2.5%
<i>Subtotal – Car Parks</i>				54,532,151	8,271,547	197,919	953,091	200,238	1,391,593	2.8		
Kerb and Gutter	9,797	1,464	-	335,215,740	26,817,259	737,475	4,190,197	105,659	2,120,903	3.2	8.0%	0.2%
<i>Subtotal - Kerb and Gutter</i>				335,215,740	26,817,259	737,475	4,190,197	105,659	2,120,903	3.2	-	-
Footpaths	4,353	870	-	89,737,281	7,178,182	1,794,546	1,494,400	530,247	2,152,268	4.0	8.0%	2.0%
<i>Subtotal - Footpaths</i>				89,737,281	7,178,182	1,794,546	1,494,400	530,247	2,152,268	4.0	8.0%	2.0%
Cycle Ways	189	87	-	33,480,445	2,678,436	334,804	909,613	141,970	1,760,249	2.8	8.0%	1.0%
<i>Subtotal – Cycle Ways</i>				33,480,445	2,678,436	334,804	909,613	141,970	1,760,249	2.8	-	-
Guardrail	144	10	-	1,766,075	158,947	35,321	35,339	70,484	-	3.8	9.0%	2.0%
<i>Subtotal - Guardrail</i>				1,766,075	158,947	35,321	35,339	70,484	-	3.8		
Bridges												
Boardwalks	10	-	-	1,866,651	59,733	46,666	58,629		431,068	2.3	3.2%	2.5%
Pedestrian Bridges	72	1	2	4,261,705	170,120	42,878	81,694	13,994	74,073	2.5	3.9%	2.5%
Road Bridges	45	3	37	65,814,913	2,631,510	658,149	824,043	39,129	461,953	2.8	4.0%	1.0%
<i>Subtotal - Bridges</i>				71,943,269	2,861,363	747,694	964,367	53,123	967,094	2.7		
Jetties and Boatramps												
Boatramp	12	-	-	865,435	86,544	21,636	11,851	9,553	13,063	2.9	10.0%	2.5%
Jetty	10	-	-	629,033	62,903	15,726	20,284	31	-	2.2	10.0%	2.5%
<i>Subtotal – Jetties and Boatramps</i>				1,494,468	149,447	37,362	32,135	9,584	13,063	2.6		
Retaining Walls	9			14,064,246	624,561	70,321	351,769	-	13,223	1.2	2.3%	0.5%
<i>Subtotal – Retaining Walls</i>				14,064,246	624,561	70,321	351,769	-	13,223	1.2		

	Number of Assets	Length (km)	Area (sq km)	Current Replacement Cost (CRC) (1) \$	Estimate Cost to Bring Asset to Satisfactory Standard (2) \$	Estimate of Annual Maintenance Expense to Keep Asset at Satisfactory Standard (3) \$	Estimate of Annual Renewal to Keep Asset at Satisfactory Standard (4) \$	Actual Maintenance Expenditure 2009-10 (5) \$	Actual Capital Renewal Expenditure 2009-10 (6) \$	Average Asset Condition (7)	% Below Satisfactory Standard	% Annual Maintenance Required
Traffic Facilities												
Blister	391	4	-	3,460,407	34,604	17,302	48,331	126	-	2.2	1.0%	0.5%
Bollards	1	-	-	15,420	1,388	77	386	407	-	1.0	9.0%	0.5%
Guidepost	2	-	-	10,254	205	51	256	-	-	1.0	2.0%	0.5%
Median	502	24	-	18,323,304	183,233	91,617	238,869	172	-	2.6	1.0%	0.5%
Pedestrian Island	197	2	-	1,838,168	18,382	36,763	23,755	-	-	2.6	1.0%	2.0%
Raised Crossing	21	-	-	570,223	5,702	2,851	14,256	2,521	30,000	2.3	1.0%	0.5%
Roundabout	108	3	-	3,207,576	32,076	16,038	44,720	110	-	2.2	1.0%	0.5%
Speed Hump	139	1	-	2,163,460	21,635	10,817	54,367	7,720	-	2.3	1.0%	0.5%
Trafficking	2	-	-	176,192	3,524	881	4,405	-	-	1.0	2.0%	0.5%
<i>Subtotal – Traffic Facilities</i>				29,765,005	300,748	176,398	429,345	11,056	30,000	2.4		
Road Furniture												
Bollards	1	-	-	949,461	85,451	9,495	43,157	3,520	-	3.0	9.0%	1.0%
Bus shelters	329	-	-	3,392,284	712,380	101,769	179,805	60,751	27,095	2.8	21.0%	3.0%
Road Fences	5	1	-	3,393,074	305,377	163,654	112,246	2,927	-	1.4	9.0%	4.8%
Signage	1	-	-	3,108,330	373,000	155,416	310,833	6,977	-	3.0	12.0%	5.0%
<i>Subtotal – Road Furniture</i>				10,843,148	1,476,207	430,333	646,041	74,175	27,095	2.8		
Total - Transport				1,578,056,976	199,849,180	8,017,848	22,668,170	3,926,371	22,138,527			
TOTAL				2,820,320,276	249,517,812	20,088,809	44,832,302	8,401,608	\$28,951,41			

CONDITION OF PUBLIC WORKS – NOTES TO TABLE

1. Current replacement cost (CRC) is the total of the cost of replacing each asset within each asset type. The CRC is the cost of replacing each asset at current construction cost/rates using the M.E.E.R.A. (Modern Engineering Equivalent Replacement Asset) principle. As such it does not generally allow for the enhancement of any replacement asset except to apply the MEERA principle which includes upgrading of assets to meet current day statutory requirements, eg. fire safety standards in a building.

2. 'Cost to bring up to satisfactory standard' refers to estimated cost to replace the nominated percentage of each asset type which is deemed to be below satisfactory standard. It is an estimate of the cost of replacing assets which could have been replaced in prior years but were not - sometimes referred to as 'backlog'. Satisfactory standard is generally defined as conditions 1 - 4 (see Asset Condition Definitions below). The nominated percentage of each asset type below satisfactory standard is detailed in the column labelled '% below satisfactory standard'. Cost to bring up to satisfactory standard for buildings excludes some buildings which are constructed on Council land but funded and operated by third parties/groups. In such cases Council makes no allowance for the cost of replacing or maintaining such buildings. Major variations in 'estimated cost to bring up to a satisfactory standard' to previous years (specifically in buildings) is generally due to the availability of more accurate data on asset inventory, condition and replacement cost, collected during 2009-10.

3. 'Estimate of annual maintenance expense to keep assets at satisfactory standard' is what should have been spent during the reporting period to maintain assets in a satisfactory standard and to ensure that the estimated remaining life of the asset is achieved. It is calculated by applying a nominated percentage for each asset type (detailed in the column labelled - % Annual Maintenance Required) to the total CRC of the asset type.

4. 'Estimate of annual renewal to keep assets at satisfactory standard' refers to the estimate of capital required during the reporting period to renew individual assets in each asset type which were due for replacement. This estimate is the annual replacement cost for those individual assets within each asset type which were expected to deteriorate below satisfactory standard during the reporting period and become due for replacement. The condition of such assets is such that it is no longer possible and/or economic to maintain them to a satisfactory standard. It is calculated by dividing the CRC of each asset by the estimated useful life of that asset. This is generally referred to as 'depreciation'.

5. 'Actual Maintenance Expenditure' is what was spent during the reporting period to maintain assets. It does not include operational costs (eg. energy or water supply, cleaning, administration staff) or capital replacement costs. For asset classes where actual maintenance exceeds required annual maintenance, this represents Council's efforts to reduce the number of assets which are below satisfactory standard eg. improvement of an asset's condition from Condition 5 to Condition 3 or 4.

6. 'Actual Capital Renewal Expenditure' is what was spent during the reporting period to renew existing assets. It does not include capital expenditure for constructing new assets, ie. assets which did not previously exist. For asset classes (eg. road seals) where actual capital renewal expenditure exceeded the 'estimate of annual renewal' (see note 4), this represents Council's efforts to reduce the number of assets which fell below satisfactory standard in prior years but were not replaced.

7. 'Average Asset Condition'. In assessing the condition of public assets, Council has considered the existing condition and function of each asset. The results shown for the condition of assets within each category are an average. Therefore, significant numbers of assets in each category are above and below that average result. Council recognises that the ratings scale used (as outlined below) may be different from those used by other councils, but has been based on the rating scale in the International Infrastructure Management Manual.

Rating	Status	Definition
1	Excellent	91 -100% of asset life remaining. Asset is near new and in excellent condition and fit for current usage.
2	Good	61-90% of asset life remaining. Asset is in good condition and fit for current usage.
3	Fair	41-60% of asset life remaining. Asset is in fair condition and fit for current usage.
4	Adequate	11-40% of asset life remaining. Asset is in adequate condition and maintenance requirements are increasing to keep the asset fit for current usage.
5	Poor	0-10% of asset life remaining. Asset is in poor condition and due to be replaced. Significant maintenance required to keep the asset fit for current usage.

CONTRACTS AWARDED (section 428 (2) (h))

In accordance with Section 428(2)(h) of the Local Government Act 1993 the following is a list of contracts greater than \$150,000 awarded during the period 1 July 2009 to 30 June 2010 (whether as a result of tender or otherwise):

Tender No.	Name of Contractor	Contract Description	Contract Amount (Excluding GST) \$
T09-02	Outdoor Impact	Maintenance of Council's bus shelters and the Rights to Advertise.	Schedule of rates. Various
T09-05	SRS Roads, Pioneer, Roadworx, Boral, Fulton Hogan, JE Excavations	Supply and lay AC and profiling.	Schedule of rates. Various
T09-06	RMS	Traffic facilities.	Schedule of rates.
T09-07	Various	Supply and delivery of premixed concrete.	Schedule of rates. Various
T09-08	Roadworx, SRS Roads, Pioneer	Provision of sprayed bituminous surfacing.	Schedule of rates. Various
T09-09	Fulton Hogan, J & E Excavations, SRS, Roadworx, Bitupave, Pioneer, Clearwater Services	AC patching and profiling.	Schedule of rates. Various
T09-10	Workforce Road Services, Wollongong Linemarking, Combined Traffic Management	Provision of pavement marking services.	Schedule of rates. Various
T09-11	Accurate Asphalts, Downer EDI, Stabilised Pavements.	Road stabilisation.	Schedule of rates. Various
T09-13	Downer EDI, SRS Roads, Roadworx, Pioneer.	Provision of bitumen rejuvenation treatment.	Schedule of rates. Various
T09-14	Various	Supply and delivery of road base materials.	Schedule of rates. Various
T09-15	Various	Supply and delivery of sand and aggregate.	Schedule of rates. Various
T09-19	Specialised Geo	Cliff stabilisation works at Harry Graham Drive, Kembla Heights.	347,430
T09-21	Timberline Cabins	Design construction supply delivery and installation of transportable cabins - Corrimal Beach Tourist Park.	768,600
T09-22	Reino International	Inner city parking meter supply and maintenance.	2,668,886
T09-23	Timberline Cabins	New manager's residence at Corrimal Tourist Park.	205,400
T09-25	Davis Earth Moving and Quarrying	Shredding green waste Helensburgh.	Schedule of rates. Various
T09-26	CBC	Town Hall refurbishment.	3,868,174
T09-27	Tomax	Cash in transit.	177,800
T09-28	Westrac	Cab chassis, hook lift loader, water tanker/service body unit.	374,542
T09-29	Westrac	Wheel loader.	335,188
T09-31	GMW Urban	Eastside of Cliff Road Stage 2.	1,886,246
T09-32	Spandex, Ricky Richards, Halifax Vogel, Graphic Art Mart, Starleaton.	Sign shop materials.	Schedule of rates. Various
T09-33	BMT WBM	Preparation of flood study for Duck Creek.	94,110
T09-35	Haden Engineering	Dapto Ribbonwood Centre - new air conditioning.	164,910
Income			
T09-20	Sea Salt on Bulli Beach	Lease of Bulli Beach kiosk/café.	138,476 (pa)

CONTROLLED ENTITIES (section 428 (2) (p))

The accounts of the Council's controlled entities are shown as follows:

	Change in Net Assets Resulting from Operations		Total Equity	
	\$		\$	
Controlled Entities	30-06-2010	30-06-2009	30-06-2010	30-06-2009
Wollongong City Gallery Ltd	5,670,000	10,000	11,889,000	6,219,000
Illawarra Performing Arts Centre Ltd *	36,000	(54,000)	457,000	421,000

* Illawarra Performing Arts Centre reports by calendar year – the change in net assets represents the twelve month period from 30-12-07 to 31-12-08 and total equity is as at 31-12-08.

ENVIRONMENT PLANNING AND ASSESSMENT AGREEMENTS

(section 93G (5))

Nil

EXTERNAL BODIES THAT EXERCISE FUNCTIONS DELEGATED BY COUNCIL (Clause 217 (1) (a6))

During 2009-10 the following external bodies exercised functions delegated by Council under Section 355 of the Local Government Act, 1993.

Body	Function
Planning + Environment	
Allen Park Bushcare	▪ Bushland restoration
Artis Street Bulli Bushcare	▪ Riparian restoration
Bellambi Dune Bushcare	▪ Coastal Dune restoration
Bellambi Street Bushcare	▪ Bushland restoration
Blue Divers Bushcare	▪ Coastal/riparian restoration
Brickyard Point Bushcare	▪ Coastal headland restoration
Byarong Creek (Mt Keira) Bushcare	▪ Riparian restoration
Mid Byarong Creek (Figtree) Bushcare	▪ Riparian restoration
Charcoal Creek (Upper) Bushcare	▪ Riparian restoration
Charcoal Creek (Mid) Bushcare	▪ Riparian restoration
Coalcliff Bushcare	▪ Coastal restoration
Coalcliff/Clifton Bushcare	▪ Coastal restoration
Coniston Heights Bushcare	▪ Bushland restoration
Corrimal Dune Bushcare	▪ Dune restoration
Darkes Road Bushcare	▪ Woodland restoration
Emperor Court Bushcare	▪ Bushland restoration
Ena Avenue Bushcare	▪ Riparian restoration
Farmborough Waterfall Bushcare	▪ Foothills/riparian restoration
Gellatly Avenue Bushcare	▪ Bushland restoration
Gipps Road Bushcare	▪ Revegetation
Greenhouse Park Bushcare	▪ Revegetation
John Parker Reserve	▪ Revegetation
Keira Foothills	▪ Bushland restoration
King George V Oval Bushcare	▪ Coastal zone
Kooloobong Reserve Bushcare	▪ Bushland restoration
Korrimul Creek Bushcare	▪ Riparian restoration
Mangerton Park Bushcare	▪ Bushland restoration
Mangerton Park Project	▪ Bushland restoration
Nyrang Park Bushcare	▪ Bushland restoration
Puckeys Estate Bushcare	▪ Hind-dune/lagoon restoration
Puckeys Estate Project	▪ Coastal zone restoration

Body	Function
Planning + Environment (<i>continued</i>)	
Ranchby Reserve Bushcare	▪ Revegetation/regeneration
Richardson Park Bushcare	▪ Riparian restoration
Sandon Point Bushcare	▪ Sea cliff restoration
Spearing Reserve Bushcare	▪ Riparian restoration
Stanley Avenue Bushcare	▪ Riparian restoration
Stanwell Park Bushcare	▪ Riparian/dune restoration
Surf Life Saving Illawarra	▪ To provide lifesaving and rescue services to Council in accordance with the executed service agreement.
Thomas Dalton Park	▪ Riparian restoration
Towradgi Creek Bushcare	▪ Riparian restoration
Towradgi Dune Bushcare	▪ Dune restoration
Upper Brooks Creek Bushcare	▪ Riparian restoration
Wharton's Creek Bushcare	▪ Riparian restoration
Whipbird Reserve Bushcare	▪ Bushland restoration (fire)
Wilson Street Bushcare	▪ Sea cliff restoration
Wiseman Park Bushcare	▪ Bushland restoration
Wollamai Point Bushcare	▪ Coastal headland restoration
Wollongong Surf Leisure Resort	▪ Coastal restoration
Wombarra (Morrison Road) Bushcare	▪ Bushland restoration
Wombarra (Main Road) Bushcare	▪ Hind-dune restoration
Infrastructure + Works	
Berkeley Pioneer Cemetery Restoration Group	▪ Undertake minor maintenance and works to the grounds and improvements of Berkeley Pioneer Cemetery also utilising private equipment and labour from the Periodical Detention Centre.
Corporate + Community Services	
Bulli Senior Citizens' Centre	<ul style="list-style-type: none"> ▪ To occupy, manage, secure, care take and maintain the premises on behalf of Council. ▪ Make the premises available for use by senior groups, community groups and others compatible with guidelines at mutually agreed times.
Wollongong Senior Citizens' Centre	<ul style="list-style-type: none"> ▪ To occupy, manage, secure, care take and maintain the premises on behalf of Council. ▪ Make the premises available for use by senior groups, community groups and others compatible with guidelines at mutually agreed times.

FINANCIAL ASSISTANCE TO PERSONS FOR COUNCIL FUNCTIONS

(section 428 (2) (I))

Contributions made by Council under section 356 of the Local Government Act, 1993 in 2009-10 include:

	\$
Arts and Cultural Activities	130,872
Community Events and Activities	93,004
Community Safety	24,654
Educational and Environmental Activities	8,799
Heritage Grants	25,158
Sporting Activities	30,642
Total	313,129

Excerpt from Financial Assistance Policy amended 27 May 2008:

For the purpose of clarity, it should be noted the following examples are **not** considered financial assistance and are therefore outside the policy:

- a) Payments given to individuals or organisations in exchange for the provision of a service which Council would otherwise provide itself. This includes but is not limited to:
 - i. Neighbourhood Youth projects,
 - ii. Illawarra Children's Services,
 - iii. Illawarra Performing Arts Centre,
 - iv. Wollongong City Gallery,
 - v. Tourism Wollongong.
- b) Statutory contributions such as SES, Rural Fire and NSW Fire Brigades;
- c) Sponsorship which has a reciprocal benefit by way of the marketing and promotion of Council's brand, such as conferences, open days, trade fairs, etc;
- d) Contributions and subsidies (including rental subsidies) to perform functions which provide a reciprocal benefit to Council, such as Tourism Wollongong, and IRIS.

FREEDOM OF INFORMATION ACT (section 68 clause 10)

The Freedom of Information Act provides for a legally enforceable right for people to obtain access to information that Council holds. Any person who wishes to obtain access to information held by Council is encouraged to contact our public officer for assistance. There are a number of documents available including Strategic Directions 2009-12, management plans, annual reports, annual budgets, meeting agendas and minutes. Most are easily accessed via our website, libraries or administration centre and offices.

The following table specifies all Freedom of Information requests lodged. Statutory processing times were complied with in all cases.

Month	Name of Applicant	Processing Time Statutory Limit 21 Days
July	Law Partners	20 days
	J Walker	21 days
	Leitch Hasson Dent	12 days
	Law Partners	15 days
	W Wiener	21 days
August	Maria Papadimitriou	7 days
	Heggies Pty Ltd	6 days
	Heggies Pty Ltd	9 days
September	McLachlan Chilton Solicitors	7 days
	CMC Lawyers	1 day
	Lough Wells Duncan Lawyers	21 days
	Bussoletti Lawyers	21 days
	Watkins Tapsell Solicitors	6 days

Month	Name of Applicant	Processing Time Statutory Limit 21 Days
September (continued)	Turner Freeman Lawyers	15 days
	Jordan Mealey & Partners	21 days
	Illawarra Mercury	17 days
October	Douglas Partners	13 days
	Lough Wells Duncan Lawyers	18 days
November	Nil	-
December	Slater and Gordon Lawyers	14 days
January	Watkins Tapsell Lawyers	1 day
	N Clark	15 days
	RMB Lawyers	15 days
	J Walker	21 days
	White Barnes Lawyers	17 days
February	Slater and Gordon	13 days
	D Laughton	1 day
	R & M Smith	20 day
	L Zarantonello	1 day
March	White Barnes Solicitors	1 day
	Access Law Group	21 days
	White Barnes Solicitors	19 days
	T Johnson	21 days
April	Carroll & O'Dea Lawyers	21 days
	Slater & Gordon Lawyers	20 days
	Carroll & O'Dea Lawyers	8 days
	D Saravovski	20 days
	RMB Lawyers	21 days
May	White Barnes Solicitors	7 days
	M Barreda	21 days
	White Barnes Solicitors	1 day
	D Melleuish	21 days
	McLachlan Chilton Solicitors	21 days
June	Slater & Gordon Lawyers	21 days
	M Barreda	17 days
	White Barnes Solicitors	12 days
	White Barnes Solicitors	21 days
	Heggies Pty Ltd	19 days
	B Ritson	6 days
	Mason Black Lawyers	10 days

HUMAN RESOURCE ACTIVITIES (section 428 (2) (m - n))

The Human Resources Strategic Plan continues to be implemented with major projects centred around the review of the Skills and Performance Management Appraisal System; educational support programs including cadets, apprentices, trainees, undergraduate program, existing worker trainee program, attainment of qualifications through in-house learning and tertiary assistance program; development of leadership capability and a constructive organisational culture; development through consultation of new organisational values; ongoing review and implementation of OH&S systems and processes; review of payroll process and function; and planning for OH&S Self Insurers audit and workforce planning. The following information outlines Wollongong City Council's Human Resource activities during 2009-10.

Skills and Performance Management Assessment System

- A review of the Skills and Performance Management Assessment System was conducted via a consultative process involving employees, unions and management. A number of changes were accepted and will be implemented in 2010-11.

Training and Development

- We have continued to make improvements to our e-learning capabilities by adding and enhancing our depth of e-learning programs, assessment processes and introducing self registration. We are continuing to review the effectiveness of knowledge and skills transfer through our e-learning method.
- Traineeships for both new and existing employees provide opportunities to further educational studies. Additional programs offered during 2009-10 included the Diploma of Project Management, Graduate Certificate of Management, school based traineeships, internships and programs which supported cadets, apprentices and trainees.
- The facilitation of the learning and development plan for the organisation resulted in 97% of all employees being involved in formal learning and development opportunities.

Leadership and Culture

- The organisation conducted a cultural index survey (OCI) in 2009 and as a result, many areas of the organisation have developed cultural and leadership action plans to continue to move the organisation towards an increasingly constructive organisational environment.
- Under a Human Resources facilitated program there has been an increased focus on mentoring and coaching within the organisation.

Attraction and Retention of Staff

- Career opportunities have been marketed through initiatives involving reviewed advertising strategies; school visits by staff; participation at careers expos; and promotion of employment benefits and career opportunities through the recruitment process and our website.
- Ongoing development opportunities have continued to occur throughout the organisation by introducing workplace traineeships and qualification attainment programs.
- The Tertiary Assistance Scheme has continued to be promoted to encourage employees to improve their skills and qualifications with the program now supporting Masters level qualifications. There are currently 34 employees utilising the Tertiary Assistance Scheme.

Occupational Health and Safety (OHS) Management

The implementation of the OHS system and Get Smart program continued across all divisions. Each division has objectives and targets established in their business plans which are monitored through monthly reporting to Executive Management. The key activities completed include:

- implementation of the risk management procedure;
- implementation of the inspection, testing and monitoring procedure;
- implementation of the systems of work;
- implementation of the OHS Records procedure.

Implementation of the audit program continued. The following internal audits were conducted during 2009-10.

- Risk Management - City Works, South Depot;
- Emergency Procedures - Central Depot and Regulation and Enforcement.

Revision of claims management and injury management systems continued to ensure compliance with WorkCover's self insurer requirements. Improvements were made to the claims investigation processes, education of employees on the claims process and implementation of early intervention strategies for injured employees. This has resulted in Council achieving a 1.5% ratio of workers compensation costs to payroll costs.

Employment, Equity and Diversity (EED) Management Plan

We have continued our aboriginal employment strategy to designate one of our training positions per year to a person of aboriginal descent. We have also undertaken a survey to update the composition of our workforce and will be comparing this to the community profile in 2010-11 to determine areas of focus.

NATIONAL COMPETITION POLICY (section 428 (2) (r) clause 217 (1) (d) (ii - ix))

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the '*Application of National Competition Policy to Local Government*'.

The '*Pricing and Costing for Council Businesses - A Guide to Competitive Neutrality*' issued by the Department of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; Council subsidies; return on investments (rate of return); and dividends paid.

DECLARED BUSINESS ACTIVITIES

In accordance with *Pricing and Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1 (where gross operating turnover is over \$2 million)

- a. **Waste Disposal**
Manages the disposal of solid waste generated within the city.
- b. **Tourist Parks**
Operation, management and development of tourist parks at Bulli, Corrimal and Windang.
- c. **Health and Fitness**
Responsible for the management and upkeep of Council's leisure centres.
- d. **Crematorium and Cemeteries**
Provision of quality crematorium, cemetery and memorial facilities and services.

COMPETITIVE NEUTRALITY COMPLAINTS

Underpinning competitive neutrality is the need to properly recognise the full costs of Council's business activities. This allows comparisons to be made with competitors in the same marketplace and provides information that will allow Council to determine pricing policies for each business.

Wollongong City Council has developed a framework that will allow the full cost of each business activity to be identified. This system is referred to as FACTS (Full Activity Costing To Services). The Special Purpose Financial Reports (Income Statement by Business Activity and Balance Sheet by Business Activity) are prepared using full costs derived from the FACTS system.

Emphasis has been placed on developing an awareness of the Trade Practices Act, in particular Part IV of that Act and a complaints handling system has also been implemented to monitor all complaints relating to competitive neutrality. To date, no such complaints have been received. As yet the complaints handling mechanism has not been promoted to the public.

In summary, Council has embraced the principles of the National Competition Policy and has developed a business reporting facility through its management plan and business planning processes.

OVERSEAS VISITS (section 428 (2) r) clause 217 (1) (a))

Name	Conference/Seminar	Expense
John James - <i>Team Leader Development and Integration Governance and Information</i>	Sharepoint Conference 2009 19-22 October 2009 Las Vegas, NV, America	Registration: \$1,430 Total cost: \$1,430 (Council paid for registration only. All other costs met by employee.)
David Green - <i>Manager Land Use Planning Environmental Strategy and Planning</i>	International Planning Conference, Planning Pathways to the Future 20-23 April 2010 Christchurch, New Zealand	Registration: \$792 Accommodation: \$912 Air fare: \$570 Expenses \$473 Total cost: \$2,747

PARTNERSHIPS, COOPERATIVES OR JOINT VENTURES (section 428 (2) (q))

Nil

PAYMENT OF EXPENSES AND PROVISION OF FACILITIES TO ADMINISTRATORS (Clause 217 (1) (a1) (i – viii))

Administrator Fees and Expenses

The total cost on the payment of salary and expenses, and on the provision of facilities to all three Administrators during 2009-10 was \$276,900 and consists of the following:

Salary	\$254,912 (total for all three Administrators)
Expenses and facilities	\$21,988

Specific costs as required by Clause 217 of the Local Government (General) Regulation 2005 are as follows:

- (i) Provision of facilities - \$3,720
- (ii) Telephone calls - Nil
- (iii) Conferences and seminars - Nil
- (iv) Training and skills development - Nil
- (v) Interstate travel - Nil
- (vi) Overseas travel - Nil
- (vii) Partner, spouse or accompanying person - Nil
- (viii) Care of child or immediate family member – Nil

LORD MAYOR AND COUNCILLOR FACILITIES AND PAYMENT OF EXPENSES POLICY

This policy is currently suspended whilst Council is under Administration.

PRIVACY AND PERSONAL INFORMATION PROTECTION (section 33)

The Act requires Council to comply with Information Protection Principles which relate to the collection, storage, access, use and disposal of personal information that Council holds. Council is also bound by its Privacy Management Plan and the Privacy Code of Practice for Local Government. Copies of both documents are available from our Public Officer at the Council administration building.

Council has not received any requests for review of its conduct in relation to any complaint relating to a breach of the Act.

Council has complied with the Act and has recently made improvements to the security arrangement of all records.

RATES AND CHARGES WRITTEN OFF (clause 132)

2010 Abandonments	\$
Section 600 Allowances	376,957
Journals (inc Objections and Reascertainments to value)	232,970
Postponed Rates	91,930
Postponed Interest	58,066
Council Voluntary Pension Rebate	811,682
Pensioner Interest write-offs	16,508
Journal Interest write-offs	643
Domestic Waste write-offs	168,754
	1,759,520.00

SENIOR MANAGEMENT REMUNERATION (section 428 (2) (g) clause 217 (1) (b))

There are four senior staff positions at Wollongong City Council, the General Manager and three directors – as determined by last resolution of Council.

The total remuneration of each contract manager employed as at 30 June 2010 is listed below. The remuneration packages include the following:

- the total value of the salary component of the package,
- the total amount payable by Council by way of the employer contribution or salary sacrifice to any superannuation scheme to which the manager may be a contributor,
- the total value of any non-cash benefits for which the manager may elect under the package, and
- the total amount payable by Council by way of fringe benefits tax for any such non-cash benefits.

The figures below reflect a restructure of the Executive Management Team.

Position	Period	Total Value \$
General Manager	1/7/09 to 30/6/10	314,168
Director Planning + Environment	1/7/09 to 30/6/10	215,683
Director Corporate + Community Services	1/7/09 to 30/6/10	226,600
Director Infrastructure + Works	1/7/09 to 30/6/10	224,736
TOTAL		981,187

SERVICES AND PROGRAMS FOR CHILDREN (section 428 (2) (r) clause 217 (1) (c))

- As part of National Child Protection Week Council promoted positive parenting through the 'Parenting with the Stars' project. This project included radio segments with local identities on parenting, a parenting with the stars panel which was broadcast live on local radio and a parenting workshop.
- Council held the Annual Grandparents Picnic (funded through Families NSW) with more than 100 grandparents and their grandchildren in attendance. This picnic is an opportunity to recognise and celebrate the important role grandparents play in the community and also share information and resources to support them in their role.
- Council continued to facilitate the local parenting interagency which provides information, resource and networking opportunities to organisation who work with families with children. Training was organised for network members of Father Inclusive Practice, the Australian Early Development Index (AEDI) and International design models and concepts for childcare centres.
- Council supported the Transition to School picnic which is a key component of the local government area's Transition to School project. This picnic provides a civic event which celebrates the importance of this transition in a child and family's life as well as provides families with additional information to support them through this transition.
- Council continued its commitment to creating a Child Friendly Wollongong and engaged with children on a number of built environment projects such as skate parks and the Towradgi Playground design.
- A Play Strategy is currently under development. This document will guide the provision of play spaces across the city to ensure children are provided with interesting, creative and challenging play opportunities within their communities.
- Council continued to provide 18 children's services facilities across the local government area where community child care organisations deliver long day care, preschool and occasional care services.
- Council partnered with the Department of Education and Training to deliver the D'harawal project where an Aboriginal Elder delivered an Aboriginal science and story telling program to two schools in the Wollongong Local Government Area.
- Council was a key partner with Australian Community Children's Services (ACCS) in the design and delivery of a National Children's Services Conference in Wollongong. A total of 235 delegates from across the country and state attended, with 30% of delegates from rural/remote and Indigenous services. The conference focused on the various and many changes to the provision of early childhood service across Australia, ensuring staff and management were equipped with the correct tools and information to ensure the streamlined implementation of these changes into their services.

- Council's Children and Youth Services Library team delivered a wide range of programs throughout the year at Central and branch libraries, including Born to Read (for infants); Toddler Time; Kids Book Club; School Holiday Programs and special Book Week events.
- A bi-lingual story time was held at the Central Library to mark Refugee Week during June 2010.
- Council's Wollongong City Gallery conducted 48 school holiday workshops, 26 in term workshops for school students, 14 guided tours for pre-schools, 48 tours for primary schools and 16 for high school students. Its 'Just Imagine' program sought to engage children and young people with art and, through a writing competition, encouraging them to reflect and build their creative skills.

STATE OF THE WOLLONGONG ENVIRONMENT

(section 428 (2) (c) clause 218 -226))

The information below highlights the main activities undertaken during 2009-10 in relation to land, air, water, biodiversity, waste, noise, and heritage (both Aboriginal and non-Aboriginal). For a comprehensive report on the state of the Wollongong environment, refer to the Wollongong City Council State of Environment Report 2009-10, available on Council's website www.wollongong.nsw.gov.au

LAND

The Wollongong Local Government Area (LGA) covers approximately 76,200ha in a narrow coastal strip stretching 30km from Helensburgh in the north to Windang in the south. The LGA has two major local environmental plans (LEPs) including the Wollongong LEP 2009 and the Wollongong LEP (West Dapto) 2010.

Urban development is concentrated between the Tasman Sea and the Illawarra Escarpment. Urban land increases toward the southern half of the LGA. There is limited development potential in the northern suburbs. Demand for new dwellings in Wollongong has increased over time, due to a declining household occupancy rate and population growth.

Highlights 2009-10

- The draft review of 7(d) lands at Helensburgh, Otford and Stanwell Tops was exhibited for three months from August 2009. Council received 3,447 submissions. Following the review and exhibition period, a preliminary report was compiled and exhibited for seven weeks prior to the preparation of a final report for Council's consideration. Over 9,000 submissions were received. The review of 7(d) lands and preparation of a final report will continue into 2010-11.
- In February 2010, Council prepared a draft Town and Village Plans priority list that set out to review planning controls for towns and precincts. After an exhibition period and review of submissions, Council endorsed the following priority list, : (i) Warrawong Regional Centre Review; (ii) Draft Port Kembla Main Street Study; (iii) Review of Figtree and Unanderra Major Towns; (iv) Wongawilli Centre Masterplan; (v) Gwynneville Precinct Plan; (vi) Woonona and East Woonona Precinct Plan; (vii) Helensburgh Town Plan; (viii) Review of Fairy Meadow Major Study; (ix) Berkeley Town Centre Study; (x) Mount Kembla Site Specific DCP Review; (xi) Bulli Town Centre Plan; and (xii) Windang Town Centre Plan. These studies will be prepared over the coming three years, in consultation with the community.
- The Minister for Planning established the Southern Region Joint Regional Planning Panel (JRPP) to determine regionally significant development applications. Its focus is on developments with values of more than \$10M, and subdivisions containing more than 250 lots. Wollongong City Council is covered by the Southern Region. The JRPP commenced on 1 July 2009 and has determined a total of 12 development applications.
- Council prepared, exhibited and adopted an Encroachments Policy which came into effect from 24 November 2009.
- Council adopted a plan of management for Stanwell Park Reserve and Bald Hill Lookout.
- Council has completed a coastal zone in order to assess current and future possible coastal process hazards that could impact upon Wollongong's coastline. The study examined possible areas for concern and the predicted extent of these geographical hazards. The study will inform the development of a Coastal Zone Management Plan, which identifies risk management options. The plan is due to commence in September 2010.
- Council adopted the Mullet Creek Floodplain Management Plan in February 2010. The Collins Creek Floodplain Management Plan flood study development was continued in 2009-10. Council also commenced preparation of Fairy Creek Floodplain Management Plan.
- Following an increase in demand for commercial outdoor fitness training activities, Council adopted a policy on Commercial Fitness Training Activities on Public Open Space in August 2009. The policy recognises the need to effectively manage these activities to ensure all stakeholders can gain utility from designated community spaces.

AIR

Air quality across Wollongong can be highly variable but rarely extends beyond quality standards. Variations are primarily due to the changing domestic and industrial emissions in conjunction with prevailing weather conditions.

During 2009-10, Council received 128 air pollution complaints related to residential, commercial or industrial premises.

Highlights of 2009-10

- Council has maintained its focus on improving operational energy efficiency. Council has continued to implement actions identified in the recently revised Water and Energy Savings Action Plan. A series of databases (including electricity, gas and fuel) have been developed to monitor consumption patterns and performance.
- In 2008, Council received a \$50,000 grant from the Federal Department of Climate Change Local Adaptation Pathways program. This was used to prepare a Climate Change Adaptation Strategy and Action Plan, which included facilitating climate change risk planning workshops and developing an adaptation plan to address the potential risks that result from by climate change. During 2009-10, the actions in the plan were reviewed and integrated into Council's management plan.
- During 2009-10, Wollongong, Kiama and Shellharbour councils together with the NSW Government's Environmental Trust provided funding for the Sustainable Illawarra project. The joint project assisted residents to reduce their greenhouse gas emissions. Sustainable Illawarra partnered with ten local businesses to offer special discounts on sustainable products. These special offers saw 28 solar power systems and 40 solar hot water systems installed across the region, saving significant amounts of greenhouse gases. A Ride to Work Week was also held during October 2009 with 120 riders from 36 different organisations/businesses participating. Participants rode a total distance of 2,160km, saving 650kg of greenhouse gases. To support residents to use sustainable transport, Sustainable Illawarra also held three popular bike maintenance workshops in May 2010, helping 30 residents learn the basics of bicycle maintenance.

WATER

Water bodies throughout the LGA require improvement in their water quality. Generally, water quality does not meet the guidelines for the protection of aquatic ecosystems and primary and secondary recreation. The main pressures on water quality include sewage overflows, urban runoff, on-site sewage management systems, rural runoff, industrial point source discharges, illegal dumping and litter.

During 2009-10, Council received a total of 122 water pollution complaints from the community. These included complaints related to on-site sewage management systems and runoff from sediment and wastewater from residential premises.

Sydney Water reported 49 dry weather overflows during 2009-10. The majority of these overflows were due to blockages of pipes caused by tree roots.

Highlights of 2009-10

- Council now has estuary management plans to cover all the major estuaries under its responsibility. Strategies from these plans form the basis of water quality and ecological improvement activities, including:
 - Completing a foreshore pollutant audit of Towradgi and Fairy creeks. Poor water quality is a critical issue for these creeks. This project will assess the quality of stormwater flows to Fairy and Towradgi Creeks. Results will be used to formulate potential options to improve water quality.
 - Completing a project to improve water quality and the riparian vegetation along Cabbage Tree Creek adjacent to Wollongong's Innovation Campus. The project involved bank stabilisation, weed control and revegetation of the riparian corridor and improvements of fish passage and tidal exchange at the causeway along Puckey Avenue.
 - Reviewing Council's estuary management plans to identify management actions that need to be revised or new actions that need to be developed. This will ensure that water quality improvement outcomes resulting from the implementation of these plans are sustained with climate change.
 - Identifying options to improve water quality in the Parker Road Arm of Towradgi Creek. This section of the creek is beset by water quality problems and frequent algal blooms.
 - Developing an education resource to be used with school students to raise their awareness of community impact on estuaries and water quality and actions that can be taken at the local level to improve their condition.
 - Undertaking weed control and revegetation works at several creek locations across the LGA. These works will contribute to an improvement in wet weather flows in creeks.
- During 2009-10, Council undertook a review of its three storm water management plans. The review found that Council had addressed 71% of the actions recommended in these plans. The review also included the identification of the key challenges for the region regarding stormwater quality management into the future, along with 21 new actions to address these challenges.

- Horsley Estate currently has four water quality improvement ponds which are designed to reduce pollutant loads in urban stormwater draining from the estate before releasing water into nearby creeks that discharge into Lake Illawarra. During 2008, a performance monitoring project was initiated. So far, results show the ponds are reducing pollutant concentrations and that siltation rates are much slower than predicted.
- During 2009-10, three on-site sewage management systems were inspected and approved to operate. In addition the installation of seven new systems was approved.
- Sydney Water's Every Drop Counts program is designed to help organisations identify and implement water management solutions. During 2009-10, Council continued to improve its program rating with the continued development of a 'Water Consumption Database' to track water use across its facilities. The database has also enabled Council to identify and rectify consumption spikes due to leaks.
- Microbial water quality in the entrance lagoon to Lake Illawarra was monitored as part of the Beachwatch Program. During 2009-10, water quality, on average, met the ANZECC guidelines for primary contact recreation. The guidelines were occasionally exceeded due to rainfall. In these cases, levels were not excessive.
- The Beachwatch program continued to monitor microbial water quality at 11 beaches in the Wollongong LGA. Based on the microbial water quality measurements and a sanitary inspection, the beaches received a Beach Suitability Grade of very good or good, indicating that water is suitable for swimming, with the exception of the 24 hour period after heavy rainfall at ocean beaches and three days at estuarine sites.

BIODIVERSITY

Biodiversity refers to the variety of living things; including plants, animals and micro-organisms, the genetic material contained within these organisms, and the ecosystems in which they live. Biodiversity is adversely affected by the spread of urban development, as it can disturb natural areas and lead to increased air, land and water pollution.

The Wollongong LGA has many rare flora and fauna species. The area contains three threatened plant populations and 17 threatened plant communities that are listed under the Threatened Species Conservation Act and/or Environment Protection and Biodiversity Conservation Act. In addition, 29 threatened plant species and 80 threatened animal species have been recorded in the Wollongong LGA.

Highlights of 2009-10

- The Biodiversity component of the Illawarra Biodiversity and Local Food Strategy for Climate Change commenced in January 2009. During 2009-10, the draft Illawarra Biodiversity Strategy was prepared ready for exhibition during the second half of 2010. Highlights of the strategy include outlining the biodiversity values and threats to the Illawarra, identifying priority vegetation types and threatened species, prioritising bush restoration works for community and crown land and mapping regional biodiversity corridors.
- A Mangerton Biodiversity Bash was held to showcase biodiversity values and bush regeneration work. Bush regeneration also commenced at Mount Brown-Dapto to restore a remnant of Illawarra Subtropical Rainforest (endangered ecological community). Council received \$34,800 from Southern Rivers Catchment Management Authority to restore the Bangalay Sand Forest at Puckeys Estate, Fairy Meadow.
- Wollongong Botanic Garden Nursery distributed 85,360 plants which contributed to the greening of the city through the Greenplan, Bushcare, FIREADY and city landscape programs.
- During the year, 60 contract and 50 Bushcare sites underwent riparian or bushland regeneration, dune restoration and revegetation work. Bush regeneration contractors undertook restoration activities over approximately 521,630 square metres and planted 13,071 native trees, shrubs or grasses. Bushcare volunteers contributed 20,159 hours and installed 23,066 native plants.
- A total of \$110,000 was received in grants from the NSW Environmental Trust to allow restoration and protection of native habitat including endangered ecological communities, riparian and headland sites and to support some of the Bushcare groups.
- Aerial spraying of Bitou Bush was undertaken at Perkins Beach, Windang, Fishermans Beach, Port Kembla and Puckey's Estate, Fairy Meadow.
- Council's Tree Management Control Plan allows Council to make proper assessment of the environmental importance and viability of trees before they are pruned, removed or damaged in any way. During 2009-10, Council received 1,827 applications for either pruning or removing vegetation. Clearing of vegetation without consent is an illegal activity and during 2009-10, 97 breaches of the Tree Management Control Plan were investigated and 15 penalty infringement notices issued.
- As part of celebration for the 2009 National Tree Day, 141 participants took part in Council's event at Greenhouse Park, Wollongong planting 1,000 new trees.

- In April 2010, Council endorsed a Vertebrate Pest Animal Management Policy. The policy outlines the role and approach of Council to pest management. Council has currently identified three priority pests for Wollongong LGA; deer, rabbits and Indian Myna birds. Council receives advice on pest matters and communicates information such as complaints from residents through the Pest Animal Advisory Group that has representatives from Council, Cumberland Livestock Health and Pest Authority, Department of Environment, Climate Change and Water, Sydney Catchment Authority, NSW Police, Game Council NSW, RSPCA and the Animal Welfare League.
- The Illawarra District Noxious Weeds Authority continued to develop and implement an active noxious weed control program throughout Wollongong, consolidating the work of previous years. Activities undertaken included treatment of noxious weeds on Council land, including Bitou Bush, Mysore Thorn, African Lovegrass, Gorse, Serrated Tussock, Groundsel Bush and Giant Parramatta Grass; treatment of St Johns Wort on private and public lands; 151 property inspections; inspections of 25 nurseries and aquaria outlets; inspections of Macquarie Rivulet and Mullet Creek to ensure no new aquatic weed incursions had occurred; aerial spraying of Bitou Bush; and work with Probation and Parole community service workers two days a week to control Bitou Bush at Hill 60 and Cringila Park.

WASTE

Council is firmly committed to the reduction of waste going to landfill. The domestic waste collection services consist of weekly garbage services, fortnightly recycling and green waste services and an annual clean up. Residents have a price incentive to use small capacity garbage bins, with approximately 95% of households using the 80 litre or 120 litre garbage bins instead of the 240 litre bin.

During 2009-10, 38,639 tonnes of domestic waste went into landfill, which was a slight increase from 2008-09. Approximately 2,130 tonnes of material were collected from the annual household clean up.

Highlights of 2009-10

- Through environmental education programs and recycling initiatives, Council is encouraging residents to adopt better waste management practices with a view to capture more recyclables and to decrease the amount of organic waste being placed in residential bins. During 2009-10, 17,672 tonnes of waste were recycled, an increase of 16.9% compared to 2008-09.
- Council held its second free E-waste collection in May 2010, which resulted in nearly 120 tonnes of E-waste being collected, with at least 116 tonnes being recycled and diverted from landfill.
- Over 1,000 residents participated in the Fridge Buyback Program since its commencement in April 2009. This outcome resulted in 94 tonnes of metal being recycled and an estimated 84.8kg of chlorofluorocarbons (CFCs) recovered.
- A Chemical Cleanout was held in May 2010. It was the biggest collection held to date. A total of 676 residents attended and 22,115kg of chemicals were collected. This was over double the amount of people participating and material collected when compared to the 2008 Cleanout. The majority of material collected was either water based paint (32%), oil based paint (25%) or oils (12%).
- Half of the educational workshops and programs delivered at the Botanic Garden Discovery Centre are on waste wise topics, with 10,767 participants during 2009-10. There were an additional 34 workshops delivered to 696 residents at other locations in the LGA.
- A permaculture garden has been created at the Botanic Garden Discovery Centre to engage children and adults in sustainability and waste minimisation education initiatives.
- As part of National Recycling Week activities a SWAP party was held in the Civic Plaza, Wollongong to encourage residents to bring along clothes items to swap for someone else's preloved items. An Avoid, Reuse, Recycle fashion parade was also held in the Wollongong Mall to raise awareness of opportunity shops, vintage clothing and consignment stores as an alternative to mainstream fashion boutiques. Op shop tours were also offered to residents which included a tour of the Whytes Gully landfill site and Revolve Centre.
- Council investigated 545 abandoned vehicles over the year.
- The Rise and Shine program continues to inspire the local community to undertake environmental projects within the local government area. During 2009-10, 111 community groups including schools and Bushcare groups removed 14 tonnes of rubbish and seven cars during the 12 week Spring Clean Up.
- Mass clean up efforts in Wollongong were focussed around Clean Up Australia Day where 1,200 people collected over 11.56 tonnes of rubbish.
- The Corrective Services Community Partnership Program collected approximately 750 cubic metres of wind blown litter from Whytes Gully Tip.
- The collection of rubbish from 'black spots' was targeted throughout 2009-10 through the efforts of people associated with the NSW Department of Probation and Parole Services. Participants collected approximately 62.56 tonnes of litter over the year.

NOISE

The majority of noise affecting the community comes from individual incidents, such as barking dogs, machinery and audio equipment. These tend to affect individuals rather than the broader community. A number of pressures exist that may impact on the broader noise environment like increases in housing density because the smaller the allotments the higher the noise level experienced at adjoining premises.

During 2009-10, Council received a total of 879 complaints regarding noise. Two-thirds of these complaints concerned barking dogs. Although Council has ongoing education and management programs to address this issue, management of barking dogs is ultimately the responsibility of their owners. Other noise complaints related to the operation of tools, swimming pool pumps, air conditioner units and amplified sound equipment.

Highlights of 2009-10

- As part of the assessment of development applications, Council considers the environmental noise implications of the development.
- The Department of Environment, Climate Change and Water (DECCW) has an ongoing program to reduce noise from scheduled industrial premises. The main method that DECCW uses to ensure reductions in noise are pollution reduction programs (PRPs). In 2009-10, two noise-related PRPs were negotiated with scheduled industries.

HERITAGE

The cultural heritage of Wollongong is rich and diverse and Wollongong City Council recognises this through its heritage management program. The program is aimed at ensuring the ongoing conservation, promotion and interpretation of Wollongong's heritage.

Highlights of 2009-10

- During 2009-10, Council re-established the Wollongong Heritage Advisory Committee, with the goal of providing advice to Council on Heritage matters. The committee is made up of eight members of the local community and the first meeting was held on 29 April 2010. The committee is currently focused on the two key priorities: undertaking a major review of Council's heritage schedules, commencing with the preparation of a Thematic History for the City of Wollongong; and the preparation of a Heritage Strategy to guide the priorities of Council and the committee for the next three years.
- The draft Thematic History, prepared by historian Dr Terry Kass, was exhibited in May 2010. The committee is now working towards finalising the study and commencing the review of heritage items. An initial draft of the Wollongong Heritage Strategy was also developed and is currently under review.
- During 2009-10, Council adopted an Aboriginal Heritage Chapter and a Heritage Conservation Chapter within the Wollongong Development Control Plan 2009. Council now has up to date development policies aimed at the conservation of our city's indigenous and non-indigenous heritage.
- The Wollongong Local Heritage Grant Fund was established to provide a financial incentive to the owners of heritage properties to complete ongoing maintenance and conservation works to their properties. During 2009-10, Council distributed \$28,500 in grant funding, with seven projects supported. The grants are provided to the owners of heritage items to encourage their ongoing maintenance and conservation.
- During 2009-10, two local heritage sites were added to the State Heritage Register. The Wollongong Harbour Precinct covers the precinct between Flagstaff Hill and the North Beach Precinct. This provides further recognition of this area as a state significant site with a wide range of heritage layers and features of significance. The Balgownie Migrant Hostel was also added to the NSW Heritage Register, in recognition of the significance of migrants to the development of Wollongong and the State, following World War II.
- During 2009-10 Council's Heritage Officer reviewed 207 development application referrals in relation to heritage impacts. Council successfully defended the refusal of a development application in the Land and Environment Court, for which Aboriginal Heritage was a key consideration. Council also made one successful prosecution for illegal works to a heritage building.
- Council finalised plans and gained approval for a sympathetic adaptive reuse of the North Beach Bathers Pavilion. In addition, works on the sympathetic adaptation of the Wollongong Town Hall commenced.
- Council's Aboriginal Community Development Officer organised cultural awareness training for Council employees, provided advice relating to Aboriginal issues for Council projects and facilitated and supported Council's input into Reconciliation Week, Sorry Day and National Aboriginal and Islander Day of Observance Committee (NAIDOC) Week. A total of \$5,000 was funded to seven Aboriginal and non Aboriginal community groups through Council's NAIDOC week grants program. Seven individual NAIDOC week events were held with over 400 people in attendance.
- Council's Aboriginal Reference Group has met on three occasions as per its charter and is working with Council to implement its Aboriginal Employment Strategy.

- The proposed Keeping Place at Sandon Point is still being negotiated between the various parties. The Keeping Place is required under the Section 90 consent order and Wollongong City Council maintains its commitment to support the listed Aboriginal stakeholder groups, Stockland and the Department of Environment, Climate Change and Water in achieving a positive outcome. A 'package' for the Keeping Place is currently being considered by the key stakeholder groups. The proposal incorporates local Aboriginal stories, meets the various outcomes requested by stakeholders and builds on a project of the Illawarra Aboriginal Land Council to create a walkway over the dunes.
- The Illawarra Aboriginal Community Based Working group (which Council is an active member of) continued with a number of programs relating to the environment, community, employment, justice and education.

STORMWATER MANAGEMENT SERVICES (clause 217 (1) (e))

STORMWATER MANAGEMENT CHARGE

Wollongong is unique in its proliferation of creeks and estuaries and the close proximity of the escarpment to the coast, causing rapid transport of stormwater surface flow during rainfall events. This presents particular challenges for council to manage the planning and development of the City's stormwater drainage network in such a way to balance the sometimes competing demands for new land for development, increased stormwater run-off that accompanies new development, protection of private and public assets from floods and protection of the natural environment. The cost of constructing and maintaining the stormwater drainage network is usually paid for firstly by those people purchasing newly developed land then ultimately borne by the rate and tax payers of the city. These costs need to be managed in line with the willingness and capacity for these same people to pay for this service.

Council prepared three Stormwater Management Plans over ten years ago to provide a strategic approach to our stormwater management. These plans were based on three major catchment areas which covered all of the Wollongong LGA plus some overlap with Shellharbour City Council. During 2009-10 Council staff carried out a comprehensive review of these stormwater management plans to update the list of recommendations and check priorities for the outstanding actions.

A new stormwater charge was introduced in 2006-07 following introduction of legislation by the state government to address the stormwater infrastructure costs borne by all councils. The legislation allowed a flat fee of \$12.50/\$25 to be applied to each unit and townhouse/individual household and a pro rata fee for each business premises. The charge enables a significant increase in the works program for renewal of our ageing stormwater infrastructure, along with construction of new stormwater infrastructure with a focus on urban flooding and stormwater quality improvement works.

The income obtained was allocated to five categories and is summarised in the table below which outlines the actual expenditure for each category.

Projected Versus Actual Expenditure on Stormwater Infrastructure

Category	Management Plan Budget 2009-10 \$	Actual Expenditure 2009-10 \$
Stormwater Quantity Management	891,000	456,523
Stormwater Quality Management	300,000	557,169
Stormwater Infrastructure Restore and Replace	313,000	267,203
Stormwater Network Operational	201,000	200,775
Stormwater Asset Management System	261,000	124,417
	1,966,000	1,606,087

The major difference between the management plan budget and the actual expenditure were for the categories of Stormwater Quantity Management and Stormwater Infrastructure Restore and Replace. The expenditure for these categories was less than budget due to delays in the completion of investigations and detailed designs and plans for the construction work. As a result of these delays, the additional money was spent on continuation of the creeks maintenance program and construction of stormwater quality improvement infrastructure under the Stormwater Quality Management program. Under expenditure in the Stormwater Asset Management System was due to delays in implementing a program to collect condition assessment information of the city's ageing network of stormwater pipes.

Stormwater Quantity Management

Work conducted under this category involved provision of new or enhanced stormwater drainage services to areas where inadequate stormwater service had previously being supplied.

Project Location	Work Description	Value \$	Stormwater Levy \$
Meads Avenue, Tarrawanna	Design of additional drainage infrastructure to mitigate localised flooding in Baden Powell Park.	10,568	10,568
Austinmer Road, Austinmer	Design of additional drainage infrastructure to mitigate localised flooding in Wigram Road.	16,513	16,513
Lismore Street/Hollebon Road, Bellambi	Design of additional drainage infrastructure to mitigate localised flooding in Lismore Street.	2,560	2,560
Edyth Street, Bellambi	Design of additional capacity drainage infrastructure to mitigate localised flooding in Edyth Street.	9,684	9,684
Birch Crescent, East Corrimal	Construct additional pipe and pit.	16,860	10,000
Gorrell Cres/Woodlawn Avenue, Mangerton	Construct additional pipe and pit.	116,223	116,223
Pioneer and Murrarar roads, Towradgi	Design of additional drainage capacity to mitigate localised flooding.	34,722	34,722
Gipps Street, Wollongong	Design of new drainage infrastructure between Church and Kembla streets.	14,453	14,453
Blackman Parade, Unanderra	Design of additional creek bank protection adjacent to 99 Blackman Parade.	1,800	1,800
Hume Drive, Helensburgh	Design of additional drainage capacity to mitigate localised flooding.	2,106	2,106
The Drive, Stanwell Park	Design of additional drainage infrastructure upstream of culvert.	3,940	3,940
Underwood Street/Princes Highway Corrimal	Flood study and concept design for upgrade of existing culvert under the highway and flood mitigation works downstream in Memorial Park.	56,087	56,087
Foothill Road, Corrimal (James Park)	Construct creek bank protection downstream of the culvert under Foothills Road.	174,205	174,205
Cabbage Tree Lane/Dawson Street, Fairy Meadow	Design of creek bank protection works.	1,609	1,609
Various	Preliminary investigations.	2,054	2,054
TOTAL		463,384	456,523

Stormwater Quality Management

Work detailed below involved creek maintenance to remove weeds and weed trees such as willow and coral trees from creeks to improve stormwater flow and reduce flood risks.

Project Location	Work Description	Value \$	Stormwater Levy \$
Various	Stormwater Officer to manage stormwater quality improvement projects and review stormwater management plans.	100,504	96,306
Weed Tree Removal - Various Creeks	Creek maintenance.	10,260	10,260
Bellambi Creek - Williams Crescent John Parker Reserve	Creek maintenance.	5,000	5,000
Bellambi Creek - Albert Street	Creek maintenance.	9,940	9,940
Bellambi Creek - Gladstone Street	Creek maintenance.	3,000	3,000
Bellambi Creek - Mountbatten Park	Creek maintenance.	5,000	5,000
Branch Creek - Murray Park Road	Creek maintenance.	4,000	4,000
Branch Creek - O'Briens Road	Creek maintenance.	4,000	4,000
Budjong Creek - Imperial Drive	Creek maintenance.	2,500	2,500
Byarong Creek - Figtree	Creek maintenance.	36,699	14,635
Cabbage Tree Creek - Chalmers Road	Creek maintenance.	7,500	7,500
Cabbage Tree Creek - Innovation Campus	Creek maintenance.	10,000	10,000
Cabbage Tree Creek - Guest Park	Creek maintenance.	12,000	12,000
Cabbage Tree Creek - Weekes Street	Creek maintenance.	5,000	5,000
Cabbage Tree Creek -Cabbage Tree Lane	Creek maintenance.	4,000	4,000
Cabbage Tree Creek - Foothills Road	Creek maintenance.	7,500	7,500
Cabbage Tree Creek - J K Bates Park	Creek maintenance.	2,000	2,000
Charcoal Ck - Cummins Street, Unanderra	Creek maintenance.	5,000	5,000
Charcoal Creek - Tallegalla Street, Unanderra	Creek maintenance.	10,000	10,000
Charcoal Creek - Tannery Street, Unanderra	Creek maintenance.	2,000	2,000
Collins Creek - Robert Street, Woonona	Creek maintenance.	2,000	2,000
Fairy Creek - Carters Lane	Creek maintenance.	5,000	5,000
Fairy Creek - Chapman Street	Creek maintenance.	3,000	3,000
Fairy Creek - Frat Club	Creek maintenance.	5,000	5,000
Fairy Creek - Mercury Street	Creek maintenance.	5,426	5,426
Fairy Creek - North Wollongong	Creek maintenance.	3,000	3,000
Fairy Creek - Thomas Dalton Park	Creek maintenance.	12,000	10,000
Fairy Creek - Wisemans Park Basin	Creek maintenance.	9,000	9,000
Hospital Creek - Warrawong	Creek maintenance.	7,500	7,500
Stanwell Creek - Stanwell Park	Creek maintenance.	4,000	4,000
Towradgi Creek - Lemrac Avenue	Creek maintenance.	2,000	2,000
Towradgi Creek - Meadow Street and Karen Place	Creek maintenance.	2,000	2,000
Towradgi Creek - Ziems Avenue	Creek maintenance.	11,320	9,433
Nicolle and Windang Road, Primbee	Creek maintenance.	3,000	3,000
Northcliffe Drive Stormwater Drain	Creek maintenance.	5,000	5,000
American Creek - Cordeaux Road, Mt Kembla	Creek maintenance.	3,000	3,000
Farahars Creek - Halley Crescent Wonona	Creek maintenance.	2,000	2,000
SUB TOTAL		330,149	300,000

Projects detailed below involve design and construction of Stormwater Quality Improvement Device (SQIDs) pollution control infrastructure.

Project Location	Work Description	Value \$	Stormwater Levy \$
Stormwater Quality Management (continued)			
Cawley Street East Corrimal	Finish project to construct SQID at pipe discharge to Bellambi Ck	16,336	16,336
Stuart Park, Nth Wollongong	Finish project to construct in line SQID in existing pipe prior to it discharging into Fairy Ck Lagoon.	139,554	133,664
Osborne Park, Wollongong	Design of SQID in existing open channels prior to discharge into Belmore Basin	24,610	-
Webb Park, Kanahooka	Finish project to construct SQID at pipe discharge to Brooks Creek.	19,155	19,155
Carters Lane, Fairy Meadow	Design of Gross Pollutant Trap at pipe discharge to Fairy Ck tributary	22,894	22,894
Fred Finch Park, Berkeley	Design of Stormwater Quality Management Pond	17,112	7,845
Glenwood Grove, Horsley	Complete installation of equipment to monitor quantity and quality of stormwater flows into and out of the stormwater detention pond.	57,275	57,275
SUB TOTAL		296,936	257,169
TOTAL		627,085	557,169

Stormwater Infrastructure Restore and Replace

Work conducted involved repair and replacement of existing stormwater drainage assets.

Project Location	Work Description	Value \$	Stormwater Levy \$
Various	Preliminary investigations.	2,606	2,606
William Street, Bulli	Construct new pit, pipe and lined channel to creek.	110,140	75,000
National Avenue, Bulli	Reline existing pipe.	13,101	13,101
Robsons Road, West Wollongong	Design for replacement of failed headwall on culvert under the road.	26,015	26,015
Bellevue Road, Figtree	Design for replacement of existing pit.	3,371	1,200
Northcote Street, West Wollongong	Design for channel lining of open drain.	500	500
Carlton Crescent, Farmborough Heights	Reconstruct failed PVC pipes with reinforced concrete pipes.	32,970	32,970
Stuart Park Car park, North Wollongong	Remove kerb and redirect stormwater flows onto adjacent parkland.	1,721	1,721
Kanahooka Road, Kanahooka	Replace existing pit and construct additional capacity drainage infrastructure.	55,542	52,989
Albert Street, Woonona	Reline existing pipe.	28,853	28,000
Carters Lane, Fairy Meadow	Reshape open drainage swale.	30,898	30,898
Church Street, Balgownie	Finish project from 2008-09 to replace failed headwall and creek bank protection.	2,203	2,203
TOTAL		307,920	267,203

Stormwater Network Operational

Work conducted involved planning and undertaking maintenance in stormwater control assets.

Project Location	Work Description	Value \$	Stormwater Levy \$
Stormwater Operational Management	Cleaning of various stormwater pits, dams/ponds and stormwater pollution control infrastructure.	221,122	200,775
TOTAL		221,122	200,775

Stormwater Asset Management System

Work conducted involved a major project to collect asset management data on Council's stormwater drainage network, both the urban drainage (pits and pipes) and the creeks network. This information is considered vital to developing a long term asset management plan for Council's stormwater drainage service.

Project Location	Work Description	Value \$	Stormwater Levy \$
Stormwater Asset Management System	Completed major project to compile asset inventory and condition assessment. Commence development of asset renewal programs.	200,775	124,417
TOTAL		200,775	124,417

SUMMARY OF LEGAL PROCEEDINGS (section 428 (2) (e))

Particulars	Finalised	Expenses Including GST \$	Receipts Excluding GST \$
PL and PI claims and potential claims against Council			
Falamaki - Damage to reputation and loss of profits	No	195,939	Nil
Allison - Personal injury	No	24,536	Nil
LBC Lawyers - Loss of development potential	No	36,570	Nil
Vic Vellar Nominees - Loss of land value	No	Nil	Nil
Ainsworth - Personal Injury	Yes	1,700	Nil
Potter - Personal Injury	No	7,295	Nil
Weiner - Defamation	Yes	26,371	Nil
Orlovic - Economic loss	Yes	3,802	508
Council Initiated Litigation			
Falamaki - Bankruptcy	No	121,375	Nil
Peedom's Lawyers (LawCover) - Recovery of legal costs and damages arising from error in lease of Lagoon Restaurant	No	480,742	Nil
Sebvell - Set aside of development consent at Flinders Street, Wollongong (Quattro)	Yes	334,141	Nil
Sebvell - Winding up of company to recover costs	No	20,165	Nil
Vic Vellar Nominees - Set aside of development consent at Corrimal	No	66,979	Nil
Redford - Unapproved use at Kemblawarra Road, Kemblawarra	No	10,715	Nil
Presrod - Re-opening of development consent at Smith Street, Wollongong	Yes	22,521	Nil

Particulars	Finalised	Expenses Including GST \$	Receipts Excluding GST \$
Council Initiated Litigation (<i>continued</i>)			
Pure Nightclubs - Non-compliance with development consent at Crown Street, Wollongong	No	9,978	Nil
Manbead - Failure to obtain development consent at Industrial Road, Unanderra	No	4,030	Nil
Vero Insurance - Failure to respond to insurance policy NES Hall, Port Kembla	Yes	118,482	Nil
Legge - Unauthorised structures at Paterson Road, Coalcliff	No	9,556	Nil
Shelljames - Unauthorised works at Crown Street, Wollongong	Yes	3,068	2,572
Appeals against Council			
Falamaki - Arter Avenue, Figtree	No	42,426	Nil
Meta - Robertson Street, Port Kembla	Yes	2,699	Nil
Austi Developments - Spinners Way, Bulli	Yes	3,633	Nil
Weriton Finance - Yuruga Parade, Austinmer	No	15,750	Nil
McClelland - Bank Street, Wollongong	No	1,752	Nil
Groeneveld - Mt Pleasant Road, Mt Pleasant	Yes	20,086	20,086
Nicholson - Dangerous dog declaration	Yes	1,066	Nil
Hamod - Lower Coast Road, Stanwell Park	Yes	18,365	Nil
PGH Environmental - Princes Highway Maddens Plains	Yes	125,482	Nil
Moller - Dangerous dog declaration	Yes	2,288	Nil
Duran - Dangerous dog declaration	Yes	3,042	1,656
Edenvell - Redgum Ridge Figtree	Yes	24,780	Nil

WORK CARRIED OUT ON PRIVATE LAND (section 428 (2) (k))

Foothills Road, Corrimal - Creek stabilisation works adjacent to and within private lands. \$174,205 was funded from Stormwater Levy surcharge.

Birch Crescent, East Corrimal - Stormwater protection works adjacent to Bellambi Lagoon. \$16,860 was funded from Stormwater Levy.

William Street, Bulli - Stormwater renewal works \$110,140 with \$75,000 funded from Stormwater Levy.



WOLLONGONG CITY COUNCIL

WORKING WITH YOU

ANNUAL REPORT 2009-10

ATTACHMENT A
FINANCIAL COMMENTARY



EXECUTIVE SUMMARY

As General Manager of Wollongong City Council, I present the Annual Financial Statements for 2009/10. The Income Statement shows an operating surplus from continuing operations of \$6.3M compared to a surplus of \$2.2M in 2008/09, an improvement of \$4.1M. The net operating result before capital grants and contributions was a deficit of \$6.2M which is a \$4.2M improvement on the 2009 deficit of \$10.4M. The improvement was largely due to the recognition of the discount (\$8.7M) on the interest free loan from the State Government. Offsetting this to a large extent was an increase in depreciation expenses of \$11.7M, largely due to the introduction of fair valuation of Council's transport assets in 2009/10 in accordance with Division of Local Government Requirements.

Council's Balance Sheet shows the vast extent of Assets managed by Council for the Community. The total value of Council's assets at 30 June 2010 was \$2.15B. During 2009-10 Council completed a capital works program of \$54.2M including the construction and purchase of \$25.8M of new assets and renewal of existing assets of \$28.4M. \$52.5M has been expended on programmed works compared to a revised capital budget of \$53M. The program has included projects such as Cliff Road East Promenade Stages 1 and 2, Harry Graham Drive, Wollongong Town Hall, tourist park cabins, floodplain management, roads and bridges, car parks, city parking strategy works, building renewals and library books.

In 2010 Council maintained a strong position in cash and investments, with holdings of \$76.2M at 30 June 2010 (\$48.6M in 2008/09). \$57.9M of Council's cash (\$33.3M in 2008/09) is restricted in its use to specific purposes by external bodies, legislation and Council resolution. The level of unrestricted cash and investments, or available cash, increased from \$15.2M to \$18.2M. Available cash was higher than anticipated at 30 June 2010 primarily due to the realisation of cash-flows from the fourth rate instalment and the early receipt of the 2010/11 Financial Assistance Grant.

Council's level of borrowings increased in 2009/10 due to the receipt of a \$26M Infrastructure loan from the State Government. This will be spent over the next two years on Roads, Bridges and Traffic Facilities in the West Dapto area. Council's Debt Service Ratio (Note 13 of the Financial Statements) of 0.77% is exceptionally low by industry standards. During 2010/11 Council will begin to repay the \$26M interest free loan but it is expected that the indicator will remain well within targets set in our Financial Strategy. Relatively low levels of borrowing are a financial strength of Council and add flexibility in making financial decisions for the future.

While Council is well positioned financially in the short to medium term, in the longer term a challenge remains to ensure that there is sufficient funding to provide for the renewal and maintenance of long lived assets such as roads, bridges, buildings and recreation facilities that are an integral part of services provided by Council. To meet this challenge Council is committed to gradually reducing operating costs and investing the savings into asset renewal and refurbishment. In conjunction with this is the need to increase overall funding to help close the gap.

My thanks to all staff and external auditors who worked on the preparation of these statements.

A handwritten signature in black ink, appearing to read "David Farmer", is written over a horizontal line.

David Farmer
General Manager, Wollongong City Council

Financial Commentary 2010

2010 Financial Statements

This report provides an overview of Council's 2010 Financial Statements. The Financial Statements are prepared by Council to provide information in relation to Council's financial performance and position. The statements are prepared in accordance with Australian Accounting Standards, the NSW Local Government Act 1993 and the NSW Local Government Code of Accounting Practice and Financial Reporting (Update No. 18). The Statements are independently audited, by Hills Rogers Spencer Steer Pty Ltd, reported to Council, placed on public exhibition and lodged with the Department of Local Government.

The Financial Statements are made up of five key financial reports (Primary Financial Statements) and explanatory notes. The Primary Financial Statements are:

- Income Statement
- Statement of Comprehensive Income
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement

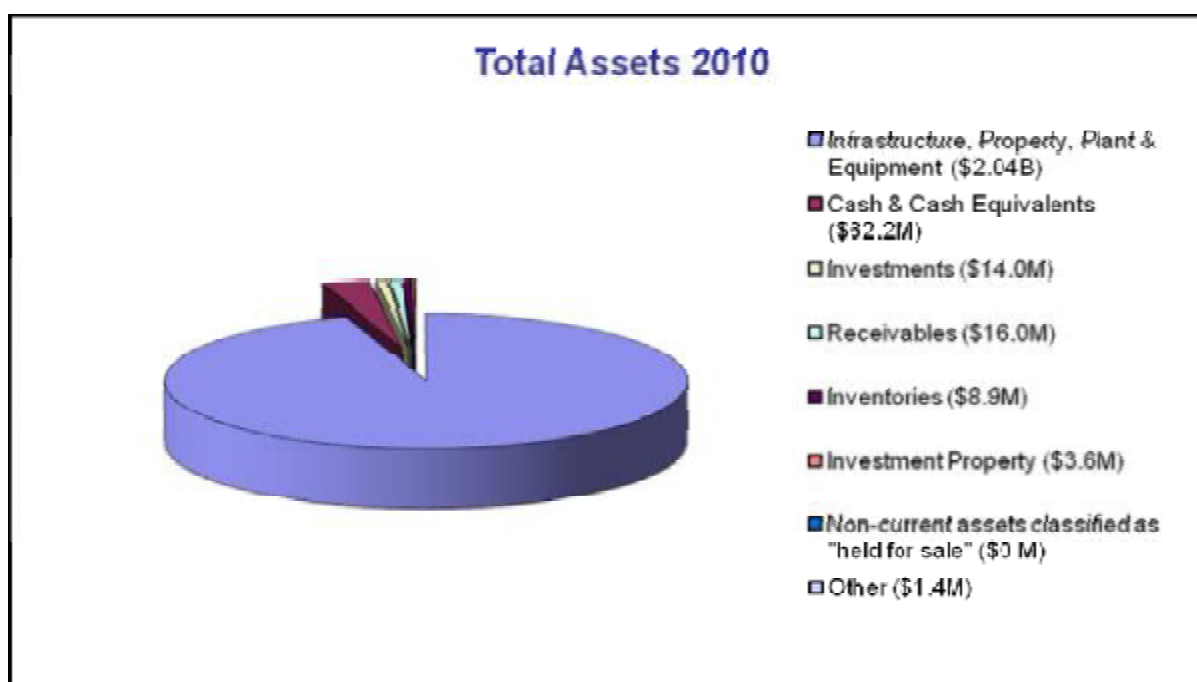
2010 Highlights

- | | |
|---|--|
| • Total Assets \$2.15B from \$1.65B (2009) due to the introduction of fair valuation of Transport and Stormwater assets | • Net Operating Result \$6.3M Surplus (2009: Surplus \$2.2M, improvement of \$4.1M) |
| • Expenditure on Infrastructure, Property, Plant & Equipment Constructed / Purchased \$54.2M (2009: \$73.6M) | • Net Operating Result before Capital Grants and Contributions \$6.2M Deficit (2009: Deficit \$10.4M, improvement of \$4.2M) |
| • Transport and Stormwater assets revalued to fair value | • \$26M Interest free Infrastructure Loan secured from the State Government |
| • Debt Service Ratio 0.77% (2009: 1.00%) | • Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage 5.91% (2009: 6.75%) |
| • Increase in Depreciation from \$45.3M (2009) to \$57M (2010) due to the introduction of fair valuation of Transport and Stormwater assets | |

2010 Financial Overview

Assets

Council's Balance Sheet shows the vast extent of Assets managed by Council for the Community. The total value of Council's assets at 30 June 2010 was \$2.15B. The composition of assets is shown below.



Infrastructure, Property, Plant & Equipment (IPPE)

With a carrying value of \$2.04B Infrastructure Property Plant and Equipment (IPPE) is Council's most significant asset, and represents 95% of the value of assets.

It is pleasing to report that during 2010 Council completed a capital works program of \$54.2M including the construction and purchase of \$25.8M of new assets and renewal of existing assets of \$28.4M. This is a continuation of the asset renewal strategy that was implemented as part of the 2009 Management Plan, financial sustainability measures.

The overall value of IPPE increased during 2010 by \$477.5M which was primarily due to the revaluation of Transport and Stormwater assets in addition to the updating of valuations of operational land and buildings. Revaluations of Transport and Stormwater assets were booked on the 1/07/09 causing a significant increase in depreciation expense (2010: \$57.1M, 2009: \$45.3M). Further financial details of IPPE are shown in Note 9.

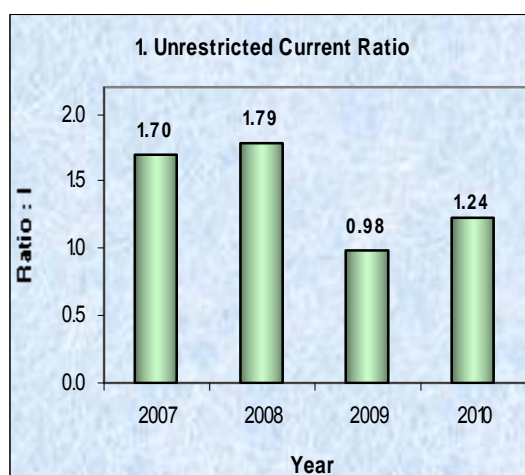
Cash and Investments

In 2010 Council maintained a strong position in cash and investments, with holdings of \$76.2M at 30 June 2010. Council's cash and investment positions over recent years are as follows:

Cash & Investments				
	2010	2009	2008	2007
	\$'000	\$'000	\$'000	\$'000
Total Cash & Investments	76,154	48,592	55,173	66,180
Less:				
Less: Internal Restrictions	-	-	(14,398)	(18,123)
Less: External Restrictions	(57,947)	(33,347)	(35,585)	(37,955)
Available Cash	18,207	15,245	5,190	10,102

External restrictions are funds that are held by Council that must be spent for a specific purpose and cannot be used by Council for general operations. Internal restrictions are funds that Council has determined will be used for a specific future purpose. 2010 saw a continuation of the strategy implemented during 2009 where Council resolved to unwind some of its existing internally restricted assets. This was based on the decision that issues being managed through cash restrictions could be more effectively managed through the Capital Budget. The release from internal restrictions now forms part of the Available Cash position. While the above summary shows nil Internal Reserves at year end, this is due to internal borrowings between reserves. Further details on the composition of reserves are shown in Note 6.

At 30 June 2010 Council achieved an available cash position of \$18.2M, which was higher than anticipated, primarily due to the realisation of cash-flows from the fourth rate instalment and the early receipt of the Financial Assistance Grant.



The Unrestricted Current Ratio measures the Council's Cash / Liquidity Position or its ability to satisfy obligations in the short term from the unrestricted activities of Council.

Council's strategy is to maximise the use of available funds and therefore target a lean unrestricted current ratio. The advanced payment of the first instalment of the 2010/11 Financial Assistance Grant has led to a better than anticipated cash result and this has impacted the position at year end.

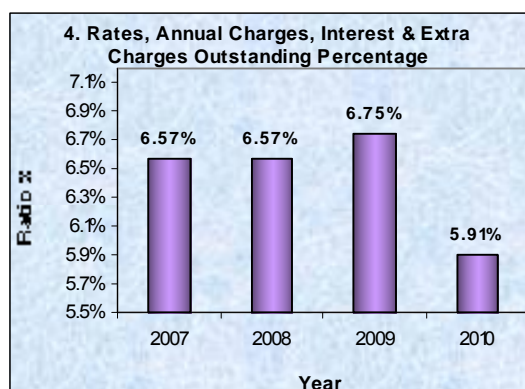
While Council's performance is below the Local Government Benchmark of >2:1, it is reflective of a deliberate strategy to better utilise cash.

Receivables

Receivables for 2010 totalled \$16M, a reduction of \$2.9M compared to the 2009 reporting period. This is reflected in the improvement in outstanding Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage. Full details of receivables are provided in Note 7.

This measure assesses the impact of uncollected rates and other charges on liquidity and the adequacy of recovery efforts. Council's performance in this measure is as follows:

Receivables (continued)

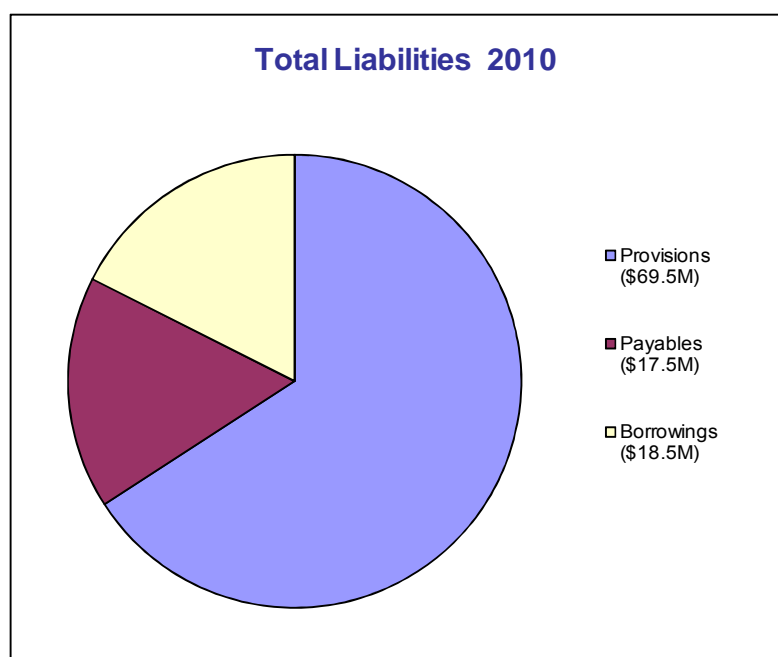


The decrease in the percentage of outstanding rates represents an improvement in this performance measure. This is primarily due to a consistent approach and application of debt recovery processes and procedures throughout the year.

The local government benchmark for collection performance is <5%, Council's recovery processes continue to be reviewed to enable industry standards to be met.

Liabilities

At 30 June 2010 Council's Total Liabilities were \$105.5M. The composition of Council's Total Liabilities is shown below.



At 30 June 2010 Council's Total Liabilities were \$105.5M.

Provisions account for 65.8% of Council's Liabilities with the most significant provisions relating to Employee Leave Entitlements (\$30.5M), Waste Depot Remediation Provision (\$32M) and Workers Compensation Provision (\$6.5M).

Payables account for 16.5% of Council's Liabilities. The majority of payables relate to goods and services and capital expenditure received but not yet paid for.

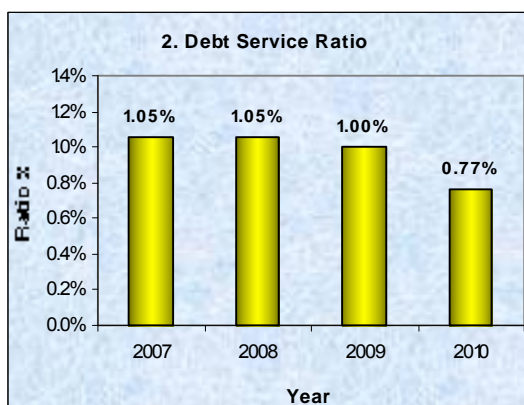
Borrowings accounts for 17.5% of Council's Liabilities, and predominantly relate to the interest free Infrastructure Loan from the State Government.

Borrowings

One of Council's financial strengths is a relatively low level of borrowing. In the past Council has borrowed predominately through finance leases for its operating plant. This practice ceased in 2008/09 and is now managed through Council's capital program. In 2010 Council secured a \$26M interest free infrastructure loan from the NSW State Government. This will be spent over the next two years and will be paid back over the next ten years. The \$26M will be spent on Roads, Bridges and Traffic Facilities in the West Dapto area as stipulated in the loan agreement.

The Debt Service Ratio measures the proportion of revenues that is required to meet Council's annual loan repayments.

Borrowings (continued)



Council's low level of debt means that Council's Debt Service Ratio is 0.77%. This is exceptionally low in comparison to the Local Government benchmark ratio of < 10%.

The Debt Service Ratio has improved in comparison to prior years. This is due to revenues increasing while payments have reduced. In 2010/11 Council will begin to repay a \$26M interest free infrastructure loan secured from the State Government but it is expected that the indicator will remain well within targets set in the Financial Strategy.

Operational Performance - Income & Expenses

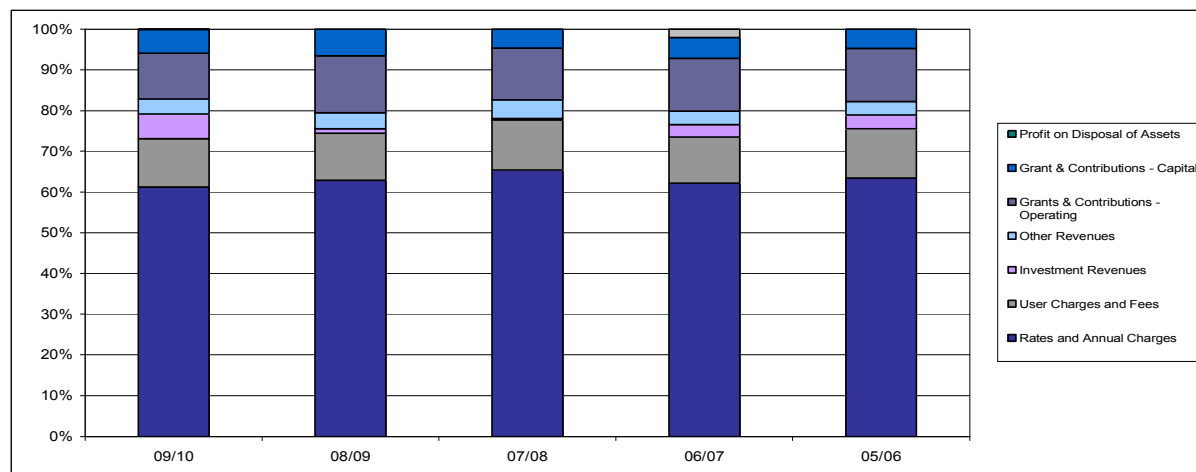
Council's financial performance in 2010 was an improvement on prior year, achieving a Net Operating Surplus from Continuing Operations of \$6.3M, compared to a prior year Surplus of \$2.2M. The Surplus includes Capital Grants & Contributions of \$12.4M, making the Net Operating Result before Capital Grants and Contributions a deficit \$6.2M, which is an improvement on the 2009 deficit of \$10.4M. The improvement was largely due to the recognition of the discount (\$8.7M) on the interest free loan from the State Government. Offsetting this to a large extent was an increase in depreciation expenses of \$11.7M, largely due to the introduction of fair valuation of Council transport assets in 2009/10 in accordance with Division of Local Government Requirements.

Income

Council's Income from Continuing Operations for 2010 was \$213.6M, an improvement on prior year of \$19.9M. Council's revenue sources in recent years are show below.

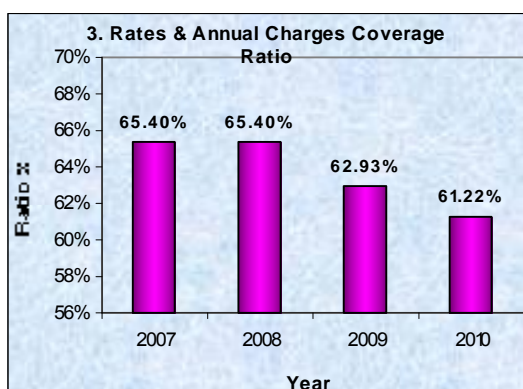
REVENUE SOURCES

	Year ended 30/06/2010		Year ended 30/06/2009		Year ended 30/06/2008		Year ended 30/06/2007		Year ended 30/06/2006	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
INCOME FROM CONTINUING OPERATIONS										
Rates & Annual Charges	130,741	61%	121,872	63%	116,231	65%	107,285	62%	100,090	63%
User Charges & Fees	25,451	12%	22,298	12%	21,699	12%	19,600	11%	18,996	12%
Interest & Investment Revenues	12,884	6%	2,116	1%	860	0%	5,365	3%	5,385	3%
Other Revenues	7,859	4%	7,613	4%	8,001	5%	5,723	3%	5,224	3%
Grants & Contributions - Operating	23,989	11%	27,118	14%	22,615	13%	22,270	13%	20,608	13%
Grants & Contributions - Capital	12,437	6%	12,644	7%	8,317	5%	8,902	5%	7,442	5%
Profit on Disposal of Assets	209	0%	0	0%	0	0%	3,504	2%	0	0%
Total Income from Continuing Operations	213,570	100%	193,661	100%	177,723	100%	172,649	100%	157,745	100%



Income (continued)

Income from Rates and Annual Charges in 2010 totalled \$130.7M, an increase of \$8.9M on prior year.



The Rates & Annual Charges Coverage Ratio assesses the degree of Council's dependence upon revenue from rates and annual charges and the security of Council's income.

The performance of this ratio is as expected. The downward movement in 09/10 is primarily due to increases in other types of revenue in 2009/10 including the recognition of the discount (\$8.7M) on the interest free loan from the State Government. This transaction is unique and unlikely to be repeated in future years.

Interest and Investment Income of \$12.8M was recognised, an increase of \$10.8M compared to 2009. The recognition of the discount (\$8.7M) on the interest free loan from the State Government was the significant factor in the increase in addition to the positive revaluation (\$1.6M) of Council's investment portfolio. Operating Grants and Contributions of \$24M were received, a decrease of \$3M on the prior year. Capital Grants and Contributions of \$12.4M were received, an amount consistent with the 2009 reporting period (\$12.6M).

Expenses

Council's Expenses from Continuing Operations for 2010 totalled \$207.2M, compared to prior year expenditure of \$191.4M. The majority of the increase relates to increased depreciation expense.

Recently changed accounting requirements have led to significant variations in the valuation of assets and the measurement of depreciation. In 2010 all Council's Transport and Stormwater assets were valued to reflect fair value. The upwards revaluation of Transport and Stormwater assets carried out during the reporting period had a negative impact on operational performance in 2010 due to increased depreciation charges of approximately \$9.3M in line with the increased value of these asset classes. Depreciation is expected to increase further in 2011 due to the revaluation of Other Assets. Examples of Other Assets include Swimming Pools, Parks and Reserves.

Investment properties were also revalued in 2010 resulting in a small decrement of \$0.1m being charged to operating expenses, directly decreasing the operating surplus. As investment properties are not depreciated, there is no impact on depreciation expense.

Future Challenges

While Council is well positioned financially in the short to medium term, in the longer term a challenge remains to ensure that there is sufficient funding to provide for the renewal and maintenance of long lived assets such as roads, bridges, buildings and recreation facilities that are an integral part of services provided by Council. To meet this challenge Council needs to gradually reduce the proportion of resources spent on day to day activities and increase the funding for asset renewal and refurbishment. In conjunction with this is the need to increase overall funding to help close the gap.

Wollongong City Council

Historical Financial Data

Income Statement

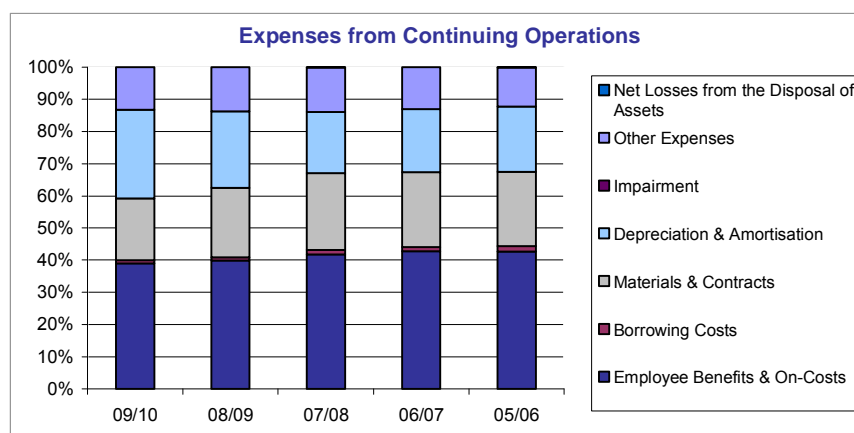
	Notes	Actual 2010 \$'000	Actual 2009 \$'000	Actual 2008 \$'000	Actual 2007 \$'000	Actual 2006 \$'000
Income from Continuing Operations						
Revenue:						
Rates & Annual Charges	3a	130,741	121,872	116,231	107,285	100,090
User Charges & Fees	3b	25,451	22,298	21,699	19,600	18,996
Interest and Investment Revenue (1)	3c	12,884	2,116	860	5,365	5,385
Other Revenues	3d	7,859	7,613	8,001	5,723	5,224
Grants & Contributions provided for Operating Purposes (2)	3e,f	23,989	27,118	22,615	22,270	20,608
Grants & Contributions provided for Capital Purposes (3)	3e,f	12,437	12,644	8,317	8,902	7,442
Other Income:						
Net Gains from the Disposal of Assets	5	209	-	-	3,504	-
Total Income from Continuing Operations		213,570	193,661	177,723	172,649	157,745
Expenses from Continuing Operations						
Employee Benefits & On-Costs						
Employee Benefits & On-Costs	4a	80,846	76,330	75,658	72,795	69,356
Borrowing Costs	4b	1,938	1,954	2,415	2,266	2,824
Materials & Contracts	4c	40,012	41,502	43,196	39,770	37,739
Depreciation & Amortisation	4d	57,060	45,331	34,576	33,431	33,045
Impairment	4d	-	-	-	-	-
Other Expenses	4e	27,442	26,281	24,848	22,205	19,678
Net Losses from the Disposal of Assets	5	-	20	187	-	191
Total Expenses from Continuing Operations		207,298	191,418	180,880	170,467	162,833
Operating Result from Continuing Operations		6,272	2,243	(3,157)	2,182	(5,088)
NET OPERATING RESULT FOR THE YEAR		6,272	2,243	(3,157)	2,182	(5,088)
Less:						
Grants & Contributions provided for Capital Purposes	3e,f	12,437	12,644	8,317	8,902	7,442
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(6,165)	(10,401)	(11,474)	(6,720)	(12,530)

This Statement is to be read in conjunction with the Notes in the body of the financial statements and with consideration to Note (1), (2) and (3) below.

(1) Interest and Investment Income includes the recognition of the discount (\$8.7M) on the interest free loan from the State Government. This transaction is unique and unlikely to be repeated in future years.

(2) Operating Grants and Contributions increased in 2009 due to the early receipt of the first installment Financial Assistance Grant.

(3) Capital Grants and Contributions increased in 2009 and 2010 primarily as a result of Federal funding under the Regional Local Community Infrastructure Program.



Wollongong City Council

Historical Financial Data

Balance Sheet

	Notes	Actual 2010 \$'000	Actual 2009 \$'000	Actual 2008 \$'000	Actual 2007* \$'000	Actual 2006 \$'000
ASSETS						
Current assets						
Cash & cash equivalents	6a	62,162	31,208	20,878	4,986	7,672
Investments	6b	13,992	17,384	34,295	61,194	69,957
Receivables	7	13,013	15,430	19,592	13,220	10,539
Inventories	8	8,857	8,873	8,845	5,886	154
Other	8	1,353	1,549	2,952	2,290	2,581
Assets held for sale (previously non-current)	22	-	2,329	2,329	1,965	1,357
Total current assets		99,377	76,773	88,891	89,541	92,260
Non-current assets						
Cash assets	6a	-	-	-	-	-
Investments	6b	-	-	-	-	-
Receivables	7	3,031	3,449	3,604	8,875	2,448
Inventories	8	-	-	-	-	5,734
Infrastructure, property, plant & equipment	9	2,048,850	1,571,394	1,578,617	1,083,681	1,090,458
Investments accounted for using the equity method	19	-	-	-	-	-
Investment property	14	3,575	3,688	4,826	3,260	3,260
Other	8	-	-	-	-	-
Total non-current assets		2,055,456	1,578,531	1,587,047	1,095,816	1,101,900
TOTAL ASSETS		2,154,833	1,655,304	1,675,938	1,185,357	1,194,160
LIABILITIES						
Current liabilities						
Payables	10	17,490	25,808	16,984	19,940	15,614
Interest bearing liabilities	10	1,473	1,365	1,614	1,377	14,688
Provisions	10	31,611	29,359	26,816	27,414	28,112
Total current liabilities		50,574	56,532	45,414	48,731	58,414
Non-current liabilities						
Payables	10	-	-	-	-	-
Interest bearing liabilities	10	17,051	1,249	2,489	4,103	4,781
Provisions	10	37,875	35,622	34,406	32,807	31,097
Total non-current liabilities		54,926	36,871	36,895	36,910	35,878
TOTAL LIABILITIES		105,500	93,403	82,309	85,641	94,292
NET ASSETS		\$ 2,049,333	1,561,901	1,593,629	1,099,716	1,099,868
EQUITY						
Retained earnings	20	954,733	1,150,590	1,145,743	849,315	849,467
Revaluation reserves	20	1,094,600	411,311	447,886	250,401	250,401
Council Equity Interest		2,049,333	1,561,901	1,593,629	1,099,716	1,099,868
Minority Equity Interest	19	-	-	-	-	-
TOTAL EQUITY		\$ 2,049,333	1,561,901	1,593,629	1,099,716	1,099,868

This Statement is to be read in conjunction with the Notes in the body of the financial statements..



WOLLONGONG CITY COUNCIL

WORKING WITH YOU

ANNUAL REPORT 2009-10

ATTACHMENT B
GENERAL PURPOSE FINANCIAL STATEMENTS

Wollongong City Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2010

"working with you"



Wollongong City Council

General Purpose Financial Statements

for the financial year ended 30 June 2010

Contents	Page
1. Statement by Administrators & Management	2
2. Primary Financial Statements:	
- Income Statement	3
- Statement of Comprehensive Income	4
- Balance Sheet	5
- Statement of Changes in Equity	6
- Statement of Cash Flows	7
3. Notes to the Financial Statements	8
4. Independent Auditor's Reports:	
- On the Financial Statements (Sect 417 [2])	74
- On the Conduct of the Audit (Sect 417 [3])	76

Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Wollongong City Council.
- (ii) Wollongong City Council is a body corporate of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's Statutory Charter is specified in Section 8 of the LGA and includes;

- carrying out activities and providing goods, services & facilities appropriate to the current & future needs of the Local community and of the wider public
- responsibility for administering regulatory requirements under the LGA and other applicable legislation, &
- a role in the management, improvement and development of the resources of the local government area.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

- (iii) All figures presented in these financial statements are presented in Australian Currency.
- (iv) These financial statements were authorised for issue by the Council on 29/09/10.
Council has the power to amend and reissue the financial statements.
-

Wollongong City Council

General Purpose Financial Statements for the financial year ended 30 June 2010

Statement by Administrators and Management made pursuant to Section 413(2)(c) of the Local Government Act 1993 (as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:

- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these Financial Statements:

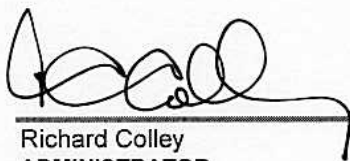
- present fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records.

We are not aware of any matter that would render the Reports false or misleading in any way.

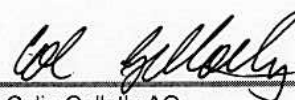
Signed in accordance with a resolution of Council made on 28 September 2010.



Robert McGregor AM
ADMINISTRATOR



Richard Colley
ADMINISTRATOR



Dr Colin Gellatly AO
ADMINISTRATOR



David Farmer
GENERAL MANAGER



Brian Jenkins
RESPONSIBLE ACCOUNTING OFFICER

Wollongong City Council

Income Statement

for the financial year ended 30 June 2010

Budget ⁽¹⁾			Actual	Actual
2010	\$ '000	Notes	2010	2009
Income from Continuing Operations				
Revenue:				
131,060	Rates & Annual Charges	3a	130,741	121,872
27,959	User Charges & Fees	3b	25,451	22,298
2,567	Interest & Investment Revenue	3c	12,884	2,116
5,804	Other Revenues	3d	7,859	7,613
21,819	Grants & Contributions provided for Operating Purposes	3e,f	23,989	27,118
4,789	Grants & Contributions provided for Capital Purposes	3e,f	12,437	12,644
Other Income:				
167	Net gains from the disposal of assets	5	209	-
	Net Share of interests in Joint Ventures & Associated			
-	Entities using the equity method	19	-	-
194,165	Total Income from Continuing Operations		213,570	193,661
Expenses from Continuing Operations				
81,589	Employee Benefits & On-Costs	4a	80,846	76,330
2,176	Borrowing Costs	4b	1,938	1,954
44,074	Materials & Contracts	4c	40,012	41,502
58,574	Depreciation & Amortisation	4d	57,060	45,331
-	Impairment	4d	-	-
28,997	Other Expenses	4e	27,442	26,281
-	Net Losses from the Disposal of Assets	5	-	20
215,410	Total Expenses from Continuing Operations		207,298	191,418
(21,245)	Operating Result from Continuing Operations		6,272	2,243
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
(21,245)	Net Operating Result for the Year		6,272	2,243
(21,245)	Net Operating Result attributable to Council		6,272	2,243
-	Net Operating Result attributable to Minority Interests		-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes				
(26,034)			(6,165)	(10,401)

(1) Variation to Original Budget as approved by Council - refer Note 16

Wollongong City Council

Statement of Comprehensive Income

for the financial year ended 30 June 2010

\$ '000	Notes	Actual 2010	Actual 2009
Net Operating Result for the year (as per Income statement)			
		6,272	2,243
Other Comprehensive Income			
Gain (loss) on revaluation & impairment of I,PP&E (1)	20b (ii)	687,010	(36,295)
Gain (loss) on revaluation of available-for-sale investments	20b (ii)	-	-
Gain (loss) on revaluation of other reserves	20b (ii)	-	-
Realised (gain) loss on available-for-sale investments recognised in P&L	20b (ii)	-	-
Realised (gain) loss from other reserves recognised in P&L	20b (ii)	-	-
Other Movements in Reserves	20b (ii)	-	-
Total Other Comprehensive Income for the year		687,010	(36,295)
Total Comprehensive Income for the Year		693,282	(34,052)
Total Comprehensive Income attributable to Council		693,282	(34,052)
Total Comprehensive Income attributable to Minority Interests		-	-

(1) To be read in conjunction with Note 1j and Note 9a

Wollongong City Council

Balance Sheet

as at 30 June 2010

\$ '000	Notes	Actual 2010	Actual 2009
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	62,162	31,208
Investments	6b	13,992	17,384
Receivables	7	13,013	15,430
Inventories	8	8,857	8,873
Other	8	1,353	1,549
Non-current assets classified as "held for sale"	22	-	2,329
Total Current Assets		99,377	76,773
Non-Current Assets			
Investments	6b	-	-
Receivables	7	3,031	3,449
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	2,048,850	1,571,394
Investments accounted for using the equity method	19	-	-
Investment Property	14	3,575	3,688
Intangible Assets	25	-	-
Non-current assets classified as "held for sale"	22	-	-
Other	8	-	-
Total Non-Current Assets		2,055,456	1,578,531
TOTAL ASSETS		2,154,833	1,655,304
LIABILITIES			
Current Liabilities			
Payables	10	17,490	25,808
Borrowings	10	1,473	1,365
Provisions	10	31,611	29,359
Total Current Liabilities		50,574	56,532
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	17,051	1,249
Provisions	10	37,875	35,622
Total Non-Current Liabilities		54,926	36,871
TOTAL LIABILITIES		105,500	93,403
Net Assets		2,049,333	1,561,901
EQUITY			
Retained Earnings	20	954,733	1,150,590
Revaluation Reserves	20	1,094,600	411,311
Council Equity Interest		2,049,333	1,561,901
Minority Equity Interest		-	-
Total Equity		2,049,333	1,561,901

Wollongong City Council

Statement of Changes in Equity for the financial year ended 30 June 2010

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2010						
Opening Balance (as per Last Year's Audited Accounts)		1,150,590	411,311	1,561,901	-	1,561,901
a. Correction of Prior Period Errors	20 (c)	(205,850)	-	(205,850)	-	(205,850)
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/09)		944,740	411,311	1,356,051	-	1,356,051
c. Net Operating Result for the Year		6,272	-	6,272	-	6,272
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Reserve	20b (ii)	-	687,010	687,010	-	687,010
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Other Movements	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	687,010	687,010	-	687,010
Total Comprehensive Income (c&d)		6,272	687,010	693,282	-	693,282
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		3,721	(3,721)	-	-	-
Equity - Balance at end of the reporting period		954,733	1,094,600	2,049,333	-	2,049,333

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2009						
Opening Balance (as per Last Year's Audited Accounts)		1,145,743	447,886	1,593,629	-	1,593,629
a. Correction of Prior Period Errors	20 (c)	2,324	-	2,324	-	2,324
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/08)		1,148,067	447,886	1,595,953	-	1,595,953
c. Net Operating Result for the Year		2,243	-	2,243	-	2,243
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	(36,295)	(36,295)	-	(36,295)
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Other Movements	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	(36,295)	(36,295)	-	(36,295)
Total Comprehensive Income (c&d)		2,243	(36,295)	(34,052)	-	(34,052)
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		280	(280)	-	-	-
Equity - Balance at end of the reporting period		1,150,590	411,311	1,561,901	-	1,561,901

Wollongong City Council

Statement of Cash Flows

for the financial year ended 30 June 2010

Budget 2010 \$ '000		Notes	Actual 2010	Actual 2009
Cash Flows from Operating Activities				
Receipts:				
131,884	Rates & Annual Charges		131,299	121,020
27,959	User Charges & Fees		27,919	25,264
2,567	Investment & Interest Revenue Received		2,444	4,520
26,608	Grants & Contributions		35,804	41,704
5,804	Other		17,282	12,293
Payments:				
(86,695)	Employee Benefits & On-Costs		(78,817)	(72,194)
(46,210)	Materials & Contracts		(51,526)	(53,286)
(359)	Borrowing Costs		(122)	(240)
(22,562)	Other		(30,548)	(25,426)
38,996	Net Cash provided (or used in) Operating Activities	11b	53,735	53,654
Cash Flows from Investing Activities				
Receipts:				
-	Sale of Investment Securities		5,000	16,194
9,701	Sale of Infrastructure, Property, Plant & Equipment		3,696	1,240
15	Deferred Debtors Receipts		15	15
-	Capital Debtors Receipts		-	6,089
Payments:				
-	Purchase of Investment Securities		(34)	(1,571)
(53,958)	Purchase of Infrastructure, Property, Plant & Equipment		(56,149)	(63,802)
(44,242)	Net Cash provided (or used in) Investing Activities		(47,472)	(41,835)
Cash Flows from Financing Activities				
Receipts:				
-	Proceeds from Borrowings & Advances		26,050	-
Payments:				
(1,510)	Repayment of Borrowings & Advances		(76)	(260)
-	Repayment of Finance Lease Liabilities		(1,283)	(1,229)
(1,510)	Net Cash Flow provided (used in) Financing Activities		24,691	(1,489)
(6,756)	Net Increase/(Decrease) in Cash & Cash Equivalents		30,954	10,330
40,478	plus: Cash & Cash Equivalents - beginning of year	11a	31,208	20,878
33,722	Cash & Cash Equivalents - end of the year	11a	62,162	31,208
Additional Information:				
	plus: Investments on hand - end of year	6b	13,992	17,384
	Total Cash, Cash Equivalents & Investments		76,154	48,592

Please refer to Note 11 for further cash flow information

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	9
2(a)	Council Functions / Activities - Financial Information	26
2(b)	Council Functions / Activities - Component Descriptions	27
3	Income from Continuing Operations	28
4	Expenses from Continuing Operations	34
5	Gains or Losses from the Disposal of Assets	38
6(a)	Cash & Cash Equivalent Assets	39
6(b)	Investments	39
6(c)	Restricted Cash, Cash Equivalents & Investments - details	41
7	Receivables	43
8	Inventories & Other Assets	44
9(a)	Infrastructure, Property, Plant & Equipment	45
9(b)	Externally Restricted Infrastructure, Property, Plant & Equipment	46
9(c)	Infrastructure, Property, Plant & Equipment - Current Year Impairments	46 n/a
10(a)	Payables, Borrowings & Provisions	47
10(b)	Description of (& movements in) Provisions	48
11	Statement of Cash Flows - Additional Information	49
12	Commitments for Expenditure	51
13a	Statement of Performance Measures - Indicators (Consolidated)	54
	Statement of Performance Measures - Graphs (Consolidated)	55
14	Investment Properties	56
15	Financial Risk Management	57
16	Material Budget Variations	62
17	Statement of Developer Contributions	64
18	Contingencies and Other Liabilities/Assets not recognised	66
19	Controlled Entities, Associated Entities & Interests in Joint Ventures	68 n/a
20	Equity - Retained Earnings and Revaluation Reserves	68
21	Financial Result & Financial Position by Fund	70 n/a
22	"Held for Sale" Non Current Assets & Disposal Groups	70
23	Events occurring after Balance Sheet date	71
24	Discontinued Operations	71 n/a
25	Intangible Assets	71 n/a
26	Reinstatement, Rehabilitation & Restoration Liabilities	72

Additional Disclosures

27	Council Information & Contact Details	73
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n/a - not applicable

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these financial statements are set out below in order to assist in its general understanding.

Under Australian Accounting Standards, accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Council) in preparing and presenting its financial statements.

(a) Basis of preparation

(i) Background

These financial statements are general purpose financial statements which have been prepared in accordance with;

- Applicable Australian Accounting Standards,
- Other authoritative pronouncements of the Australian Accounting Standards Board,
- Urgent Issues Group Interpretations,
- the Local Government Act (1993) and Regulations, and
- the Local Government Code of Accounting Practice and Financial Reporting.

(ii) Compliance with International Financial Reporting Standards (IFRSs)

Australian Accounting Standards (AASB's) include Australian equivalents to International Financial Reporting Standards (IFRS's).

Because (AASB's) are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS's, or
- (b) specifically exclude application by Not for Profit entities.

Examples include;

- excluding Local Government from applying AASB 120 (IAS 20) for Grant Accounting and AASB 118 (IAS 18) for Segment Reporting, &
- different requirements on (a) Impairment of Assets relating to Not-For-Profit AASB 136 (IAS 36) and (b) AASB 116 (IAS 16) regarding accounting for the Revaluation of Assets.

Accordingly in preparing these financial statements and accompanying notes, Council has been unable to comply fully with International Accounting Standards, but it has complied fully with Australian Accounting Standards.

Under the Local Government Act, Regulations and Local Government Code of Accounting Practice & Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with Australian Accounting Standards.

(iii) Basis of Accounting

These financial statements have been prepared under the **historical cost convention** except for (i) financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties which are all valued at fair value, (ii) the write down of any Asset on the basis of Impairment (if warranted) and (iii) certain classes of Infrastructure, property, plant & equipment that are accounted for at fair valuation.

The accrual basis of accounting has also been applied in their preparation.

(iv) Changes in Accounting Policies

Council's accounting policies have been consistently applied to all the years presented, unless otherwise stated.

Unless otherwise stated, there have also been no changes in accounting policies when compared with previous financial statements.

(v) Critical Accounting Estimates

The preparation of these financial statements requires the use of certain critical accounting estimates (in conformity with AASB's).

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

It also requires Council management to exercise their judgement in the process of applying Council's accounting policies.

(vi) Financial Statements Presentation

The Council has applied the revised **AASB 101, Presentation of Financial Statements** which became effective on 1 January 2009.

The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity.

All non-owner changes in equity must now be presented in the statement of comprehensive income.

As a consequence, the Council had to change the presentation of its financial statements.

Comparative information has been re-presented so that it is also in conformity with the revised standard.

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Council's activities as described below.

Council bases any estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates and annual charges is obtained at the commencement of the

rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for the impairment on rates receivables has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Income from Contributions is recognised when the Council either obtains control of the contribution or the right to receive it, **(i)** it is probable that the economic benefits comprising the contribution will flow to the Council and **(ii)** the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

Note 3(g) also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of S94 of the EPA Act 1979.

Whilst Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon their physical receipt by Council, due to the possibility that individual Development Consents may not be acted upon by the applicant and accordingly would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

A detailed Note relating to developer contributions can be found at Note 17.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

User Charges, Fees and Other Income

User charges, fees and other income (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

A provision for the impairment of these receivables is recognised when collection in full is no longer probable.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided as at balance date.

Sale of Infrastructure, Property, Plant and Equipment

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Interest and Rents

Rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Interest Income from Cash & Investments is accounted for using the Effective Interest method in accordance with AASB 139.

(c) Principles of Consolidation

(i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

Due to their immaterial value and nature, the following Committees, Entities & Operations have been excluded from consolidation:

- Wollongong City Gallery Limited
- Illawarra Performing Arts Centre Limited
- Wollongong City Centre Limited
- Wollongong City of Innovation Limited

The (i) total income and expenditure from continuing operations and (ii) the net assets held by these excluded Committees & Operations is as follows:

Total income from continuing operations	\$5,898,023
Total expenditure from continuing operations	\$5,868,406
Total net assets held (ie Equity)	\$12,566,868

Note:

Where actual figures are not known, best estimates have been applied. The reporting period for all operations is 30 June 2010 with the exception of the Illawarra Performing Arts Centre which is 31 December 2009.

The income and expenditure from continuing operations represent the combined totals of all committees, entities and operations for the reporting period with the exception of the Wollongong City Gallery Limited. Council assumed control over the Gallery on the 1 July 2009. Accordingly, the income and expenditure resulting from the continuing operations of the Gallery is recognised in the financial statements of Council.

The net assets held represent the combined totals of all committees, entities and operations for the reporting period. The Gallery is currently in liquidation and the process of winding up is expected to be finalised subsequent to the reporting period. Once completed the Gallery's assets will be transferred to Council and be reported in Council's financial statements. The estimated value of the Gallery's net assets is \$11.9M at 30 June 2010.

(ii) The Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993 (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust which must be applied only for the purposes of or in accordance with the trusts relating to those monies.

Trust monies and property subject to Council's control have been included in these statements.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

Trust monies and property held by Council but not subject to the control of Council, have been excluded from these statements.

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

(iii) Joint Venture Entities

Council has not entered into any joint venture entities at balance date.

(v) County Councils

Council is not a member of any County Councils.

(d) Leases

All Leases entered into by Council are reviewed and classified on inception date as either a Finance Lease or an Operating Lease.

Finance Leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in borrowings.

Each lease payment is allocated between the liability outstanding and the recognition of a finance charge.

The interest element of the finance charge is costed to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of each leased asset's useful life and the lease term.

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(e) Cash and Cash Equivalents

Cash and cash equivalents includes;

- cash **on hand**,
- deposits held **at call** with financial institutions,
- other short-term, highly liquid investments **with original maturities of three months or less** that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and
- bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet but are incorporated into Cash & Cash Equivalents for presentation of the Cash Flow Statement.

(f) Investments and Other Financial Assets

Council (in accordance with AASB 139) classifies each of its investments into one of the following categories for measurement purposes:

- **financial assets at fair value through profit or loss**,
- **loans and receivables**,
- **held-to-maturity investments**, and
- **available-for-sale financial assets**.

Each classification depends on the purpose/intention for which the investment was acquired & at the time it was acquired.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

Management determines each Investment classification at the time of initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are “held for trading”.

A financial asset is classified in the “held for trading” category if it is acquired principally for the purpose of selling in the short term.

Derivatives are classified as held for trading unless they are designated as hedges.

Assets in this category are primarily classified as current assets as they are primarily held for trading &/or are expected to be realised within 12 months of the balance sheet date.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise when the Council provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

In contrast to the “Loans & Receivables” classification, these investments are generally quoted in an active market.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Investments must be designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Accordingly, this classification principally comprises marketable equity securities, but can include all types of financial assets that could otherwise be classified in one of the other investment categories.

They are generally included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date or the term to maturity from the reporting date is less than 12 months.

Financial Assets – Reclassification

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term.

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

Council may also choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made.

Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

Investments are initially recognised (and measured) at fair value, plus in the case of investments not at "fair value through profit or loss", directly attributable transactions costs.

Purchases and sales of investments are recognised on trade-date - the date on which the Council commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

(ii) Subsequent Measurement

Available-for-sale financial assets and **financial assets at fair value through profit and loss** are subsequently carried at fair value.

Loans and receivables and **held-to-maturity** investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets classified as "**fair value through profit or loss**" category are included in the income statement in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as "**available-for-sale**" are recognised in equity in the available-for-sale investments revaluation reserve.

When securities classified as "**available-for-sale**" are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement.

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(iii) Types of Investments

Council has an approved Investment Policy in order to undertake its investment of money in accordance with (and to comply with) Section 625 of the Local Government Act and S212 of the LG (General) Regulation 2005.

Investments are placed and managed in accordance with the Policy and having particular regard to authorised investments prescribed under the Local Government Investment Order.

Council maintains its investment Policy in compliance with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

Investments are made in-line with the current Investment Order which was amended as a result of the Cole Inquiry recommendations. Certain investments the Council holds are no longer prescribed (eg. managed funds, CDOs, and equity linked notes), however they have been retained under grandfathering provisions of the Order.

(g) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

(i) Investment Securities

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market is determined by reference to valuation reports provided by Council's investment advisors and other available market information.

At 30 June 2010, council's total investment portfolio is \$75 million and included securities that have been impacted by this market volatility.

The impact on individual securities varies depending on the degree of exposure to affected markets.

Some of these securities do not have market values that are independently quoted and they are not widely traded. These include CDO's and Mortgage Backed Securities stated at \$1.7 million and \$2.8 million respectively (refer Note 6(b)).

Independent market valuations are not readily available and in many cases, values have been assessed based on estimates from issuers and/or other available market information.

Based on available information, Council has written up its investments by \$1.5 million to reflect their fair value. The limited availability of reliable market values and the on-going volatility of financial markets introduce uncertainty in the valuation process.

Accordingly, further changes to the stated fair value, recoverability, liquidity, cash flows and rates of return may arise as investments are disposed of and/or new information comes to hand.

As a consequence of the above and continuing instability of the current investment environment, there is significant uncertainty regarding the value, recoverability, liquidity, cash flows and rates of return, the resolution of which is dependent upon future event which may materially affect the financial report.

(ii) Other Financial Assets and Financial Liabilities.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is the carrying value of the future contractual cash flows as the interest rates attributable to these financial liabilities are consistent with the current market interest rate that is available to the Council for similar financial instruments.

(h) Receivables

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1993 (as amended) and the Regulations and determinations made there under. Other receivables are generally unsecured and do not bear interest.

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment.

Receivables (excluding Rates & Annual Charges) are generally due for settlement no more than 30 days from the date of recognition.

The collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off in accordance with Council's policy.

A provision for impairment (ie. an allowance account) relating to receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of each receivable.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Impairment losses are recognised in the Income Statement within other expenses.

When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

Inventories in respect of stores and business undertakings are all stated at the lower of cost and net realisable value.

Costs are assigned to individual items of inventory on the basis of weighted average costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held in respect of non-business undertakings have been valued at cost subject to adjustment for loss of service potential.

Real Estate Held for Resale

Real estate held for resale is stated at the lower of cost and net realisable value.

Cost is assigned by specific identification and at balance date is comprised solely of the cost of acquisition.

(j) Infrastructure, Property, Plant and Equipment (I,PP&E)

Acquisition of assets

Council's non current assets are being progressively revalued to fair value in accordance with a staged implementation as advised by the Division of Local Government.

At balance date, the following classes of I,PP&E were stated at their Fair Value;

- **Investment Properties** – refer Note 1(p),
- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised**
(Specialised - Internal Valuation, Non Specialised – External Valuation)
- **Plant and Equipment** (as approximated by depreciated historical cost)
- **Roads, Bridges, Footpaths and Drainage**
(Internal Valuation)

The remaining asset classes to be revalued in future reporting periods include;

- **2010/11:** Community land, land improvements, other structures and other assets
- **2010/11:** Land Under Roads

Until the designated future reporting periods, the above remaining asset class is stated at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses.

Initial Recognition

On initial recognition, an assets cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition (ie. date of exchange) of the asset to arrive at fair value.

The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial statements at their fair value at acquisition date - being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

Asset Revaluations

In accounting for Asset Revaluations relating to Infrastructure, Property, Plant & Equipment:

- Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. During 2009/10 the following asset classes were revalued and their carrying values restated at balance date;
 - **Operational Land** (Revaluation increment \$34.4M: Carrying value \$348M)
 - **Buildings** (Revaluation Decrement \$2.9M: Carrying value \$289M)
 - **Transport** (Revaluation Increment \$313.6M: Carrying value \$692M)
 - **Stormwater** (Revaluation Increment \$341.9M: Carrying value \$435M)
- To the extent that the increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

Capitalisation Thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following;

For assets capitalised since 1 July 2002, items of I,PP&E are not capitalised unless their cost of acquisition exceeds the following:

Land

- council land	100% Capitalised
- open space	100% Capitalised
- land under roads (new purchases)	100% Capitalised

Plant & Equipment

Office Furniture	> \$5,000
Office Equipment	> \$5,000
Other Plant & Equipment	> \$5,000

Buildings & Land Improvements

Building	
- construction/extensions	100% Capitalised
- renovations	> \$5,000
Other Structures	> \$5,000

Stormwater Assets

Drains & Culverts	> \$5,000
Other	> \$5,000

Roads, Bridges & Footpaths

Construction & reconstruction	100% Capitalised
Reseal/Re-sheet & major repairs:	> \$5,000

For assets capitalised prior to 1 July 2002, items of I,PP&E were not capitalised unless their cost of acquisition exceeds the following:

Land

- council land	100% Capitalised
- open space	100% Capitalised

Plant & Equipment

Office Furniture	> \$1,500
Office Equipment	> \$1,500
Other Plant & Equipment	> \$1,500

Buildings & Land Improvements

Building	
- construction/extensions	100% Capitalised
- renovations	> \$1,500
Other Structures	> \$1,500

Stormwater Assets

Drains & Culverts	> \$5,000
Other	> \$5,000

Roads, Bridges & Footpaths

Construction & reconstruction	100% Capitalised
Reseal/Re-sheet & major repairs:	> \$1,500

Depreciation

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight line method (or describe here any other methods Council uses) in order to allocate an assets cost (net of residual values) over its estimated useful life.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

Land is not depreciated.

This classification of Land is disclosed in Note 9(a).

Estimated useful lives for Council's I,PP&E include:

- Vehicles	4 to 7 years
- Earthmoving Equipment	3 to 10 years
- Other Plant & Equipment	3 to 10 years
- Rural Fire Service Equipment	5 to 10 years
- Office Equipment	3 to 10 years
- Furniture & Fittings	6 to 10 years
- PP&E - Leased	10 years
- Buildings	15 to 70 years
- Bridges - Concrete	30 to 80 years
- Roads - Infrastructure	10 to 80 years
- Stormwater Drainage Infrastructure	70 to 100 years
- Playground Equipment	10 years
- Public Amenities	20 to 50 years
- Swimming Pool	33 years
- Library Books	6 years
- Land Improvements	25 to 100 years
- Bulk Earthworks	Infinite
- Land – Council owned	Infinite
- Land – Council controlled	Infinite
- Heritage Assets	100 years

All asset residual values and useful lives are reviewed and adjusted (where appropriate), at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount – refer Note 1(s) on Asset Impairment.

Disposal and De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Council's Income Statement in the year the asset is derecognised.

(k) Land

Land (other than Land under Roads) is in accordance with Part 2 of Chapter 6 of the Local Government Act (1993) classified as either Operational or Community.

(l) Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment. There were two acquisitions in the reporting period totalling \$63K.

Council intends to revalue Land Under Roads during the 2010/11 reporting period.

(m) Intangible Assets

Council has not classified any assets as Intangible.

(n) Crown Reserves

Crown Reserves under Council's care and control are recognised as assets of the Council.

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

Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating the reserves are recognised within Council's Income Statement.

Representations are currently being sought across State and Local Government to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

(o) Rural Fire Service assets

Under section 119 of the Rural Fires Act 1997, "all fire fighting equipment purchased or constructed wholly or

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed”.

At present, the accounting for such fire fighting equipment is not treated in a consistent manner across all Councils.

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to account for these assets as it has been doing in previous years, which is to incorporate the assets, their values and depreciation charges within these Financial Reports.

(p) Investment property

Investment property comprises land &/or buildings that are principally held for long-term rental yields, capital gains or both that is not occupied by Council.

Investment property is carried at fair value, representing open-market value determined annually by external valuers. A full revaluation was carried out as at 30 June 2010 by R.F. Aubin Certified Practising Valuer. Valuation as at 30 June 2009 was carried out by Scott Fullarton Valuations Pty. Ltd.

Annual changes in the fair value of Investment Properties are recorded in the Income Statement as part of “Other Income”.

(q) Provisions for close down, restoration and for environmental clean up costs – including Tips and Quarries

Close down, Restoration and Remediation costs include the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas.

Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

Costs are estimated on the basis of a closure plan.

The cost estimates are calculated annually during the life of the operation to reflect known developments, eg updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down, Restoration and Remediation costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations.

Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or ‘unwinding’ of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period.

This amortisation of the disclosed as a borrowing cost in Note 4(b).

Other movements in the provisions for Close down, Restoration and Remediation costs including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment.

These costs are then depreciated over the lives of the assets to which they relate.

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

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date.

These costs are charged to the income statement.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

Movements in the environmental clean up provisions are presented as an operating cost, except for the unwind of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations.

The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates.

As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

Specific Information relating to Council's provisions relating to Close down, Restoration and Remediation costs can be found at Note 26.

(r) Non-Current Assets (or Disposal Groups) "Held for Sale" & Discontinued Operations

Non-current assets are classified as held for sale and stated at the lower of either **(i)** their carrying amount or **(ii)** fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Infrastructure, Property, Plant and Equipment.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is

recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets "held for sale" are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" are presented separately from the other assets in the balance sheet.

(s) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For non-cash generating assets of Council such as roads, drains, public buildings etc - value in use is represented by the "deprival value" of the asset which is approximated as it's written down replacement cost.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(t) Payables

These amounts represent liabilities and include goods and services provided to the Council prior to the end of financial year which are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

(u) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently measured at amortised cost.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

Amortisation results in any difference between the proceeds (net of transaction costs) and the redemption amount being recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(v) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Council's outstanding borrowings during the year.

(w) Provisions

Provisions for legal claims, service warranties and other like liabilities are recognised when:

- Council has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the provision due to the passage of time is recognised as interest expense.

(x) Employee benefits

(i) Wages & Salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave are recognised in the provision for employee benefits in respect of employees' services up to the reporting date.

These provisions are measured at the amounts expected to be paid when the liabilities are settled.

Calculations therefore incorporate (where the leave is expected to be paid more than 12 months after the reporting date) the use of discounted cash flows.

Liabilities for non vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no Liability has been recognised in these reports.

Wages & salaries, annual leave and vesting sick leave are all classified as Current Liabilities.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits in respect of services provided by employees up to the reporting date.

Long Service Leave is measured at the present value of the expected future payments to be made using the projected unit credit rate.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 5 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 5 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death.

Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Defined Benefit Plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

However, when this information is not reliably available, Council can account for its obligations to defined benefit plans on the same basis as its

obligations to defined contribution plans – i.e. as an expense when they become payable.

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the "Local Government Superannuation Scheme – Pool B"

This Scheme has been deemed to be a "multi employer fund" for the purposes of AASB 119.

Sufficient information is not available to account for the Scheme as a defined benefit plan (in accordance with AASB 119) because the assets to the scheme are pooled together for all Councils.

Accordingly, Council's contributions to the scheme for the current reporting year have been recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a).

The Local Government Superannuation Scheme previously advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities. The position has been monitored during the reporting period and the Actuary has estimated that as at 30 June 2010 a deficit still exists.

As a result, they have asked for significant increases in future contributions to recover that deficiency.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils.

For this reason, no liability for the deficiency has been recognised in these financial statements.

Council has, however, disclosed a contingent liability in note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

Define Contribution Plans

Contributions to Defined Contribution Plans are recognised as an expense as they become payable.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

(iv) Employee Benefit On-Costs

Council has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and in particular those on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/6/10.

(y) Self insurance

Council has determined to self-insure for various risks including public liability and professional indemnity.

A provision for self-insurance has been made to recognise outstanding claims the amount of which is detailed in Note 10.

Council also maintains cash and investments to meet expected future claims and these are detailed in Note 6(c).

(z) Allocation between current and non-current assets & liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

Exceptions

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the liability is classified as current even if not expected to be settled within the next 12 months.

In the case of inventories that are "held for trading", these are also classified as current even if not expected to be realised in the next 12 months.

(aa) Taxes

The Council is exempt from both Commonwealth Income Tax and Capital Gains Tax.

Council does however have to comply with both Fringe Benefits Tax and Goods and Services Tax (GST).

Goods & Services Tax (GST)

Income, expenses and assets are all recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue / expense.

Receivables and payables within the Balance Sheet are stated inclusive of any applicable GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Balance Sheet.

Operating cash flows within the Cash Flow Statement are on a gross basis, ie. they are inclusive of GST where applicable.

Investing and Financing cash flows are treated on a net basis (where recoverable from the ATO), ie. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows which are recoverable from or payable to the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from (or payable to) the ATO.

(ab) New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2010.

Council has not adopted any of these standards early.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

Council's assessment of the impact of these new standards and interpretations is set out below.

Applicable to Local Government with implications:

AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect Council's accounting for its financial assets.

The standard is not applicable until 1 January 2013 but is available for early adoption.

Council is yet to assess its full impact.

However, initial indications are that it may affect Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

Applicable to Local Government but no implications for Council;

AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-Settled Share-based Payment Transactions [AASB 2] (effective from 1 January 2010)

The amendments made by the AASB to AASB 2 confirm that an entity receiving goods or services in a group share-based payment arrangement must recognise an expense for those goods or services regardless of which entity in the group settles the transaction or whether the transaction is settled in shares or cash.

They also clarify how the group share-based payment arrangement should be measured, that is, whether it is measured as an equity- or a cash-settled transaction.

AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132] (effective from 1 February 2010)

In October 2009 the AASB issued an amendment to AASB 132 Financial Instruments: Presentation which addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer.

Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities.

The amendment must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement (effective from 1 January 2011)

In December 2009, the AASB made an amendment to Interpretation 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme.

It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements.

Council does not make any such prepayments. The amendment is therefore not expected to have any impact on Council.

AASB Interpretation 19 Extinguishing financial liabilities with equity instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 (effective from 1 July 2010)

AASB Interpretation 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

issuing its own equity instruments to the creditor (debt for equity swap).

It requires a gain or loss to be recognised in profit or loss which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Applicable to Local Government but not relevant to Council at this stage;

None

Not applicable to Local Government per se;

Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively.

The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party.

(ac) Rounding of amounts

Unless otherwise indicated, amounts in the financial statements have been rounded off to the nearest thousand dollars.

(ad) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(ae) Budget Information

The Income Statement, Cash Flow Statement and Note 2(a) provide budget information of revenues and expenditures by type and for each of the major activities of Council.

Budget figures presented are those approved by the Council at the beginning of the financial year and do not reflect Council approved variations throughout the year. Short explanations to the most significant variations are given in Note 16.

(af) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 2(a). Council Functions / Activities - Financial Information

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2010	2010	2009	2010	2010	2009	2010	2010	2009	2010	2009	2010	2009
Planning and Environment	8,751	9,875	8,519	20,628	18,217	16,469	(11,877)	(8,342)	(7,950)	537	1,579	6,422	6,199
Infrastructure and Works	53,722	59,995	55,980	135,551	135,411	124,041	(81,829)	(75,416)	(68,061)	9,906	11,499	2,029,757	1,551,688
Corporate and Community Support	6,888	20,169	7,154	59,231	53,670	50,908	(52,343)	(33,501)	(43,754)	3,418	3,121	118,654	97,417
Total Functions & Activities	69,361	90,039	71,653	215,410	207,298	191,418	(146,049)	(117,259)	(119,765)	13,861	16,199	2,154,833	1,655,304
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income ¹	124,804	123,531	122,008	-	-	-	124,804	123,531	122,008	15,831	18,980	-	-
Operating Result from Continuing Operations	194,165	213,570	193,661	215,410	207,298	191,418	(21,245)	6,272	2,243	29,692	35,179	2,154,833	1,655,304

1. Includes: Rates & Annual Charges (incl. Ex-Gratia), Untied General Purpose Grants & Unrestricted Interest & Investment Income.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 2(b). Council Functions / Activities - Component Descriptions

Details relating to the Council's functions / activities as reported in Note 2(a) are as follows:

PLANNING and ENVIRONMENT

City Planning, Environmental Strategy and Planning, Regulation and Enforcement.

INFRASTRUCTURE and WORKS

Infrastructure, City Works, Property and Recreation.

CORPORATE and COMMUNITY SERVICES

Finance, Governance and Information, Organisational Strategy and Improvement, Human Resources, Conduct, Community, Cultural and Library Services, Public Relations and the Office of the General Manager.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2010	Actual 2009
(a). Rates & Annual Charges			
Ordinary Rates			
Residential		71,744	68,355
Farmland		368	348
Mining		792	760
Business		33,900	32,138
Total Ordinary Rates		106,804	101,601
Special Rates			
Mall		811	813
City Centre		369	316
Total Special Rates		1,180	1,129
Annual Charges (pursuant to s.496 & s.501)			
Domestic Waste Management Services		21,061	17,458
Stormwater Management Services		1,696	1,684
Total Annual Charges		22,757	19,142
TOTAL RATES & ANNUAL CHARGES		130,741	121,872

Council has used 2007 year valuations provided by the NSW Valuer General in calculating its rates.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2010	Actual 2009
(b). User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Waste Management Services (non-domestic)		7,849	6,757
Total User Charges		7,849	6,757
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s608, 610A & 611)			
Building Regulation		448	482
Planning & Building Regulation		1,478	1,228
Regulatory/ Statutory Fees		743	653
Registration Fees		168	131
Section 149 Certificates (EPA Act)		477	444
Section 603 Certificates		255	240
Section 611 Charges		69	159
Total Fees & Charges - Statutory/Regulatory		3,638	3,337
(ii) Fees & Charges - Other (incl. General User Charges (per s.610C))			
Car Parking		467	320
Crematorium & Cemeteries		1,962	1,618
Dining Room		2	86
Hire Charges		395	361
Leaseback Fees - Council Vehicles		544	494
Leisure Centre		1,375	1,257
Library		48	68
Marketing		134	129
Recreation		1,194	1,152
Restoration Charges		381	144
Swimming Centres		1,127	1,204
Tourist Parks		5,252	4,847
Parking Meters		350	-
Other		733	524
Total Fees & Charges - Other		13,964	12,204
TOTAL USER CHARGES & FEES		25,451	22,298

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2010	Actual 2009
(c). Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges		612	686
- Interest earned on Investments (interest & coupon payment income)		1,904	3,657
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		1,583	(2,230)
Amortisation of Premiums & Discounts			
- Interest Free (& Interest Reduced) Loans provided		4	3
Fair Valuation of Financial Liabilities on recognition			
- Interest Free (or favourable) Loans & Advances Received		8,781	-
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>12,884</u>	<u>2,116</u>

Interest Revenue is attributable to:

Unrestricted Investments/Financial Assets:

Overdue Rates & Annual Charges	612	686
General Council Cash & Investments	896	844

Restricted Investments/Funds - External:

Development Contributions		
- Section 94	1,290	363
Domestic Waste Management operations	873	-
Infrastructure Loan	8,781	-
Other Externally Restricted Assets	432	223

Total Interest & Investment Revenue Recognised	<u>12,884</u>	<u>2,116</u>
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(d). Other Revenues

Rental Income - Investment Properties	14	407	348
Rental Income - Other Council Properties		2,151	2,214
Fines		548	276
Parking Fines		1,813	1,818
Legal Fees Recovery - Rates & Charges (Extra Charges)		217	105
Diesel Rebate		182	30
Insurance Claim Recoveries		310	1,147
Sales - General		755	625
Sundry Debtor Income		121	130
Outgoings - Reimbursed		443	366
Other Reimbursements		297	101
Sponsorship & Promotional Income		280	304
Other		335	149
<u>TOTAL OTHER REVENUE</u>		<u>7,859</u>	<u>7,613</u>

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 3. Income from Continuing Operations (continued)

\$ '000	2010 Operating	2009 Operating	2010 Capital	2009 Capital
(e). Grants				
General Purpose (Untied)				
Financial Assistance	14,087	17,235	-	-
Pensioners' Rates Subsidies - General Component	1,744	1,745	-	-
Total General Purpose	15,831	18,980	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Domestic Waste Management	469	410	-	-
Arts & Culture	339	(2)	-	-
Bulli Tops Gateway	-	-	-	1,175
Commercial Property	-	-	200	-
Community Centres	-	-	100	-
Community Development & Support	228	215	-	-
Community Services & Facilities	194	162	-	-
Cliff Road Promenade	-	-	1,451	1,450
Economic Development	25	25	-	-
Emergency Services	444	362	-	15
Environmental Education	7	-	45	-
Floodplain & Stormwater Management	396	-	346	34
Footpaths & Cycleways	-	-	587	146
HACC Community Transport	892	829	-	-
Illawarra Biodiversity & Local Food Strategy	-	131	-	-
Illawarra Dementia Respite Service	374	359	-	-
Library	486	480	-	-
Library Upgrades Thirroul	-	200	-	-
Local Bus Route Subsidy	56	81	-	-
Natural Area Management	534	752	15	82
Organisational Services	-	(28)	-	-
Parks, Gardens and Sportsfields	-	2	9	59
People & Learning	63	86	-	-
Regional Infrastructure Program	-	-	906	2,152
Strategic City Planning	-	(5)	-	-
Street Lighting	427	417	-	-
Sustainable Illawarra	-	619	-	-
Tourism	-	-	-	225
Traffic Management	29	10	-	-
Transport (Roads to Recovery)	-	-	2,322	1,149
Transport (Other Roads & Bridges Funding)	164	4	548	-
Voluntary Purchase Scheme	-	-	675	1,285
Waste Performance Improvement	750	468	-	-
Water Harvesting + Water Upgrades	-	-	-	55

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 3. Income from Continuing Operations (continued)

\$ '000	2010 Operating	2009 Operating	2010 Capital	2009 Capital
(e). Grants (continued)				
Specific Purpose Grants (continued)				
Wollongong Multi Service Outlet	780	795	-	-
Wollongong Town Hall Upgrade	-	-	-	2,000
Total Specific Purpose	6,657	6,372	7,204	9,827
Total Grants	22,488	25,352	7,204	9,827
Grant Revenue is attributable to:				
- Commonwealth Funding	16,542	19,485	5,145	5,981
- State Funding	5,946	5,867	2,059	3,846
- Other Funding	-	-	-	-
	22,488	25,352	7,204	9,827
(f). Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
S 94A - Fixed Development Consent Levies	-	-	2,732	1,237
Total Developer Contributions	-	-	2,732	1,237
Other Contributions:				
Art & Culture	6	43	1	-
Community Development & Support	120	70	-	-
Community Services & Facilities	235	232	-	-
Contributed Bush Fire Assets	-	-	119	370
Emergency Services	-	-	210	94
Environmental Education	40	173	-	-
Floodplain and Stormwater Management	7	-	-	(235)
Library Services	10	6	-	-
Natural Area Management	47	(2)	5	4
Organisational Services	-	-	99	72
Parks, Gardens and Sportsfields	3	9	82	5
Recreation & Leisure Enterprises	-	7	-	-
Roads & Bridges	98	100	1,985	78
RTA Contributions (Regional/Local, Block Grant)	872	1,118	-	258
Southern Gateway	-	-	-	934
Strategic City Planning	63	-	-	-
Traffic Management	-	10	-	-
Total Other Contributions	1,501	1,766	2,501	1,580
Total Contributions	1,501	1,766	5,233	2,817
TOTAL GRANTS & CONTRIBUTIONS	23,989	27,118	12,437	12,644

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2010	Actual 2009
(g). Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	23,674	25,573
add: Grants and contributions recognised in the current period which have not been spent:	7,663	9,216
less: Grants and contributions recognised in a previous reporting period which have been spent in the current reporting period:	(11,079)	(11,115)
Net Increase (Decrease) in Restricted Assets during the Current Reporting Period	(3,416)	(1,899)
Unexpended at the Close of this Reporting Period and held as Restricted Assets	20,258	23,674
Comprising:		
- Specific Purpose Unexpended Grants	6,440	10,914
- Developer Contributions	13,504	12,653
- Other Contributions	314	107
	20,258	23,674

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2010	Actual 2009
(a) Employee Benefits & On-Costs			
Salaries and Wages		65,221	62,761
Employee Leave Entitlements (ELE)		10,027	11,350
Superannuation		9,945	6,536
Workers' Compensation Insurance		72	79
Fringe Benefit Tax (FBT)		268	215
Payroll Tax		36	47
Training Costs (other than Salaries & Wages)		732	786
Protective Clothing		257	287
Workers Compensation Provision		483	(653)
Workers Compensation - Self Insurance		1,821	1,570
Other		224	439
Total Employee Costs		89,086	83,417
less: Capitalised Costs		(8,240)	(7,087)
TOTAL EMPLOYEE COSTS EXPENSED		80,846	76,330
Number of "Equivalent Full Time" Employees at year end		977	992
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Overdraft		-	2
Interest on Loans		2	12
Charges relating to Finance Leases		120	226
Total Interest Bearing Liability Costs		122	240
less: Capitalised Costs		-	-
Total Interest Bearing Liability Costs Expensed		122	240
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE			
- Remediation Liabilities	26	1,816	1,714
Total Other Borrowing Costs		1,816	1,714
TOTAL BORROWING COSTS EXPENSED		1,938	1,954

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2010	Actual 2009
(c) Materials & Contracts			
Raw Materials & Consumables		13,740	15,215
Contractor & Consultancy Costs		56,870	71,345
Auditors Remuneration			
i. Audit Services - Council's Auditor		98	95
ii. Other Services - Council's Auditor		65	3
iii. Audit Services - Auditors of other Consolidated Entities		153	140
Legal Expenses:			
- Legal Expenses - Planning & Development		591	732
- Legal Expenses - Other		1,727	2,169
Operating Leases:			
Operating Lease Rentals - Minimum Lease Payments ⁽¹⁾		951	1,228
Total Materials & Contracts		74,195	90,927
less: Capitalised Costs		(34,183)	(49,425)
TOTAL MATERIALS & CONTRACTS		40,012	41,502
1. Operating Lease Payments are attributable to:			
- Computers		951	1,228
		951	1,228

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2010	Actual 2009	Actual 2010	Actual 2009

(d) Depreciation, Amortisation & Impairment

Plant and Equipment	-	-	2,687	2,261	
Office Equipment	-	-	1,364	1,371	
Furniture & Fittings	-	-	614	555	
Property, Plant & Equipment - Leased	-	-	664	1,070	
Land Improvements (depreciable)	-	-	5,012	5,005	
Buildings - Non Specialised	-	-	586	2,642	
Buildings - Specialised	-	-	13,629	9,627	
Other Structures	-	-	1,389	1,130	
Infrastructure:					
- Roads, Bridges & Footpaths	-	-	21,023	17,526	
- Stormwater Drainage	-	-	7,341	1,501	
Other Assets					
- Heritage Collections	-	-	5	5	
- Library Books	-	-	1,007	923	
- Other	-	-	608	584	
Asset Reinstatement Costs	9 & 26	-	-	1,131	1,131
Total Depreciation & Impairment Costs		-	-	57,060	45,331
less: Capitalised Costs		-	-	-	-
less: Impairments offset in ARR (Equity)	9a	-	-	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	57,060	45,331

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2010	Actual 2009
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		378	461
Bad & Doubtful Debts		67	4
Contributions/Levies to Other Levels of Government			
- NSW Fire Brigade Levy		2,391	2,360
- NSW Rural Fire Service Levy		446	375
- Department of Planning Levy		8,046	7,230
- Emergency Services Levy		322	-
- Lake Illawarra Authority		423	-
Donations, Contributions & Assistance to other organisations (Section 356)		915	1,789
- Tourism Wollongong		865	744
- Illawarra Performing Arts Centre		592	614
- Wollongong City Art Gallery		-	754
- Wollongong City Centre Ltd		1,186	1,173
Electricity & Heating		1,804	1,526
Insurance		3,381	3,134
Postage		295	307
Provision for Self Insurance Claims		48	(98)
Revaluation Decrements (Fair Valuation of Investment Properties)	14	113	1,138
Street Lighting		2,445	2,495
Telephone & Communications		736	781
Valuation Fees		284	240
Water Rates		735	830
Other		2,387	1,711
Total Other Expenses		27,859	27,568
less: Capitalised Costs		(417)	(1,287)
<u>TOTAL OTHER EXPENSES</u>		<u>27,442</u>	<u>26,281</u>

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2010	Actual 2009
Property (excl. Investment Property)			
Proceeds from Disposal		1,968	182
less: Carrying Amount of Property Assets Sold		(1,078)	(619)
Net Gain/(Loss) on Disposal		890	(437)
Plant & Equipment			
Proceeds from Disposal		1,250	1,354
less: Carrying Amount of P&E Assets Sold		(1,084)	(879)
Net Gain/(Loss) on Disposal		166	475
Infrastructure			
Proceeds from Disposal		-	-
less: Carrying Amount of Infrastructure Assets Disposed		(825)	-
Net Gain/(Loss) on Disposal		(825)	-
Financial Assets*			
Proceeds from Disposal		5,000	16,194
less: Carrying Amount of Financial Assets Sold / Redeemed		(5,009)	(16,252)
Net Gain/(Loss) on Disposal		(9)	(58)
Non Current Assets Classified as "Held for Sale"			
Proceeds from Disposal		182	-
less: Carrying Amount of "Held for Sale" Assets Sold		(195)	-
Net Gain/(Loss) on Disposal		(13)	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		209	(20)
* Financial Assets disposals include:			
- Net Gain/(Loss) from Financial Instruments "At Fair Value through profit & loss"		(9)	(58)
Net Gain/(Loss) on Disposal of Financial Instruments		(9)	(58)

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 6a. - Cash Assets and Note 6b. - Investment Securities

\$ '000	Notes	2010 Actual Current	2010 Actual Non Current	2009 Actual Current	2009 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		1,118	-	2,488	-
Cash-Equivalent Assets ¹					
- Deposits at Call		12,994	-	15,720	-
- Short Term Deposits		48,050	-	13,000	-
Total Cash & Cash Equivalents		62,162	-	31,208	-
Investment Securities (Note 6b)					
- Managed Funds		1,035	-	4,826	-
- NCD's, FRN's (with Maturities > 3 months)		5,968	-	6,618	-
- CDO's		1,705	-	899	-
- Mortgage Backed Securities		2,800	-	2,761	-
- Other Long Term Maturity Financial Instruments		2,484	-	2,280	-
Total Investment Securities		13,992	-	17,384	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		76,154	-	48,592	-

¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.

**Cash, Cash Equivalents & Investments were
classified at year end in accordance with
AASB 139 as follows:**

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"	62,162	-	31,208	-
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Investments

a. "At Fair Value through the Profit & Loss"					
- "Held for Trading"	6(b-i)	13,992	-	17,384	-
b. "Held to Maturity"					
	6(b-ii)	-	-	-	-
c. "Loans & Receivables"					
	6(b-iii)	-	-	-	-
d. "Available for Sale"					
	6(b-iv)	-	-	-	-
Investments		13,992	-	17,384	-

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 6b. Investments (continued)

	2010	2010	2009	2009
\$ '000	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Balance at the Beginning of the Year	17,384	-	34,295	-
Revaluations (through the Income Statement)	1,583	-	(2,230)	-
Additions	34	-	1,571	-
Disposals (sales & redemptions)	(5,009)	-	(16,252)	-
Balance at End of Year	13,992	-	17,384	-
Comprising:				
- Managed Funds	1,035	-	4,826	-
- NCD's, FRN's (with Maturities > 3 months)	5,968	-	6,618	-
- CDO's	1,705	-	899	-
- Mortgage Backed Securities	2,800	-	2,761	-
- Other Long Term Maturity Financial Assets	2,484	-	2,280	-
Total	13,992	-	17,384	-

Note 6(b-ii)

Reconciliation of Investments classified as "Held to Maturity"

Nil

Note 6(b-iii)

Reconciliation of Investments classified as "Loans & Receivables"

Nil

Note 6(b-iv)

Reconciliation of Investments classified as "Available for Sale"

Nil

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 6c. Restricted Cash, Cash Equivalents & Investments

\$ '000	2010 Actual Current	2010 Actual Non Current	2009 Actual Current	2009 Actual Non Current
Total Cash, Cash Equivalents and Investment Securities	76,154	-	48,592	-
attributable to:				
External Restrictions (refer below)	57,947	-	33,347	-
Internal Restrictions (refer below)	-	-	-	-
Unrestricted	18,207	-	15,245	-
	76,154	-	48,592	-

2010 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
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Details of Restrictions

External Restrictions - Included in Liabilities

Agency Funds (A)	388	(117)	(233)	38
External Restrictions - Included in Liabilities	388	(117)	(233)	38

External Restrictions - Other

Developer Contributions - General (D)	12,653	4,022	(3,171)	13,504
RTA Contributions (E)	107	2,153	(1,946)	314
Specific Purpose Unexpended Grants (F)	10,914	11,511	(15,985)	6,440
Domestic Waste Management (G)	7,109	4,079	(1,889)	9,299
Stormwater Management (G)	223	1,692	(1,606)	309
Private Subsidies	1,953	966	(952)	1,967
Special Rates Levy - Wollongong Cntr Imp.Fund	-	26	-	26
Unexpended Loan	-	26,050	-	26,050
External Restrictions - Other	32,959	50,499	(25,549)	57,909
Total External Restrictions	33,347	50,382	(25,782)	57,947

A Loan moneys which must be applied for the purposes for which the loans were raised.

D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).

E RTA Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.

F Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)

G Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 6c. Restricted Cash, Cash Equivalents & Investments (continued)

2010 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Darcy Wentworth Park	115	29	(99)	45
Community Infrastructure *	(4,731)	8,100	(5,384)	(2,015)
Future Superannuation Contributions	3,263	14	(3,177)	100
MacCabe Park Development	600	150	-	750
Sports Priority Program	381	366	(244)	503
Telecommunications Reserve	372	52	(37)	387
Car Parking Strategy	-	230	-	230
Total Internal Restrictions	-	8,941	(8,941)	-
TOTAL RESTRICTIONS	33,347	59,323	(34,723)	57,947

- * Community Infrastructure was previously reported under the title Future Projects / Property Development. This reserve has a negative balance at 30 June 2010 as expenditure has been incurred relating to works carried out, however planned property sales (which will generate income) have not yet occurred. In future years, as property sales occur, the negative balance will be eliminated. At balance date borrowings have effectively been made from other internal reserves, to fund the short-fall.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 7. Receivables

\$ '000	Notes	2010		2009	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		4,900	2,453	5,049	2,862
Interest & Extra Charges		394	545	374	543
User Charges & Fees		2,310	-	2,786	-
Capital Debtors (being sale of assets)					
- Other Asset Sales		-	-	296	-
Accrued Revenues					
- Interest on Investments		180	-	130	-
- Other Income Accruals		1,574	-	1,463	-
Government Grants & Subsidies		2,064	-	1,511	-
Deferred Debtors		15	33	15	44
Net GST Receivable		1,454	-	2,946	-
Private Subsidies		270	-	987	-
Total		13,161	3,031	15,557	3,449
less: Provision for Impairment					
User Charges & Fees		(148)	-	(127)	-
Total Provision for Impairment - Receivables		(148)	-	(127)	-
<u>TOTAL NET RECEIVABLES</u>		<u>13,013</u>	<u>3,031</u>	<u>15,430</u>	<u>3,449</u>
Externally Restricted Receivables					
Domestic Waste Management		1,083	-	1,043	-
Total External Restrictions		1,083	-	1,043	-
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		11,930	3,031	14,387	3,449
TOTAL NET RECEIVABLES		13,013	3,031	15,430	3,449

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest is charged on overdue rates & charges at 9.00% (2009 10.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 8. Inventories & Other Assets

\$ '000	Notes	2010		2009	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		8,611	-	8,611	-
Stores & Materials		246	-	262	-
Total Inventories		8,857	-	8,873	-
Other Assets					
Prepayments		1,353	-	1,549	-
Total Other Assets		1,353	-	1,549	-
<u>TOTAL INVENTORIES</u>					
<u>& OTHER ASSETS</u>		10,210	-	10,422	-
Details for Real Estate Development					
Residential		8,611	-	8,611	-
Total Real Estate for Resale		8,611	-	8,611	-
(Valued at the lower of cost and net realisable value)					
Represented by:					
Acquisition Costs		8,611	-	8,611	-
Total Costs		8,611	-	8,611	-
less: Provision for Under Recovery			-	-	-
Total Real Estate for Resale		8,611	-	8,611	-
Movements:					
Real Estate assets at beginning of the year		8,611	-	8,611	-
Total Real Estate for Resale		8,611	-	8,611	-

(i) Externally Restricted Assets

Nil

(ii) Other Disclosures

(a) Current Assets not anticipated to be settled within the next 12 months

The following Inventories & Other Assets, even though classified as current are not expected to be recovered in the next 12 months;

	2010	2009
Real Estate for Resale	8,611	8,611

(b) Inventories recognised as an expense for the year included:

- Stores & Materials	1,227	1,293
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Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2009				Asset Movements during the Reporting Period							as at 30/6/2010			
	At Cost	At Fair Value	Accumul'ed Deprec.	Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Adjustments & Transfers	Tfrs from/(to) "Held for Sale" category	Revaluation Decrements to Equity (ARR)	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumul'ed Dep'n	Carrying Value
Capital Work in Progress	1,253	-	-	1,253	3,631	-	-	(773)	-	-	-	4,111	-	-	4,111
Plant & Equipment	-	23,353	10,265	13,088	5,444	(1,084)	(2,687)	2,204	-	-	-	-	26,336	9,371	16,965
Office Equipment	-	9,201	5,928	3,273	517	-	(1,364)	-	-	-	-	-	9,718	7,292	2,426
Furniture & Fittings	-	4,842	2,318	2,524	101	-	(614)	-	-	-	-	-	4,943	2,932	2,011
Plant & Equipment (under Finance Lease)	-	6,244	4,343	1,901	-	-	(664)	1,012	-	-	-	-	5,297	3,048	2,249
Land:															
- Operational Land	-	318,630	-	318,630	1,647	(970)	-	(8,340)	2,133	-	34,405	-	347,505	-	347,505
- Community Land	136,983	-	-	136,983	2,143	-	-	10,119	-	-	-	149,245	-	-	149,245
- Land under Roads (post 30/6/08)	-	-	-	-	64	-	-	-	-	-	-	-	64	-	64
Land Improvements - depreciable	129,033	-	66,282	62,751	746	-	(5,012)	-	-	-	-	129,779	-	71,294	58,485
Buildings - Non Specialised	-	90,630	35,988	54,642	1,700	(106)	(586)	(44,732)	-	-	28	-	20,953	10,007	10,946
Buildings - Specialised	-	441,377	199,050	242,327	7,014	-	(13,629)	45,148	-	(2,958)	-	-	520,176	242,274	277,902
Other Structures	22,045	-	5,818	16,227	733	-	(1,389)	-	-	-	-	22,778	-	7,207	15,571
Infrastructure:															
- Roads, Bridges, Footpaths	762,647	-	212,557	550,090	24,203	(775)	(21,023)	(173,887)	-	-	313,600	-	1,578,056	885,848	692,208
- Bulk Earthworks (non-depreciable)	2,098	-	-	2,098	-	-	-	(2,098)	-	-	-	-	-	-	-
- Stormwater Drainage	152,799	-	18,794	134,005	1,806	(52)	(7,341)	(34,865)	-	-	341,935	-	701,134	265,646	435,488
Other Assets:															
- Heritage Collections	503	-	85	418	-	-	(5)	-	-	-	-	503	-	90	413
- Library Books	6,066	-	2,939	3,127	1,120	-	(1,007)	-	-	-	-	7,186	-	3,946	3,240
- Other	13,380	-	2,293	11,087	3,341	-	(608)	362	-	-	-	17,083	-	2,901	14,182
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26)															
- Tip Asset	22,625	-	5,655	16,970	-	-	(1,131)	-	-	-	-	22,626	-	6,787	15,839
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	1,249,432	894,277	572,315	1,571,394	54,210	(2,987)	(57,060)	(205,850)	2,133	(2,958)	689,968	353,311	3,214,182	1,518,643	2,048,850

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 9b. Externally Restricted Infrastructure, Property, Plant & Equipment

\$ '000 Class of Asset	Actual 2010				Actual 2009			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Domestic Waste Management								
Plant & Equipment	-	646	519	127	-	892	888	4
Office Equipment	-	252	140	112	-	240	113	127
Land								
- Operational Land	-	5,946	-	5,946	-	5,562	-	5,562
- Community Land	171	-	-	171	171	-	-	171
- Improvements - depreciable	21,779	-	6,364	15,415	21,576	-	5,384	16,192
Buildings	-	3,463	2,089	1,374	-	3,396	1,991	1,405
Other Structures	466	-	165	301	466	-	128	338
Other Assets	6,298	-	992	5,306	6,187	-	767	5,420
Total DWM	28,714	10,307	10,269	28,752	28,400	10,090	9,271	29,219
TOTAL RESTRICTED I,PP&E	28,714	10,307	10,269	28,752	28,400	10,090	9,271	29,219

Note 9c. Infrastructure, Property, Plant & Equipment - Current Year Impairments

Council has recognised no impairment losses during the reporting period nor reversed any prior period losses.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2010		2009	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		5,550	-	9,660	-
Goods & Services - capital expenditure		5,610	-	9,405	-
Payments Received In Advance		1,340	-	1,172	-
Accrued Expenses:					
- Other Expenditure Accruals		3,089	-	3,032	-
Security Bonds, Deposits & Retentions		1,554	-	1,838	-
Agency Funds		38	-	387	-
Other		309	-	314	-
Total Payables		17,490	-	25,808	-
Borrowings					
Loans - Secured ¹		649	16,620	76	-
Finance Lease Liabilities		824	431	1,289	1,249
Total Borrowings		1,473	17,051	1,365	1,249
Provisions					
Employee Benefits;					
Annual Leave		7,737	-	7,556	-
Sick Leave		774	-	798	-
Long Service Leave		21,029	301	19,040	287
Other Leave		658	-	660	-
Sub Total - Aggregate Employee Benefits		30,198	301	28,054	287
Self Insurance - Workers Compensation		993	5,470	1,113	4,867
Self Insurance - Claims Incurred		420	10	192	190
Asset Remediation/Restoration (Future Work)	26	-	32,094	-	30,278
Total Provisions		31,611	37,875	29,359	35,622
Total Payables, Borrowings & Provisions					
		50,574	54,926	56,532	36,871

(i) Liabilities relating to Restricted Assets

	2010		2009	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Domestic Waste Management	3,631	-	1,284	-
Agency Funds	38	-	388	-
Total Liabilities relating to restricted assets	3,669	-	1,672	-

¹ Loans are secured over the General Rating Income of Council.

Disclosures on Liability Interest Rate Risk Exposures, Fair Value Disclosures & Security can be found in Note 15.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 10a. Payables, Borrowings & Provisions (continued)

\$ '000	2010	2009
(ii) Current Liabilities not anticipated to be settled within the next 12 months		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	20,259	19,335
Payables - Security Bonds, Deposits & Retentions	983	1,145
	21,242	20,480

Note 10b. Description of and movements in Provisions

Class of Provision	2009	Additional Provisions	Decrease due to Payments	2010	Unused amounts reversed	Closing Balance as at 30/6/10
	Opening Balance as at 1/7/09			Remeasurement effects due to Discounting		
Annual Leave	7,556	6,278	(6,143)	46	-	7,737
Sick Leave	798	28	(68)	16	-	774
Long Service Leave	19,327	3,524	(1,537)	16	-	21,330
Other Leave	660	133	(141)	6	-	658
Self Insurance - Workers Compensation	5,980	483	-	-	-	6,463
Self Insurance - Claims Incurred	382	48	-	-	-	430
Asset Remediation	30,278	1,816	-	-	-	32,094
TOTAL	64,981	12,310	(7,889)	84	-	69,486

- a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- b. Self Insurance Provisions represent both (i) Claims Incurred but Not reported and (ii) Claims Reported & Estimated as a result of Council's being a self insurer up to certain levels of Excess.
- c. Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.
- d. Workers Compensation - Self Insurance Provision represents Wollongong City Council's liability in respect of its self-insured outstanding claims incurred up to 30 June 2010. Actuarial estimates were provided by David A Zaman Pty Ltd. Wollongong City Council is a licensed self-insurer under the Workers' Compensation Acts in NSW. The licence commenced with effect from 30 June 1983.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2010	Actual 2009
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	62,162	31,208
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		62,162	31,208
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		6,272	2,243
Adjust for non cash items:			
Depreciation & Amortisation		57,060	45,331
Net Losses/(Gains) on Disposal of Assets		(209)	20
Non Cash Capital Grants and Contributions		(1,855)	(370)
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "@ Fair Value" or "Held for Trading"		(1,583)	2,230
- Investment Properties		113	1,138
- Favourable Financial Liabilities (ie. Loans with no Interest Payable)		(8,781)	-
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- Interest on all fair value adjusted Interest Free Advances made by Council		(4)	(3)
Unwinding of Discount Rates on Reinstatement Provisions		1,816	1,714
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		2,507	(1,422)
Increase/(Decrease) in Provision for Doubtful Debts		21	(66)
Decrease/(Increase) in Inventories		16	(28)
Decrease/(Increase) in Other Current Assets		196	1,403
Increase/(Decrease) in Payables		(4,110)	(1,211)
Increase/(Decrease) in accrued Interest Payable		-	-
Increase/(Decrease) in other accrued Expenses Payable		57	906
Increase/(Decrease) in Other Current Liabilities		(470)	(276)
Increase/(Decrease) in Employee Leave Entitlements		2,158	2,796
Increase/(Decrease) in Other Provisions		531	(751)
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		53,735	53,654

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 11. Statement of Cash Flows - Additional Information (continued)

\$ '000	Notes	Actual 2010	Actual 2009
(c) Non-Cash Investing & Financing Activities			
Contributed Roads & Bridges		1,671	-
Contributed Land Parcels		65	-
Contributed Bush Fire assets - Capital on Assets		119	370
Total Non-Cash Investing & Financing Activities		1,855	370
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		300	300
Credit Cards / Purchase Cards		985	985
Total Financing Arrangements		1,285	1,285
Amounts utilised as at Balance Date:			
- Bank Overdraft Facilities		-	-
- Credit Cards / Purchase Cards		31	13
Total Financing Arrangements Utilised		31	13

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

(ii) Secured Loan Liabilities

Loans are secured by a mortgage over future years Rate Revenue only.

(e) Net Cash Flows Attributable to Discontinued Operations

Please refer to Note 24 for details of Cash Flows that relate to Discontinued Operations

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2010	Actual 2009
(a) Capital Commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, Plant & Equipment			
Buildings		2,809	2,800
Infrastructure		327	-
Total Commitments		3,136	3,883
These expenditures are payable as follows:			
Within the next year		3,113	3,883
Later than one year and not later than 5 years		23	-
Later than 5 years		-	-
Total Payable		3,136	3,883
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		2,554	3,161
Future Grants & Contributions		-	722
Sect 64 & 94 Funds/Reserves		270	-
Unexpended Grants		312	-
Total Sources of Funding		3,136	3,883
(b) Other Expenditure Commitments (exclusive of GST)			
Other Non Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
DWM & Recycling Services		35,018	28,980
Cleaning Services		728	91
Audit Services		422	519
Trainee/Apprenticeships		750	1,328
Infrastructure		-	1,983
Air Conditioning Maintenance		420	-
Cash Collection		261	-
Library Management System Maintenance/Support		267	-
Other		196	233
Total Commitments		38,062	33,134
These expenditures are payable as follows:			
Within the next year		12,642	13,627
Later than one year and not later than 5 years		25,420	19,507
Later than 5 years		-	-
Total Payable		38,062	33,134

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2010	Actual 2009		
(c) Finance Lease Commitments					
(i) Commitments under Finance Leases at the Reporting Date are payable as follows:					
Within the next year		584	1,416		
Later than one year and not later than 5 years		735	1,322		
Later than 5 years		-	-		
Total Minimum Lease Payments		1,319	2,738		
less: Future Finance Charges		(64)	(200)		
Amount Recognised as a Liability		1,255	2,538		
(ii) Finance Lease Liability Recognised represent;					
Current Liabilities		824	1,289		
Non-Current Liabilities		431	1,249		
Total Finance Lease Liabilities Disclosed		1,255	2,538		
(iii) General Details					
Council Leases the following Property, Plant & Equipment under Finance Leases:					
	Term (Years)	Option to Purchase	Contingent Rent Clauses		
Heavy Plant - Carrying Value	5	Y	N	1,255	2,538
Total Carrying Value at Year End				1,255	2,538
(d) Operating Lease Commitments (Non Cancellable)					
a. Commitments under Non Cancellable Operating Leases at the Reporting date, but not recognised as Liabilities are payable:					
Within the next year		496	669		
Later than one year and not later than 5 years		737	1,096		
Later than 5 years		1,043	1,184		
Total Non Cancellable Operating Lease Commitments		2,276	2,949		

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2010	Actual 2009
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Conditions relating to Finance & Operating Leases:

- All Finance & Operating Lease Agreements are secured only against the Leased Asset.
- No Lease Agreements impose any financial restrictions on Council regarding future debt etc.

(e) Investment Property Commitments

Nil

(f) Remuneration Commitments

Commitments for the payment of salaries & other remuneration under long-term employment contracts in existence at reporting date but not recognised as liabilities are payable:

Within the next year	2,667	2,769
Later than one year and not later than 5 years	5,305	7,504
Later than 5 years	-	-
Total Payable	7,972	10,273

(g) Investment in Associates / Joint Ventures - Commitments

For Capital Commitments and Other Commitments relating to Investments in Associates & Joint Ventures, refer to Note 19 (b)

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 13a. Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts 2010	Indicator 2010	Prior Periods 20092008	
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	31,736	1.24 : 1	0.98	1.79
Current Liabilities less Specific Purpose Liabilities ^(2,3)	25,663			
2. Debt Service Ratio				
Debt Service Cost	1,481	0.77%	1.00%	1.05%
Revenue from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	192,975			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	130,741	61.22%	62.93%	65.40%
Revenue from Continuing Operations	213,570			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	8,292	5.91%	6.75%	6.57%
Rates, Annual & Extra Charges Collectible	140,398			
5. Building & Infrastructure Renewals Ratio ⁽⁵⁾				
Asset Renewals ⁽⁴⁾ [Buildings & Infrastructure]	22,357	52.51%	79.09%	56.29%
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)	42,579			

Notes

⁽¹⁾ Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months


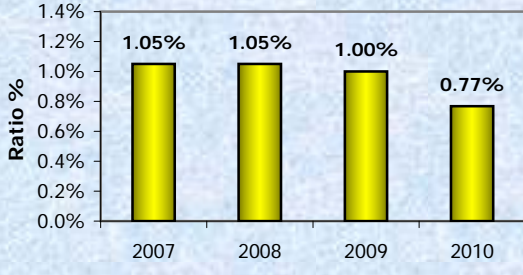
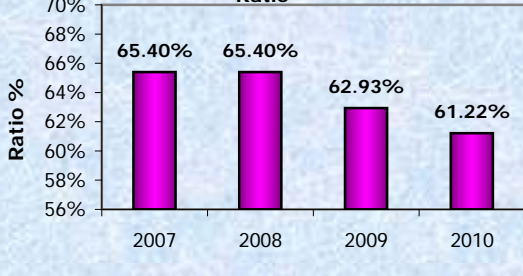

⁽²⁾ Refer to Note 10(a).⁽³⁾ Refer to Note 10(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).⁽⁴⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity or performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.⁽⁵⁾ The performance in this ratio is as expected. The downward movement in 09/10 is due to a slight decrease in asset renewal spend on Buildings, Transport and Stormwater assets in conjunction with a significant increase in depreciation of Transport and Stormwater assets as a result of Fair Value adjustments in line with AIFRS.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 13a. Statement of Performance Measurement - Graphs (Consolidated)

\$ '000

<p>1. Unrestricted Current Ratio</p>  <table><tr><th>Year</th><th>Ratio : 1</th></tr><tr><td>2007</td><td>1.70</td></tr><tr><td>2008</td><td>1.79</td></tr><tr><td>2009</td><td>0.98</td></tr><tr><td>2010</td><td>1.24</td></tr></table>	Year	Ratio : 1	2007	1.70	2008	1.79	2009	0.98	2010	1.24	<p>Purpose of Unrestricted Current Ratio</p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p>Commentary on 2009/10 Result</p> <p>2009/10 Ratio 1.24 : 1</p> <p>Council's strategy is to maximise the use of available funds and therefore target a lean unrestricted current ratio. The advanced payment of the first installment of the 2010/11 Financial Assistance Grant has led to a better than anticipated cash result and this has impacted the positive position at year end.</p>
Year	Ratio : 1											
2007	1.70											
2008	1.79											
2009	0.98											
2010	1.24											
<p>2. Debt Service Ratio</p>  <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2007</td><td>1.05%</td></tr><tr><td>2008</td><td>1.05%</td></tr><tr><td>2009</td><td>1.00%</td></tr><tr><td>2010</td><td>0.77%</td></tr></table>	Year	Ratio %	2007	1.05%	2008	1.05%	2009	1.00%	2010	0.77%	<p>Purpose of Debt Service Ratio</p> <p>To assess the impact of loan principal & interest repayments on the discretionary revenue of council.</p>	<p>Commentary on 2009/10 Result</p> <p>2009/10 Ratio 0.77%</p> <p>The Debt Service Ratio has improved in comparison to prior years. This is due to revenues increasing while borrowings have remained stable. In 2010/11 Council will begin to repay a \$26M interest free infrastructure loan secured from the State Government but it is expected that the indicator will remain well within targets set in the Financial Strategy.</p>
Year	Ratio %											
2007	1.05%											
2008	1.05%											
2009	1.00%											
2010	0.77%											
<p>3. Rates & Annual Charges Coverage Ratio</p>  <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2007</td><td>65.40%</td></tr><tr><td>2008</td><td>65.40%</td></tr><tr><td>2009</td><td>62.93%</td></tr><tr><td>2010</td><td>61.22%</td></tr></table>	Year	Ratio %	2007	65.40%	2008	65.40%	2009	62.93%	2010	61.22%	<p>Purpose of Rates & Annual Charges Coverage Ratio</p> <p>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</p>	<p>Commentary on 2009/10 Result</p> <p>2009/10 Ratio 61.22%</p> <p>The performance of this ratio is as expected. The downward movement in 09/10 is primarily due to the recognition of the discount [\$8.7M] on the interest free loan from the State Government. This transaction is unique and unlikely to be repeated in future years.</p>
Year	Ratio %											
2007	65.40%											
2008	65.40%											
2009	62.93%											
2010	61.22%											
<p>4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage</p>  <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2007</td><td>6.57%</td></tr><tr><td>2008</td><td>6.57%</td></tr><tr><td>2009</td><td>6.75%</td></tr><tr><td>2010</td><td>5.91%</td></tr></table>	Year	Ratio %	2007	6.57%	2008	6.57%	2009	6.75%	2010	5.91%	<p>Purpose of Rates & Annual Charges Outstanding Ratio</p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p>Commentary on 2009/10 Result</p> <p>2009/10 Ratio 5.91%</p> <p>The decrease in the percentage of outstanding rates represents an increase in this performance measure. This is due to a consistent approach and application of debt recovery processes and procedures throughout the year.</p>
Year	Ratio %											
2007	6.57%											
2008	6.57%											
2009	6.75%											
2010	5.91%											

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 14. Investment Properties

\$ '000	Notes	Actual 2010	Actual 2009
(a) Investment Properties at Fair value			
<u>Investment Properties on Hand</u>		<u>3,575</u>	<u>3,688</u>
Reconciliation of Annual Movement:			
Opening Balance		3,688	4,826
- Net Gain/(Loss) from Fair Value Adjustments		(113)	(1,138)
CLOSING BALANCE - INVESTMENT PROPERTIES		3,575	3,688

(b) Valuation Basis

The basis of Valuation of Investment Properties is Fair Value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2010 revaluations were based on Independent Assessments made by:
R F Aubin Certified Practising Valuer.

(c) Contractual Obligations at Reporting Date

Refer to Note 12 for disclosures relating to any Capital and Service obligations that have been contracted.

(d) Leasing Arrangements

Details of leased Investment Properties are as follows;

Future Minimum Lease Payments receivable under non-cancellable Investment Property Operating Leases not recognised in the Financial Statements are due:

Within 1 year	285	288
Later than 1 year but less than 5 years	128	266
Later than 5 years	-	-
Total Minimum Lease Payments Receivable	413	554

(e) Investment Property Income & Expenditure - summary

Rental Income from Investment Properties:		
- Minimum Lease Payments	407	348
Direct Operating Expenses on Investment Properties:		
- that generated rental income	(94)	(118)
Net Revenue Contribution from Investment Properties	313	230
plus:		
Fair Value Movement for year	(113)	(1,138)
Total Income attributable to Investment Properties	200	(908)

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 15. Financial Risk Management

\$ '000

Risk Management

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

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

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's Finance Section under policies approved by the Council's Executive Management.

A comparison by category of the carrying amounts and fair values of Council's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2010	2009	2010	2009
Financial Assets				
Cash and Cash Equivalents	62,162	31,208	62,162	31,208
Investments				
- "Held for Trading"	13,992	17,384	13,992	17,384
Receivables	16,044	18,879	16,044	18,879
Total Financial Assets	92,198	67,471	92,198	67,471
Financial Liabilities				
Payables	16,150	24,636	16,150	24,636
Loans / Advances	17,269	76	17,269	76
Lease Liabilities	1,255	2,538	1,255	2,538
Total Financial Liabilities	34,674	27,250	34,674	27,250

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) **"at fair value through profit & loss"** are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 15. Financial Risk Management (continued)

\$ '000

(a) Cash & Cash Equivalents, Financial assets "at fair value through the profit & Loss", "Available-for-sale" financial assets & "Held-to-maturity" Investments

Council's objective is to maximise its return on cash & investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's Finance Section manages its Cash & Investments portfolio with the assistance of independent advisors.

Council maintains its Investment Policy in compliance with the Local Government Act and ensures that investments are placed in accordance with the Policy and having particular regard to authorised investments prescribed under the Local Government Investment Order.

The Policy is regularly reviewed by Council and its staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The major risk associated with Investments is price risk - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

The investment types primarily affected by price risk at balance date are Council's CDO holdings, FRN's and T-Corp holdings. Council views market adjustments made to these securities as the result of the global credit crisis which has highlighted the lack of liquidity in the market that subsequently led to rating downgrades to some of these assets. All CDO holdings in Council's portfolio are considered 'hold' investments in line with Council's original strategy to retain these securities until maturity. All securities continue to meet coupon payments and have capital expectations above current market value.

Cash & Investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns and income. Council manages interest rate risk by investing in a range of short term fixed rate and longer term variable rate deposits. Interest rate risk is minimised as the short term fixed deposits allow for regular reinvestment in line with interest rate movements whilst the variable deposits reset on a quarterly basis in line with published interest rates.

A further risk associated with Cash & Investments is credit risk - the risk that the counterparty (to an investment) will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature. Credit risk is managed by ensuring all deposits are with highly rated institutions, diversifying the portfolio and using advice provided by Council's investment advisors prior to placing funds.

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

The summary on the following page represents the sensitivity of Council's Income Statement and Accumulated Surplus during the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 15. Financial Risk Management (continued)

\$ '000

(a) Cash & Cash Equivalents, Financial assets "at fair value through the profit & Loss",
"Available-for-sale" financial assets & "Held-to-maturity" Investments (continued)

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
2010				
Possible impact of a 10% movement in Market Values	1,399	1,399	(1,399)	(1,399)
Possible impact of a 1% movement in Interest Rates	622	622	(622)	(622)
2009				
Possible impact of a 10% movement in Market Values	1,738	1,738	(1,738)	(1,738)
Possible impact of a 1% movement in Interest Rates	312	312	(312)	(312)

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

Council's major receivables comprise (i) Rates & Annual charges and (ii) User Charges & Fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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

A profile of Council's receivables credit risk at balance date follows:

	2010 Rates & Annual Charges	2010 Other Receivables	2009 Rates & Annual Charges	2009 Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	0%	51%	0%	77%
Overdue	100%	49%	100%	23%
(ii) Movement in Provision for Impairment of Receivables			2010	2009
Balance at the beginning of the year			127	193
+ new provisions recognised during the year			67	78
- amounts already provided for & written off this year			(46)	(70)
- amounts provided for but recovered during the year			33	(74)
- previous impairment losses reversed			(33)	-
Balance at the end of the year			148	127

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

As well, payment terms can (in extenuating circumstances) be extended & overdraft facilities can be drawn down.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & Borrowings are set out in the Liquidity Table below:

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2010									
Trade/Other Payables	1,554	14,608	-	-	-	-	-	16,162	16,150
Loans & Advances	-	650	2,760	2,760	2,760	2,760	14,360	26,050	17,269
Lease Liabilities	-	872	447	-	-	-	-	1,319	1,255
Total Financial Liabilities	1,554	16,130	3,207	2,760	2,760	2,760	14,360	43,531	34,674
2009									
Trade/Other Payables	2,539	22,097	-	-	-	-	-	24,636	24,636
Loans & Advances	-	80	-	-	-	-	-	80	76
Lease Liabilities	-	1,416	331	331	331	331	-	2,738	2,538
Total Financial Liabilities	2,539	23,593	331	331	331	331	-	27,454	27,250

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs & debt servicing requirements. Council manages this risk through the diversification of borrowing types, maturities & interest rate structures.

The following interest rates were applicable to Council's Borrowings at balance date:

	2010		2009	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	16,150	0.00%	24,636	0.00%
Loans & Advances - Fixed Interest Rate	17,269	0.00%	76	5.00%
Lease Liabilities	1,255	6.41%	2,538	6.56%
	34,674		27,250	

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 09/10 was incorporated as part of its Management Plan and was adopted by the Council on 23 June 2009.

While the Income Statement included in this General Purpose Financial Report must disclose the Original Budget adopted by Council, the Local Government Act requires Council to review its Financial Budget on a Quarterly Basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This Note sets out the details of MATERIAL VARIATIONS between Council's Original Budget and its Actual results for the year as per the Income Statement - even though such variations may have been adjusted for during each Quarterly Budget Review.

Material Variations represent those variances that amount to **10%** or more of the original budgeted figure.

Note that for Variations: **F** = Favourable Budget Variation, **U** = Unfavourable Budget Variation

\$ '000	2010 Budget	2010 Actual	2010 Variance*		
REVENUES					
Rates & Annual Charges	131,060	130,741	(319)	(0%)	U
User Charges & Fees	27,959	25,451	(2,508)	(9%)	U
Interest & Investment Revenue	2,567	12,884	10,317	402%	F
The favourable variance is due to the recognition of current notional benefit of \$8.8M associated with an interest free loan and improved valuation of securities and portfolio performance. During the year Council was successful in the application for an interest free loan from the State Government of \$26M for the West Dapto Access Plan. Funds were received in June 2010 and Council is required to repay this loan over a 10 year period.					
Other Revenues	5,804	7,859	2,055	35%	F
There is a range of relatively minor items that have contributed to this variance including the following items:					
- Increased penalty income from parking, animal control, development and environment protection infringements \$0.5M					
- Proceeds from prior year insurance claims & recoveries \$0.3M F. Recovery of fuel tax rebates relating to prior years \$0.2M					
- Payments from other Councils & Wollongong Art Gallery for leave entitlements re. employees joining Council \$0.2M					
- Increase recovery of legal costs & other costs associated with recovery of outstanding amounts \$0.2M					
Operating Grants & Contributions	21,819	23,989	2,170	10%	F

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 16. Material Budget Variations (continued)

\$ '000	2010 Budget	2010 Actual	2010 Variance* -----		
REVENUES (continued)					
Capital Grants & Contributions	4,789	12,437	7,648	160%	F
The improvement in capital grants and contributions is attributable to an increased level of Section 94 income of \$1.2M, recognition of contributed assets of \$1.7M and additional capital grants that have included :					
(i) Funding from the Regional Local Community Infrastructure Program for Cliff Rd Promenade improvements \$1.5M					
(ii) Additional RTA funding for a range of projects \$1.2M. Grants received in advance for works to be undertaken in 2010/11 \$0.9M.					
(iii) Additional grants associated with flood prone land acquisitions \$0.3M					
Net Gains from Disposal of Assets	167	209	42	25%	F
The favourable variance in the net gain on disposal of assets is a result of an improvement in land sales of \$1.0M F that is offset by the write off of residual building and transport assets as part of the replacement of these \$0.9M U.					
EXPENSES					
Employee Benefits & On-Costs	81,589	80,846	743	1%	F
Borrowing Costs	2,176	1,938	238	11%	F
The favourable outcome for borrowing costs has resulted from the decision to internally fund the acquisition of major plant and the construction of a major community centre. Plant acquisitions have previously been funded through finance leasing arrangements and the decision to purchase plant has resulted in a saving of \$0.1M F. The original budget proposed the use of loan funds to partially support the construction of Thirroul Community Centre & Library. Use of Council funds has contributed to a further saving of \$0.1M.					
Materials & Contracts	44,074	40,012	4,062	9%	F
Depreciation & Amortisation	58,574	57,060	1,514	3%	F
Other Expenses	28,997	27,442	1,555	5%	F

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 17. Statement of Developer Contributions

\$ '000

Council recovers contributions, raises levies & enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions & levies and the value of all remaining funds which are "restricted" in their future use.

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections		
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding
Drainage	-	-	-	-	-	-	-	Figures provided at left relate to the Horsley Plan. This Plan is stage 1 of the broader West Dapto area. With the development of the West Dapto area, this plan will be repealed and replaced within the West Dapto Plan. All balances are intended to be calculated and absorbed into the West Dapto Plan.		
Roads	1,482	-	-	147	-	-	1,629			
Traffic Facilities	160	-	-	16	-	-	176			
Parking	-	-	-	-	-	-	-			
Open Space	(385)	-	-	(38)	-	-	(423)			
Community Facilities	2,736	-	-	270	(57)	-	2,949			
Other	(57)	-	-	(6)	-	-	(63)			
S94 Contributions - under a Plan	3,936	-	-	389	(57)	-	4,268			
S94A Levies - under a Plan	8,717	2,732	-	901	(3,114)	-	9,236			
Total S94 Revenue Under Plans	12,653	2,732	-	1,290	(3,171)	-	13,504			
S94 not under Plans	-	-	-	-	-	-	-			
S93F Planning Agreements	-	-	-	-	-	-	-			
S64 Contributions	-	-	-	-	-	-	-			
Total Contributions	12,653	2,732	-	1,290	(3,171)	-	13,504			

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN - HORSLEY (to be amalgamated with future West Dapto Plan)

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections		
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding
Roads	1,482	-	-	147	-	-	1,629	The Horsley Plan is stage 1 of the broader West Dapto area. With the development of the West Dapto area, this plan will be repealed and replaced within the West Dapto Plan. All balances are intended to be calculated and absorbed into the West Dapto Plan.		
Traffic Facilities	160	-	-	16	-	-	176			
Open Space	(385)	-	-	(38)	-	-	(423)			
Community Facilities	2,736	-	-	270	(57)	-	2,949			
Other	(57)	-	-	(6)	-	-	(63)			
Total	3,936	-	-	389	(57)	-	4,268			

S94A LEVIES - UNDER A PLAN

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections		
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding
City Wide	9,898	2,017	-	977	(3,114)	-	9,778			
City Centre	(1,181)	715	-	(76)	-	-	(542)			
Total	8,717	2,732	-	901	(3,114)	-	9,236			

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but their knowledge & disclosure is considered relevant to the users of Council's Financial Report.

LIABILITIES NOT RECOGNISED:

1. Bank Guarantees

Council has guaranteed one bank loan to third party. No loss is anticipated under this guarantee.

Council has provided security to WorkCover for outstanding workers compensation claims liability in the form of a bank guarantee to the sum of \$9,535,000.

In addition to the above, Council has provided three other Bank Guarantees totalling \$424,400.00

2. Third Party Claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered and does not expect any material liabilities to eventuate.

3. S94 Plans

Council levies Section 94/94A Contributions upon various development across the Council area through the required Contributions Plans. As part of these Plans, Council has received funds for which it will be required to expend the monies in accordance with those Plans.

As well, these Plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's General Funds.

3. S94 Plans (continued)

These future expenses do not yet qualify as liabilities as of the Reporting Date, but represent Councils intention to spend funds in the manner and timing set out in those Plans.

4. Defined Benefit Superannuation Contribution Plans

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees.

Member Councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category and that member Councils will need to make significantly higher contributions from 2009/10 [\$2.87M] & beyond.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from it's Defined Benefit Scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable - similar to the accounting for Defined Contributions Plans.

5. Supreme Court Matter

A Statement of Claim has been lodged against Council in the Supreme Court for \$41,000,000. Council are defending the claim. The claim is presently stayed pending the outcome of the plaintiff's bankruptcy appeal. The appeal was dismissed but the plaintiff is challenging the dismissal. The claim is uninsured.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 18. Contingencies & Other Assets/Liabilities Not Recognised (continued)

\$ '000

ASSETS NOT RECOGNISED:

1. Public Liability & Professional Indemnity Claim

After withdrawing from Premsure, Council placed its liability insurance with the Independent Insurance Company of London. During 2000/2001, this company was placed in liquidation and Council secured liability & professional indemnity insurance from QBE International, effective 30 April, 2001.

The Independent Insurance Company (in receivership) remains responsible for payment of their portion of each Council claim incurred which exceeded \$25,000 for the period 31 October, 1996 to 30 April, 2001. The total of Council's unrecovered liability claims is \$2,785,947. At this time, the liquidator is unable to determine how much of Council's claim it will recover from the remaining assets of the Independent Insurance Company.

2. ISR Infrastructure Coverage HIH

The storm event of August 1998 caused damage to Council's buildings, contents and infrastructure including roads, drains, bridges and culverts.

Council's contract of insurance with HIH provided coverage for all these categories of losses, however HIH ceased trading during 2000 and has been subsequently placed in liquidation.

Council lodged a notice of claim upon HIH for damage to its buildings, contents & infrastructure. The total of Council's unrecovered property loss claims is \$754,593.67. At this time, the liquidators of HIH, CMGL have made ten interim payments totalling \$216,474.53.

CGML is unable at this time to advise Council how much more of Council's claim will be recovered from the remaining assets of HIH.

ASSETS NOT RECOGNISED: (continued)

3. Land Under Roads

As permitted under AASB 1051, Council has elected not to bring to account Land Under Roads that it owned or controlled up to & including 30/6/08.

4. LawCover Litigation

Council has commenced legal action against LawCover, the insurer of legal practitioners in New South Wales. The matter relates to a drafting error of a lease agreement by Council's solicitor.

The legal action is to recover Council's losses for loss of rent, its cost for lease rectification action and reimbursement of the lessee's costs incurred in the rectification action.

At the time the litigation is before the court and it is not possible to confirm when this recovery will occur.

5. Wollongong City Gallery Limited

Council assumed control over the Gallery on 1 July 2009. Accordingly, the income and expenditure of the Gallery is recognised in the financial statements of Council.

The Gallery is in liquidation and the winding up process is expected to be finalised subsequent to the reporting period. Once completed the Gallery's assets will be transferred to Council. The estimated value of the Gallery's net asset is \$11.9M at 30 June 2010.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

Council has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2010	Actual 2009
a. Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		1,150,590	1,145,743
a. Correction of Prior Period Errors	20 (c)	(205,850)	2,324
b. Changes in Accounting Policies (Prior Period Effects)	20 (d)	-	-
c. Other Comprehensive Income (excl. direct to Reserves transactions)		-	-
d. Net Operating Result for the Year		6,272	2,243
e. Distributions to/(Contributions from) Minority Interests		-	-
f. Transfers between Equity ⁽¹⁾		3,721	280
Balance at End of the Reporting Period		954,733	1,150,590

(1) On disposal of assets which were revalued in prior years, the balance in Asset Revaluation Reserve relating to those assets is transferred to Retained Earnings.

b. Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	1,094,600	411,311
Total	1,094,600	411,311

(ii). Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- Opening Balance	411,311	447,886
- Revaluations for the year	9(a) 687,010	(36,295)
- Transfer to Retained Earnings for Asset disposals	(3,721)	(280)
- Balance at End of Year	1,094,600	411,311

TOTAL VALUE OF RESERVES

1,094,600	411,311
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(iii). Nature & Purpose of Reserves

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2010	Actual 2009
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c. Correction of Error/s relating to a Previous Reporting Period

Council had not previously reassessed the useful life of its transport assets and, as a result, was found to have understated their depreciation.

It was also found that land that Council owned had not previously been recognised and land that had been recognised was disposed of in previous years. A revaluation exercise during the year and an adjustment has been made against the current balances of IPPE and Retained Earnings because it was found to be impractical to restate the prior year comparatives.

Details of the amounts and the financial statement lines affected are outlined below.:

- Depreciation Adjustment	(207,631)	(1,821)
- Land not recognised in previous years	2,227	-
- Buildings not recognised in previous years	-	4,440
- Land disposed of in previous years but still recorded	(446)	-
- Buildings disposed of in previous years but still recorded	-	(186)
- Plant & Equipment disposed of in previous years but still recorded	-	(109)

In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.

These amounted to the following Equity Adjustments:

- Adjustments to Opening Equity - 1/7/08 (relating to adjustments for the 30/6/08 reporting year end and prior periods)	-	2,324
- Adjustments to Opening Equity - 1/07/09 (relating to adjustments for the 30/6/09 reporting year and prior periods)	(205,850)	-
Total Prior Period Adjustments - Prior Period Errors	(205,850)	2,324

d. Voluntary Changes in Accounting Policies

Council made no voluntary changes in any accounting policies during the year.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 21. Financial Result & Financial Position by Fund

Council operates only a General Fund.

Note 22. "Held for Sale" Non Current Assets & Disposal Groups

\$ '000	2010		2009	
	Current	Non Current	Current	Non Current
(i) Non Current Assets & Disposal Group Assets				
Non Current Assets "Held for Sale"				
Land	-	-	2,329	-
TOTAL NON CURRENT ASSETS	-	-	2,329	-
CLASSIFIED AS "HELD FOR SALE"	-	-	2,329	-

\$ '000	Assets "Held for Sale"		Disposal Groups	
	2010	2009	2010	2009
(ii) Reconciliation of Non Current Assets "Held for Sale" & Disposal Groups - i.e. Discontinued Operations				
Opening Balance	2,329	2,329	-	-
less: Carrying Value of Assets/Operations Sold	(195)	-	-	-
Balance still unsold after 12 months:	2,134	2,329	-	-
less: Assets no longer classified as "Held for Sale"	(2,134)	-	-	-
Closing Balance of "Held for Sale"	-	2,329	-	-
Non Current Assets & Operations	-	2,329	-	-

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 23. Events occurring after Balance Sheet Date

\$ '000

Events that occur after the reporting date of 30 June 2010, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 29/09/10.

Events that occur after the Reporting Date represent one of two types:

(i) Events that have provided evidence of conditions that existed at the Reporting Date

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2010.

(ii) Events that have provided evidence of conditions that arose after the Reporting Date

These financial statements (and figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2010 and which are only indicative of conditions that arose after 30 June 2010.

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

Note 24. Discontinued Operations

Council has not classified any of its Operations as "Discontinued".

Note 25. Intangible Assets

Intangible Assets represent identifiable non-monetary asset without physical substance.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

\$ '000

Council is required to restore its Waste Disposal Depots at Whytes Gully & Helensburgh at the end of their useful lives in 2025. The present day cost of this restoration work (and disclosed as a liability) is based upon engineering estimates and has been adjusted to present day values using 6% per annum - being the risk free cost of borrowing to Council.

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2010	2009
Waste Facility Remediation	2025	32,094	30,278
Balance at End of the Reporting Period	10	32,094	30,278

Under AASB 116 - Property, Plant & Equipment, where the use of an asset results in the obligation to dismantle or remove the asset and restore the site on which the asset stands, an estimate of such costs is required to be included in the cost of the asset.

An equivalent liability must be recognised under AASB 137 - Provisions, Contingent Liabilities and Contingent Assets.

The provision has been calculated by determining the present value of the future expenditures expected to be incurred. The discount rate used is the risk free borrowing rate applicable to Council.

Reconciliation of movement in Provision for year:

Balance at beginning of year	30,278	28,564
Amortisation of discount (expensed to borrowing costs)	1,816	1,714
Total - Reinstatement, rehabilitation and restoration provision	32,094	30,278

Amount of Expected Reimbursements

Of the above Provisions for Reinstatement, Rehabilitation and Restoration works, those applicable to Garbage Services & Waste Management are able to be funded through future charges incorporated within Council's Annual Domestic Waste Management Charge.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 27. Additional Council Disclosures - Council Information

Principal Place of Business:

41 Burelli Street
WOLONGONG NSW 2500

Contact Details**Mailing Address:**

Locked Bag 8821
WOLLONGONG NSW 2500

Telephone: 02 4227 7111

Facsimile: 02 4227 7277

Opening Hours

Administration Building: 8:30 am - 5.00 pm

Internet: www.wollongong.nsw.gov.au

Email: council@wollongong.nsw.gov.au

Officers**GENERAL MANAGER**

David Farmer

RESPONSIBLE ACCOUNTING OFFICER

Brian Jenkins

PUBLIC OFFICER

Lyn Kofod

AUDITORS

Hill Rogers Spencer Steer

Administrators

Robert McGregor AM

Dr Colin Gellatly AO

Richard Colley

Other Information

ABN: 63 139 525 939

WOLLONGONG CITY COUNCIL

GENERAL PURPOSE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying *general purpose financial statements* of *Wollongong City Council*, which comprises the Balance Sheet as at 30 June 2010, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial statements include the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Statement of Cash Flows, and Note 2(a) or the budget variation explanations disclosed in Note 16. Nor does our responsibility extend to the projected future developer contributions and costs disclosed in Note 17 or the additional commentary in Note 13. Accordingly, no opinion is expressed on these matters.

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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

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Steer Assurance Partners

ABN 56 435 338 966

Hill Rogers
Spencer Steer

Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion,

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2; and
- (b) the financial statements:
 - (i) have been presented in accordance with the requirements of this Division;
 - (ii) are consistent with the Council's accounting records;
 - (iii) present fairly the Council's financial position, the results of its operations and its cash flows; and
 - (iv) are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that have we have become aware of during the course of the audit.

HILL ROGERS SPENCER STEER

B. Hanger

BRETT HANGER
Partner

Dated at Sydney this 29th day of September 2010

Hill Rogers
Spencer Steer

29 September 2010

The Administrators
Wollongong City Council
41 Burelli Street
WOLLONGONG NSW 2500

Administrators,

Audit Report - Year Ended 30 June 2010

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2010 and that all information required by us was readily available. We have signed our reports as required under Section 417(1) of the Local Government Act, 1993 and the Local Government Code of Accounting Practice and Financial Reporting to the General and Special Purpose Financial Statements.

Our audit has been conducted in accordance with Australian Auditing Standards so as to express an opinion on both the General and Special Purpose Financial Statements of the Council. We have ensured that the accounts have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) and the Local Government Code of Accounting Practice and Financial Reporting.

This report on the conduct of the audit is also issued under Section 417(1) and we now offer the following comments on the financial statements and the audit;

1. RESULTS FOR THE YEAR

1.1 Operating Result

The operating result for the year was a surplus of \$6.272 million as compared with \$2.243 million in the previous year.

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The following table sets out the results for the year and the extent (%) that each category of revenue and expenses contributed to the total.

	2010 \$000	% of Total	2009 \$000	% of Total	Increase (Decrease) \$000
Revenues before capital items					
Rates & annual charges	130,741	65%	121,872	67%	8,869
User charges, fees & other revenues	33,519	17%	29,911	17%	3,608
Grants & contributions provided for operating purposes	23,989	12%	27,118	15%	(3,129)
Interest & investment revenue	4,103	2%	2,116	1%	1,987
Fair Value adjustment to interest free loan	8,781	4%	-	0%	8,781
	201,133	100%	181,017	100%	20,116
Expenses					
Employee benefits & costs	80,846	39%	76,330	40%	4,516
Materials, contracts & other expenses	67,454	33%	67,803	35%	(349)
Depreciation, amortisation & impairment	57,060	28%	45,331	24%	11,729
Borrowing costs	1,938	1%	1,954	1%	(16)
	207,298	100%	191,418	100%	15,880
Surplus(Deficit) before capital items	\$ (6,165)		\$ (10,401)		\$ 4,236
Grants & contributions provided for capital purposes	12,437		12,644		(207)
Net Surplus(Deficit) for the year	\$ 6,272		\$ 2,243		\$ 4,029

The table above shows an overall increase over the previous year of \$4.029 million. The increase can be mostly attributed to increased revenue from rates and interest and included a one off fair value adjustment in respect to the receipt of an interest-free loan. These increases were offset by increased depreciation charges (\$11.729 million) due the revaluation of buildings and infrastructure.

Levies of rates and domestic waste management charges increased by \$8.869 million and accounted for 61% of Council's total revenue.

1.2 Funding Result

The operating result does not take into account all revenues and all expenditures and in reviewing the overall financial performance of Council it is useful to take into account the total source of revenues and where they were spent during the year, which is illustrated in the table below.

Funds were provided by:-

Operating Result (as above)

Add back non funding items:-

- Fair value adjustment to interest free loan
- Depreciation, amortisation & impairment
- Book value of non current assets sold
- (Gain)Loss of fair value to investment properties

New loan borrowings

Transfers from internal reserves (net)

Repayments from deferred debtors

Net Changes in current/non current assets & liabilities

2010	2009
\$000	\$000
6,272	2,243
(8,781)	0
57,060	45,331
2,987	1,498
113	1,138
57,651	50,210
26,050	0
0	14,398
15	15
2,491	4,250
86,207	68,873

Funds were applied to:-

Purchase and construction of assets

Principal repaid on loans

Finance lease instalments

Transfers to externally restricted assets (net)

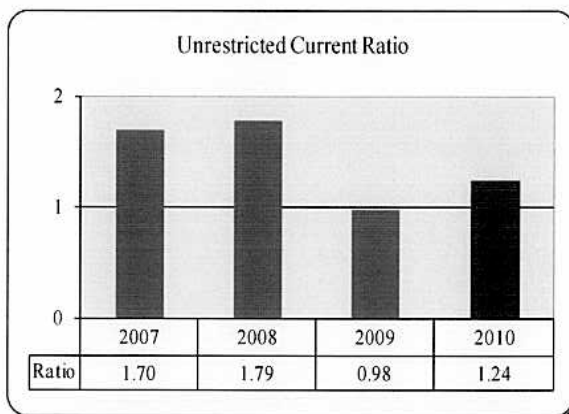
(54,210)	(73,577)
(76)	(260)
(1,283)	(1,229)
(22,643)	(1,270)
(78,212)	(76,336)

2. FINANCIAL POSITION

2.1 Unrestricted Current Ratio

The Unrestricted Current Ratio is a financial indicator specific to local government and represents Council's ability to meet its debts and obligations as they fall due.

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months net current assets amounted to \$6.073 million representing a factor of 1.24 to 1.



2.2 Available Working Capital – (Working Funds)

At the close of the year the Available Working Capital of Council stood at \$19.454 million as detailed below;

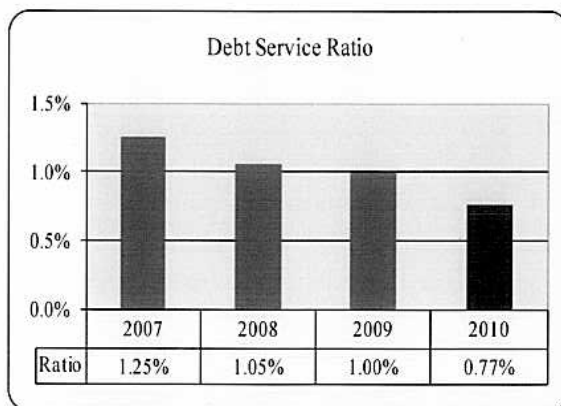
	2010 \$000	2009 \$000	Change \$000
Net Current Assets (Working Capital) as per Accounts	48,803	20,241	28,562
<i>Add:</i> Payables, provisions and inventories not expected to be realised in the next 12 months included above	12,631	11,869	762
Adjusted Net Current Assets	61,434	32,110	29,324
<i>Add:</i> Budgeted & expected to pay in the next 12 months			
- Borrowings	1,473	1,365	108
- Employees leave entitlements	9,939	8,719	1,220
- Self insurance claims	1,413	1,305	108
- Deposits & retention moneys	571	693	(122)
- Deferred debtors	(15)	(15)	0
<i>Less:</i> Externally restricted assets	(55,361)	(32,718)	(22,643)
Available Working Capital as at 30 June	\$ 19,454	\$ 11,459	\$ 7,995

The balance of Available Working Capital should be at a level to manage Council's day to day operations including the financing of hard core debtors, stores and to provide a buffer against unforeseen and unbudgeted expenditures. Notwithstanding the lack of internally restricted assets (Reserves), we are of the opinion that Available Working Capital as at 30 June 2010 was adequate.

2.3 Debt

Operating revenue (excluding special purpose grants and contributions) required to service debt (loan repayments) was 0.77%.

After repaying principal and interest of \$1.481 million Council's debt as at 30 June 2010 amounted \$18.524 million (2009 - \$2.614 million). The increase in debt is attributable to the receipt of an interest free loan of \$26 million (revalued to a fair value of \$17 million).



2.4 Summary

Council's overall financial position, when taking into account the above financial indicators is, in our opinion, satisfactory.

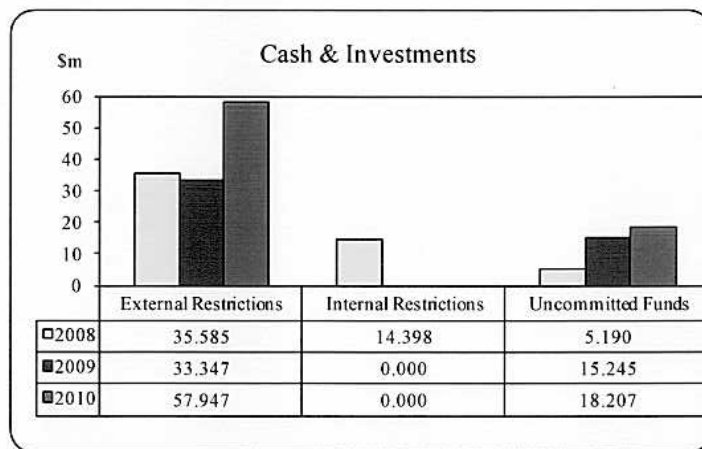
3. CASH ASSETS

3.1 Cash & Investments

Cash and investments held at the close of the year amounted to \$76.154 million as compared with \$48.592 million and \$55.173 million at the close of financial years 2009 and 2008 respectively.

Investments included CDO's (Collateralised Debt Obligations) and other securities held at fair value of \$13.992 million. Note 1(g) provides details of the valuation of these securities.

The chart alongside summarises the purposes for which cash and investments were held.



Externally restricted cash and investments are restricted in their use by externally imposed requirements and consisted of unexpended development contributions under Section 94 (\$13.504 million), domestic waste management charges (\$9.299 million), stormwater management charges (\$309,000), unexpended loans (\$26.050 million) and other specific purpose grants, contributions and levies (\$8.785 million).

Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect forward plans, identified programs of works, and are, in fact, Council's "**Reserves**". Due to the over expenditure of the *Community Infrastructure* reserve, Council's net Reserves were Nil as at 30 June 2010. Further details are disclosed in Note 6 of the financial statements.

Unrestricted cash and investments amounted to \$18.207 million.

3.2 Cash Flows

The Statement of Cash Flows illustrates the flow of cash moving in and out of Council during the year and reveals that funds increased by \$30.954 million to \$62.162 million at the close of the year.

In addition to operating activities which contributed net cash of \$53.735 million were the sale of assets (\$3.696 million), sale of investments (\$5 million), loan funding (\$26.050 million) and receipts from deferred debtors (\$15,000). Cash outflows other than operating activities were used to repay principal on loans and finance leases (\$1.359 million), purchase and construct assets (\$56.149 million) and to purchase investments (\$34,000).

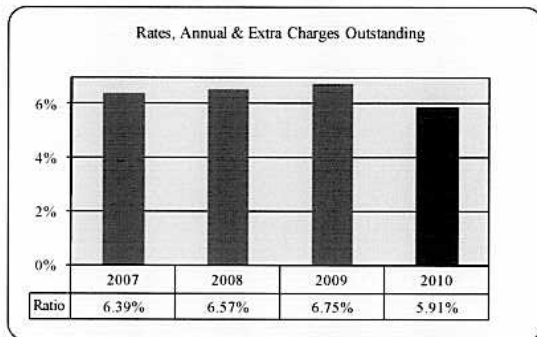
4. RECEIVABLES

4.1 Rates & Annual Charges (excluding interest & extra charges)

Net rates and annual charges levied during the year totalled \$130.741 million. Including arrears, the total rates and annual charges collectible was \$138.652 million of which \$131.299 million (94.70%) was collected.

4.2 Rates, Annual & Extra Charges

Arrears of rates, annual & extra charges stood at \$8.292 million at the end of the year & represented 5.91% of those receivables.



4.3 Other Receivables

Receivables (other than rates annual & extra charges) totalled \$7.834 million and included amounts due from other levels of government of \$3.518 million and user charges and fees amounting to \$2.310 million. Those considered to be uncertain of collection have been provided for as doubtful debts and this provision amounted to \$148,000.

5. PAYABLES

5.1 Employees Leave Entitlements

Council's provision for its liability towards employees leave entitlements and associated on costs amounted to \$30.499 million. No cash reserves were held at year end to meet any unbudgeted and unanticipated terminations. In the absence of actuarially assessing expected retirements, a 20% funding level is generally considered prudent.

Hill Rogers
Spencer Steer

5.2 Self Insurance

Workers Compensation insurance claims have been actuarially assessed at \$6.463 million (2009 - \$5.980 million) and a bank guarantee of \$9.535 million is held to cover these claims as required by the WorkCover Authority of NSW.

5.3 Deposits, Retentions & Bonds

Deposits, retentions and bonds held at year end amounted to \$1.554 million and were not funded by internally restricted cash and investments.

6. REVALUATION OF ASSETS

The valuation at 'fair value' of Council's infrastructure, property, plant and equipment is being introduced in a staged approach. In previous years several asset categories, including operational land and buildings, plant and equipment, have been valued.

This year saw the revaluation of roads, bridges, footpaths and drainage. The revaluation process (including updating the valuations of operational land and buildings) resulted in a net increase of \$481.160 million and was credited directly to Equity. Notes 1(j) & 9 of the financial statements provide further details.

Fair valuation of the remaining asset categories, including community land and other structures, will be required in the 2010/11 financial year.

7. CONCLUSION

We wish to record our appreciation to your General Manager and his staff for their ready co-operation and the courtesies extended to us during the conduct of the audit.

Yours faithfully,

HILL ROGERS SPENCER STEER

B. Hanger

BRETT HANGER
Partner



WOLLONGONG CITY COUNCIL

WORKING WITH YOU

ANNUAL REPORT 2009-10

ATTACHMENT C
SPECIAL PURPOSE FINANCIAL STATEMENTS

Wollongong City Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2010

"working with you"



Wollongong City Council

Special Purpose Financial Statements

for the financial year ended 30 June 2010

Contents	Page
1. Statement by Administrators & Management	2
2. Special Purpose Financial Statements:	
- Income Statement of Water Supply Business Activity	n/a
- Income Statement of Sewerage Business Activity	n/a
- Income Statement of Other Business Activities	3
- Balance Sheet of Water Supply Business Activity	n/a
- Balance Sheet of Sewerage Business Activity	n/a
- Balance Sheet of Other Business Activities	5
3. Notes to the Special Purpose Financial Statements	7
4. Auditor's Report	11

Background

(i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division of Local Government in fulfilling their requirements under National Competition Policy.

(ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.

(iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and **(b)** those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).

(iv) In preparing these financial statements for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).

Wollongong City Council

Special Purpose Financial Statements for the financial year ended 30 June 2010

Statement by Administrators and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Statements have been prepared in accordance with:

- The NSW Government Policy Statement "Application of National Competition Policy to Local Government"
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality"
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines - "Best Practice Management of Water and Sewerage".

To the best of our knowledge and belief, these Financial Statements:

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

We are not aware of any matter that would render these Statements false or misleading in any way.

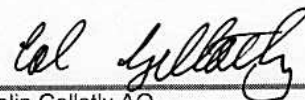
Signed in accordance with a resolution of Council made on 28 September 2010.



Robert McGregor AM
ADMINISTRATOR



Richard Colley
ADMINISTRATOR



Dr Colin Gellatly AO
ADMINISTRATOR



David Farmer
GENERAL MANAGER



Brian Jenkins
RESPONSIBLE ACCOUNTING OFFICER

Wollongong City Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2010

\$ '000	Waste Disposal		Tourist Parks	
	Actual 2010	Actual 2009	Actual 2010	Actual 2009
Income from continuing operations				
Access charges	-	-	-	-
User charges	8,770	7,500	5,299	4,748
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	19	22	-	1
Total income from continuing operations	8,789	7,522	5,299	4,749
Expenses from continuing operations				
Employee benefits and on-costs	1,538	1,751	2,183	2,009
Borrowing costs	1,817	1,714	2	12
Materials and contracts	2,185	736	790	2,197
Depreciation and impairment	1,580	1,569	718	450
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	322	210	185	153
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	8,915	8,223	1,024	969
Total expenses from continuing operations	16,357	14,203	4,902	5,790
Surplus (deficit) from Continuing Operations before capital amounts	(7,568)	(6,681)	397	(1,041)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(7,568)	(6,681)	397	(1,041)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	(7,568)	(6,681)	397	(1,041)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	(119)	-
SURPLUS (DEFICIT) AFTER TAX	(7,568)	(6,681)	278	(1,041)
plus Opening Retained Profits	(17,781)	(11,310)	9,176	10,064
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	322	210	185	153
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	-	119	-
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	(25,027)	(17,781)	9,758	9,176
Return on Capital %	-12.7%	-11.0%	2.9%	-8.3%
Subsidy from Council	8,063	7,466	301	1,718

Wollongong City Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2010

\$ '000	Health & Fitness		Crematorium & Cemeteries	
	Actual 2010	Actual 2009	Actual 2010	Actual 2009
Income from continuing operations				
Access charges	-	-	-	-
User charges	2,141	2,129	2,052	1,697
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	50	34	-	-
Total income from continuing operations	2,191	2,163	2,052	1,697
Expenses from continuing operations				
Employee benefits and on-costs	1,831	1,954	1,587	1,372
Borrowing costs	-	-	-	-
Materials and contracts	875	768	656	584
Depreciation and impairment	41	67	118	118
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	201	174	175	134
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	734	720	297	255
Total expenses from continuing operations	3,682	3,683	2,833	2,463
Surplus (deficit) from Continuing Operations before capital amounts	(1,491)	(1,520)	(781)	(766)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(1,491)	(1,520)	(781)	(766)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	(1,491)	(1,520)	(781)	(766)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	-	-
SURPLUS (DEFICIT) AFTER TAX	(1,491)	(1,520)	(781)	(766)
plus Opening Retained Profits	(4,795)	(3,449)	5,645	6,277
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	201	174	175	134
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	-	-	-
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	(6,085)	(4,795)	5,039	5,645
Return on Capital %	-11.9%	-12.2%	-5.8%	-5.9%
Subsidy from Council	2,128	2,210	1,465	1,482

Wollongong City Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2010

\$ '000	Waste Disposal		Tourist Parks	
	Category 1		Category 1	
	Actual 2010	Actual 2009	Actual 2010	Actual 2009
ASSETS				
Current Assets				
Cash and cash equivalents	9,299	7,067	-	-
Investments	-	-	-	-
Receivables	718	503	22	13
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	10,017	7,570	22	13
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	45,341	45,104	13,731	12,436
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	45,341	45,104	13,731	12,436
TOTAL ASSETS	55,358	52,674	13,753	12,449
LIABILITIES				
Current Liabilities				
Payables	893	1,088	145	27
Interest bearing liabilities	-	-	-	-
Provisions	546	684	506	492
Total Current Liabilities	1,439	1,772	651	519
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	76
Provisions	32,184	30,388	124	123
Other Liabilities	46,762	38,295	3,220	2,555
Total Non-Current Liabilities	78,946	68,683	3,344	2,754
TOTAL LIABILITIES	80,385	70,455	3,995	3,273
NET ASSETS	(25,027)	(17,781)	9,758	9,176
EQUITY				
Retained earnings	(25,027)	(17,781)	9,758	9,176
Revaluation reserves	-	-	-	-
Council equity interest	(25,027)	(17,781)	9,758	9,176
Minority equity interest	-	-	-	-
TOTAL EQUITY	(25,027)	(17,781)	9,758	9,176

Wollongong City Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2010

	Health & Fitness		Crematorium & Cemeteries	
	Category 1		Category 1	
\$ '000	Actual 2010	Actual 2009	Actual 2010	Actual 2009
ASSETS				
Current Assets				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables	22	53	135	168
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	22	53	135	168
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	12,481	12,461	13,407	12,920
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	12,481	12,461	13,407	12,920
TOTAL ASSETS	12,503	12,514	13,542	13,088
LIABILITIES				
Current Liabilities				
Payables	48	27	85	58
Interest bearing liabilities	-	-	-	-
Provisions	346	471	542	678
Total Current Liabilities	394	498	627	736
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	104	119	92	87
Other Liabilities	18,090	16,692	7,784	6,620
Total Non-Current Liabilities	18,194	16,811	7,876	6,707
TOTAL LIABILITIES	18,588	17,309	8,503	7,443
NET ASSETS	(6,085)	(4,795)	5,039	5,645
EQUITY				
Retained earnings	(6,085)	(4,795)	5,039	5,645
Revaluation reserves	-	-	-	-
Council equity interest	(6,085)	(4,795)	5,039	5,645
Minority equity interest	-	-	-	-
TOTAL EQUITY	(6,085)	(4,795)	5,039	5,645

Wollongong City Council

Special Purpose Financial Statements

for the financial year ended 30 June 2010

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	8
2	Water Supply Business Best Practice Management disclosure requirements	n/a
3	Sewerage Business Best Practice Management disclosure requirements	n/a

Wollongong City Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2010

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Division of Local Government.

For the purposes of these statements, the Council's business activities (reported herein) are not reporting entities.

These special purpose financial statements, unless otherwise stated, have been prepared in accordance with;

- applicable Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Australian Accounting Interpretations,
- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

The "Pricing & Costing for Council Businesses A Guide to Competitive Neutrality" issued by the Division of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These

disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

Declared Business Activities

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

a. Waste Disposal

Manages the disposal of solid waste generated within the city.

b. Tourist Parks

Operation, management & development of tourist parks at Bulli, Corrimal & Windang.

c. Health & Fitness

Responsible for the management and upkeep of Council's Leisure Centres.

d. Crematorium & Cemeteries

Provision of quality crematorium, cemetery & memorial facilities & services

Category 2

(where gross operating turnover is less than \$2 million)

None

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars.

(i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these

Wollongong City Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2010

Note 1. Significant Accounting Policies (continued)

statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

Notional Rate Applied %

Corporate Income Tax Rate – 30%

Land Tax – The first **\$376,000** of combined land values attracts **0%**. From \$376,001 to \$2,299,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,299,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.70%** on the value of taxable salaries and wages in excess of \$638,000.

Income Tax

An income tax equivalent has been applied on the profits of the business.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income Tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved.

Since this taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business

operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in Council's GPFS.

The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations that have occurred during the year.

Local Government Rates & Charges

A calculation of the equivalent rates and charges payable on all Category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face "true" commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed.

Subsidies occur where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations.

Accordingly, Subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of Business Activities.

Wollongong City Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2010

Note 1. Significant Accounting Policies (continued)

(iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field".

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense

Written Down Value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 5.10% at 30/6/10.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

(iv) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities.

WOLLONGONG CITY COUNCIL
SPECIAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying *special purpose financial statements* of *Wollongong City Council*, which comprises the Balance Sheet as at 30 June 2010, Income Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the financial reporting requirements of the Division of Local Government. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

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Hill Rogers
Spencer Steer

The financial statements have been prepared for distribution to the Council and the Division of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Division of Local Government, or for any purpose other than that for which they were prepared.

Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the special purpose financial statements of the Council are presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

HILL ROGERS SPENCER STEER

B. Hanger

BRETT HANGER
Partner

Dated at Sydney this 29th day of September 2010

Wollongong City Council

SPECIAL SCHEDULES
for the year ended 30 June 2010

"working with you"



Wollongong City Council

Special Schedules

for the financial year ended 30 June 2010

Contents

Page

Special Schedules¹

- Special Schedule No. 1	Net Cost of Services	2
- Special Schedule No. 2(a)	Statement of Long Term Debt (all purposes)	4
- Special Schedule No. 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
- Special Schedule No. 3	Water Supply - Income Statement	n/a
- Special Schedule No. 4	Water Supply - Balance Sheet	n/a
- Special Schedule No. 5	Sewerage Service - Income Statement	n/a
- Special Schedule No. 6	Sewerage Service - Balance Sheet	n/a
- Notes to Special Schedules No. 3 & 5		n/a
- Special Schedule No. 7	Condition of Public Works	5
- Special Schedule No. 8	Financial Projections	8

¹ Special Purpose Schedules are not audited.

Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
 - the Australian Bureau of Statistics (ABS),
 - the NSW Office of Water,
 - the Department of Environment, Climate Change and Water, and
 - the Division of Local Government (DLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of the financial activities of specific services.

Wollongong City Council

Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2010

\$'000

Function or Activity	Expenses from continuing operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Administration	50,657	14,384	65	(36,208)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	3,769	403	210	(3,156)
Beach Control	4,426	12	-	(4,414)
Enforcement of Local Govt Regs	1,737	1,930	-	193
Animal Control	942	378	-	(564)
Other	70	-	-	(70)
Total Public Order & Safety	10,944	2,723	210	(8,011)
Health	1,543	544	-	(999)
Environment				
Noxious Plants and Insect/Vermin Control	-	-	-	-
Other Environmental Protection	6,964	1,161	1,035	(4,768)
Solid Waste Management	27,254	30,547	-	3,293
Street Cleaning	3,343	-	-	(3,343)
Drainage	8,939	1,685	50	(7,204)
Stormwater Management	-	-	-	-
Total Environment	46,500	33,393	1,085	(12,022)
Community Services and Education				
Administration & Education	43	1	-	(42)
Social Protection (Welfare)	2,246	1,552	-	(694)
Aged Persons and Disabled	1,088	451	-	(637)
Childrens Services	2,295	955	-	(1,340)
Total Community Services & Education	5,672	2,959	-	(2,713)
Housing and Community Amenities				
Public Cemeteries	2,086	2,052	-	(34)
Public Conveniences	517	-	-	(517)
Street Lighting	2,454	427	-	(2,027)
Town Planning	8,326	4,582	2,967	(777)
Other Community Amenities	1,974	1,227	100	(647)
Total Housing and Community Amenities	15,357	8,288	3,067	(4,002)
Water Supplies	-	-	-	-
Sewerage Services	-	-	-	-

Wollongong City Council

Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2010

\$'000

Function or Activity	Expenses from continuing operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	9,129	747	-	(8,382)
Museums	-	-	-	-
Art Galleries	1,812	476	1	(1,335)
Community Centres and Halls	4,220	332	-	(3,888)
Performing Arts Venues	2,388	33	-	(2,355)
Other Performing Arts	-	-	-	-
Other Cultural Services	705	21	-	(684)
Sporting Grounds and Venues	4,665	744	91	(3,830)
Swimming Pools	4,520	452	-	(4,068)
Parks & Gardens (Lakes)	9,685	247	-	(9,438)
Other Sport and Recreation	3,085	2,191	-	(894)
Total Recreation and Culture	40,209	5,243	92	(34,874)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	-	-	-	-
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	-	-	-	-
Transport and Communication				
Urban Roads (UR) - Local	23,561	1,122	5,880	(16,559)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	-	-	-	-
Sealed Rural Roads - Regional	-	-	-	-
Unsealed Rural Roads (URR) - Local	-	-	-	-
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	-	-	-	-
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	1,175	456	-	(719)
Footpaths	2,770	10	2,038	(722)
Aerodromes	-	-	-	-
Other Transport & Communication	-	-	-	-
Total Transport and Communication	27,506	1,588	7,918	(18,000)
Economic Affairs				
Camping Areas & Caravan Parks	4,329	5,299	-	970
Other Economic Affairs	4,581	3,181	-	(1,400)
Total Economic Affairs	8,910	8,480	-	(430)
Totals – Functions	207,298	77,602	12,437	(117,259)
General Purpose Revenues⁽¹⁾		123,531	-	123,531
Share of interests - joint ventures & associates using the equity method	-	-	-	-
NET OPERATING RESULT FOR YEAR	207,298	201,133	12,437	6,272

(1) Includes: Rates & Annual Charges (incl. Ex Gratia), Untied General Purpose Grants & Interest on Investments (excl. Restricted Assets)

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2010

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	76	-	76	26,050	76	-	-	2	650	25,400	26,050
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	76	-	76	26,050	76	-	-	2	650	25,400	26,050
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	1,289	1,249	2,538	-	1,283	-	-	120	823	432	1,255
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	1,289	1,249	2,538	-	1,283	-	-	120	823	432	1,255
Total Debt	1,365	1,249	2,614	26,050	1,359	-	-	122	1,473	25,832	27,305

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

This Schedule is prepared using the Face Value of debt obligations, rather than Fair Value (as per the GPFS's).

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n. Expense (\$)	Cost	Valuation	Accumulated Depreciation & Impairment	Carrying Amount (WDV)	Asset Condition [#]	Estimated cost to bring up to a satisfactory condition standard ⁽¹⁾	Required ⁽²⁾ Annual Maintenance	Current ⁽³⁾ Annual Maintenance
Buildings		per Note 1	per Note 4	<<<<<<<<< per Note 9 >>>>>>>>>				<<<<<<< per Section 428(2d) >>>>>>>			
	Administration Centre	1-10%	2,363	-	71,690	28,889	42,801	2.0	4,146	1,434	389
	Cultural	1-10%	1,766	-	55,890	18,104	37,786	2.5	2,750	784	204
	Community	1-10%	2,678	-	107,905	51,506	56,399	3.1	3,664	1,516	715
	Childcare Centre(s)	1-10%	727	-	29,226	13,898	15,328	2.5	1,066	409	88
	Surf Life Saving Clubs	1-10%	1,245	-	46,522	21,873	24,649	2.6	1,583	725	333
	Leisure Centres	1-10%	438	-	17,907	8,719	9,188	3.0	811	251	140
	Office/Shops	1-10%	1,160	-	47,755	22,230	25,525	2.8	1,810	744	477
	Industrial	1-10%	1,561	-	65,660	33,684	31,976	3.0	2,496	1,025	366
	Residence	1-10%	139	-	8,985	5,807	3,178	3.6	346	170	84
	Amenities	1-10%	1,192	-	53,816	30,807	23,009	3.1	2,129	749	325
	Public Toilets	1-10%	197	-	8,478	4,350	4,128	3.1	333	120	224
	Grandstands	1-10%	357	-	16,476	9,326	7,150	3.4	704	231	21
	Tourist Park Cabins	1-10%	380	-	10,306	2,942	7,364	2.1	412	103	27
	Other	1-10%	12	-	513	146	367	1.9	19	6	55
	sub total			14,215	-	541,129	252,281	288,848		22,269	8,267

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n. Expense (\$)	Cost	Valuation	Accumulated Depreciation & Impairment	Carrying Amount (WDV)	Asset Condition [#]	Estimated cost to bring up to a satisfactory condition standard ⁽¹⁾	Required ⁽²⁾ Annual Maintenance	Current ⁽³⁾ Annual Maintenance
		per Note 1	per Note 4	<<<<<<<<< per Note 9 >>>>>>>>>				<<<<<<< per Section 428(2d) >>>>>>>>			
Transport	Road Seal	1.97%	2,998	-	151,860	105,972	45,888	3.6	24,672	3,653	2,930
	Road Structure (base & subbase)	1.15%	9,614	-	832,873	451,455	381,418	2.5	132,935		
	Bridges	1.30%	943	-	72,573	34,097	38,476	2.7	2,954	764	53
	Footpaths	1.59%	1,426	-	89,737	68,693	21,044	4.0	7,178	1,795	530
	Cycle ways	1.92%	644	-	33,480	16,002	17,478	2.8	2,678	335	142
	Kerb and Gutter	1.20%	4,066	-	339,953	185,702	154,251	3.2	26,817	737	106
	Roadside Furniture	3.44%	925	-	26,879	12,888	13,991	2.0	2,260	558	84
	Traffic Facilities	1.33%	407	-	30,701	11,039	19,662	2.4	355	176	82
	sub total		21,023	-	1,578,056	885,848	692,208		199,849	8,018	3,927
Stormwater											
	Stormwater Pipes	1.03%	4,086	-	397,414	151,931	245,483	2.4	19,871	1,987	254
	Pits	1.00%	1,797	-	179,850	68,518	111,332	2.5	3,597	899	353
	Head Walls	1.09%	180	-	16,582	6,780	9,802	2.6	828	83	53
	Major Culverts (>6m road length)	1.01%	124	-	12,281	4,377	7,904	2.4	465	123	26
	Minor Culverts (<6m road length)	0.92%	437	-	47,707	20,352	27,355	2.6	1,670	239	12
	Riparian Assets	1.52%	717	-	47,300	13,688	33,612	2.1	968	473	329
	sub total		7,341	-	701,134	265,646	435,488		27,399	3,804	1,027
	TOTAL - ALL ASSETS		42,579	-	2,820,319	1,403,775	1,416,544		249,517	20,089	8,402

Special Schedule No. 7 - Condition of Public Works (continued)

as at 30 June 2010

Notes:

- (1). Cost to bring up to satisfactory standard' refers to estimated cost to replace the nominated percentage of each asset type which is deemed to be below satisfactory standard. Satisfactory standard is generally defined as condition 1 - 4 (see Asset Condition Definitions). The cost estimates are based on 'Modern Engineering Equivalent Replacement Asset' (MEERA) principal, and accordingly do not generally include the cost of enhancements to existing assets. However an allowance in the cost estimate has been made, for certain asset types, for the cost of enhancing assets to meet minimum statutory requirements e.g. fire safety in buildings. The nominated percentage of each asset type below satisfactory standard is detailed under Condition of Public Works in the Annual Report. Cost to bring up to satisfactory standard for buildings excludes some buildings which are constructed on Council land but funded and operated by third parties/groups. Council has made no allowance for the cost of replacing or maintaining such buildings. Significant increases for 2009/10 are primarily due to increased valuations of transport and stormwater assets arising from the introduction of fair value.
- (2). Required Annual Maintenance is what should be spent to maintain assets in a satisfactory standard and to ensure that the estimated remaining life of the asset is achieved.
- (3). Current Annual Maintenance is what has been spent in the current year to maintain assets. It does not include operational costs (eg. energy or water supply, cleaning, administration staff) or capital replacement costs. The significant reduction in 2009/2010 maintenance expenditure is due to improved cost accounting arising from maturing use of a work order asset costing system.
- (4). In 2009/10 the method for valuing both Transport and Stormwater assets change from historical cost to fair value as per the DLG guidelines and timetable.

Condition of Public Assets

In accessing the condition of Public Assets, Council has considered the existing condition and function of each asset. The results shown for the condition of assets within each category are an average. Therefore, significant numbers of assets in each category are above and below the average result. Council recognise that the ratings scale used (as outlined below) may be different from those used by other Councils, but has been based on the rating scale in the International Infrastructure Management Manual.

Asset Condition Definitions

Rating	Status	Definitions
1	Excellent	91 -100% of asset life remaining. Asset is near new and in excellent condition and fit for current usage.
2	Good	61-90% of asset life remaining. Asset is in good condition and fit for current usage.
3	Fair	41-60% of asset life remaining. Asset is in fair condition and fit for current usage.
4	Adequate	11-40% of asset life remaining. Asset is an adequate condition and maintenance requirements are increasing to keep the asset fit for current usage.
5	Poor	0-10% of asst life remaining. Asset is in poor condition and due to be replaced. Significant maintenance required to keep the asset fit for current usage.

Wollongong City Council

Special Schedule No. 8 - Financial Projections
as at 30 June 2010

\$'000	Actual ⁽¹⁾ 09/10	Forecast 10/11	Forecast 11/12	Forecast ⁽³⁾ 12/13	Forecast ⁽³⁾ 13/14
(i) RECURRENT BUDGET					
Income from continuing operations	213,570	200,372	210,235	217,951	226,038
Expenses from continuing operations	207,298	222,145	228,772	236,137	242,364
Operating Result from Continuing Operations	6,272	(21,773)	(18,537)	(18,186)	(16,326)
(ii) CAPITAL BUDGET					
New Capital Works ⁽²⁾	25,847	34,187	26,750	14,451	8,455
Replacement/Refurbishment of Existing Assets	28,363	35,337	30,346	35,139	37,751
Total Capital Budget	54,210	69,524	57,096	49,590	46,206
Funded by:					
– Loans	-	-	-	-	-
– Asset sales	3,400	1,674	425	1,578	654
– Reserves	4,910	22,222	18,351	8,966	3,289
– Grants/Contributions	15,687	13,541	5,193	4,679	5,882
– Recurrent revenue	30,213	32,087	33,127	34,367	36,381
– Other	-	-	-	-	-
	54,210	69,524	57,096	49,590	46,206

Notes:

(1) From 09/10 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) If Council has only adopted 3 years of projections then only show 3 years.

→CORPORATE & COMMUNITY SERVICES

The principal functions include: finance; governance + information; organisational strategy + improvement; human resources; professional conduct; community, cultural + library services; public relations + the office of the general manager.

Performance:

- Council completed a review of its Community Consultation Policy which has been found to be mostly operating at best practice. Council's approach to consultation involves exhibiting policies and plans for public comment and the ongoing support of eight Neighbourhood Forums.
- New Years Eve, Australia Day and Viva la Gong events were held in Wollongong, attracting large crowds of locals and visitors to the city.
- Council appointed a City Centre Place Manager and a City Centre Advisory Committee as part of a strategic approach to revitalising the heart of Wollongong. The new City Centre Advisory Committee is responsible for overseeing and prioritising key capital works in the city centre, setting future direction and seeking funding opportunities as well as engaging with different stakeholders to support and attract investment in the city.
- Council continued to rebuild the trust of the community with 63% in agreement. (Result from 2010 Community Survey)
- In order to consolidate resources and increase the focus on presenting and promoting art to the community, the management of the Wollongong City Gallery was transferred to Wollongong City Council on 1 July 2009.
- Council continued to demonstrate a strong focus on improving its financial position. Through budget reviews, workforce planning, and service and process reviews, Council found recurrent savings in operational expenditure.

Operational Result:

Expenditure	2008-09 (\$M)	2009-10 (\$M)	2010-11 (\$M)
Budget	48.47	58.99	59.78
Actual	56.20	58.72	
Revenue	2008-09 (\$M)	2009-10 (\$M)	2010-11 (\$M)
Budget	125.28	129.84	131.50
Actual	128.08	141.85	

* Includes additional depreciation costs resulting from revised accounting standards that require revaluation of assets to fair value, and distribution of internal charges.

Looking Ahead:

- Relocate Warrawong Library.
- Implement the City Centre Safety Plan 2010-13.
- Enhance web and online customer service.
- Implement a Customer Service accreditation process.
- Coordinate the Financial Sustainability Program.

→HAVE YOUR SAY

Community Consultation

Wollongong City Council is constantly working to improve the way we consult and communicate with our community.

Our community consultation process aims to inform residents, promote community input and encourage people to have their say on current issues relating to major projects, development assessments and civil works.

We want you to tell us how we can communicate better.

Have your say by contacting our Engagement Team

Phone: 4227 7059
Fax: 4227 7580
Email: consultation@wollongong.nsw.gov.au
Postal: Wollongong City Council, Locked Bag 8821, Wollongong NSW 2500
Attention: Engagement Coordinator, Communications and Strategy Division
Website: www.wollongong.nsw.gov.au/haveyoursay

Contact Us:

Phone: 4227 7111
Fax: 4227 7277
Email: council@wollongong.nsw.gov.au
Website: www.wollongong.nsw.gov.au
Address: 41 Burelli Street, Wollongong
Postal: Locked Bag 8821, Wollongong NSW 2500
Contact our Administrators:
Phone: 4227 7013
Postal: Attention: The Administrators - Wollongong City Council, Locked Bag 8821, Wollongong NSW 2500

ANNUAL REPORT SUMMARY 2009-10

WOLLONGONG CITY COUNCIL WORKING WITH YOU

Administrators' Message

The Annual Report Summary provides you with an overview of Council's progress on major projects and financial performance over the past year as well as Council's focus for the next 12 months.

A copy of the comprehensive Annual Report is available on Council's website www.wollongong.nsw.gov.au

In the 2009-10 financial year, Council has demonstrated a strong focus and continuing commitment to improve its financial position. Through internal reviews, Council has found efficiencies and savings. As a result, more than \$50M was invested in renewing infrastructure across the city.

By updating our planning documents Council has set the direction for future development in Wollongong City. We have a new city-wide Wollongong Local Environment Plan 2009 and consolidated Development Control Plan.

In May 2010 the Minister for Planning approved Stage 1 and 2 of the West Dapto release area. Council approved the Initial Access Strategy which will provide new road links

to West Dapto and Horsley and secured a \$26.05M interest free loan from the NSW Government. A key focus for 2010-12 will be building these roads and bridges.

We have made important progress in revitalising the City Centre through refurbishing the Civic Plaza, Town Hall and exhibiting plans for Crown Street Mall. Works have progressed on the Blue Mile making the city foreshore an attractive place for locals and visitors to spend time.

Over the next 12 months Council will continue its focus on renewing infrastructure. We will improve our customer service and work hard to earn the community's trust in the organisation and services we provide.

Dr Colin Gellatly AO
Robert McGregor AM and
Richard Colley BCom UNSW

Your Council provides a range of services and facilities. Do you know Council...

- Patrols 17 beaches
- Manages nine swimming pools (including three heated and two solar heated) and nine tidal rock pools
- Looks after 427 parks, and 65 sportsgrounds for you to enjoy
- Owns two leisure centres at Beaton Park and Lakeside
- Has a golf course at Russell Vale
- Manages three beachside tourist parks
- Provides kerbside garbage, recycling and green waste collection services to over 77,000 homes a week
- Provides two waste depots at Whytes Gully and Helensburgh
- Processes around 1800 Development Applications a year
- Rangers monitor parking, food hygiene and animal welfare
- Plants around 36,000 trees a year together with our volunteers
- Provides and maintains five breathtaking lookouts and facilities
- Looks after 880km of local roads
- Builds and maintains 330km of footpaths and 80km of cycle ways
- Takes around 750 calls every day from locals
- Maintains 26 community centres
- Provides collections and activities at seven libraries, from Helensburgh to Warrawong
- Offer older residents services such as community transport and social support
- Celebrates our cultural diversity through events and public art
- Runs a free regional Art Gallery
- Holds popular community events like Australia Day and New Years Eve
- Works closely and provides funding to Tourism Wollongong and Illawarra Performing Arts Centre.
- Works with business and government to showcase our spectacular city



→COMMUNITY FINANCIAL REPORT

This Community Financial Report shows a summary of the financial statements.

Council achieved an operating surplus of \$6.3M for the year ended 30 June 2010 compared to a surplus of \$2.2M for the previous year. The improvement was largely due to the recognition of the discount (\$8.7M) on the interest free loan from the State Government. Offsetting this to a large extent was an increase in depreciation expenses of \$11.7M, largely due to the revaluation of Council transport assets in 2009-10 in accordance with accounting requirements.

Council's other assets, such as swimming pools, parks and reserves will also be revalued during 2010-11. While the increased value of assets improves Council's balance sheet, it also results in increased depreciation charges which are reflected as operating expenditure.

In 2009-10 the net operating result before capital grants and contributions was a deficit of \$6.2M, which is a \$4.2M improvement on the 2008-09 deficit of \$10.4M. In light of this result Council is faced with the challenge of ensuring there are sufficient funds to provide for renewal and maintenance of long lived assets such as roads, bridges, buildings and recreation facilities that are an integral part of services provided by Council. To meet this Council needs to gradually reduce the proportion of resources spent on day to day activities and increase the funding for asset renewal and refurbishment. There is also a need to increase overall funding to help close the gap.

The Budget for 2010-11 was based on underlying expenditure and income and did not include any provision for unusual items such as the Federal Stimulus Package, early payment of the first instalment of the Federal Assistance Grants, and recognition of the discount on interest free loan. It is expected that these projections will improve through the recognition of contributed assets.

Council Operating Result	Actual 2008-09 (\$M)	Actual 2009-10 (\$M)	Budget 2010-11 (\$M)
Expenditure	191.42	207.30	215.41
Revenue	181.02	201.13	189.38
Net Operating Result before Capital Grants & Contributions - Surplus/(Deficit)	(10.40)	(6.17)	(26.03)
Capital Grants & Contributions	12.64	12.45	4.79
Net Operating Result - Surplus/(Deficit)	2.24	6.27	(21.25)

Capital Budget:

During 2009-10 Council completed a capital works program of \$54.2M including the construction and purchase of \$25.8M of new assets and renewal of existing assets of \$28.4M. We spent \$52.5M compared to a revised capital budget of \$53M. This included projects such as Cliff Road upgrades, Harry Graham Drive, Wollongong Town Hall, tourist park cabins, floodplain management, roads and bridges, car parks, city parking strategy works, building renewals and library books.

Asset Class	Actual 2009-10 (\$M)
Roads and Bridges	14.19
West Dapto	0.38
Footpaths and Cycle Ways	7.69
Car Parks	4.29
Stormwater and Floodplain Management	3.76
Administration Building	3.37
Non- Commercial Building	5.18
Commercial Operations	4.07
Parks, Gardens and Sport Fields	0.03
Beaches and Pools	0.14
Recreation and Leisure Enterprises	0.40
Natural Areas	5.84
Information Technology	0.53
Library Books	1.13
Public Art	0.18
Emergency Services	0.50
Land Acquisitions	0.06
Total	54.21

→INFRASTRUCTURE & WORKS

The principal functions include: infrastructure; city works and property + recreation.

Performance:

- Council opened the \$10M Southern Gateway Centre providing a unique visitor experience.
 - Council adopted the West Dapto Initial Access Strategy to provide new road links to West Dapto and Horsley, following the securing of a \$26.05M interest free loan from the NSW State Government.
 - City Centre revitalisation continued with works on the Blue Mile. This included new pathways on Cliff Road and Flagstaff Hill. It also included the renovation of the
- Civic Plaza and the Town Hall. Plans for a new look Crown Street Mall have been exhibited.

 - Harry Graham Drive, Mt Kembla, was reopened after major road and cliff stabilisation work.
 - Major work started on the Inner City Parking Strategy in March with the introduction of paid on-street parking which aims to improve turnover and accessibility of parking.
- Council acknowledged the late Kerry Mc Cann's contribution to athletics and her standing in the community, by renaming the Athletics Centre at Beaton Park. A plaque was also placed in St James Park, Coledale, where she often trained.

Operational Result:

Expenditure	2008-09 (\$M)	2009-10 (\$M)	2010-11 (\$M)
Budget	114.82	135.41	142.47
Actual	116.41	127.86	
Revenue	2008-09 (\$M)	2009-10 (\$M)	2010-11 (\$M)
Budget	52.65	55.57	60.75
Actual	57.07	61.85	

* Includes additional depreciation costs resulting from revised accounting standards that require revaluation of assets to fair value, and distribution of internal charges.

Looking Ahead:

- Commence revitalisation of Crown Street Mall.
- Improve car parking around the city centre.
- Complete designs for the refurbishment of North Beach Bathers Pavilion.
- Refurbish the Wollongong Town Hall.
- Upgrade sporting facilities at Thomas Gibson Park, Thirroul.
- Progress the West Dapto Access Strategy.
- Upgrade park at Judbooley Parade, Windang.

→PLANNING & ENVIRONMENT

The principal functions include: city planning; environmental strategy + planning; and regulation + enforcement.

Performance:

- We have developed long-term plans and strategies for the Local Government Area. The Wollongong Local Environment Plan 2009 was gazetted by the NSW Department of Planning and Council adopted a consolidated Development Control Plan. We continued to work with the community to review 7(d) lands at Helensburgh, Otford and Stanwell Tops.
- Council commissioned and adopted a Coastal Zone Study which identifies issues affecting the coastline over time and focuses in particular on risks from coastal processes, climate change and sea level rise.
 - Council adopted a new Vertebrate Pest Animal Policy which outlines Council's approach to working with government agencies and the community to help coordinate pest control, particularly to feral deer and rabbits.
- A new Heritage Advisory Committee has been established to provide advice and support to Council in developing policies and strategic projects.
 - Council has demonstrated its commitment to making Wollongong a sustainable city through e-waste collections, waste wise education programs and has coordinated Sustainable Illawarra, Food Security and Biodiversity programs for the region.

Operational Result:

Expenditure	2008-09 (\$M)	2009-10 (\$M)	2010-11 (\$M)
Budget	17.71	21.01	19.90
Actual	18.80	20.72	
Revenue	2008-09 (\$M)	2009-10 (\$M)	2010-11 (\$M)
Budget	9.63	8.75	8.12
Actual	8.52	9.88	

* Includes additional depreciation costs resulting from revised accounting standards that require revaluation of assets to fair value, and distribution of internal charges.

Looking Ahead:

- Progress West Dapto Land Release.
- Reduce turnaround times for development applications.
- Plan for future land release at Marshall Mount, Yallah.
- Prepare a Coastal Management Plan.
- Implement key actions from the Illawarra Climate Change Risk Adaptation Strategy and Plan.