



WOLLONGONG CITY COUNCIL

WORKING WITH YOU

ANNUAL REPORT 2011-12

Our Annual Report

The annual report is our key document advising the Wollongong community of Council's performance during 2011-12. It represents our commitment to transparent reporting and accountability to the community.

How to read this annual report

This annual report is divided into four sections:

- Overview of Wollongong City Council
- Principal activities - structured around our three departments: Planning + Environment, Infrastructure + Works and Corporate + Community Services
- Local government requirements
- Financial reports.

Distribution

To reduce the impact on the environment, Council has decided not to print the full annual report document. Instead this 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 calling the Organisational Strategy and Improvement Division on (02) 4227 7305 or writing to:

Organisational Strategy and Improvement
Wollongong City Council
Locked Bag 8821
Wollongong DC NSW 2500

Hard copies of this report are also available for viewing in Council branch libraries.

Contents

Overview

Lord Mayor's Message.....	3
General Manager's Message.....	3
Our Community.....	4
About Us.....	5
Our Organisational Structure.....	6
Financial Overview.....	10

Principal Activities	12
Planning and Environment.....	13
Infrastructure and Works.....	15
Corporate and Community Services.....	21

Local Government Requirements

Access and Equity	26
Access and Services to People with Diverse Linguistic and Cultural Backgrounds.....	29
Bush Fire Hazard Reduction Activities.....	30
Companion Animal Management	30
Condition of Public Works.....	31
Contracts Awarded	33
Controlled Entities.....	34
Environmental Planning and Assessment Agreements.....	34
External Bodies with Delegated Functions.....	35
Financial Assistance to Persons for Council Functions.....	36
Government Information Act	37
Human Resource Activities.....	38
National Competition Policy	39
Overseas Visits.....	40
Partnerships, Cooperatives or Joint Ventures.....	40
Payment of Expenses and Provision of Facilities to Administrators.....	40
Privacy and Personal Information Protection.....	41
Rates and Charges Written Off.....	41
Senior Management Remuneration Packages.....	41
Services and Programs for Children.....	42
State of the Wollongong Environment.....	44
Stormwater Management Services.....	50
Summary of Legal Proceedings.....	55
Work Carried Out on Private Land.....	55

Financial Reports

Financial Commentary.....	Attachment A
General Purpose Financial Statements.....	Attachment B
Special Purpose Financial Statements	Attachment C

Policy

Payment of Expenses and Provision of Facilities to Lord Mayor and Councillors.....	Attachment D
--	--------------

Lord Mayor's Message

This is the first annual report that I have presented to our community. And it's been a whirlwind first year with a number of big projects in progress.

These include draft planning proposals for 7(d) lands and Gleniffer Brae, major projects such as North Beach Bathers Pavilion, city centre revitalisation, a town centre study for Warrawong, signing off on a waste and resource recovery strategy for ten years, and of course the community strategic plan, Wollongong 2022.

We've listened to the community on sensitive areas, such as West Dapto, Sandon Point, Austinmer's Brickyard Point, and Judbooley Parade, Windang.

We have completed major projects at our sporting fields – Fred Finch Park, Berkeley; Thomas Dalton Park, Fairy Meadow; and Thomas Gibson Park, Thirroul.

In this first year we have not only heard many different voices we have also listened, consulted, and engaged. Sometimes people might not like the position we have taken but that's the nature of civic engagement.

When people talk to us they talk about their place or an area close to their heart, sometimes with great passion. We listened and tried to find the words to reflect these views in the consultation for Wollongong 2022. The outcome was our vision: *From the mountains to the sea*.

We will continue to talk to you and listen because right now we have a number of projects on the horizon that need your ideas: how do we revitalise the city centre to attract more people and allow the vibrancy that creative cities enjoy; how can we create a Grand Pacific Walk from Otford to Wollongong; and how do we make Bald Hill an enticing place while retaining its unique nature.

I look forward to working with you on these and other projects in our city.

On behalf of Council, I am pleased to present Wollongong City Council's Annual Report 2011-12.

Councillor Gordon Bradbery OAM

General Manager's Message

The last twelve months have been a period of significant transition for Wollongong City Council. In September 2011, the community elected twelve Councillors and a Lord Mayor replacing the three Administrators who had been overseeing the functioning of Council since March 2008.

Another significant change has been in Council's approach to reporting required by state legislation. These plans were developed with significant community consultation and will be rolled out over the next twelve months.

We continue to focus on our financial sustainability including looking internally for savings to provide sufficient funding for the renewal and maintenance of long-lived assets. The 2011-12 savings target was achieved bringing the organisation's total cumulative savings over the past four years to \$60.3 million and recurrent annual savings of \$17.0 million that has been used to address our infrastructure backlog.

Over the year, this approach has seen 14 kilometres of roads and 400 metres of cycle way resealed across the city, upgrades and expansions to a number of car parks and reconstruction and refurbishment of a number of buildings including the work on and around the North Beach Bathers Pavilion and Sandon Point Surf Club.

Another key shift has been Council taking on the management of Crown Street Mall. We've since taken a number of steps towards revitalising the city centre including looking at ways of streamlining outdoor dining requirements and planning for the development of a night time economy. I'm also pleased to report that over the past twelve months the Planning Team has continued to reduce turnaround times for development assessments.

I'd like to commend the work of Council staff over the last twelve months. I look forward to working with our new Council and the community over the coming four years.

David Farmer

Our Community

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.

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

The current population is 192,418 (ABS 2011) based on usual residence with 73% of our population born in Australia. Of those born overseas, the main countries of birth are United Kingdom (4.3%), Macedonia (1.6%) and Italy (1.5%). In addition, we have a growing Chinese born population of 1.3% (ABS 2011).

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 Our City – History and Demographics.

How We Communicate and Consult With Our Community and Other Stakeholders

To keep our community and stakeholders informed about current and future activities, we use a variety of communication tools, including: media releases, advertising, social media, website, Council and public meetings, neighbourhood 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 and other key stakeholders about current affairs in the area, through the promotion of community input and encouraging people to have their say.

The community were involved in community consultations to design our new Community Strategic Plan: Wollongong 2022. Opportunities included Town Hall talks; community conversations at markets, events and community groups; Draw Write Snap Share competition; a Community Summit and refining workshops. The community provided feedback through surveys and exhibition period held during May 2012.

Council continued to work with neighbourhood forums to resolve local issues, engage on plans and projects and access Council information and processes.

The community provided feedback on a number of topics during 2011-12, including:

- West Dapto Initial Access Project
- Sandon Point Plan of Management
- Warrawong Town and Village Plan
- Development of a Bald Hill Master Plan
- Land zoning in Helensburgh
- Development of a new Community Strategic Plan.

About Us

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 great 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 are each comprised of councillors 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
- 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
- Bring out the best in each other.

Our People

As of 30 June 2012, Wollongong City Council staff establishment (full time equivalent) included:

- 982.7 permanent staff
- 94.1 temporary staff
- 12.4 fixed term staff, and
- 41.5 provisional, cadet/apprentice/trainee staff.

Our staff are primarily aged between 35 and 54 years (56%), with a gender balance of 49% female and 51% male organisationally, and 33% female and 67% male in executive and senior management positions.

Our Reporting Framework

Under the Local Government Amendment (Planning and Reporting) Act 2009, Council was required to deliver an Integrated Planning and Reporting framework by the end of June 2012. At its meeting on 25 June 2012 Council endorsed the finalised documents for Wollongong 2022. The development of these plans included the Wollongong 2022 Community Strategic Plan, Delivery Program 2012-17, Annual Plan 2012-13 (Delivering 2022) and Resourcing Strategy 2022. These plans were developed with significant community consultation throughout 2011 and 2012 and will be reported in the 2012-13.

The introduction of the Integrated Planning and Reporting framework has resulted in changes to reporting requirements for Council. Under this legislation Council is required to produce a quarterly budget review statement, six monthly delivery program progress report, annual report and an end of term report.

How to access our planning documents

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

2011-12 Councillor Details to Organisational Structure (section 428 (2) (g)) Council

On Saturday 3 September 2011, local government elections were held and a new Council was elected replacing the Administrators, namely Dr Colin Gellatly AO, Mr Robert McGregor AM and Mr Richard Colley B.Com UNSW of Council.

The Wollongong Local Government Area (LGA) is divided into three wards with four councillors elected to

represent each ward. The Lord Mayor is elected by all voters and represents the entire Wollongong LGA.

Councillors are not employees of Council. Their role is to implement the plans contained within Wollongong 2022, make decisions about the running of Wollongong City Council and ensure the General Manager and Council officers carry out decisions made at the Council meetings.

WOLLONGONG LGA



LORD MAYOR

GORDON BRADBERRY

OAM, BA, BD (Psych, Soc and Divinity)
Minister of the Uniting Church in Australia
First elected 2011
Attended 15 Council meetings

WARD 1



LEIGH COLACINO

Artist

Mobile: 0417 199 189
Email: lcolacino@wollongong.nsw.gov.au
First elected 2011
Attended 17 Council meetings



JANICE KERSHAW

Senior Operations Manager

Mobile: 0407 383 927
Email: jkershaw@wollongong.nsw.gov.au
First elected 1991, re-elected 1995, 1999, 2004, 2011
Attended 15 Council meetings



JILL MERRIN

Community Environmental Health Officer

MSc, BSc
Mobile: 0409 548 418
Email: jmerrin@wollongong.nsw.gov.au
First elected 2011
Attended 17 Council meetings

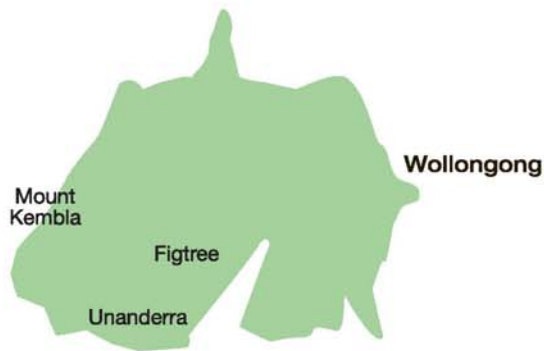


GREG PETTY

Company Director

ASA, ACIS, ACSA, BBS, JP
Mobile: 0417 446 283
Email: gpetty@wollongong.nsw.gov.au
First elected 2011
Audit Committee
Attended 16 Council and 3 committee meetings

WARD 2



JOHN DORAHTY

Director of Business Development

Mobile: 0450 917 262

Email: jdorahty@wollongong.nsw.gov.au

First elected 2011

Governance Committee

Attended 16 Council and 2 committee meetings



DEPUTY LORD MAYOR

DAVID BROWN

Media Consultant

BSc, JP

Mobile: 0409 897 597

Email: dbrown@wollongong.nsw.gov.au

First elected 2002, re-elected 2004, 2011

Attended 17 Council meetings



MICHELLE BLCAVS

Finance Manager

MMgt

Mobile: 0408 693 257

Email: mblicavs@wollongong.nsw.gov.au

First elected 2011

Audit Committee

Attended 16 Council and 3 committee meetings



GEORGE TAKACS

Physicist

BSc(Hons), PhD

Mobile: 0419 819 337

Email: gtakacs@wollongong.nsw.gov.au

First elected 2011

Attended 17 Council meetings

WARD 3



CHRIS CONNOR

School Principal

MEdAdmin, GradDipEdSt (SchoolAdmin), DipT

Mobile: 0419 545 897

Email: cconnor@wollongong.nsw.gov.au

First elected 2011

Governance Committee

Attended 17 Council and 3 committee meetings



BEDE CRASNICH

Electoral Officer/Student

Mobile: 0417 131 035

Email: bcrasnich@wollongong.nsw.gov.au

First elected 2011

Attended 17 Council meetings



ANN MARTIN BM

Artist/Planner

BA (Visual Arts), MFA, MPlan

Mobile: 0419 720 919

Email: amartin@wollongong.nsw.gov.au

First elected 2011

Attended 17 Council meetings



VICKI CURRAN

Community Housing Worker

Mobile: 0419 691 688

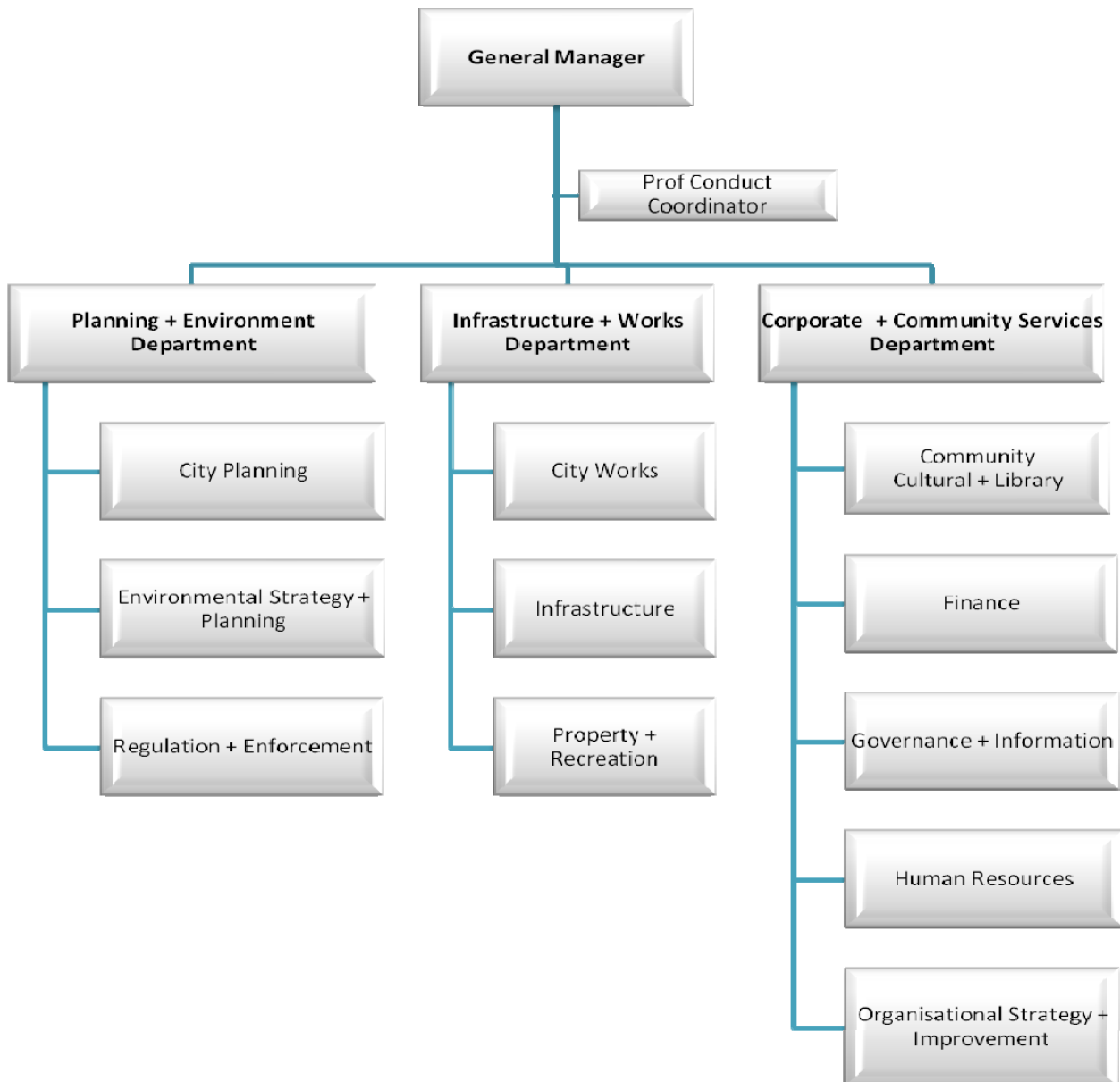
Email: vcurran@wollongong.nsw.gov.au

First elected 2011

Attended 17 Council meetings

Senior Management Structure as at 30 June 2012

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.



Financial Overview

Council achieved an operating surplus of \$6.0 million for the year ending 30 June 2012 compared to a surplus of \$50.1 million for the previous year. The decrease in income is largely attributable to the unusually large amount of contributed assets receipted in 2010-11 of \$53.1 million compared to \$8.3 million in 2011-12.

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 2012 was \$2.33 billion. During 2011-12 Council completed a capital works program of \$64.7 million including the construction and purchase of \$32.6 million of new assets and renewal of existing assets of \$32.1 million.

In 2012 Council maintained a strong position in cash and investments, with holdings of \$90.7 million at 30 June 2012 (\$84.4 million in 2010-11). \$61 million of Council's cash (\$58 million in 2010-11) is restricted in its use to specific purposes by external bodies, legislation and Council resolution. The level of available funds decreased from \$25.5 million to \$22.7 million in 2011-12 which is still higher than the Financial Strategy target of between \$7.6 million and \$12.0 million. This is primarily due to the early payment of the Financial Assistance Grant (\$8.1 million) and the additional capacity that is currently being retained through the planning process for 2012-13.

The net operating result before capital grants and contributions, which remains Council's main indicator of long term financial viability, was a deficit of \$13.6 million compared to a deficit of \$11.3 million in 2010-11. The deterioration of the 2011-12 pre-capital result from the previous year's pre-capital result is primarily due to non-cash adjustments relating to employee leave entitlements (\$3.8 million) as a result of the application of revised indexation rates as required by accounting standards.

Council Operating Result	Actual 2010-11 (\$M)	Actual 2011-12 (\$M)	Budget 2011-12 (\$M)
Expenditure	207.3	232.6	229.3
Revenue	201.1	219.0	206.1
Net Operating Result before Capital Grants and Contributions – Surplus/ (Deficit)	(6.2)	(13.6)	(23.2)
Capital Grants and Contributions	12.4	19.6	6.9
Net Operating Result – Surplus/ (Deficit)	6.3	6.0	(16.3)

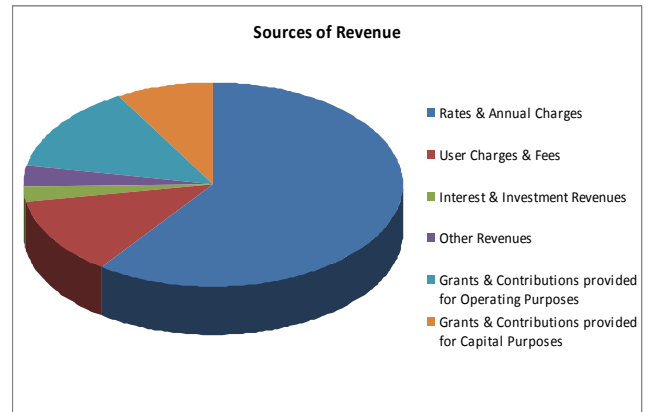
Capital Budget

During 2011-12 Council completed a capital works program of \$64.7 million including the construction and purchase of \$32.6 million of new assets and renewal of existing assets of \$32.1 million. \$64.7 million has been expended on programmed works compared to a revised capital budget of \$65.4 million. The program has included projects such as West Dapto Access Strategy, North Beach Bathers Pavilion, land acquisitions, stormwater and floodplain management, roads and bridges, parks and recreation facilities, car parks, building renewals, and library books.

Asset Class	Actual 2011-12 (\$M)
Roads and Bridges	10.90
West Dapto	6.20
Footpaths and Cycle Ways	2.70
Car Parks	1.30
Stormwater and Floodplain Management	2.45
Buildings	17.79
Commercial Operations	1.20
Parks, Gardens and Sports Fields	2.60
Beaches and Pools	0.90
Recreation and Leisure Enterprises	0.11
Natural Areas	0.07
Waste Facilities	1.84
Fleet	1.45
Plant and Equipment	3.94
Information Technology	2.42
Library Books	1.20
Public Art	0.14
Emergency Services	0.09
Land Acquisitions	7.40
	64.70

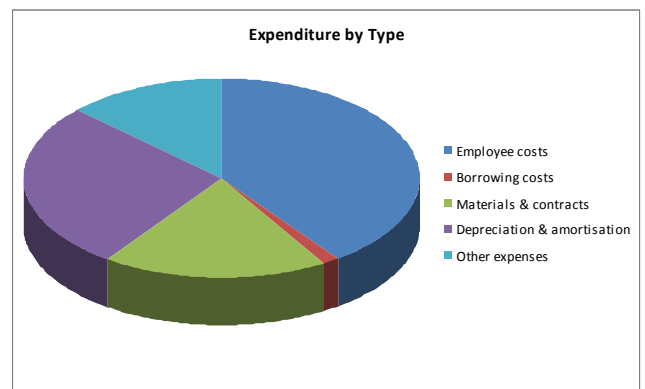
Revenue – where did it come from?

Council received \$238.6 million in revenue during 2011-12 and this was primarily from rates and annual charges (\$143.1 million or 60% of total revenue). Council continues to rely on rates and annual charges as its largest source of revenue.



Expenses – where the funds were spent?

Total expenses of \$232.6 million were incurred during 2011-12, primarily for employee benefits and on costs (\$93.7 million or 40% of total expenses).



For further information on Council's financial performance refer to the Financial Reports:

Financial Commentary (Attachment A)

General Purpose Financial Statements (Attachment B)

Special Purpose Financial Statements (Attachment C)

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

The following information outlines Council's priorities and key projects for 2011-12 as outlined in the Management Plan 2011-14. Key projects for the coming years are also identified. The priorities and key projects are structured around our three departments, namely:

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

Highlights

Major Projects

During 2011-12, Council completed a capital works program of \$52.9 million. The program included projects such as:

- North Beach Bathers Pavilion - refurbishment and enhancement of this iconic structure and its surrounds.
- West Dapto - access works to improve traffic flows and reduce restriction in times of flood.
- Sandon Point Surf Club - reconstruction and expansion of the building
- 93 Crown Street - Refurbishment of building.

Community Strategic Plan

Extensive engagement took place during the year to explore the community's long term vision for Wollongong. Representatives of the community, business and agencies participated in writing a 10 year vision, describing aspirations and goals for the city. In June 2012 Council endorsed Wollongong 2022: Community Strategic Plan, Resource Strategy, five year Delivery Program and Annual Plan. For the first time Council developed a children and young persons' version of the strategic plan to recognise their significant contribution. All plans were made available to the public on Council's website and at branch libraries.

Return of Councillors

Local government elections for Wollongong took place in September 2011. Following the elections Council rolled out an extensive training program including sessions delivered by the Australian Institute of Company Directors, focussing on governance and financial responsibilities. The Independent Commission Against Corruption also provided training on corruption prevention and the Code of Conduct. Local Government Learning Solutions delivered sessions on planning legislation, and the Division of Local Government provided training on the roles and responsibilities of councillors.

Wollongong City Centre

In November 2011, Council took over responsibility for the management of the Crown Street Mall with a key focus on the revitalisation of the Wollongong City Centre, including the streamlining of outdoor dining requirements.

As part of the engagement strategy, the new City Centre News has been established and is delivered to over 985 businesses within the city centre. In addition, quarterly forums are being held with business and property owners as a two-way communication tool for the sharing of information and obtaining the views and ideas of business and property owners.

Council has committed to the roll-out of a free Wi-Fi service within the city centre. The coverage area will extend along Crown Street between Gladstone Avenue and Corrimal Street, and Globe Lane and the Arts Precinct.

The marketing and promotion of the Wollongong City Centre, along with the development of major events for the city, are now being delivered by Destination Wollongong on behalf of Council.

Planning and Environment

Operating Expenditure

\$19.7 million (actual)

Operating Revenue

\$10.8 million (actual)

Equivalent Full Time Staff

159.6

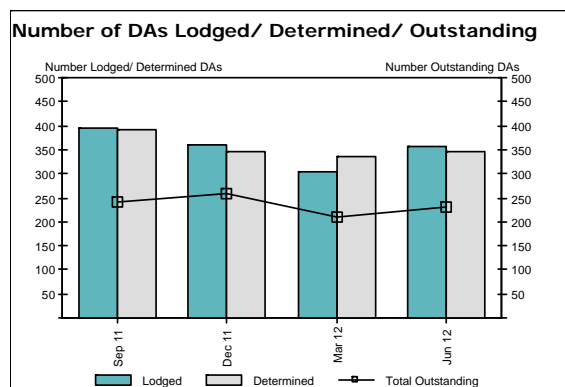
Core Activities

- Long term land use and environmental planning
- Development and construction assessment and certification
- Management of natural areas
- Management of Wollongong Botanic Garden
- Environmental programs and education
- Companion animal management
- Public health monitoring and compliance
- General regulation and enforcement

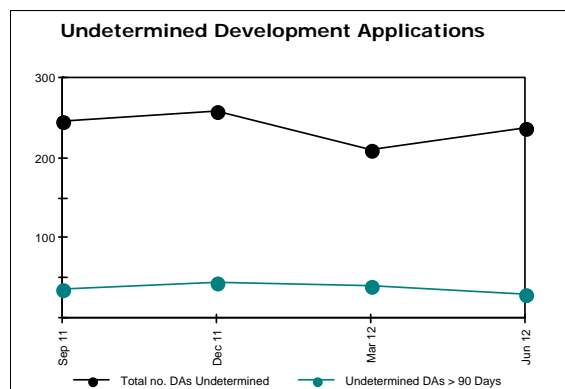
Interesting Facts

- 1,508 development applications assessed and determined
- 15,790 volunteer hours of restoration through the Bushcare program
- 421 volunteer hours of on-ground bushfire fuel reduction through the Fiready program
- 21,000 volunteer hours of restoration through Wollongong Greenhouse Park
- 72.9 tonnes of rubbish collected through the Community Service Order program
- 22.4 tonnes of rubbish collected through the Rise and Shine Campaign
- Coordinated Clean Up Australia Day activities- 14,561 people collected 4.5 tonnes of rubbish
- 16,236 people educated through waste and environmental programs and community education
- 2,393 food premises inspected
- \$30,000 of the Wollongong Local Heritage Grant distributed to eight owners of heritage items
- 312,335 visits to Wollongong Botanic Garden
- 79,367 plants distributed through Botanic Garden Nursery
- 1,836 Tree Management Permit applications processed
- 8,950 GROW LOCAL Illawarra Edible and 8,810 GROW LOCAL Illawarra Native Garden guides distributed
- 1,500 Low Cost and Free Meals directories distributed.

Performance Indicators



In 2011-12, 1,508 DAs were assessed and determined, with active DAs remaining below the organisational target of 250.



The total number of active DAs greater than 90 days has remained below the organisational target of 50 throughout 2011-12.

Key Priorities

West Dapto Land Release

During 2011-12 the West Dapto Local Environmental Plan (LEP) 2010 was amended to introduce a small minimum lot size around town centres, incorporate additional road and open space reservations, and to correct some minor anomalies. A planning proposal to amend lot sizes on a property at Wongawilli was exhibited and will be reported to Council in 2012-13.

Council resolved in March 2012 to merge the LEP into the Wollongong LEP 2009, to reduce the number of LEPs and simplify the local planning system. The draft amendment will be exhibited in 2012-13.

Climate Change

The role of local government includes the provision of local community governance, leadership, policy setting and decision making, and as such can work with the community to adapt to the physical, environmental, economic and social impacts of climate change.

Although a three tiered government response is required to address climate change, it is often local governments who are closest to communities and the immediate impacts of climate change.

Council has integrated climate change actions into its business planning and continues to work on reducing its carbon footprint through sustainability initiatives such as the Water and Energy Savings action plans.

Key Projects

** Additional projects are included in the State of Environment section of this report (page 44.)*

Undertake Precinct Planning in Warrawong and Wongawilli

The draft Warrawong Town Centre Urban Design Analysis was placed on public exhibition in February/March 2012. The Urban Design Analysis aims to review the strategic vision for Warrawong as a regional centre and guide future growth over the next 30 years. The analysis draws on past community opinion, the review of strategic policy and desktop analysis to identify key observations, draft key urban design principles and draft key strategies. Extensive engagement was undertaken to ensure the involvement of all stakeholders.

A review of the Wongawilli Village was completed and reported to Council in May 2012. Council resolved to prepare a planning proposal to amend the Wollongong LEP (West Dapto) 2010 to relocate the proposed village centre and to update the development controls for the village to enable better integration between existing and new development. The draft plans will be exhibited in 2012-13.

Finalise the Coastal Management Plan

The draft Coastal Zone Management Plan was exhibited for community input for six weeks in February-March 2012. Four community workshops and a focus group meeting were held over this period to allow the community to submit informed submissions. The issues raised by the community and a proposed course of action were reported to Council in July 2012. Council resolved to defer any further action on adopting the draft Coastal Zone Management Plan until the outcome of a state government review into the NSW framework for coastal management becomes clear. Council also resolved to proceed with preparing a Dune Management Strategy to address the beach amenity and access issues across the city.

Progress the West Dapto Land Release

The West Dapto Section 94 Development Contributions Plan was updated to reflect the revised works program. Two neighbourhood plans were exhibited and endorsed and a development application for 110 lots was approved, with two other development applications under assessment.

Council has also continued to plan for the Yallah-Marshall Mount Release Area. In April 2011, Council endorsed a revised structure plan for the precinct and commenced the preparation of a draft planning proposal to rezone the precinct. The NSW Department of Planning and Infrastructure requested additional studies be undertaken to inform the planning for this area, and these studies commenced during the year.

Looking Ahead 2012-17

Some of the major projects that will shape our city over the next five years (2012-17) include:

- West Dapto Urban Release Area
- Preparation of town and village plans
- Finalisation of the Coastal Zone Management Plan
- Preparation and implementation of a dune management strategy
- Implementation of a restoration program for natural areas.

Infrastructure and Works

Operating Expenditure

\$146 million (actual)

Operating Revenue

\$78.7 million (actual)

Equivalent Full Time Staff

524

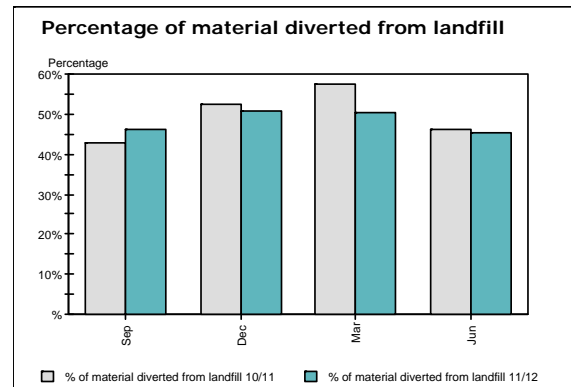
Core Activities

- Construction, maintenance and management of Council's assets
- Traffic management and planning
- Floodplain and stormwater management
- Waste management
- Provision of the crematorium and cemeteries
- Management of tourist parks
- Provision and maintenance of parks and sports fields
- Lifeguard and pool services
- Recreation and leisure centres
- Commercial property management
- Emergency management

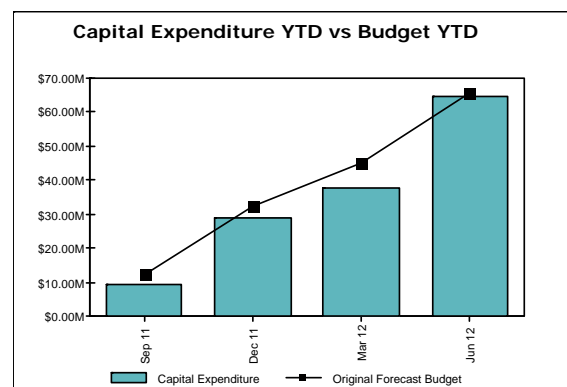
Interesting Facts

- Council has 717 buildings, 355 bus shelters, 151 playgrounds, 87km of cycle ways, 419km of foot paths/walkways, 890km of local roads, 282 car parks and 638km of stormwater pipes
- In 2011-12 Council resealed 14km of roads and 400m of cycle way across the city
- 563 public bins were emptied, and most bins were inspected and emptied daily
- 25 tonnes (approximately) of rubbish was collected each week by street sweeping machines
- 1,531 hectares of open space was maintained for sports and recreation purposes
- 479 parks were maintained, covering 555 hectares
- 610 hectares of recreation areas were mowed
- Council has 237 natural area sites covering 1,253 hectares
- Council manages nine tidal rock pool sites
- Council's professional lifeguard service is provided across 17 beaches and has made 1,318 rescues
- The Surf Sense Program educated 7,300 school students and 1,200 international students
- In April 2012 Council's Lifeguard service celebrated 100 years of patrolling our beaches.

Performance Indicators



The percent of material diverted to landfill remained fairly consistent throughout the year, and in comparison with 2010-11 (with the exception of March quarter).



Capital expenditure at the end of June was \$64.7M, compared to a forecasted budget of \$65.4M. The final YTD Capital Expenditure for 2011-12 has reached a total of 98.8% of the stated 'Original Forecast Budget' and 96.7% of the 2011-12 Management Plan Budget. Principal reasons for the shortfall were under expenditure on the West Dapto Access Roads and North Beach Bathers Pavilion.

Key Priorities

Waste Management Strategy

The Waste Management Strategy is a framework for Council and the community to make the transition to sustainable waste management. It provides robust direction through its strategic themes and guiding principles, and details the ten focus areas that Council will use as the basis for developing detailed plans, programs and initiatives.

A scheduled review planned for 2012-13 will provide Council with the opportunity to develop a detailed Waste and Resource Recovery Delivery Program. This program will address the ten key focus areas detailed within the strategy, such as policy, pricing, community and stakeholder engagement and education programs as well as establishing strategic partnerships with relevant organisations. The review will also ensure effective alignment with Council's Community Strategic Plan and Delivery Program.

Infrastructure Planning and Delivery

Council has over \$3.1 billion dollars worth of infrastructure assets with transport assets (ie. roads, footpaths, bridges, etc) accounting for almost half of this value. These assets exist to support the delivery of services for our community and visitors.

During 2011-12 Council continued to focus on increasing investment in the Capital Works Program, strong project management and delivery processes, establishing clearly defined service expectations and ensuring the long term sustainability for meeting these expectations.

Key Projects

Implement the West Dapto Access Strategy

The following works were completed in 2011-12: the extension of Fairwater Drive from Highcroft Boulevard to Bong Bong Road; the extension of Fowlers Road to Marshall Street; new bridge over Reed Creek, the extension of Fairwater Drive from Sierra Drive to Cleveland Road; traffic and pedestrian improvements on Cleveland Road east of the railway bridge; as well as the installation of traffic signals at the intersection of Cleveland Road and Marshall Street.

In April 2012 works commenced on the construction of a new road facility on Fairwater Drive in front of the Dapto Primary School. The works involve the separation of through traffic on Fairwater Drive from slower moving traffic adjacent to the primary school.

The upgrade works proposed along Cleveland Road are in the process of development with investigation and design, as well as community consultation continuing. Other design preparation works in progress include the realignment of Shone Avenue and replacement of existing bridge over Robins Creek, and improvements to the intersection and installation of traffic signals at West Dapto Road and Princes Highway.

Development of asset management plans (AMPs) and future Works programs

During the reporting period a significant investment of time and resources was put to reviewing and improving the planning and management of Council's infrastructure assets. Council established a special project to review current practices and recommend improvements. This project lead to the completion of a comprehensive set of asset management plans (AMPs) linked closely to the development of the Community Strategic Plan. These AMPs provide a structured approach to the operation, maintenance and replacement of Council's infrastructure assets. A review of project management and delivery processes for operational, maintenance and capital construction activities was also undertaken.

Council's 'maturity/proficiency' for planning and managing infrastructure assets was assessed during 2011-12 by participating in a nationally adopted review process. Following the review an improvement program was developed aimed at building on Council's strengths and realising opportunities for improvement. Actions for improved performance are now being implemented.

Prepare plans of management for McCauleys Beach and East Corrimal Beach

A major focus this year has been the preparation of a Plan of Management for the McCauleys/Sandon Point beaches. This has involved extensive consultation with a wide range of stakeholders for this important site that has a range of heritage and environmental considerations, and is a key component of the coastal cycle way/footpath network. It is expected that the draft plan of management will be presented to Council in November 2012 for approval to place the document on public exhibition.

Due to changing priorities the plan of management for East Corrimal Beach has been deferred to 2013.

Refurbishment of the North Beach Bathers Pavilion and surrounding precinct

The refurbishment of North Beach Bathers Pavilion and surrounding precinct commenced in March 2011, with a revised completion date of September 2012. Delays occurred due to preservation of heritage artefacts encountered and inclement weather during the first twelve months of the project.

Works undertaken include the restoration of heritage brickwork, coastal protection works and replacement of internal slabs and foundations. The refurbished building includes a cafe, public amenities and facilities for Council lifeguards. External landscaping includes replacement of ageing retaining walls, viewing platforms, widening of pedestrian paths and improved lighting and landscaping.

Sandon Point Surf Club refurbishment and expansion

Works were delayed on this project due to discovery of a previously unknown Aboriginal midden. The issue of an Aboriginal Heritage Impact Permit by the Office of Environment and Heritage in January 2012 has since allowed construction to resume, with additional Archaeological and Aboriginal Site Officers present during any excavation works. The new building structure has reached lock-up stage and is currently being fitted out internally. Significant coastal protection works have also been completed and a new disabled access boardwalk structure is nearing completion. It is estimated that construction will reach completion in December 2012.

Upgrade Whytes Gully Landfill Facility

Wollongong City Council owns and operates Whytes Gully Resource Recovery Park, which currently receives all of the municipal solid waste within the Wollongong Local Government Area (LGA). Land filling commenced in the Western Gully in 1984.

With existing landfill airspace at Whytes Gully projected to expire in late 2013, Wollongong City Council is proposing a staged new landfill cell at this location. This will allow increased utilisation of existing waste management infrastructure and reduce the overall waste management footprint and subsequent impact to the environment. The Whytes Gully Environmental Assessment (EA) was placed on public exhibition inviting the community and stakeholders to provide feedback through the formal submission process.

The Director-General of NSW Department of Planning and Infrastructure will provide an assessment report on the EA to the Minister for Planning and Infrastructure, who will then make a decision on the project. Subject to approval, the first stage is expected to be operational by December 2013.

Upgrade of sporting facilities at Thomas Gibson Park

Council assisted the Thirroul Football (Soccer) Club in facilitating a major upgrade of sports field lighting to the southern end of Thomas Gibson Park. The works included an upgrade to electrical supply infrastructure, new poles and lighting to allow the club to comply with Australian standards for sports field lighting.

Stage one of this project was completed in June. It is envisaged the club will continue to pursue additional funding in the future to have \ infrastructure further upgraded to allow night competition games.

Upgrade existing public amenities at Bald Hill, Stanwell Tops

A preliminary draft concept landscape plan for improvements to Bald Hill was exhibited in late 2011. Following stakeholder concern over the draft concept plan, additional community consultation was undertaken in May 2012 via a community charrette, information kiosks, surveys and an interactive online mapping tool. A new concept plan was then developed which will be considered by Council for exhibition in September 2012.

Upgrade Edith Lacey Park at Judbooley Parade, Windang

Stage three of the Landscape Master Plan for Judbooley Parade was subject to complex state government Environmental Planning requirements due to the site's cultural significance.

Consultants were engaged to facilitate archaeological studies onsite and assist Council and the Lake Illawarra Authority in gaining the necessary approvals to permit improvement of the basic amenity of the reserve. Approvals were obtained in late 2011.

A key milestone of the project was achieved in May 2012 with the demolition of a residence that dissected the reserve for a number of years. Stage three works will continue during 2012-13 with the establishment of retaining walls, artwork and a fishing platform.

Major Construction Projects

During 2011-12, Wollongong City Council's Infrastructure + Works Department managed capital construction and/or design projects worth approximately \$52.9M. Some of the major projects undertaken include:

Project Location	Work Description	Expenditure 2011-12 \$'000
Roads and Related Assets		
City wide road resurfacing program	Resurfacing of roads with asphalt across the whole city.	2,866
Mt Keira Road uphill from archery range	Construction of new and replacement of stormwater drainage infrastructure to mitigate landslip risks.	1,019
City wide traffic facilities program	Design and construct new facilities to improve traffic and/or pedestrian safety	991
Blue Divers Bridge, Towradgi	Design and installation of cathodic protection system to mitigate corrosion and extend the life of the asset.	507
Ursula Road, Bulli	Install new kerb and gutter and stormwater drainage to mitigate localised flooding.	420
Princes Highway between Bulli and Bellambi Lane	Resurface sections of the old Princes Highway between Bulli and Bellambi Lane.	318
Thurston Crescent, Corrimal	Reconstruct road pavement and resurface.	313
Coxs Avenue, Corrimal between Powell and Parmenter streets	Reconstruct road pavement and resurface.	298
Angel Street, between Princes Highway and Caroline Street, Corrimal	Reconstruct road pavement and resurface.	295
Avon Parade, Mt Kembla	Reconstruct sections of kerb and gutter, road pavement and resurface.	277
Postman's Track, Helensburgh	Complete reconstruction of road pavement, resurface and upgrade stormwater drainage.	275
West Dapto		
Extension to Fairwater Drive - east	Construct new road and share path between Sierra Drive and intersection with new link to Cleveland Road.	3,419
New service road Dapto Primary School	Construct new road and share path adjacent to Dapto Primary School, on Fairwater Drive.	680
Fowlers Road extension to Marshall Street, Dapto	Complete construction of new section of road between the Princes Highway and Marshall Street.	553
Cleveland Road - Mullet Creek to Fairwater Drive, Dapto	Construct new road and share path between Cleveland Road and intersection with Fairwater Drive Eastern extension.	412
Cleveland Road - Traffic/pedestrian improvements	Design of replacement bridge over Mullet Creek and new car parking, bus bay and pedestrian facilities west of Mullet Creek.	313

Project Location	Work Description	Expenditure 2011-12 \$'000
Footpaths And Cycle Ways		
Princes Highway Shared Path, Unara Road to Kanahooka Road, Dapto	Construct new share path on eastern side of Princes Highway.	568
Shellharbour Road, between Hoskins Avenue and Parkes Street, Kemblawarra	Construct new on-road and off-road share path.	220
Ocean Park, Campbell Street entrance, Woonona	Pedestrian safety upgrade.	166
Car Parks		
Fred Finch Park, Berkeley	Reconstruct pavement and seal Stage 2 and construct traffic facilities.	210
Thomas Gibson Park car park - Station Street, Thirroul	Complete construction of new section of car park and reconstruct existing car park.	197
Woniora Point car park, Bulli	Reconstruct pavement and resurface existing car park.	195
Beaton Park car park, Gwynneville	Stage 1 of pavement reconstruction and resurfacing plus new traffic facilities.	145
Stormwater and Floodplain Management		
Thomas Dalton Park, Fairy Meadow	Complete construction of new stormwater detention basin and water recycling for sports field irrigation.	804
Beach, Point and Southview streets, Bulli	Construct new stormwater detention basin and additional stormwater infrastructure to mitigate localised flooding.	544
3 Arrow Avenue, Figtree	Voluntary purchase of flood affected residence.	499
Akuna Street, Gwynneville	Decommission section of failed stormwater pipe.	73
Buildings		
North Beach Bathers Pavilion, North Wollongong	Continue reconstruction and refurbishment of North Beach Bathers Pavilion and associated sea walls, beach access, share ways, public spaces and retaining walls.	10,464
Sandon Point Surf Club, Sandon Point	Continue reconstruction and expansion of Surf Life Saving club house	1,624
Corner Drumond Street and Masters Road, Mt St Thomas	Construct new building for Wollongong SES.	784
Wollongong Tourism building, 93 Crown Street, Wollongong	Complete refurbishment of existing building.	328
Leeder Park, Coalcliff	Construct replacement public toilets.	236
Administration Building, Burelli Street, Wollongong	Purchase and install additional electricity generator to provide backup power.	201
Parks Gardens and Sport Fields		
Thirroul Beach Reserve, Thirroul	Replacement and significant upgrade of play facilities.	485
Various sports fields - city wide	Sports facilities grants for a range of sports field infrastructure replacement and upgrade.	319
Fred Finch Park, Berkeley	Construction of new baseball diamond.	260
Dalton Park, Fairy Meadow	Installation of sports field irrigation.	240
Judith Lacey Park, Judbooley Parade, Windang	Demolition of residence and construction of bank stabilisation on lake foreshore.	199
Lang Park, Wollongong	Installation of three outdoor exercise units.	92

Project Location	Work Description	Expenditure 2011-12 \$'000
Beaches and Pools		
Coledale rock pool, Coledale	Partial replacement and repair of pool shell walls and floor.	402
Woonona rock pool, Woonona	Complete project for replacement of sea water intake pipe and refurbishment of pool.	115
Waste Facilities		
Whytes Gully, Kembla Grange	Design of new landfill area.	1,670
Whytes Gully, Kembla Grange	Commence construction of new small vehicle waste transfer station inside existing building.	78

Looking Ahead 2011-17

Some of the major projects that will shape our city over the next five years (2012-17) include:

- Design Grand Pacific Walk for the provision of a safe pedestrian and cycle route from Otford to the Wollongong CBD, including new and upgraded facilities along the route.
- Commence of the Crown Street Mall reconstruction, including upgraded pavement, security and aesthetic lighting, street furniture, landscaping plus the addition of public art and a new performance space.
- Roads resurfacing program throughout the whole city.
- Major footpath and share path reconstruction program in both the Wollongong CBD and throughout the local government area.
- Continue with design and approvals for reconstruction of Lower Tramway share path between Belmore Basin and North beach and design of missing link in share way on Endeavour Drive above Belmore Basin.
- Construct a new share path on Princes Highway between Kanahooka Road and Northcliff Drive to complete major missing link in cycle way network connecting Dapto with main cycle way around Lake Illawarra.
- West Dapto Access - continue with design and construction of new road connections, upgrade of existing roads, bridges and intersections to increase capacity of existing transport infrastructure to urban growth areas.
- Bridge replacement and maintenance
 - Design and construct upgraded bridge deck for Darkes Road Bridge, Kembla Grange
 - Design and construct replacement bridge, Cordeaux Road, west of William James Drive
 - Design and install cathodic protection for bridge over Cabbage Tree Creek, Princes Highway, Fairy Meadow.
- Mt Keira Road - complete construction of sub-soil drainage infrastructure to mitigate landslip risks.
- Install traffic lights at intersection of Burelli and Auburn streets, Wollongong to improve traffic and pedestrian safety and facilitate pedestrian access to and from Wollongong Railway Station to city centre destinations.
- Construct a new roundabout at the intersection of Parkes Street and the Princes Highway, Helensburgh.
- Continue with development of master plan for the redevelopment of Bald Hill infrastructure.
- Complete reconstruction and refurbishment of North Beach Bathers Pavilion and associated sea walls, beach access, share ways, public spaces and retaining walls.
- Complete reconstruction and expansion of Sandon Point Surf Life Saving Club.
- Refurbish and upgrade café at IPAC.
- Construct new lifeguard facilities at Coledale Beach.
- Design and upgrade existing public toilet and amenities at Towradgi Park and Stuart Park, North Wollongong.
- Construct new public toilet at Charles Harper Park, Helensburgh.
- Construct fishing platform and further bank stabilisation works and install public art at Edith Lacey Park, Judbooley Parade, Windang.

Corporate + Community Services

Operating Expenditure

\$66.9 million (actual)

Operating Revenue

\$149.2 million (actual)

Equivalent Full Time Staff

295

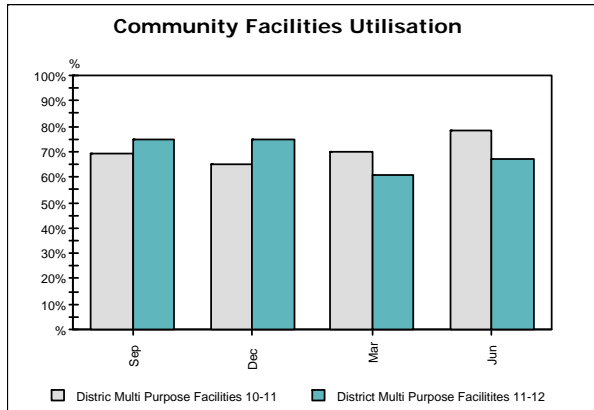
Core Activities

- Community services and community facilities
- Targeted programs and services for diverse communities
- Capacity building with community and volunteer organisations
- Library and information services
- Community development
- Cultural development
- Promotion of arts and culture
- Community + major events
- Community engagement and public relations
- Corporate customer service
- Economic development
- City Centre management
- Affiliates – Destination Wollongong and Illawarra Performing Arts Centre
- Corporate governance
- Management and development of our people, systems and resources
- Organisational planning and reporting
- Financial management
- Internal support services
- Insurance, audit, risk management and investigations
- Business improvement

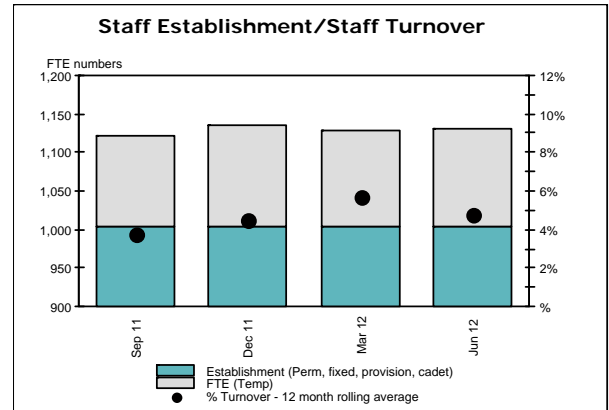
Interesting Facts

- Council operated seven libraries, with 1,309,816 loans; 999,233 visits; and 42,976 new items added
- Libraries answered 132,985 enquiries
- Council has 37 community centres, with 26 of those licensed to community organisations
- 269,461 people used direct-run community facilities
- 209,704 community transport trips were provided
- Council provided 21,669 hours of social support and respite services
- 29,993 centre-based day care hours provided to frail older people, people with a disability and their carers
- Council responded to 812 reports of graffiti on Council premises and 667 reports on private and commercial premises
- In 2011-12 Council provided 446 instances of Sector Development direct service and 188 hours of training to committees and staff in not-for-profit organisations through Volunteering Illawarra
- 469 people were placed into voluntary roles by Volunteering Illawarra
- 22,303 young people participated in programs and projects delivered by Wollongong Youth Services
- Around 30,000 people attended Council's Australia Day celebrations
- Around 25,000 people attended 2011 Viva la Gong Festival
- \$30,146 distributed through the Small Cultural Grants Program, across 14 projects
- 56,144 visits by patrons to Wollongong City Gallery
- 32 exhibitions were presented at Wollongong City Gallery, with 19 exhibition openings
- \$83,041 provided in sponsorship to 32 local community events, and \$7,750 to five public bands and six choirs
- Customer Service answered 181,500 phone calls and 34,500 in-person enquiries
- 36 young people supported by Council through undergraduate, cadet, apprentice and traineeship programs
- Total tourism expenditure in the region improved by 4.5% to \$687,700,000.

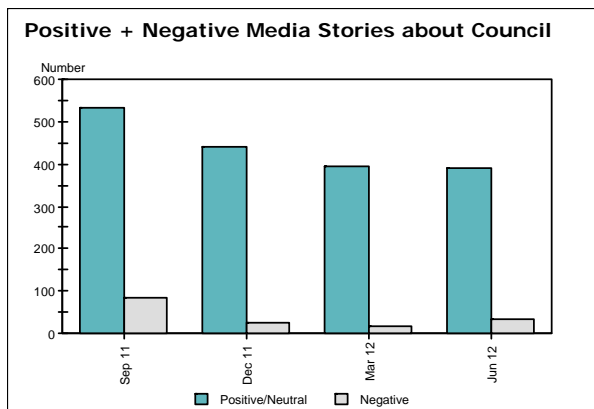
Performance Indicators



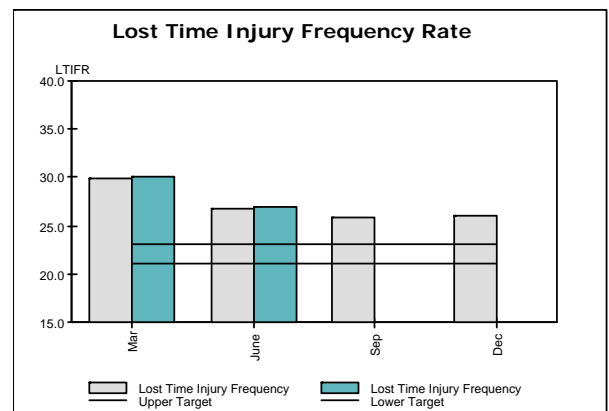
Overall utilisation of district multi-purpose facilities decreased slightly in the second half of 2011-12.



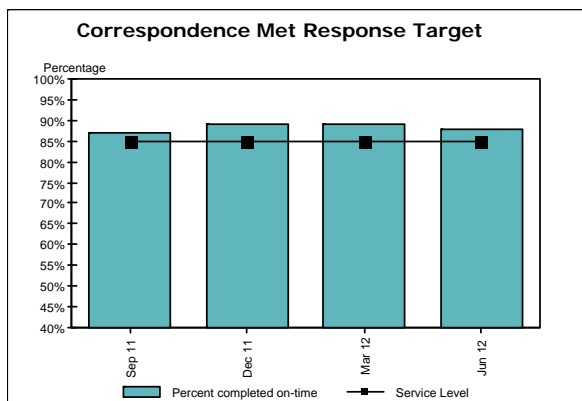
Staff establishment remained stable throughout 2011-12.



Positive media stories significantly outweighed negative stories throughout 2011-12.



Council continues to monitor the Lost Time Injury Frequency Rate to try and bring it in line with the organisation's target range (21-23 days).



With a yearly average of 88%, all correspondence was responded to within the nominated timeframe. This compares favourably against the organisational target of 85%.

Key Priorities

Customer Service

During 2011-12 the Integrated Customer Service Unit responded to 181,500 phone calls, met with 34,500 customers and received 7,540 on-line contacts. The 2012 community survey found increased satisfaction with Council's customer service in relation to the provision of information, timeliness of contact and overall satisfaction with the service provided.

Economic Development

Significant achievements have been made during this year, including strengthening partnerships with key agencies and stakeholders to support the delivery of projects and activities to continue the economic development of the city. In May 2012 the city's first business incubator, 'Start Pad', was officially opened. The Incubator's first cohort of 17 people and 11 businesses has received a significant level of support from the business community.

Service Delivery and Value for Money

Over the last twelve months the organisation continued its focus on financial sustainability and achieving a reduction in operational expenditure without having a negative impact on the community. In addition, service plans were prepared for each of Council's 34 services and exhibited as part of the suite of strategic management plans. These service plans provide the community with information about Council's commitments for 2012-13 and the resources available to deliver those services.

Community Engagement

Extensive engagement took place during the year to explore the community's long term vision for Wollongong. The community were engaged at markets, events, Town Hall talks, a Community Summit and refining workshops in the development and exhibition of Wollongong 2022. Other major engagements activities were carried out for West Dapto Access Strategy, land zoning in Helensburgh, Sandon Point Plan of Management, Warrawong Town Centre Plan and development of a master plan for Bald Hill.

Key Projects

Coordinate service delivery and improve business attraction/retention within the Wollongong City Centre

Business attraction program Advantage Wollongong www.advantagewollongong.com.au was delivered in collaboration with key partners including Trade and Investment NSW and the University of Wollongong.

Deliver a collaborative Wollongong Place Marketing Strategy

Stage one of the Brand Wollongong project has been achieved with the delivery of three high level strategies: City Centre Marketing and Events, Wollongong Major Events and an overarching destination marketing strategy. Delivery plans are being developed as part of stage two, with actions and responsibilities identified for each stage to roll out over 2012-13 and beyond.

Continue to implement the City Centre Action Plan

The City Centre Action Plan was developed in collaboration with key stakeholders to build a coordinated approach to the delivery of opportunity and actions for Wollongong. The CBD Action Plan also identifies new opportunities and initiatives that will continue to drive the development of the city centre.

Of the 21 projects/actions scheduled for completion during 2011-13, one project has been completed, nine are in progress and 11 will commence in 2012-13.

Crown Street Mall Refurbishment

Council was successful this year in securing \$5 million from the Australian Government to support the refurbishment of Crown Street Mall, with construction scheduled to commence in early 2013.

Undertake implementation, audit and monitoring of Council's governance registers

Council's Corporate Governance Committee receives six-monthly audit reports on the gifts and benefits register and the conflict of interest register. This reporting allows the committee to monitor activity. The report also highlights any trends and action taken on any entries in the registers.

Coordinate the Financial Sustainability Program 2011-12

The Financial Sustainability Program has been designed to achieve a recurrent reduction in operational expenditure without having a negative impact on the community. The 2011-12 savings target was achieved, bringing the organisation's total cumulative savings over the past four years to \$60.3 million, and a recurrent annual savings of \$17 million. Net savings in operational expenditure have been, and will continue to be, made available to address our infrastructure funding shortfall.

Enhance web and online customer service

During 2011-12 significant work was completed to enhance our customers' online experience. The newly enhanced online services can be accessed from Council's main web page, enabling 24/7 accessibility to Council information and requests.

Council also improved its online presence with the establishment of Council's Facebook and Twitter accounts.

Carry out workforce planning

Wollongong City Council's Workforce Management Plan forms part of the Wollongong 2022 suite of documents. The plan provides strategic direction for the management of Council's workforce to achieve the services and goals identified through the Delivery Program for the next five years.

Conduct our Biennial Community Survey

Council's Community Survey was undertaken in February 2012. Overall findings of the survey are a great result for Council and its staff. Satisfaction has increased significantly since 2008, with the highest level recorded in the history of the survey. The community's trust in Council is being restored, and many of our services and facilities recorded high levels of satisfaction.

Develop an internal Communications Strategy

An internal communications strategy has been developed and implementation has commenced with the establishment of a regular staff newsletter.

Formalise the scope of works with Tourism Wollongong and establish an expanded funding program

During 2011-12 a review of the funding agreement and constitution of Tourism Wollongong was completed and endorsed by Council. The expanded role of Tourism Wollongong includes the responsibility of marketing and promoting Wollongong City Centre, along with developing major events for the city.

Review Council's Community Consultation Policy

Work has commenced on the Community Consultation Review including analysis of participation in engagement activities and research into current best practice across local government, and investigation into expanded online engagement opportunities. An updated policy will be presented to Council for exhibition during 2012-13.

Promote Wollongong Town Hall and IPAC as accessible civic and cultural venues

Over 160 events were held at Wollongong Town Hall during 2011-12, including orchestra performances, exhibitions, concerts, weddings and a range of meetings. Twenty-eight bookings were subsidised under Council's Wollongong Town Hall Subsidisation of Hire Fees Policy.

IPAC continues to provide a wide variety of programs for the Wollongong community, including 'mixed abilities' theatre in partnership with the Disability Trust, Indigenous dance workshops in local high schools, and the 'make it @ Merrigong' program which supports local artists to develop new work. The South Coast Children's Festival is also a highlight of the IPAC program, providing an inspiring, creative festival over three days with many of the activities provided free to the community.

Implement the City Centre Safety Action Plan

Following the re-establishment of Safety Audits and Alcohol Free Zones major events such as Australia Day and New Year's celebrations in the city were held with no major incidents of anti-social behaviour. Council continues to remove graffiti from the city centre within its specified removal time. The installation of solar lights in MacCabe Park increased safety in the area at night, and community murals at the rear of Pioneer Hall reduce graffiti in the park. There has been a significant reduction in anti-social behaviour reported by residents in Corrimal Street following the relocation of a late night venue bus pick up and drop off point.

Partner with community based organisations in the provision of services to the southern suburbs

Council, through funding received from Family and Community Services NSW, has partnered with Coomaditchie United Aboriginal Corporation and Warrawong Community Kitchen to develop capacity for the future sustainability of each service. Youth Services delivers programs in the southern suburbs and funds local neighbourhood youth projects in the area. Council is a member of the Southern Suburbs Task Force, contributing to activities and projects undertaken. Regular Community Safety audits have been undertaken by Council in a number of southern suburbs, with follow up actions being implemented to increase safety in the area.

Looking Ahead 2012-17

Some of the major projects that will shape our city over the next five years (2012-17) include:

- Development of a community facilities plan
- Undertaking selection and concept planning for the Warrawong Community Facility
- Development of Council's e-book and e-resource capacity to facilitate access to information
- Implementation of the Library Strategy
- Implementation of a transitional employment program for disadvantaged youth
- Implementation of an ageing workforce strategy
- Development of an economic development plan for Wollongong. This plan will build on the success and strengths of the city and look to drive employment growth, business and industry development over the next five years. Critical to the plan's success is ongoing collaboration and support from a number of key agencies and organisations.
- Review Business Rating
- Financial Sustainability Planning
- Update Council's Community Consultation Policy, following community engagement
- Review CCTV Policy and Guidelines
- Implementation of the Wollongong Events Strategy
- Review of the organisational structure.

Local Government Act Requirements

Wollongong City Council 2011-12 Annual Report was produced to comply 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) (ii))

Social Plan

Wollongong City Council implemented the final year of its *Social Plan 2007-11*, providing a local government led response to key social issues facing our community. The plan formulated strategies that Council and other agencies implemented in order to address identified needs. Council monitors the progress of the social plan annually through an annual status report.

The social plan strategies are based on principles of access and equity, and relates specifically to those activities and programs '*which aim to promote social justice and enhance community wellbeing*'.

Aboriginal and Torres Strait Islander Communities

- Cultural awareness training was organised for Council employees as part of Council's Corporate Induction Day program.
- A total of \$5,000 was funded to three Aboriginal and non Aboriginal community groups through Council's National Aboriginal and Islander Day of Observance Committee (NAIDOC) week grants program. Three individual NAIDOC week events were held with the support of this funding, with over 1,100 people in attendance. Council contributed to and participated in the regional Family Fun Day with over 1,500 people in attendance.
- Council's Aboriginal Reference Group met on four occasions, as per its Charter, and is working with Council to implement its Aboriginal Employment Strategy and establish a designated Aboriginal space in Council's cemetery at Kembla Grange. The Aboriginal Reference Group offered advice to Council on the best methods to consult with the Aboriginal Community on a range of Council matters.
- As part of Sorry Day and Reconciliation Week activities, Wollongong Central Library hosted an Aboriginal Elder, who told his family story of a relative from World War II whose remains were in Papua New Guinea and the efforts of the local community to sponsor a group to visit his grave to conduct an appropriate Aboriginal cultural ceremony to farewell him. The story and photographs were displayed at the Central Library for two weeks after the event.
- Council is an active member of the Illawarra Aboriginal Community Based Working Group (IACBWG) which implemented a number of programs relating to the environment, community, employment, justice and education.

People from Culturally and Linguistically Diverse Communities

- Council recorded 321 Interpreter Service bookings in 24 languages. The highest number of bookings was for Amharic, Italian, Vietnamese, Burmese and Macedonian.
- Council piloted a Civic Welcome program in 2011 to 120 newly arrived migrants who are English language students at TAFE. The program included half-day tours of Wollongong Library, Art Gallery, Town Hall, IPAC, and an overview of Council's role and services. The program is now an ongoing part of the TAFE program.
- Together with key local stakeholders, Council supported the 2012 Refugee Week Festival held in the Wollongong Crown Street Mall. The festival showcased an impressive range of local talent from new and emerging communities, as well as information from service providers.
- Council led the development and implementation of the Multicultural Youth Project in 2011. A five-week program of workshops (on topics such as drugs/alcohol, cyber bullying, sexual health) was delivered to English as Second Language (ESL) students at three local high schools. The program culminated in a one day excursion to Killalea for all students to connect and revise the topic areas.
- Council led the formation of a new refugee unemployment network, which is investigating strategies to address unemployment for refugee communities. Council has resourced a research project to provide the network with valuable information to begin development of future strategies.
- Council has supported key stakeholders in the development of a water and safety strategy for refugee communities.

- Council continues to support the work of Illawarra Women's Interfaith Network (I-WIN). Council partnered with I-WIN in May 2012 to hold an interfaith forum, *Unity in Diversity*, for the general community to find the common ground for people from different faith groups.
- Council supported a Wollongong Refugee Education Forum to explore the issue of what prevents children and young people from refugee backgrounds achieving the best outcomes from our education system. Following the forum partnership strategies to improve educational outcomes have been developed.
- The Wollongong City Gallery together with Migration Heritage Project Inc designed the *Collections of Hopes and Dreams* exhibition at the city gallery. The exhibition illustrated the life and stories of dispossessed migrants, and growing up in families that experienced World War II in Europe.
- Approximately 45 carers from six community language groups were engaged in a series of art/narrative workshops. The project explored the benefits of support as experienced by carers from diverse cultural backgrounds. The carers' art works were launched in October 2011 as part of Carers Week and were exhibited at Wollongong City Gallery for the duration of the month.

Older People or People with a Disability

- The Access Reference Group continued to meet every two months. The group works in an advisory capacity, providing Council with specialist information and knowledge regarding access barriers that prevent people with a disability from participating fully in community life.
- Council ran three training sessions around the new Premises Standards during December 2011 to June 2012. Approximately 60 Council staff attended the training, with the majority of attendees from Infrastructure Planning, Development Assessment and Building Certification.
- As part of International Day of People with Disability 2011 an exhibition of artworks by people with a disability and a viewing of Australian Short Films with open captions and audio description was launched and exhibited at Wollongong City Gallery.
- The Older People and People with a Disability Directory was updated in December 2011 with more than 1,300 copies distributed. The directory provides valuable information in an accessible print format.
- A 'Keep it Clear' Focus Group with clients from Spinal Chord Injuries Australia and Vision Australia was established in June 2012. The purpose of the group is to use the experience of participants in developing marketing strategies to raise awareness and promote the importance of clear paths of travel.
- Council continued to deliver a Home Library Service to people who are unable to access other library services by reason of age, disability or isolation.
- Council continued to deliver Community Transport and Social Support Services to frail older people and people with a disability. This included increased provision of taxi vouchers to enable people to access transport at times that best suit their needs.

Children

Demonstrating its commitment to the Child Friendly Cities Initiative, Council undertook the following activities:

- As part of a wider community engagement process to inform the development of the Wollongong 2022 Community Strategic Plan, children from preschools, schools, youth projects and the community were engaged in presenting their ideas for the short and long term goals for the city. Children from Mount St Thomas Public School and Towradgi Public School presented the results of the workshops and surveys to the Community Summit held at the Wollongong Town Hall.
- The Local Government Child Friendly Cities Network forum was hosted by Council. Thirty people attended from councils across NSW. Tim Gill, a leading childhood specialist from England, also participated in the network. The forum included a tour of Council's play spaces to showcase examples of playgrounds where children had been involved in the design process.
- A comprehensive engagement process was undertaken in relation to the redesign of the Thirroul playground. St Michael's Catholic School and Thirroul Public School pupils, and children and families attending story time sessions at Thirroul Library and two on-site kiosks, were involved in the engagement process and informed the design of the playground.
- Children and Family Services engaged a local artist to work with children from St Michael's Catholic School and Thirroul Public School to develop and produce the art work for the Thirroul Playground.
- An information session was held for school staff on the benefits of community engagement and working with Council on Council-run projects.

- The Connections Project (Stories of Migration and Relocation) was launched at Wollongong City Gallery in November 2011, with 80 participants attending. The exhibition was the culmination of stories and photos gathered over several months from families and children on 'why they moved to Wollongong' and 'what has kept them here'. This project also formed part of the Viva la Gong festival celebrations with a pop-up exhibition of the DVD produced for the project in the city centre.
- Council's libraries deliver weekly programs for children and their families to encourage early literacy and engagement with libraries. Highlights included Book Week activities, school holiday programs, study workshops for HSC students, and outdoor reading room for young people as part of Youth Week celebrations.
- Council hosted a number of special events involving children and young people as part of its National Year of Reading program, including the development and delivery of packs to encourage literacy to the parents of all newborn babies and to all kindergarten students commencing school in 2012.
- The 'Just Imagine' project between Wollongong City Gallery and Department of Education aimed at developing literacy and creative writing skills in young people aged 11-17. Prizes were awarded to the best stories, with the winning stories published in the Illawarra Mercury and a booklet. Over 500 entries were received.

Young People

- Wollongong Youth Services engaged 22,303 participants throughout 2011-12. The Youth Centre provides a safe place for young people aged 12-24 to participate in a broad range of activities.
- Free English and Maths tutoring was made available two days a week for 38 weeks. The program accommodated 20 students and ran at capacity.
- Council's Youth Services, in partnership with funding from the Department of Education and Training, runs the Links to Learning Program for young people at risk of leaving school.
- Council's Youth Services and Cultural Services host an artist in residence program. The program mentors young and emerging artists and provides an opportunity for artists to contribute to the city's cultural development. In 2011-12 the program supported two artists.
- Youth Services undertook projects in conjunction with Community Drug Action Team (CDAT) including Midnight Basketball, Twilight Cook Off and Twilight Hockey aimed at redirecting young people at risk of offending at night into a positive activity.
- In June 2012, Wollongong Youth Centre and Wollongong City Gallery held a night of music and art at the gallery, with over 150 young people attending.
- Wollongong Central Library, in conjunction with Wollongong Youth Centre, ran a series of film making workshops. These workshops brought together young people with an interest in film and were a great opportunity for the young people to develop their skills.

Women

- Council supported the Wollongong Women's Centre interactive story and music event *The Cup and the Canary*, with over 100 women of culturally and linguistically diverse backgrounds celebrating International Women's Day at the Town Hall in March 2012.
- Council partnered with the Illawarra Women's Health Centre to hold a Living Books event focussing on women's stories of health and resilience as part of International Women's Day 2012.
- Council supported a five session program of sewing classes for newly arrived migrant women. As well as learning valuable sewing skills, the women created festival bunting that reflected the mix of cultures in the group. The bunting will be used at the 2012 Viva la Gong festival.

Men

- Council worked closely with several Men's Shed organisations in regard to providing or sourcing premises. Council delivered the Wollongong Men's Shed program to men who are frail, aged and/or who have a disability, with funding from NSW Ageing Disability and Home Care.
- Men's achievements and recognition was highlighted through NAIDOC activities and men participating in the Living Libraries program.

All Communities

- Council is implementing the Healthy Communities Initiative Wollongong Project (funded by Commonwealth Government Department of Health and Ageing) – an initiative demonstrating Council's commitment to increasing the capacity of our community to create a healthier Wollongong. This project is targeted towards adults who are not in full-time paid employment, and/or who are at risk of developing weight related chronic disease. A key function of the project is to facilitate the development of partnerships between existing Council services and facilities and external stakeholders, to increase the capacity of the community to provide affordable healthy eating and physical activity initiatives.
- Funded by the Local Government Shires Association's (LGSA) Healthy Communities Grant, Council, in partnership with Shellharbour City Council and the University of Wollongong, completed the development of the Walkability Index tool. The tool can be used to inform Infrastructure and Land Use Planners and assist them in planning more pedestrian friendly urban environments.
- The Social Justice Principles were employed in the development of Wollongong 2022 Community Strategic Plan.
- Council continues to deliver Diversity Awareness Training to its staff. Four training sessions for Council staff were undertaken during 2011-12 with approximately 20 staff at each session.
- Wollongong Living Books completed its fourth year of sharing diverse life stories with 13 events held, 24 'living books' and 500 community members participating. Highlights include Keira High Teachers Development Day, Women's Stories of Health and Resilience partnering with Illawarra Women's Health Centre, and inclusion of Aboriginal Living Books with the Illawarra Police Sergeants Training Day.
- Council was successful in receiving funding from the Department of Immigration and Citizenship for SongWorld, a children's music program targeting Year 2 school communities in four diverse localities. In 2012 the program worked with local communities to develop a culturally diverse repertoire of songs, which are being taught to students as part of a weekly in-school music program. The first of four combined school workshops were held in May, with all students participating in song, percussion and cultural learning in a two hour workshop at Helensburgh Public School.

Access and Services to People with Diverse Linguistic and Cultural Backgrounds (section 428 (2) (j))

Multicultural Reference Group

The Multicultural Reference Group continued to meet on a bi-monthly basis. The group provides information and advice to Council to ensure residents from Culturally and Linguistically Diverse (CALD) backgrounds participate in the community.

Language Aides

This service continues to deliver basic interpreting services to Council customers who have difficulty communicating in English. New protocols have been developed to ensure the service continues to meet the changing needs of the community. Languages represented on the panel include Macedonian, Serbian, Italian, Polish Turkish, Spanish and Greek.

Local Government Multicultural Network

Wollongong City Council is currently the convener of this network, whose role is to share information and resources and keep up with current federal and state government policy directions which may impact upon CALD communities.

Wollongong City Council Interpreter Service

This service provides on-site face-to-face National Accreditation Authority for Translators and Interpreters (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.

Library Services

Council's libraries continue to offer an up to date, relevant collection of books and resources in a diversity of languages that reflect the cultural and language mix of the local community. During 2011-12, the libraries introduced online access to a range of major international daily newspapers, making it possible for people from diverse backgrounds to access news of their country of origin, in their first language.

Bush Fire Hazard Reduction Activities (Section 428 (2) (i1))

A total of 349 Asset Protection Zones (APZ) were managed during 2011-12 with 296 sites treated by mowing and slashing, 53 sites managed by contractors and three of those sites treated through hazard reduction burning with the assistance of Fire and Rescue NSW. The Fiready program supported the involvement of 43 volunteers, contributing 421 hours of on the ground bushfire fuel reduction within 12 APZs.

A total of five Community Education meetings were undertaken with the Illawarra Rural Fire Service consulting with local residents across the northern suburbs.

Council received funding of \$64,500 from the Rural Fire Service to assist in maintaining 22 high priority APZs.

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 2011-12.

Council now undertakes its impounding activities in accordance with a Deed of Agreement with the RSPCA. 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.

Council encourages the community to desex 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 on animal management. Council expended a total of \$1,037,044 on companion animal management activities during 2011-12.

The Dogs on Beaches and Parks Policy was approved by Council in April 2011. In May 2012 Council recommended changes to the off leash area at East Corrimal and the proposed changes be placed on public exhibition. This process is underway and consists mainly of a change to the southern boundary of the off leash area.

This year animal-related education consisted of updating information provided on Council's website and updating Council's customer service knowledge base. The Animal Control Rangers also continued to educate the public whilst out on patrol and dealing with action requests and incidents.

Council's Registration Program also continued. Education has been enhanced as part of the program with the inclusion of material relating to the registration process, the potential penalties for non compliance and the inclusion of registration forms.

The current list of declared off leash areas within Council are:

- Perkins Beach, Windang - extending from Shellharbour Road/Wattle Street beach walkway north to access way south of Port Kembla SLSC southern car park
- MM Beach, Port Kembla
- Coniston Beach, south of Bank Street
- Beach area directly east of Puckey's Estate Fairy Meadow, ie walkway north of Fairy creek lagoon to walkway south of playground at Fairy Meadow beach
- East Corrimal Beach - from East Corrimal car park to Bellambi Point
- Bellambi - between Bellambi ramp and ocean pool
- McCauleys Beach, Bulli
- Little Austinmer Beach, Austinmer
- Sharkey's Beach, Coledale - from the car park, south toward the rock outcrop
- Stanwell Park beach - north of northern lagoon
- Figtree Oval
- Proud Park, Helensburgh
- Riley Park, Unanderra
- Eleebana Reserve, Koonawarra
- King George V Park, Port Kembla

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

JUNE 2012 EVALUATION

	Current Replacement Cost (CRC) (1) \$'000	Estimate Cost to Bring Asset to Satisfactory Standard (2) \$'000	Estimate of Annual Maintenance Expense to Keep Asset at Satisfactory Standard (3) \$'000	Estimate of Annual Renewal to Keep Asset at Satisfactory Standard (4) \$'000	Actual Maintenance Expenditure 2011-12 (5) \$'000	Actual Capital Renewal Expenditure 2011-12 (6) \$'000	Average Asset Condition (7)	% Below Satisfactory Standard	% Annual Maintenance Required
Buildings									
Total - Buildings	585,073	22,004	5,841	11,104	3,706	11,106	2.3	2-4%	1%
Transport									
Roads and road related assets	1,173,092	65,122	5,049	19,344	5,894	7,595	2.4	1-8.9%	0.5-2%
Bridges, boardwalks and jetties	80,499	3,248	851	1,106	33	460	2.3	4%	1-2.5%
Footpaths and cycle ways	216,482	11,198	2,121	3,949	421	692	3.3	2-6%	1-2%
Other transport assets	56,417	3,636	479	1,320	669	669	2.2	1%	0.5-5%
Total - Transport	1,526,490	83,204	8,500	25,720	7,017	9,415	-	-	-
Stormwater									
Total - Stormwater	814,794	32,144	2,734	8,803	444	515	2.0	2-20%	0.5-1%
Recreation and Other									
Total - Recreation and Other	123,395	20,631	1,412	5,503	1,498	2,145	2.6	2-57%	1-2%
TOTAL	3,049,752	157,983	18,487	51,129	12,665	23,182	-	-	-

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 consistent with the adopted valuation methodologies for individual asset types. It does not allow for the enhancement/upgrade works.

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. Satisfactory standard is generally defined as condition 1 - 4 (see Asset Condition Definitions, below) however service levels identified in Council's draft asset management plans have been used where available. The cost estimates are based on adopted valuation methodologies and do not generally include the cost of enhancements/upgrades to existing assets. The nominated percentage of each asset type below satisfactory standard is detailed under Condition of Public Works. The significant decrease in the cost to bring up to satisfactory standard from the peak of 2009-10 to the current year is primarily due to improved definition and information on service levels and 'satisfactory standards' for many asset types, particularly transport assets.

3. 'Estimate of annual maintenance expense to keep assets at satisfactory standard' is an estimate of 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. The nominated percentage has been checked against available benchmark information.

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. 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.

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', this reflects the variation in the actual renewal profiles for each asset type and Council's efforts to reduce the number of assets which are deemed to be below a satisfactory standard.

7. 'Average Asset Condition'. In assessing the condition of public assets, Council has considered the existing condition information relating to each asset type. Where information on functionality was available this was also considered in relation to the condition data. 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 2011 to 30 June 2012 (whether as a result of tender or otherwise):

Tender No.	Name of Contractor	Contract Description	Contract Amount (Excluding GST) \$
T10-01	Otis Elevator Company	Lift services upgrades - Administration Building and Library	1,103,395.00
T10-02	Haden Engineering	Chiller replacement - Illawarra Performing Arts Centre	404,260.00
T10-03	Golder Associates Pty Ltd	Whytes Gully new landfill cell development	1,609,163.00
T10-08	Care 1, Shaw & Bairle (All Care), Julie Warner Community Care, South Coast Home Health Care	Supply of respite, social support and transport	Scheduled rates - Various
T10-11	Deane Constructions	Warrawong District Library new fit out - King Street, Warrawong	680,963.75
T10-12	M Collins & Sons (Contractors) Pty Ltd	Design and construction of baseball diamond at Fred Finch Park, Berkeley	271,270.00
T10-13	Landform Gardens	Construction of Playground at Towradgi Park	232,933.00
T10-15	S & K Car Park Management T/As Secure Parking	Lease of Market Street Car Park	700,000.00
T10-16	Fernandes Constructions Pty Ltd	Construction of 3 Span Road Bridge over Reed Creek	1,908,210.92
T10-18	O'Connor Marsden and Associates	Internal audit and ancillary services for 2011-2015	Scheduled rates - Various
T10-19	Pegasus Venue Management	Management and operation of Wollongong Town Hall	Scheduled rates - Various
T10-21	Lahey Constructions	Refurbishment of North Beach Bathers Pavillion and retaining wall	10,435,130.00
T10-24	Royce White Consulting, A-Pro Consulting, Altus Page Kirkland, Jeff Roorda & Associates, Opus International Consultants	Asset management consultancy services	Scheduled rates - Various
T10-25	APP Corporation, A-Pro Consulting, Basix Environmental, Collins Development Group, Complete Urban, Confluence, Davis Langdon, Equity Development Management, GBB Pty Ltd, Jerez Enterprises, Manteena, NSW Public Works, Royce White Consulting	Project management consultancy services	Scheduled rates - Various
T11-02	Manteena Pty Ltd	Refurbishment of Sandon Point Surf Life Saving Club	2,403,330.00
T11-03	Deane Constructions	Construction of storage shed for SES Vehicle	514,229.00
T11-04A	Select Civil Pty Ltd	Design and construction of stormwater harvesting and irrigation at Thomas Dalton Park, Fairy Meadow	585,760.20
T11-08	Australian Laboratory Services Group	Provision of water monitoring services	196,044.00
T11-09	Hunter Valley Training Company	Management of apprentices and trainees	3,467,845.00
T11-10	Affective Services	Refurbishment of Coledale Rock Pool	350,022.00

Controlled Entities (section 428 (2) (p))

There are no controlled entities in the Financial Statements for 2011-12

Council has significant influence over the following entities but do not consolidate due to their immaterial value and nature.

- Illawarra Performing Arts Centre Limited
- Wollongong City Centre Limited
- Wollongong City of Innovation Limited (Tourism Wollongong)

The prior funding arrangements ceased with Wollongong City Centre Limited on 31 October 2011. From this date Council is performing the services and activities previously provided by the Wollongong City Centre Limited.

Environment Planning and Assessment Agreements (section 93G (5))

The following voluntary agreements were in force in 2011-12:

Land: Lot 601 DP 1054648 Bong Bong Road, Lot 1 DP 1159862 Bong Bong Road, Lot 2 DP 1159862 Bong Bong Road, Horsley.

Parties to the Agreement: Wollongong City Council and Stockland Development Pty Ltd.

Agreement: The developer has entered into an agreement for the payment of a monetary contribution (\$29,205 per lot, plus indexing, now at \$30,000 per State Cap), the dedication of land and undertaking works within the road reserve as part of the subdivision proposal, related development consent is DA-2010/693 for which consent was granted on 6 May 2011.

Status: Since the date of the agreement Stockland has provided a bank guarantee for the value of security required (\$2.5 million) on 18 May 2011. Stockland also registered the agreement on the relevant property titles lodging a request with LPI on 16 May 2011. Council received confirmation of the registration on 20 June 2011 from Kells the Lawyers.

The subdivision project that is the reason for the agreement called 'Brooks Reach' is underway. Subdivision Certificate (SC-2012/35) for Stage 1 consisting of 43 residential lots was approved on 23 May 2012 and subsequently land titles were registered on 14 June 2012. In accordance with the terms of the agreement Stockland paid a monetary contribution of \$1.29 million on 15 May 2012 for Stage 1, as such both parties are in full compliance with the agreement at this point in time.

Land: 121 Parkes Street corner Walker Street at Helensburgh, being Lot 1 DP 332178.

Parties to the Agreement: Wollongong City Council and William Michael Canavan.

Agreement: The developer has entered into an agreement to provide the design and construction of 16 car parking spaces in a parallel arrangement, including concrete kerb, bitumen, signs and lines, and pedestrian pathway on Council land on the east side of Waratah Street, Helensburgh, adjacent to Charles Harper Park. These works are part of a restaurant proposal; related development consent is DA-2011/88 for which consent was granted on 28 July 2011.

Status: The restaurant project that is the reason for the agreement has not yet commenced, thus no actions have been required to be undertaken by Mr Canavan or Council, and as such both parties are in full compliance with the agreement at this point in time.

External Bodies That Exercise Functions Delegated by Council (section 428 (2) (a))

During 2011-12 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	▪ Riparian restoration
Alvan Parade Bushcare	▪ Bushland restoration
Artis Street Bulli Bushcare	▪ Riparian restoration
Ballambi Creek	▪ Riparian restoration
Bellambi Dune Bushcare	▪ Dune/lagoon restoration
Bellambi Street Bushcare	▪ Bushland restoration
Blue Divers Bushcare	▪ Riparian restoration
Blue Lagoon Bushcare	▪ Coastal/riparian restoration
Brickyard Point Bushcare	▪ Coastal headland restoration
Budjong Creek Landcare	▪ Riparian restoration
Byarong Creek (Mt Keira) Bushcare	▪ Riparian restoration
Byarong Creek (Figtree) Bushcare	▪ Riparian restoration
Cambridge Road (Brooks Creek)	▪ Riparian restoration
Charcoal Creek (Mid) Bushcare	▪ Riparian restoration
Clifton Bushcare	▪ Sea cliff restoration
Coledale Bushcare	▪ Sea cliff restoration
Collins Creek Bushcare	▪ Woodland restoration
Coniston Heights Bushcare	▪ Bushland restoration
Coomaditchi Bushcare	▪ Dune/lagoon restoration
Corrimal Dune Bushcare	▪ Dune restoration
Darkes Road (Integral Energy)	▪ Bushland restoration
Emperor Court Bushcare	▪ Bushland restoration
Farmborough Waterfall Bushcare	▪ Bushland restoration
Figtree Oval Bushcare	▪ Riparian restoration
Gellatly Bushcare	▪ Riparian restoration
Greenhouse Park Bushcare	▪ Revegetation
Hewitts Bushcare	▪ Riparian restoration
Hospital Road Bushcare	▪ Riparian restoration
Keira Oval Bushcare	▪ Hind-dune/lagoon restoration
King George V Oval Bushcare	▪ Revegetation
Kurrimul Creek Bushcare	▪ Riparian restoration
Mangerton Park Bushcare	▪ Dry rainforest
Mangerton Park Project	▪ Dry rainforest
Murray Garden Bushcare	▪ Riparian restoration
Nyrang Park Bushcare	▪ Riparian restoration
Ocean Park Bushcare	▪ Riparian restoration
Odenpa Road Bushcare	▪ Bushland restoration
Puckeys Estate Bushcare	▪ Dune/lagoon restoration
Puckeys Estate Project	▪ Dune/lagoon restoration
Richardson Park Bushcare	▪ Bushland restoration
Riveroak Bushcare	▪ Bushland restoration
Sandon Point Bushcare	▪ Dune restoration
Spearing Reserve Bushcare	▪ Riparian restoration
Stanwell Park Bushcare	▪ Dune restoration
Stockyard Slope	▪ Riparian restoration
Tathra Park Bushcare	▪ Riparian restoration
Thomas Dalton Park	▪ Riparian restoration
Towradgi Dune Bushcare	▪ Dune restoration

Body	Function
Planning + Environment <i>(continued)</i>	
Underwood Bushcare	▪ Riparian restoration
Upper Brooks Creek Bushcare	▪ Riparian restoration
Wombarra LHD Bushcare	▪ Dune restoration
Wharton's Creek Bushcare	▪ Riparian restoration
Whipbird Reserve Bushcare	▪ Bushland restoration
William Beach Park Bushcare	▪ Riparian restoration
Wilson Street Bushcare	▪ Sea cliff restoration
Windang Dunes Bushcare	▪ Dune restoration
Wisemans Park Bushcare	▪ Woodland restoration
Wollongong Surf Leisure Resort	▪ Dune restoration
Wollomai Bushcare	▪ Bushland 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.
Surf Life Saving Illawarra	▪ To provide lifesaving and rescue services to Council in accordance with the executed service agreement.
Friends of Scarborough Cemetery	▪ Undertake minor maintenance and works to the grounds and improvements of Scarborough cemetery.
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 2011-12 include:

	\$
Community Events and Activities	169,809
Arts and Cultural Activities	34,357
Community Safety	27,165
Educational and Environmental Activities	6,195
Sporting Activities	42,410
Heritage Grants	30,000
	309,936

Government Information (Public Access) Act 2009 (section 68 clause 10)

The Government Information (Public Access) Act was introduced 1 July 2010 and facilitates access to information that Council holds in the following ways:

- mandatory release of information via Council's website (open access)
- authorised proactive release via Council's website
- informal release subject to an informal access application, and
- release subject to a formal access application.

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 'open access' documents available including community strategic plan, delivery program, annual plan, resource strategy, annual reports, annual budgets, plans and policies, meeting agendas and minutes and graffiti and land registers. These, and other documents, are easily accessed via our website.

The following table specifies the number of Formal Access Applications lodged under the Government Information (Public Access) Act 2009 during 2011-12. Statutory processing times were complied with in all cases.

Month 2011-12	Number of Applications Received	Were applications processed within the statutory timeframe of 20 working days
July	Nil	N/A
August	3	Yes
September	1	Yes
October	5	Yes
November	4	Yes
December	3	Yes
January	1	Yes
February	5	Yes
March	6	Yes
April	2	Yes
May	1	Yes
June	2	Yes

Where a formal access application is received, and it is likely to be of interest to members of the public, Council may make the details available by publishing the content to its 'disclosure log'. The disclosure log contains non-personal information only and can be viewed on Council's website via the following link - <http://www.wollongong.nsw.gov.au/council/gipa/Pages/DisclosureLog.aspx>

Human Resource Activities (section 428 (2) (m - n))

The following information outlines Wollongong City Council's Human Resource activities during 2011-12.

Workforce Management Plan

This year a Workforce Management Plan has been developed and adopted as part of the Wollongong 2022: Strategic management plans under the Integrated Planning and Reporting Framework. The plan ensures Council has a workforce that is flexible, organised and structured in the best way to be able to respond to the strategic and service demands generated or influenced by the local community.

Monitoring and evaluation is an important part of the workforce planning process that allows Council to analyse the effectiveness of its workforce challenges and where required make changes to improve. Implementation of the plan across the organisation has commenced.

Training and Development

The year delivered the implementation of a new Learning Management System (LMS). The LMS provides a more hands-on approach for employees to manage their learning needs through self registration and the provision of corporate courses and qualifications. Relevant and effective learning and development strategies and programs, including e-learning were deployed to meet organisational and staff need. The corporate program provided opportunity for 59 employees to participate in qualifications ranging from Certificate III through to post graduate studies.

Leadership and Culture

Leadership is key to organisational culture and performance. Council continues to commit to a number of programs which enable our leaders to gain skills which compliment a constructive organisational culture. Council has continued to roll out the leadership program across and down the organisation for management and supervisory staff including programs for staff in local leadership roles or those aspiring to leadership roles. Assessment of leadership capability was used through the recruitment process for all supervisory positions

This year's results of the internal organisational culture survey showed significant positive increase in a constructive organisational culture within Wollongong City Council. A number of measures will be put in place to continue the focus on building a more constructive and positive organisational culture. The survey will be undertaken again in 2013 and then every 18 months.

Occupational Health and Safety (OHS) Management

The new Work, Health and Safety (WHS) Act 2011 became effective on 1 January 2012. Council has commenced the review of Council's procedures to ensure compliance with the new legislative requirements. This will be an ongoing process as new standards and Codes of Practice are progressively released by WorkCover.

The implementation of the 'Get Smart Stay Safe' program continued across Council's divisions. Each division has objectives and targets established in their business plans which are monitored through monthly reporting to the Executive Management Committee.

The first stage of the implementation of the new WHS information system (called the Vault) was completed in 2011-12. This involved the implementation of the personnel, dashboard, incident management and risk management modules. The Vault is integral for streamlining our WHS systems and processes and making significant improvements in reporting capability. The next phases are the implementation of workplace inspections, training, substances management and record management systems, and ensuring they are linked to our other corporate systems.

Revision of workers compensation claims management and injury management systems continued to ensure compliance with the requirements of the new Workers Compensation Amendment Act 2012 and 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 1.9% ratio of workers compensation costs to payroll costs.

Employment, Equity and Diversity (EED) Management Plan

The Employment, Equity and Diversity Management Plan continues to be rolled out with a number of programs specifically addressing targeted groups. Our EED programs have expanded to include the development of a transitional employment program for disadvantaged youth, newly arrived and people with disabilities, and school based traineeships for Aboriginal youth. This program provides the opportunity to gain a qualification and work experience in the local government sector. Council staff have held seats on committees looking at employment strategies across the local government area including those for the Aboriginal community, newly arrived and people with disabilities.

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 Division 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 process of distributing indirect costs and overheads attributable to the declared business activities are shown in the Special Purpose Financial Reports (Attachment C).

Overseas Visits (section 428 (2) r) clause 217 (1) (a))

Lyn Kofod Manager Governance and Information

Public Risk Management Association [PRIMA] 2012 Annual Conference and study tour of local insurance pools.

3 – 6 June 2012: Annual Conference

7 – 14 June 2012: Study Tour

Nashville, Tennessee

COSTS

All costs met by Westpool.

Lord Mayor, Councillor Gordon Bradbery, OAM

Public Risk Management Association [PRIMA] 2012 Annual Conference and study tour of local insurance pools.

3 – 6 June 2012: Annual Conference

7 – 14 June 2012: Study Tour

Nashville, Tennessee

COSTS

All costs met by Westpool.

Lord Mayor, Councillor Gordon Bradbery, OAM (accompanied by Lady Mayoress)

Official ceremony and the inauguration of the Buddha Memorial Centre

26 - 28 December 2011: Official Duties

Kaoshiung, Taiwan

COSTS

All costs met by Fo Guang Shan.

Partnerships, Cooperatives or Joint Ventures (section 428 (2) (q))

Wollongong City Council is in a joint venture with Westpool and United Independent Pools, whose principal activity is insurance.

Payment of Expenses and Provision of Facilities to Councillors (section 428 (2) (f))

Total cost of payment of fees and expenses, and on the provision of facilities to the three Administrators (from July – September 2011), and Lord Mayor and councillors (from September 2011 - June 2012) was \$480,965 and consists of the following:

Fees	\$372,986
------	-----------

Expenses and facilities	\$107,979
-------------------------	-----------

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

- (i) Provision of facilities - \$24,440
- (ii) Telephone calls - \$2,725
- (iii) Conferences and seminars - \$22,651 * includes interstate conferences and seminars
- (iv) Training and skills development - \$26,145
- (v) Interstate travel - Nil
- (vi) Overseas travel - \$72
- (vii) Partner, spouse or accompanying person - \$412
- (viii) Care of child or immediate family member - \$30

Lord Mayor and Councillor Payment of Expenses and Provision of Facilities Policy

Council has adopted a policy on the payment of expenses and provision of facilities. The policy (Attachment D) depicts the services and facilities provided to the Lord Mayor and councillors to enable them to discharge their civic duties.

Privacy and Personal Information Protection Act 1998

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 on Council's website or 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 is continuously improving its personal information security arrangements for all of its records.

Rates and Charges Written Off (clause 132)

2011-12 Abandonments	\$
Section 600 Allowances	438,588.48
Postponed Rates	58,089.72
Postponed Interest	33,456.68
Council Voluntary Pension Rebate	770,010.55
Pensioner Interest write-offs	24,714.49
	1,324,859.92

Senior Management Remuneration (section 428 (2) (g) clause 217 (1) (b))

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

The total remuneration of each contract manager employed as at 30 June 2012 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 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.

Position	Period	Total Value \$
General Manager	1-07-2011 to 30-06-2012	341,100
Director Corporate + Community Services	1-07-2011 to 30-06-2012	226,851
Director Infrastructure + Works	1-07-2011 to 30-06-2012	241,556
Director Planning + Environment	1-07-2011 to 30-06-2012	235,043
TOTAL		1,044,550

Services and Programs for Children (section 428 (2) (r) clause 217 (1) (c))

- Council supported the Transition to School picnic. The event celebrates the importance of school transition for children and families, and provides families with additional information to support them through this transition. Over 300 children attended this event which was launched by the Lord Mayor.
- Council's Children and Family Services unit, in partnership with the Early Learning Action Group (ELAG), organised an Aboriginal-focused early literacy event at Dapto Ribbonwood Centre. The purpose of the event was to promote the importance of early literacy to families of children aged five years and under. One hundred families attended the event.
- Council continues to provide 18 children's services facilities across the LGA where community childcare organisations deliver long day care, preschools and occasional care programs in the Wollongong LGA.
- Council's Children and Youth Services Library team delivered a wide range of programs throughout the year at a number of branches, including Born to Read (for infants), Toddler Time, Kids' Book Club, Story Time, HSC Program, Teen Summer Read Competition and Book Week events.
- School holiday programs were run at all library locations during each school holiday period, offering a variety of activities, including performers, creative writing workshops, photography workshops, gaming and story storms.
- Families Week / Viva la Gong: Connection Project *Stories of Migration and Relocation*.
 - This program aimed to provide an opportunity for people to share their stories of how they came to be in Wollongong, what they left behind and what it meant to them to be part of the Wollongong community – with pictures. The project was launched at the Harvest Festival in Families Week 2011. A Story Circle event was held at Mt Brown Public School in partnership with Wollongong Women's Centre, the Multicultural Women's Group and the Aboriginal Elders Group.
 - The project also ran a photo and story booth at Reconciliation Week and Refugee Week Events. This project continued over several months and the outcomes were showcased at a community event in November 2011.

State of the Wollongong Environment (section 428 (2) (c) clause 218 – 226))

The information below highlights the main activities undertaken during 2011-12 in relation to land, air, water, biodiversity, waste, noise and heritage, both Aboriginal and post-European.

For a comprehensive report on the state of the Wollongong environment, refer to Wollongong City Council's State of Environment Report 2011-12 (available on Council's website).

LAND

The Wollongong LGA covers approximately 72,100ha (including waterways) in a narrow coastal strip stretching from Helensburgh in the north, to Windang, 50km to the south. The LGA has two major Local Environmental Plans (LEPs); Wollongong LEP 2009 and Wollongong LEP (West Dapto) 2010.

Urban development is concentrated within the narrow coastal strip between the Tasman Sea and the Illawarra Escarpment. The proportion of urban land increases toward the southern half of the LGA, with limited development and development potential in the northern suburbs.

Highlights 2011-12

- The Wollongong LEP 2009 came into force on 26 February 2010 and the Wollongong LEP (West Dapto) 2010 came into effect on 5 May 2010. During 2011-12, four amendments were finalised and incorporated into the plans. A further 14 draft planning proposals were commenced or progressed.
- The Wollongong Section 94A Contributions Plan came into effect in June 2006. The Section 94A Plan requires the payment of contributions based on the value of a development. The plan has been updated to reflect the Management Plan 2011-14 and was exhibited from 27 June to 25 July 2011. No submissions were received and the Plan was adopted by Council in August 2011.
- The Wollongong Development Control Plan (DCP) 2009 came into force on 3 March 2010. In April 2011, Council endorsed for exhibition, the first stage of amendments to various chapters. The exhibition period of six weeks occurred in July and August 2011. Based on the submissions received, amendments were made to four chapters of the DCP. Three chapters were adopted by Council in March 2012, one chapter has been deferred pending a further report, and two Appendices were repealed and adopted as technical policies.
- The Wollongong Development Control Plan – West Dapto Release Area chapter was adopted by Council in December 2010. The West Dapto Release Area chapter was amended with the introduction of Neighbourhood Plan chapters for the Shone Avenue precinct in July 2011. In February 2012, Council endorsed a draft Neighbourhood Plan for land fronting Reddalls and West Dapto roads, Kembla Grange. The draft plan was exhibited from 22 February to 23 March 2012 and three submissions were received. A revised draft Neighbourhood Plan for Wongawilli was endorsed by Council on 28 May 2012.
- In 2009, Council exhibited the draft review of the land formerly zoned 7(d) Hacking River Environmental Protection at Helensburgh, Otford and Stanwell Tops. Based on the submissions made in response to the exhibition, Council on 5 July 2011 recommended that a Planning Proposal be prepared to rezone certain precincts, and to retain the current provisions for some precincts. The draft planning proposal was subsequently reviewed by Council on 28 November 2011 and a new draft planning proposal was prepared.
- In April 2012, Council endorsed the following priority list for the preparation of the Town and Village plans over the coming years: Warrawong Regional Centre Review; Port Kembla Main Street Study; Figtree and Unanderra town centres; Wongawilli Centre Masterplan; Berkeley Town Centre Study; Windang Town Centre Plan; Gwynneville Precinct Plan; Woonona and East Woonona Precinct Plan; Helensburgh Town Plan; Review of Fairy Meadow Major Study; Mt Kembla Site Specific DCP Review; and Bulli Town Centre Plan.
- In early 2012, Council considered a report on the draft Warrawong Town Centre – Urban Design Analysis. The draft report was endorsed for public exhibition which occurred during 26 April to 14 June 2012.
- Work has commenced on the Figtree and Unanderra Town Centre projects. Councillors participated in a workshop in January 2012, and it is intended that initial community and stakeholder input will be requested later in 2012.
- The Wongawilli Neighbourhood Plan was adopted in November 2010 with the exception of a deferred section centered on the Wongawilli Village (interface between existing houses and new development). This area has now been considered as part of the Wongawilli Village Plan. Council has conducted a review of zoning; traffic issues, lot sizes and orientation, interface issues and historical significance of the area. Arising from this review, Council on 28 May 2012 resolved to prepare draft amendments to the Wollongong LEP (West Dapto) 2010 and Chapter D16 of the Wollongong DCP 2009.

- The Mt Kembla to Farmborough Heights Draft Concept Plan was endorsed by Council in November 2010 for referral to the Department of Planning and Infrastructure for review, prior to further studies being conducted and public exhibition undertaken. The department requested that Council prepare a Planning Strategy for the wider area, which can be used to assess this and any future rezoning proposal. Council endorsed the progression of the draft planning strategy on 27 February 2012.
- In May 2010, Council called for Expressions of Interest from interested parties to either purchase and/or lease Gleniffer Brae, Keiraville. In March 2011, it was recommended that the submission from the University of Wollongong be accepted as the preferred submission. In June 2011, the University of Wollongong lodged a draft planning proposal seeking the rezoning and reclassification of part of the site to allow for the future purchase/lease by the university. Council endorsed the draft Proposal in December 2011 and a community exhibition to be conducted in mid 2012.
- In December 2009, Council resolved to prepare a draft site-specific DCP chapter for the Headlands Hotel site at Austinmer for inclusion into the Wollongong DCP 2009. A draft Vision document, presenting key urban design principles and four built form options was placed on public exhibition between 4 July 2011 and 15 August 2011. The Vision was updated to reflect community input and a preferred development option was developed and endorsed by Council on 12 June 2012.
- In February 2012, Council resolved to establish an Escarpment Planning Committee. The Escarpment Planning Reference Group will provide advice, feedback and support to Council in reviewing, implementing and monitoring policies and actions identified in the Illawarra Escarpment Strategic Management Plan (IESMP). In addition, the group will provide advice on the consistency of escarpment area rezoning proposals with the objectives of the IESMP.
- In accordance with the requirements of the Local Government Act 1993, the Generic Plan of Management for the Community Land of Wollongong City Council was updated and adopted in 2011, with another review scheduled in 2013. A site specific plan of management is being prepared for Sandon Point and McCauleys Beach.
- The Lake Illawarra Floodplain Risk Management Study and Plan was completed in 2010-11 and adopted by Council in early 2012.
- Council is currently undertaking the Wollongong City Flood Study and reviewing the Hewitts and Towradgi creeks flood studies. The Collins Creek Floodplain Risk Management Study and Plan is anticipated to be finalised within 2012.

AIR

Air quality across the Wollongong LGA is highly variable, but in recent years the air quality standards have rarely been exceeded at regional monitoring stations. The variability in air quality is primarily related to domestic and industrial emissions in conjunction with prevailing weather conditions.

There is a broad allocation of responsibilities for management of air quality under the Protection of the Environment Operations (POEO) Act 1997 between the NSW Environment Protection Authority (EPA), local councils and other public authorities. The EPA is responsible for licensing air discharges from scheduled premises, which are generally large industrial operations. Council is responsible for regulating all non-scheduled premises and activities including residential, and has the power to issue a variety of notices for air pollution under the POEO Act.

During 2011-12, Council received 118 air pollution complaints related to residential, commercial or industrial premises.

Highlights of 2011-12

- Council continued to take proactive steps towards maximising its operational energy efficiency. This is being achieved through behavioral change and the implementation of various efficiency initiatives. Council continued tracking electricity, gas and fuel consumption patterns. This is improving Council's capacity to manage its assets from an environmental perspective.
- The implementation of Council's Water and Energy Savings action plans continued throughout 2011-12. The key energy efficiency actions implemented included:
 - Completion of 3D modeling of a proposed lighting solution for the Southern Gateway Centre
 - Securing grant funding to implement recommendations from the Southern Gateway Centre Lighting Audits; and
 - Installation of real time electricity monitoring devices at Bulli, Corrimal and Windang tourist parks.
- Implementation of projects across Council's high consuming assets such as the administration building, tourist parks and pools has enabled Council to reduce its greenhouse emissions by 1,691.67 tonnes of CO₂-e.

WATER

Water quality in the streams, coastal lagoons and wetlands in the Wollongong LGA is generally poor. The main pressures on water quality include sewage overflows, urban runoff, on-site sewage management systems, rural runoff, industrial point source discharges, and illegal dumping and litter.

During 2011-12, Council received a total of 200 water pollution complaints from the community. These included complaints related to sewage discharge into stormwater drains and creeks, creek pollution, wastewater and sediment runoff from premises.

Sydney Water reported eight dry weather overflows during 2011-12. These overflows were due to broken sewer pipes or blockages of the pipes caused by tree roots.

Highlights of 2011-12

- Council is preparing an entrance management plan for Bellambi Lagoon to maintain the position of the entrance channel of Bellambi Lagoon to stop erosion of the surrounding dunes. A draft management plan will soon be ready for community consultation.
- Horsley Estate currently has four water quality improvement ponds in operation. These ponds were built in the mid 1990s, during the development of Horsley Estate, and are designed to reduce pollutant loads in urban stormwater draining from the estate before being released into nearby creeks that ultimately discharge to Lake Illawarra. During 2008, a performance monitoring project was initiated. Results so far have suggested that sedimentation rate is lower than suggested in the maintenance manual and that adequate nitrogen and phosphorus removal is being achieved by the ponds.
- During 2011-12, five on-site sewage management systems (OSSMS) were inspected and approved to operate. In addition, the installation of four new OSSMS were approved.
- Implementation of Council's Water and Energy Savings action plans continued throughout 2011-12. Some of the key water savings initiatives implemented included the installation of time flow taps in Council amenities blocks.
- Microbial water quality was monitored at the Lake Illawarra entrance lagoon off Reddall Reserve as part of the Beachwatch program between July 2011 and June 2012. Based on weekly reporting, the 2011-12 reporting period achieved a 90% fair to good star rating.
- The Beachwatch program monitored bacterial water quality at 11 beaches in the Wollongong LGA. Beach Suitability Grades are calculated from a sanitary inspection and microbial water quality measurements. During the 2011-12 swimming season, the beaches were rated as good or very good, indicating that water is suitable for swimming and should only be avoided during and for up to 24 hours after heavy rain at ocean beaches, and up to three days at estuarine sites.

BIODIVERSITY

Biodiversity is a term used to describe 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 disturbs natural areas and leads to increased pollution of air, land and water from human activities.

The Wollongong LGA has many rare flora and fauna species. The area contains 17 endangered ecological communities (EECS). In addition, 29 threatened plant species and 80 threatened animal species listed under the NSW Threatened Species Conservation Act have been recorded in the area.

Highlights of 2011-12

- The Illawarra Biodiversity and Local Food Strategy for Climate Change was a three year partnership between Kiama Municipal Council, Shellharbour City Council and Wollongong City Council, supported by the NSW Environmental Trust. The Biodiversity component of the project commenced in January 2009 and was extended to June 2012. During 2011-12, highlights of the project were:
 - Three capacity building workshops for volunteers, residents and Council staff to identify native plants and fauna's habitats as well as a field day to encourage local landholders around the Illawarra escarpment to control environmental weeds.
 - Bush restoration work to protect and enhance EECs around threatened plant species at Mount Brown, Dapto and Cringila.
 - Implementing vegetation condition monitoring at all grant funded natural area restoration sites, providing data for planning future projects.

- Completion of the new Illawarra Bushland Database which is hosted by the Southern Council's Group website: <http://bushlands.southerncouncils.nsw.gov.au/>
- Development of educational resources to aid in the identification of frogs, birds and EECs.
- Production of Grow Local booklets to encourage residents to use native plants in their gardens.
- Wollongong Botanic Garden Nursery distributed 61,730 plants which contributed to the greening of the city through the Greenplan, Bushcare, Fireeasy and Council city landscape programs.
- During 2011-12, 52 contract natural area sites underwent riparian or bushland regeneration. Bush regeneration contractors undertook restoration activities over approximately 724,555 square metres and planted 9,424 native trees, shrubs or ground covers. Thirty sites contain EECs and nine of these also contain threatened plant species.
- Grants to the value of \$240,000 over a six year period were received from the NSW Environmental Trust to allow environmental restoration at Bellambi dunes and Puckey's Estate. Bush restoration contractors will be engaged to support Bushcare groups currently working at these sites and there will also be guided walks and community planting events at the sites.
- During 2011-12, Council received 1,836 applications for either pruning or removal of vegetation under the Tree Management Control Plan. Clearing of vegetation without consent is an illegal activity and during 2011-12, 97 breaches were investigated and eight penalty infringement notices were issued.
- Wollongong's Greenhouse Park is a former builder's tip undergoing revegetation and redevelopment into an environmental education resource. During 2011-12, the park had 347 volunteers, 21,000 volunteer hours, 5,000 trees planted, 350 students participate in environmental activities, 17 tours and 128 visitors to the park.
- As part of celebrations for National Tree Day, 45 participants took part in Council's event at Greenhouse Park, planting 1,000 trees. An additional four sites around Wollongong were also included with a further 60 participants taking part in planting another 1,000 trees, shrubs or grasses.
- Council provided financial and operational support to the Northern Illawarra Wild Deer Management Program. The program has 55 operational sites of which 29 are on Council managed lands. Over the past twelve months 313 deer were removed, of which 53 were on Council land. Council also engaged a consultant to undertake research into deer populations and movements in the Figtree and West Dapto areas, which will assist with planning and culling operations.
- Rabbit control was undertaken at 36 sites, with 475 rabbits removed. A Fox Control Program was also integrated into the Rabbit Control Program undertaken by accredited pest animal contractors. Council also participated with the National Parks and Wildlife Service, Shorebird Recovery Program, which involved removal of fox dens using Denco-fume cartridges.
- The Wollongong Indian Myna Bird Action Program continued to attract interested residents. The program aims to reduce the breeding, feeding, and roosting opportunities available to the birds as well as undertake humane trapping and euthanising, along with monitoring bird sightings and capture, to support research. The University of Western Sydney Native and Pest Animal Unit, through Council sponsorship, commenced a two year research project into the species within the Wollongong LGA looking into population densities, abundance, distribution and habitat. The program facilitated 21 workshops with 463 residents in attendance. Corrimal Community Men's Shed, built 365 traps which were sold to interested workshop participants. Council assisted with euthanising 209 trapped birds.
- The Illawarra District Noxious Weeds Authority has continued to develop and implement an active noxious weed control program throughout the Wollongong LGA. Activities undertaken include:
 - 127 private property inspections and 22 nurseries and aquaria outlets inspections.
 - \$136,000 in Council contributions and government funding to undertake inspectorial and operational programs on declared noxious weeds in the Wollongong LGA.
 - Class 1 weed, Senegal Tea Plant and Alert Weed Sea Spurge were identified and controlled.
 - All Council and private lands infested with Class 2 weeds were inspected and treated at least three times by 30 April 2012, and all Council lands with infestations of Class 3 weeds were inspected and treated once.
 - Inspections of Macquarie Rivulet and Mullet Creek to ensure no new aquatic weed incursions had occurred.
 - Aerial spraying of 89ha of Bitou Bush at the northern and southern ends of Perkins Beach, Hill 60 and Puckeys Estate, Fairy Meadow.

WASTE

Council is committed to reducing the amount of waste that goes into landfill. The domestic waste collection service consists of a weekly garbage service, fortnightly recycling and green waste service and a kerbside collection service. Residents have a price incentive to use small capacity garbage bins, with approximately 94% of households using 80 litre or 120 litre bins instead of the 240 litre bin.

During 2011-12, 96,651 tonnes of waste went into landfill. Of this 56,151 tonnes was commercial and industrial waste and 40,500 tonnes domestic waste. Approximately 4,527 tonnes of material was collected from the kerbside collection service. Of this material, 840 tonnes was diverted from landfill.

Through environmental education programs and recycling initiatives, Council is aiming to encourage residents to adopt better waste management practices with a view to capturing more recyclables and decreasing the amount of organic waste being placed in residential bins. During 2011-12, 16,688 tonnes of household recyclables were collected for recycling. The percentage of contaminated waste (the wrong items) in recycling bins reduced in 2011-12 (6.9%) compared with 2010-11 (10.4%).

Highlights of 2011-12

- Helensburgh Waste Disposal Depot was closed to customers on 30 June 2012. Council staff are working on a site closure plan for EPA approval. Once approved, Council will develop a detailed design and specification document for site rehabilitation construction works. The site will require ongoing environmental management and maintenance until environmental analysis indicates a fully stable site and subsurface conditions. This is estimated to take 10 - 15 years.
- As part of Council's commitment to the Carbon Farming Initiative and greenhouse gas offsets projects, the Whytes Gully Gas Management System is being installed to capture landfill gas in various stages. Monitoring of gas flows and reporting will inform Council of various options to possibly install further power generation infrastructure.
- The Fridge Buyback program resulted in collection of 720 fridges during the year and an estimated bill saving for residents of \$190,800 per year. A total of 2,274 residents have participated in the program since it commenced in July 2008. This outcome has resulted in 202 tonnes of metal being recycled and an estimated 181kg of chlorofluorocarbons being recovered.
- Two Chemical Cleanouts were held across the Wollongong LGA, both coordinated by Office of Environment and Heritage (OEH). A total of 1,104 residents attended and 44,296kg of chemicals were collected. The majority of material collected was either water based paint, oil based paint or oils.
- The Operation Nappy program continued into its second year, continuing to target pre natal groups at hospitals and local community groups to educate and encourage new parents to use alternatives to disposable nappies. A total of 26 workshops were delivered to 287 participants who were keen to try modern cloth nappies. Currently 6.1% of resident's red top garbage bins are made up of disposable nappies.
- A two year collaborative project between Housing NSW, OEH/NSW EPA and Council entered its second year, with an aim to improve resource recovery at select Housing NSW multi unit dwellings within the Wollongong LGA. Three visits were scheduled for each of the five sites to educate and implement various initiatives for improved recycling practices including stickers; metal signage at bin bays; and bags to assist in separating recyclables. Reuse of food waste was encouraged and four of the sites have taken on composting and/or worm farming.
- Council's Sustainable Events guideline was distributed to local event organisers in order to encourage and demonstrate a real commitment to environmental sustainability by incorporating actions which address waste, promotion and communication, catering, venue selection, power and water, transport and biodiversity and environmental protection. In 2011-12, there were nine large events held as waste wise events. Recovering 45m³ of compostables and 49.8m³ of recyclables, resulting in an 83% reduction of waste going to landfill.

WASTE EDUCATION

- Council's Green Team conducted 152 personal visits to resident's homes, followed up on hundreds of reports of dumped residential waste and delivered talks on waste management to 973 residents including school groups.
- Council provided residents with an annual waste information kit. The kit distributed in September 2011 included either a north or south collection calendar, an On Call Household Cleanup brochure and Household Cleanup fridge magnet. Waste kits are delivered and distributed by local Real Estate agents to new tenants in multi unit complexes and to Housing NSW Offices.
- Council conducted a range of interactive waste education programs to schools and community groups. Half of the educational workshops and programs delivered at the Botanic Garden Discovery Centre are on waste wise topics, with about 14,000 participants during 2011-12. There were additional Chook Care, Green Baby, Landfill, Worm Farming, Recycling, No Dig and Composting workshops and Op Shop tours delivered to residents at other locations across the Wollongong LGA.
- As part of National Recycling Week activities, a Love Food Hate Waste competition was held. The key message was the reuse of leftover food in the fridge and in the pantry and the outcome was the production of a Second Time Round Recipe Book which is on Council's website. A new web page was produced to encourage residents to avoid, reduce and reuse leftover food. During the week the Green Team had displays at select Woolworths stores, attended the Viva la Gong festival and offered workshops on Children and Chickens, Food Reuse Cooking Demonstration and a Home Handyperson Op Shop Tour.
- Two Giant Car Boot Sale events were held to encourage reuse of household items; one at Corrimal as part of the Spring into Corrimal event and the other at the Thirroul Beach car park. A total of 4,824 items were sold across both events which resulted in a diversion from landfill of approximately 49m³ of waste.
- Other events attended to promote waste management and waste reduction include Spring into Corrimal, Your Backyard Festival, Grow Local Launch, Sustainable Living Outdoor Expo, Viva La Gong Festival, Greenplan Sale days, University of Wollongong Welcome Week, O-week, Health and Well Being Day and International Student Day, Refugee Week, Breakfast on the Beach, World Environment Day, Home and Leisure Show and Relay for Life. Displays and waste wise competitions were held to coincide with International Composting Awareness Week, Seniors Week, Disability Awareness Week, Grandparents Picnic and at select shopping centres, local markets and businesses.
- A grant of \$17,500 was received from the OEH for the development and running of Love Food Hate Waste workshops. The workshops will be developed in conjunction with the University of Wollongong and will target university students as well as families with young children from selected primary schools.

DUMPING OF WASTE AND LITTERING

- Dumping of waste and littering is a severe problem in the Wollongong LGA. Council has a regular clean up program for these sites to prevent an accumulation of rubbish. The collection of rubbish from 'black spots' was also targeted throughout 2011-12 through the efforts of people associated with the Department of Probation and Parole Services. Participants collected approximately 72.9 tonnes of litter. Participants in the Corrective Services Community Partnership program collected approximately 1,064m³ of wind blown litter from the Whytes Gully Tip.
- The Rise and Shine program has been running for more than 26 years and continued to encourage the community to undertake environmental projects within the Wollongong LGA. During 2011-12, 102 community groups including schools and Bushcare groups removed 22.4 tonnes of rubbish during the 12 week Spring Clean Up. Clean Up Australia Day activities, coordinated by Council staff, involved approximately 1,500 people collecting over 4.5 tonnes of rubbish throughout Wollongong.
- Council investigated 551 abandoned vehicles over the year.

NOISE

The majority of noise affecting the community comes from individual incidents, such as barking dogs, machinery and audio equipment, affecting individuals rather than the broader environment. 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 2011-12, Council received a total of 985 complaints regarding noise. Almost three quarters 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 included swimming pool pumps, air conditioning units, amplified sound equipment and other animal noises such as roosters.

Highlights of 2011-12

- Council is the consent authority for all development within the Wollongong LGA. Prior to approving a development application, Council considers the environmental noise implications of the development.
- EPA has an ongoing program to reduce noise from scheduled industrial premises. There are currently 52 premises with Environment Protection Licences in the Wollongong LGA. The main method used by EPA to ensure reductions in noise is pollution reduction programs (PRPs). During 2011-12, two noise related PRPs were negotiated with scheduled industries.

HERITAGE

Wollongong has a rich and diverse Aboriginal and post-European heritage, and Wollongong City Council has primary responsibility for its management. Council has an active heritage management program aimed at ensuring the ongoing conservation, promotion and interpretation of Wollongong's heritage.

Highlights of 2011-12

- The Wollongong Heritage Advisory Committee provides advice to Council on heritage matters. Following the election of the new Council in September 2011, the membership of the Committee had to be reappointed. Four meetings were held in 2011-12 and the committee provided input to a range of heritage issues including the development of the Wollongong Heritage Strategy and Action Plan 2011-14, which is now used to guide the work of the committee.
- The Wollongong Heritage Strategy and Action Plan 2011-14 were adopted by Council in October 2011. The plan is now being used to guide the work of Council and work is well underway in delivering on the identified actions.
- Council finalised the appointment of a consultant Museums Advisor who will be working with Council over the next year to provide increased support to the local museums sector.
- During 2011-12, Council has been working on the restoration and adaptive reuse of the State Heritage Listed North Beach Bathers Pavilion. This project has been a major capital commitment and will result in the provision of upgraded change, toilet and lifeguard facilities, the provision of a new restaurant within the building as well as a range of improvements to the pedestrian, beach access and landscape amenity of the site.
- Council's heritage staff provided advice in relation to the potential heritage impacts of 200 development application referrals, 10 formal pre-lodgement meetings, 25 informal pre-lodgement meetings and 80 Council projects.
- Council continued its partnership with Shellharbour City Council and Kiama Municipal Council to develop a Regional Tool Kit for Aboriginal Cultural Heritage Management.
- Council progressed a draft Plan of Management (PoM) for the Sandon Point area which includes consideration for the required Keeping Place under the Section 90 consent order. A significant period of consultation with the Aboriginal community and general community was undertaken to develop the draft PoM.

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.

A new stormwater charge was introduced in 2006-07 following the 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/\$25.00 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.

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 outstanding actions. The result of this review informs future capital, maintenance and operational works programs to continue to build the capacity of the city's stormwater infrastructure to manage both the quantity and quality of stormwater runoff. Certain tasks and projects identified in these programs will be funded from the Stormwater Management Charge.

The income obtained from the stormwater management charge is allocated to five categories and is summarised in the table below which outlines both the budgeted and actual expenditure for each category.

Projected Versus Actual Expenditure on Stormwater Infrastructure

Category	Management Plan Budget 2011-12 \$	Actual Expenditure 2011-12 \$
Stormwater Quantity Management	577,000	395,200
Stormwater Quality Management	421,000	60,775
Stormwater Infrastructure Renew	395,000	141,184
Stormwater Operational Management	167,000	231,860
Stormwater Asset Management System	175,000	131,197
Stormwater (creeks) vegetation management	103,000	26,512
TOTAL	1,838,000	1,225,723

The major under expenditures between the management plan budget and actual expenditure were for the categories of Stormwater Quantity Management (essentially construction of new or upgraded stormwater infrastructure to mitigate localised flooding); Stormwater Quality Management (construction of new stormwater pollution control infrastructure) and Stormwater Infrastructure Renew. In all instances the under expenditure was due to several capital projects delayed in the planning and approval stages.

Over expenditure in the Stormwater Operational Management and Stormwater Creeks Vegetation Management reflects the ever increasing works programs to clean out existing stormwater infrastructure and creeks of vegetation, silt and other debris which limits its effectiveness to handle stormwater flows.

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 been supplied.

Project Location	Work Description	Value \$	Stormwater Levy \$
Stormwater Quantity Management	Bulk vote.	64	64
Mana Avenue, Figtree	Finalise design of debris control and inlet improvements.	2,562	2,562
Bellambi Creek near Brompton Rd, Bellambi	Continue with investigation and design of bank stabilisation.	7,523	7,523
Northcote Street, Wollongong	Design of channel lining for existing section of creek.	1,550	1,550
Wigram Road, Thirroul	Design and construct additional stormwater pit and pipe to mitigate localised flooding.	34,904	34,904
4 Cornock Avenue, Thirroul	Continue investigation and design of creek bank stabilisation infrastructure.	2194	2,194
Coachwood Drive, Unanderra	Design and construct additional stormwater pit, pipe and overland flow path to mitigate localised flooding affecting private property.	51,485	51,485
Edith Street, Bellambi	Design and construct additional stormwater pit and pipe to mitigate localised flooding.	39,918	39,918
Beach, Point and Southview streets, Bulli	Design and construct additional stormwater pits pipes and detention basin to mitigate localised flooding.	549,646	255,000
TOTAL		689,782	395,200

Stormwater Quality Management

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

Project Location	Work Description	Value \$	Stormwater Levy \$
Corner Carters Lane and Pioneer Road, Thomas Dalton Park, Fairy Meadow	Construct detention basin and associated plant and equipment for harvesting of stormwater for sports field irrigation.	804,138	60,775
SUBTOTAL: Stormwater Quality Management - Capital Projects		804,138	60,775

Stormwater Infrastructure Restore and Replace

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

Project Location	Work Description	Value \$	Stormwater Levy \$
Akuna Street, Gwynneville	Complete construction of replacement stormwater pits, pipes and discharge to replace failing existing pipe and pits.	73,007	73,007
Gilmore Street, West Wollongong	Design of replacement downstream headwall of existing culvert.	2,887	2,887
Robsons Road, West Wollongong	Design of replacement upstream and downstream headwalls of existing culvert.	4,121	4,121
Lawrence and Carrington streets, Woonona	Design and construct replacement upstream headwall to existing headwall.	61,169	61,169
TOTAL		141,184	141,184

Stormwater Network Operational

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

Project Location	Work Description	Value \$	Stormwater Levy \$
Citywide	Cleaning and removal of debris from stormwater pollution control and stormwater drainage infrastructure.	231,860	231,860
TOTAL		231,860	231,860

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 \$
Citywide	Continue with programs to inspect stormwater drainage infrastructure including pits, pipes, culverts, pollution control, creek erosion control and flood mitigation dams. Develop maintenance and capital renewal programs to ensure long term sustainability of such infrastructure.	131,197	131,197
TOTAL		131,197	131,197

Stormwater (Creeks) Vegetation 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 \$
Citywide	Stormwater Project Officer	26,086	[26,086]
Weed Tree Removal – Various creeks	Weed removal and replanting of creek banks with native species	16,904	[16,904]
Bellambi Creek – Williams Crescent, John Parker Reserve, Russel Vale	Weed removal and replanting of creek banks with native species	5,000	[5,000]
Bellambi Creek – Albert Street, Bellambi	Weed removal and replanting of creek banks with native species	7,500	[7,500]
Bellambi Creek – Gladstone Street, Bellambi	Weed removal and replanting of creek banks with native species	2,000	[2,000]
Bellambi Creek – Mountbatten Park, Bellambi	Weed removal and replanting of creek banks with native species	5,000	[5,000]
Branch Creek – Murray Park Road, Figtree	Weed removal and replanting of creek banks with native species	2,500	[2,500]
Branch Creek – O'Briens Road, Figtree	Weed removal and replanting of creek banks with native species	2,500	[2,500]
Budjong Creek – Imperial Drive, Berkeley	Weed removal and replanting of creek banks with native species	6,000	[6,000]
Byarong Creek – Figtree	Weed removal and replanting of creek banks with native species	16,000	[16,000]
Cabbage Tree Creek – Chalmers Road, Balgownie	Weed removal and replanting of creek banks with native species	4,992	[4,992]
Cabbage Tree Creek – Innovation Campus, Fairy Meadow	Weed removal and replanting of creek banks with native species	10,000	[10,000]
Cabbage Tree Creek – Guest Park, Fairy Meadow	Weed removal and replanting of creek banks with native species	10,000	[10,000]
Cabbage Tree Creek – Weekes Street, Fairy Meadow	Weed removal and replanting of creek banks with native species	2,500	[2,500]
Cabbage Tree Creek – Cabbage Tree Lane, Fairy Meadow	Weed removal and replanting of creek banks with native species	4,562	[4,562]
Cabbage Tree Creek – Foothills Road, Balgownie	Weed removal and replanting of creek banks with native species	5,000	[5,000]
Cabbage Tree Creek – W K Bates Park, Fairy Meadow	Weed removal and replanting of creek banks with native species	2,356	[2,356]
Cabbage Tree Creek – Foothills Road, Balgownie	Weed removal and replanting of creek banks with native species	5,000	[5,000]
Charcoal Creek – Cummins Street, Unanderra	Weed removal and replanting of creek banks with native species	5,000	[5,000]
Charcoal Creek – Tallegalla Street, Unanderra	Weed removal and replanting of creek banks with native species	11,000	[11,000]
Charcoal Creek – Waples Road, Unanderra	Weed removal and replanting of creek banks with native species	5,000	[5,000]
Collins Creek – Robert Street, Woonona	Weed removal and replanting of creek banks with native species	2,000	[2,000]
Fairy Creek – Carters Lane, Fairy Meadow	Weed removal and replanting of creek banks with native species	5,000	[2,500]
Fairy Creek – Chapman Street, Towradgi	Weed removal and replanting of creek banks with native species	942	[942]
Fairy Creek – Fraternity Club, Fairy Meadow	Weed removal and replanting of creek banks with native species	5,000	[5,000]
Fairy Creek – Mercury Street, Wollongong	Weed removal and replanting of creek banks with native species	5,000	[5,000]
Fairy Creek – North Wollongong	Weed removal and replanting of creek banks with native species	2,500	[2,500]
Fairy Creek – Thomas Dalton Park, Fairy Meadow	Weed removal and replanting of creek banks with native species	5,999	[5,999]

Project Location	Work Description	Value \$	Stormwater Levy \$
Fairy Creek – Wisemans Park Basin, Gwynneville	Weed removal and replanting of creek banks with native species	2,517	[2,500]
Hospital Creek – Warrawong	Weed removal and replanting of creek banks with native species	5,000	[5,000]
Stanwell Creek – Stanwell Park	Weed removal and replanting of creek banks with native species	2,500	[2,500]
Towradgi Creek – Lemrac Avenue, Corrimal	Weed removal and replanting of creek banks with native species	2,000	[2,000]
Towradgi Creek – Meadow Street and Karen Place, Tarrawanna	Weed removal and replanting of creek banks with native species	2,000	[2,000]
Towradgi Creek – Zeims Avenue, Towradgi	Weed removal and replanting of creek banks with native species	6,780	[6,780]
Nicolle and Windang Road, Primbee	Weed removal and replanting of creek banks with native species	1,000	[1,000]
American Creek – Cordeaux Road, Mt Kembla	Weed removal and replanting of creek banks with native species	7,500	[7,500]
Farahars Creek – Halley Crescent, Woonona	Weed removal and replanting of creek banks with native species	2,000	[2,000]
Mullet Creek – Bong Bong Road, Dapto	Weed removal and replanting of creek banks with native species	2,016	[2,016]
Robins Creek, Horsley	Weed removal and replanting of creek banks with native species	4,236	[4,236]
Budgong Creek, Denise Street, Lake Heights	Weed removal and replanting of creek banks with native species	9,370	[9,370]
Budgong Creek, Semaphore Road, Berkeley	Weed removal and replanting of creek banks with native species	5,000	[5,000]
Mullet Creek, Avondale Road, Dapto	Weed removal and replanting of creek banks with native species	4,786	[4,786]
Mullet Creek, Timberi Park, Dapto	Weed removal and replanting of creek banks with native species	4,245	[4,245]
Mullet Creek, Ena Avenue, Dapto	Weed removal and replanting of creek banks with native species	2,122	[2,122]
Minegang Creek, Ranchby Avenue, Warrawong	Weed removal and replanting of creek banks with native species	630	[630]
Fairy Creek, Porter Street, North Wollongong	Weed removal and replanting of creek banks with native species	2,983	[2,983]
Horsley Ponds	Aquatic Weed Removal	19,618	[19,618]
TOTAL		267,644	265,127

Summary of Legal Proceedings (section 428 (2) (e))

The table below is a summary of Council's legal proceeding for 2011-12.

Particulars	Finalised	Amounts, Costs and Expenses Paid Including GST \$	Receipts Excluding GST \$
Litigated PL and PI Claims Against Council			
LBC Pty Ltd	No	Nil	Nil
Vic Vellar Nominees	Yes	Nil	Nil
Gardiner	Yes	34,181	Nil
Perusco	No	66,708	Nil
Thatcher	Yes	18,052	Nil
Partridge	Yes	22,094	Nil
Rudge	No	18,282	Nil
Hodsden	No	18,906	Nil
Owners Strata Plan 75846	No	24,669	Nil
Sewell	No	Nil	Nil
Council Initiated Litigation			
Peedoms Lawyers Pty Ltd	No	14,0590	Nil
Uckan	Yes	19,740	8483
Prodanovski	No	17,162	Nil
Davidovic	Yes	809	Nil
Vic Vellar Nominees	Yes	44,803	Nil
Owners Strata Plan 75846	Yes	809	Nil
Kilpatrick	Yes	5,512	Nil
Skurteski	Yes	5,406	5454
Christofides	Yes	14,897	11058
Kudrynski	No	809	Nil
Planning Appeals Against Council			
Mathie (Spinners Way, Bulli)	Yes	Nil	Nil
Warrigal Care (Corrimal/Beach Street, Wollongong)	Yes	13,700	Nil
Site Plus (Jarvie Road, Cringila)	No	16,852	Nil
Issa (Walker Street, Helensburgh)	Yes	4,364	Nil
Savic (Waratah Street, Windang)	Yes	Nil	Nil
Cardno (George Fuller Drive, Figtree)	Yes	3,585	Nil
Presrod (Smith Street, Wollongong)	No	24,612	Nil
Mihajlovic (Akuna Street, Keiraville)	Yes	Nil	Nil
Valad (Underwood Street, Corrimal)	Yes	Nil	Nil
St Jude Property Investments (Crown Street, Wollongong)	Yes	4,228	Nil
Alizan (Princes Highway, Figtree)	Yes	Nil	Nil
Hornby (Dobbie Avenue, East Corrimal)	Yes	9,999	Nil

Work Carried Out On Private Land (section 428 (2) (k))

In 2011-12 there were no works carried out on private land.



WOLLONGONG CITY COUNCIL

WORKING WITH YOU

ANNUAL REPORT 2011-12 ATTACHMENT A FINANCIAL COMMENTARY

EXECUTIVE SUMMARY

As General Manager of Wollongong City Council, I present the Annual Financial Statements for 2011/12. The Income Statement shows a net operating surplus of \$6M compared to a surplus of \$50.1M in 2010/11. The decrease in income is largely attributable to the unusually large amount of contributed assets received in 2010/11 of \$53.1M compared to \$8.3M in 2011/12.

The net operating result before capital grants and contributions which remains Council's main indicator of long term financial viability was a deficit of \$13.6M compared to a deficit of \$11.3M in 2010/11. The deterioration of the 2011/12 pre-capital result on the prior year's pre-capital result is primarily due to non-cash adjustments relating to employee leave entitlements (\$3.8M) as a result of the application of revised indexation rates as required by accounting standards.

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 2012 was \$2.33B. During 2011/12 Council completed a capital works program of \$64.7M including the construction and purchase of \$32.6M of new assets and renewal of existing assets of \$32.1M. \$64.7M has been expended on programmed works compared to a revised capital budget of \$65.4M. The program has included projects such as the West Dapto Access Strategy, refurbishment of the Wollongong Bathers' Pavilion, civil asset renewals including roads, car parks and buildings, purchase of library books, acquisition of land at Flinders Street and properties adjoining MacCabe Park.

In 2012, Council maintained a strong position in cash and investments, with holdings of \$90.7M at 30 June 2012 (\$84.4M in 2010/11). \$61M of Council's cash (\$58M in 2010/11) is restricted in its use to specific purposes by external bodies, legislation and Council resolution. The level of available funds decreased from \$25.5 to \$22.7M in 2011/12 which is still higher than the Financial Strategy target of between \$7.6M and \$12M. This is primarily due to the early payment of the Financial Assistance Grant (\$8.1M) and the additional capacity that is currently being retained through the planning process for 2012/13.

Council's unrestricted current ratio has decreased slightly from 1.81:1 in 2010/11 to 1.79:1 in 2011/12. This ratio measures Council's liquidity and ability to satisfy obligations in the short term. Although it is below the Local Government Benchmark of >2:1, it is reflective of Council's strategy to better utilise cash and target a lean unrestricted current ratio.

Council's level of borrowings remained steady in 2011/12. Relatively low levels of borrowing are a financial strength of Council and add flexibility in making financial decisions for the future. The 2011/12 debt service ratio increased to 1.47% compared to 0.77% in 2010/11 due to increased annual repayment instalments of the \$26M Infrastructure Loan secured from the NSW State Government in 2010. Council continues to spend the proceeds on the West Dapto Access works as stipulated in the loan agreement.

While Council is well positioned financially in the short to medium term, a longer term 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. Resourcing Wollongong 2022 was developed in 2011/12 with the community and outlines a ten year savings program to be achieved through operational efficiencies which will allow more funds to be directed towards the renewal and refurbishment of Community assets

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



David Farmer
General Manager
Wollongong City Council

2011/2012 Financial Statements

This report provides an overview of Council's 2011/2012 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 N° 20). The Statements are independently audited by Hill Rogers Spencer Steer Pty Ltd, reported to Council, placed on public exhibition and lodged with the Division 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
- Statement of Cash Flows

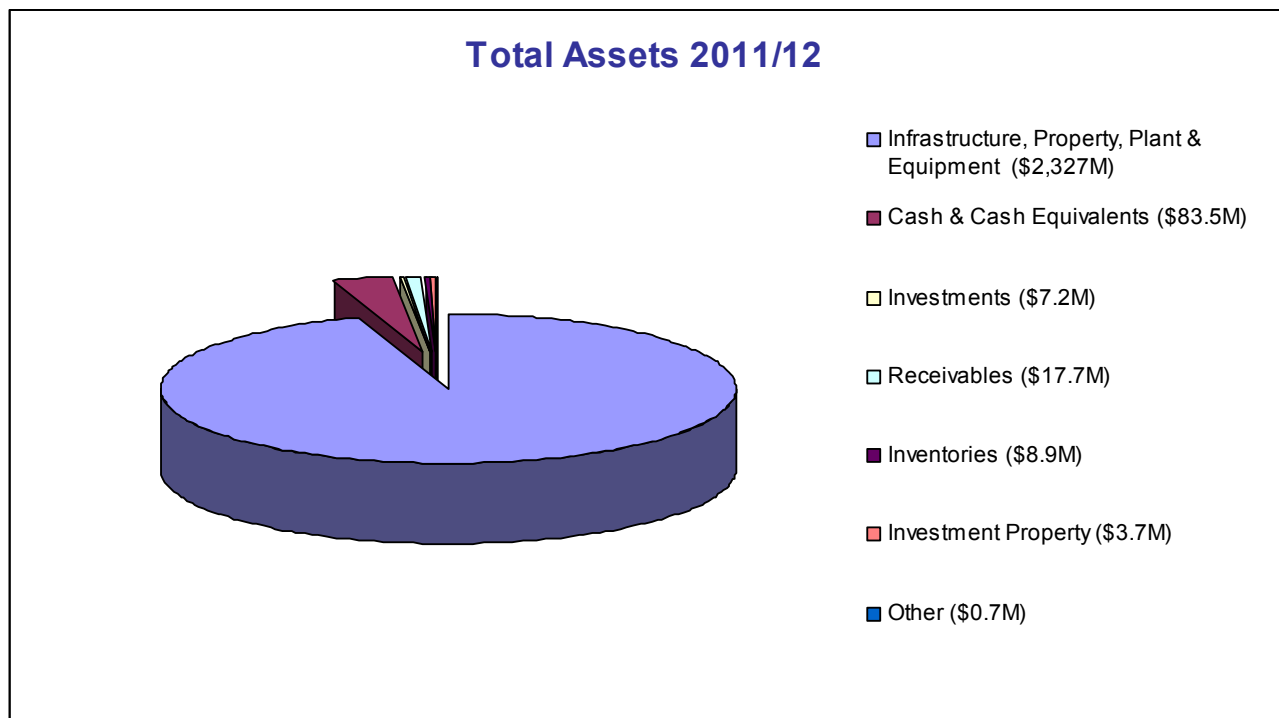
2011/2012 Highlights

- | | |
|--|--|
| • Total Assets \$2.45B from \$2.36B (2011) | • Unrestricted current ratio of 1.79:1 (2011: 1.81:1) |
| • Expenditure on Infrastructure, Property, Plant & Equipment Constructed/Purchased \$64.7M (2011: \$57.6M) | • Debt Service Ratio at 1.47% (2011: 0.77%) |
| • Recognition of contributed assets including infrastructure \$8.3M (2011: \$53.1M) | • Net Operating Result \$6M Surplus (2011: Surplus \$50.1M) |
| • Receipt of Building Better Regional Cities Grant of \$6M | • Net Operating Result before Capital Grants and Contributions \$13.9M Deficit (2011: \$11.3M Deficit) |

2011/2012 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 2012 was \$2.45B. The composition of assets is shown below.



Infrastructure, Property, Plant & Equipment (IPPE)

With a carrying value of \$2.33B, 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 2011/2012 Council completed a capital works program of \$64.7M including the construction and purchase of \$32.6M of new assets and renewal of existing assets of \$32.1M.

After accounting for annual depreciation expense, the overall value of IPPE increased by \$88.4M during 2011/2012 which was primarily due to Council receiving Contributed Assets of \$8.3M and the revaluation of Stormwater Drainage (\$34.1M increase), Roads, Bridges, Footpaths (\$12.7M increase), and Buildings (\$2.4M increase). Further financial details of IPPE are shown in Note 9.

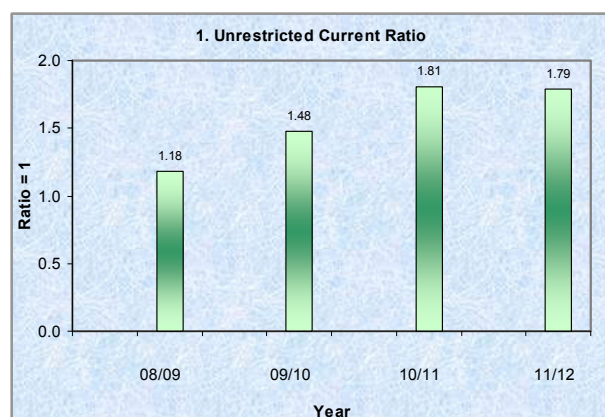
Cash and Investments

In 2011/2012, Council maintained a strong position in cash and investments, with holdings of \$90.7M at 30 June 2012. Council's cash and investment positions over recent years are as follows:

CASH, INVESTMENTS & AVAILABLE FUNDS					
		YTD Actual 30 June 2009	YTD Actual 30 June 2010	YTD Actual 30 June 2011	YTD Actual 30 June 2012
Total Cash and Investments	\$M	48.592	76.154	84.418	90.695
Less Restrictions:					
External	\$M	26.238	48.648	40.726	42.281
Internal	\$M	11.713	13.357	17.317	18.982
Available Cash	\$M	10.641	14.149	26.375	29.432
Adjusted for :					
Current payables	\$M	(25.808)	(17.490)	(21.912)	(25.112)
Receivables	\$M	20.428	17.397	21.085	18.465
Available Funds	\$M	5.261	14.056	25.548	22.785

External restrictions are funds 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. Further details on the composition of reserves are shown in Note 6.

At 30 June 2012, Council achieved an available funds position of \$22.8M, which was higher than the Financial Strategy target of between \$7.6M and \$12M. This is primarily due to the early payment of the Financial Assistance Grant (\$8.1M) and the additional capacity that is currently being retained through the planning process for 2012/2013.



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

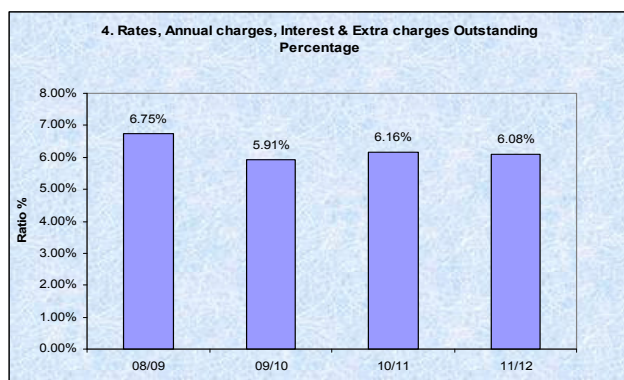
Council's strategy is to maximise the use of available funds and therefore target a lean unrestricted current ratio. The rationalisation of the Waste model conducted in 2010/2011 led to the inclusion of cash assets held for future Waste Facility rehabilitation in the unrestricted ratio. As the requirement to hold funds for this purpose is significant, this measure is expected to increase over time.

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 2012 totalled \$18.5M, a decrease of \$2.6M compared to the 2011 reporting period. This is primarily due to a decrease in Government Grants and Subsidies receivables compared to the previous financial year. Full details of receivables are provided in Note 7.

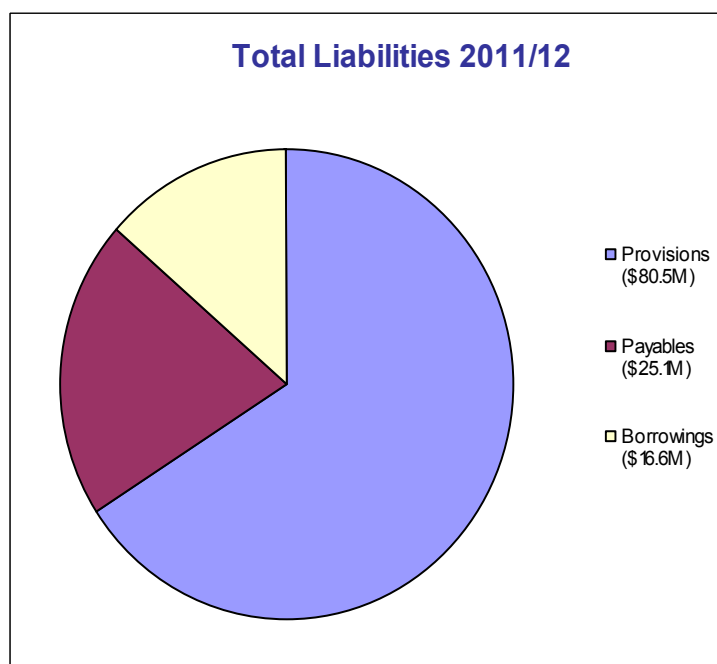
Receivables (continued)



This ratio assesses the impact of uncollected rates and other charges on liquidity and the adequacy of recovery efforts. The decrease in the percentage of outstanding rates, charges and interest represents improvements in Council's debt recovery processes. Council adopted a revised Debt Recovery Policy in 2011, which aims to bring Council in line with the industry standard of <5%. It is noted that this ratio is negatively impacted by Council's Policy to exempt pensioners from debt recovery proceedings.

Liabilities

At 30 June 2012 Council's Total Liabilities were \$122.3M. The composition of Council's Total Liabilities is shown below.



At 30 June 2012, Council's Total Liabilities were \$122.3M.

Provisions account for 65.9% of Council's Liabilities with the most significant provisions relating to Employee Leave Entitlements (\$36.6M), Waste Depot Remediation Provision (\$35.8M) and Workers' Compensation Provision (\$8M).

Payables account for 20.5% of Council's Liabilities. The majority of payables relate to goods and services received and capital expenditure incurred but not yet paid for.

Borrowings account for 13.6% of Council's Liabilities and predominantly relate to the interest free Infrastructure Loan from the State Government secured in 2010.

Employee Liabilities

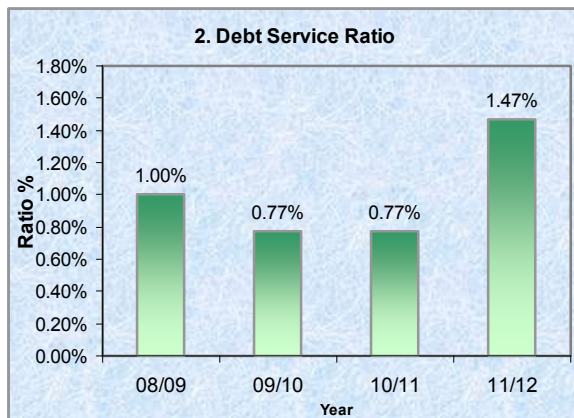
Employee Liabilities increased during 2012 by \$4.6M. The variation is primarily attributable to end of year unfavourable non cash adjustments of \$3.8M for an increase in employee leave entitlements due to the application of revised indexation rates as required by the accounting standards.

Borrowings

One of Council's financial strengths is a relatively low level of borrowing. In the past, Council borrowed predominately through finance leases for its operating plant. This process is now managed through Council's capital program with the last payment of \$140K to be finalised early in the 2013 reporting period. In 2010 Council secured a \$26M interest free Infrastructure Loan from the NSW State Government for West Dapto

Access works. This will continue to be spent over and the next financial year and paid back over the next eight years.

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



A low level of debt means that Council's Debt Service Ratio is 1.47%. This is exceptionally low in comparison to the Local Government benchmark ratio of <10%.

The Debt Service Ratio has doubled in 2011/2012 due Council beginning to repay the \$26M interest free Infrastructure Loan however the indicator has remained well within targets set in the Financial Strategy. Although the debt service ratio remains comparatively low at 1.47% it should be noted that the most significant cost to Council of the interest free infrastructure loan is amortisation expense of the discount, which is not a variable in calculating the debt service ratio.

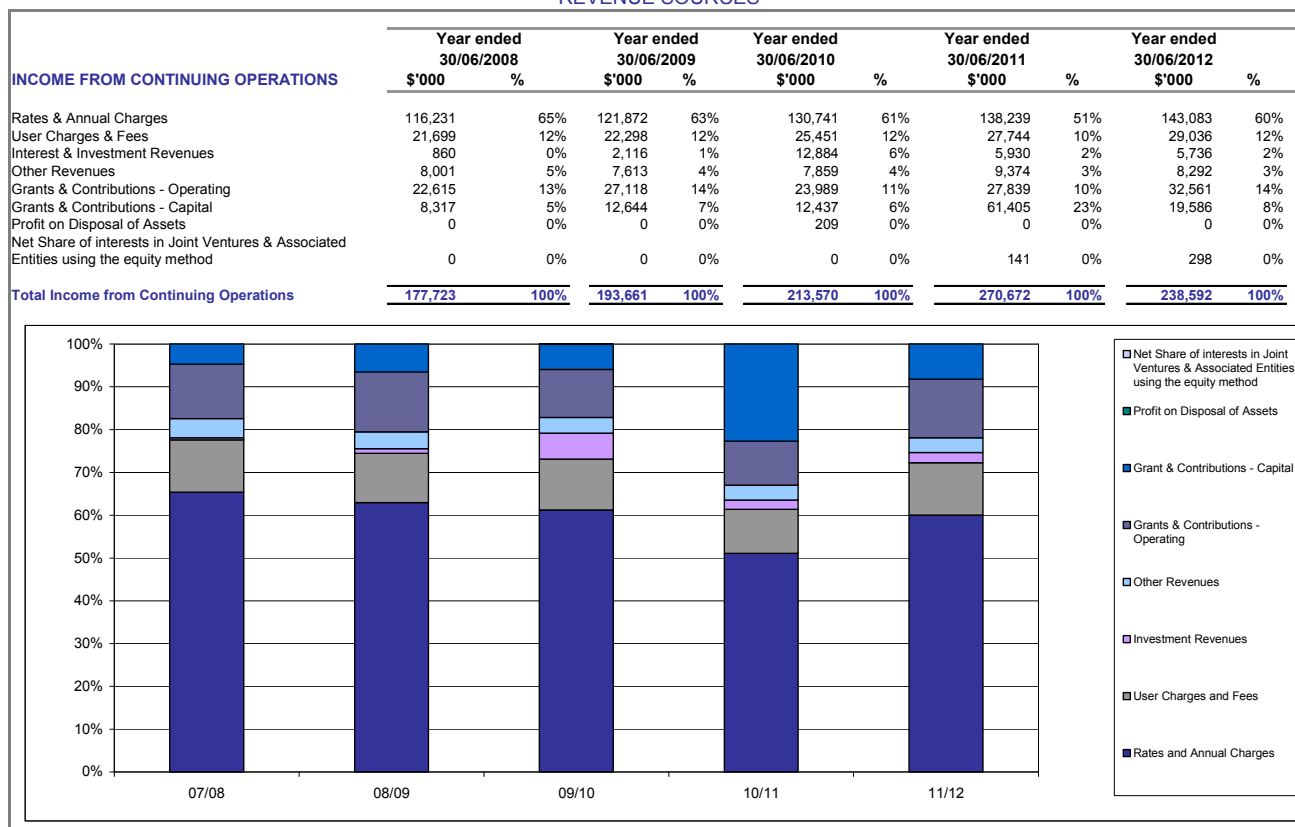
Operational Performance - Income & Expenses

Council's headline financial performance in 2012 was down on the prior year, achieving a Net Operating Surplus from Continuing Operations of \$6M, compared to a prior year Surplus of \$50.1M. The result is primarily attributed to a decrease in the receipt of contributed assets during the year to \$8.3M down from \$53.1M in 2011. Contributed assets generally relate to non-cash dedications of land and transport assets by developers and the RMS (formally RTA). Council's ability to control the timing of income resulting from these assets is low. The 2012 Surplus included Capital Grants & Contributions of \$19.6M, making the Net Operating Result before Capital Grants and Contributions a Deficit \$13.6M, compared to a 2011 Deficit of \$11.3M.

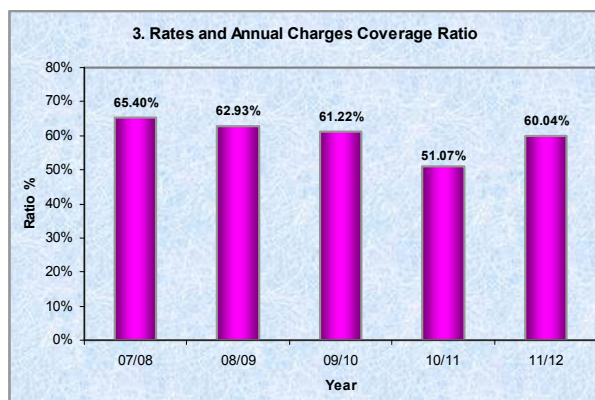
Income

Council's Income from Continuing Operations for 2012 was \$238.6M, deterioration on the prior year of \$32.4M. The significant decrease in income is due to the unusually large amount of Capital Grants and Contributions in 2010/2011 of \$61.4M compared to \$19.6M in 2011/2012. In addition Other Revenues for 2010/11 were inflated by proceeds from the settlement of a significant insurance claim and minor land sales. The other sources of revenue for Council remained steady based on prior financial years, as shown in the following table.

REVENUE SOURCES

**Income (continued)**

Income from Rates and Annual Charges in 2012 totalled \$143.1M, an increase of \$4.8M on the prior year.



The Rates and 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 upward movement in 2011/2012 is primarily due to a decrease in Capital Grants & Contributions for the year, which in turn increased the portion of revenue attributable to rates back to expected levels.

Interest and Investment Income of \$5.7M was recognised, which represents a \$1.5M favourable variance from the 2011/2012 Original Budget. This is a result of increased cash holdings and higher than forecasted interest rates during the course of the financial year. Additionally, there was a significant favourable variation in Operating Grants and Contributions of \$11.3M due to early receipt of the first instalment of the 2012/2013 Financial Assistance Grant, additional natural areas and community services grants and payments from the Waste and Sustainability Improvement Program for waste minimisation.

Expenses

Council's Expenses from Continuing Operations for 2012 totalled \$232.6M, compared to prior year expenditure of \$220.6M. The majority of the increase relates to employee benefits and on-costs expense (\$6.5M), materials and contracts expense (\$1.5M) and other expenses (\$3.8M).

Other expenses increased significantly due to an increase in the Waste and Environment Levy of \$3M applicable to the disposal of waste materials to landfill. This was reflected in the large increases in the EPA Levy from \$65.3/tonnes in 2011 to \$78.6/tonnes in 2012.

Significant unfavourable variations from the 2011/2012 Original Budget (10% or more of the original budget figure) are found in employee benefit and on-costs and other expenses due to the required accounting treatment of specific transactions. Employee benefit and on-costs increased due to discounting the future value of the liability compared to previous years, additional labour and overtime used to complete projects and programs, and higher levels of workers' compensation related expenditure and provision valuation. Other expenses increased due to a savings target originally budgeted under other expenses becoming achieved under the materials and contracts expenditure category.

Future Challenges

Council's ability to deliver its plans is dependent on having the appropriate levels of financial resources. Good financial management requires the understanding of the short and long term financial impacts of decisions taken now, in the past and in the future. It also requires consideration of the potential influences from outside of Council's control that may impact the finances of Council.

While Council is well positioned financially in the short to medium term, Council does not have sufficient funding to provide for the renewal and maintenance of long-lived assets such as roads, bridges, buildings and recreation facilities in the longer term. Council's challenge will be to ensure long-term financial sustainability whilst providing services that meet the current and future needs of the community.

Resourcing Wollongong 2022 was developed in 2011/12 as part Council's Strategic Management Plans. Through the development of Wollongong 2022, Council worked with the community to develop a long term vision and goals. The strategy commits Council to a 10 year savings program which will enable more funds to be directed towards the renewal and refurbishment of Community assets. For 2012/13 the savings target is \$3.3M savings and an additional \$1 Million in the each future year of the 10 year plan.

The first reiteration of Resourcing Wollongong 2022 maintains base line service and asset levels. It intended that Council will engage with the community further throughout to explore the financial dilemma regarding our ageing assets, service levels and appropriate funding levels.

Wollongong City Council

Historical Financial Data

Income Statement

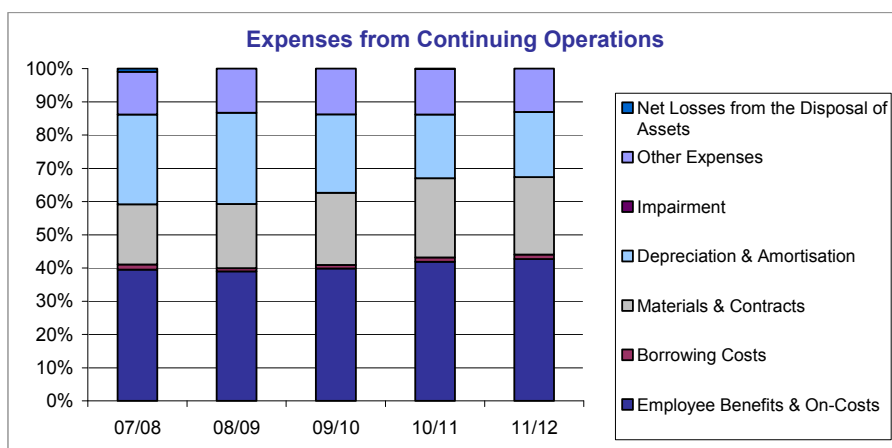
	Notes	Actual 2007/08 \$'000	Actual 2008/09 \$'000	Actual 2009/10 \$'000	Actual 2010/11 \$'000	Actual 2011/12 \$'000
Income from Continuing Operations						
Revenue:						
Rates & Annual Charges	3a	116,231	121,872	130,741	138,239	143,083
User Charges & Fees	3b	21,699	22,298	25,451	27,744	29,036
Interest and Investment Revenue (1)	3c	860	2,116	12,884	5,930	5,736
Other Revenues	3d	8,001	7,613	7,859	9,374	8,292
Grants & Contributions provided for Operating Purposes (2)	3e,f	22,615	27,118	23,989	27,839	32,561
Grants & Contributions provided for Capital Purposes (3)	3e,f	8,317	12,644	12,437	61,405	19,586
Other Income:						
Net Gains from the Disposal of Assets	5	-	-	209	-	-
Profit from interests in Joint Ventures & Associates	19	-	-	-	141	298
Total Income from Continuing Operations		177,723	193,661	213,570	270,672	238,592
Expenses from Continuing Operations						
Employee Benefits & On-Costs						
Employee Benefits & On-Costs	4a	75,658	76,330	80,846	87,218	93,681
Borrowing Costs	4b	2,415	1,954	1,938	3,274	3,236
Materials & Contracts	4c	43,196	41,502	40,012	40,073	41,608
Depreciation & Amortisation	4d	34,576	45,331	57,060	59,469	60,434
Impairment	4d	-	-	-	-	346
Other Expenses	4e	24,848	26,281	27,442	28,362	32,169
Net Losses from the Disposal of Assets	5	187	20	-	2,183	1,153
Total Expenses from Continuing Operations		180,880	191,418	207,298	220,579	232,627
Operating Result from Continuing Operations		(3,157)	2,243	6,272	50,093	5,965
NET OPERATING RESULT FOR THE YEAR		(3,157)	2,243	6,272	50,093	5,965
Less:						
Grants & Contributions provided for Capital Purposes	3e,f	8,317	12,644	12,437	61,405	19,586
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(11,474)	(10,401)	(6,165)	(11,312)	(13,621)

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 for the 2009/10 reporting period includes the recognition of the discount (\$8.7M) on the interest free loan from the State Government. This transaction is unique and is unlikely to be repeated in future years.

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

(3) Capital Grants and Contributions increased in 2011 and 2012 primarily as a result of contributed assets from RMS (formerly RTA) and developer dedications of infrastructure assets.



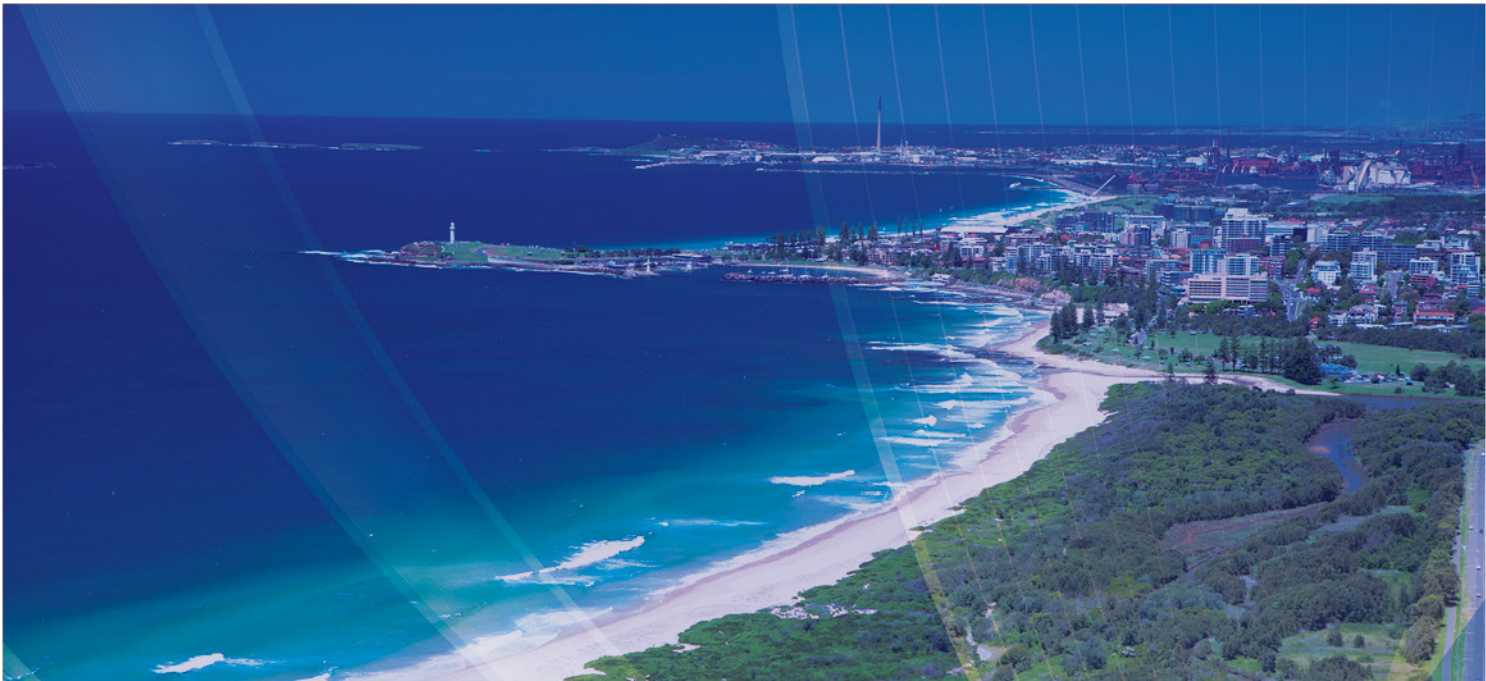
Wollongong City Council

Historical Financial Data

Balance Sheet

		Actual 2007/08 \$'000	Actual 2008/09 \$'000	Actual 2009/10 \$'000	Actual 2010/11 \$'000	Actual 2011/12 \$'000
	Notes					
ASSETS						
Current assets						
Cash & cash equivalents	6a	20,878	31,208	62,162	75,211	83,506
Investments	6b	34,295	17,384	13,992	9,207	7,189
Receivables	7	19,592	15,430	13,013	16,743	14,221
Inventories	8	8,845	8,873	8,857	8,826	8,900
Other	8	2,952	1,549	1,353	1,026	722
Assets held for sale (previously non-current)	22	2,329	2,329	-	-	-
Total current assets		88,891	76,773	99,377	111,013	114,538
Non-current assets						
Cash assets	6a	-	-	-	-	-
Investments	6b	-	-	-	-	-
Receivables	7	3,604	3,449	3,031	3,316	3,522
Inventories	8	-	-	-	-	-
Infrastructure, property, plant & equipment	9	1,578,617	1,571,394	2,048,850	2,238,391	2,326,827
Investments accounted for using the equity method	19	-	-	-	291	739
Investment property	14	4,826	3,688	3,575	3,725	3,725
Intangible assets	26	-	-	-	-	-
Other	8	-	-	-	-	-
Total non-current assets		1,587,047	1,578,531	2,055,456	2,245,723	2,334,813
TOTAL ASSETS		1,675,938	1,655,304	2,154,833	2,356,736	2,449,351
LIABILITIES						
Current liabilities						
Payables	10	16,984	25,808	17,490	21,912	25,112
Interest bearing liabilities	10	1,614	1,365	1,473	1,843	1,659
Provisions	10	26,816	29,359	31,611	33,545	37,900
Total current liabilities		45,414	56,532	50,574	57,300	64,671
Non-current liabilities						
Payables	10	-	-	-	-	-
Interest bearing liabilities	10	2,489	1,249	17,051	16,504	14,986
Provisions	10	34,406	35,622	37,875	40,289	42,645
Total non-current liabilities		36,895	36,871	54,926	56,793	57,631
TOTAL LIABILITIES		82,309	93,403	105,500	114,093	122,302
NET ASSETS		1,593,629	1,561,901	2,049,333	2,242,643	2,327,049
EQUITY						
Retained earnings	20	1,145,743	1,150,590	954,733	1,054,489	1,103,844
Revaluation reserves	20	447,886	411,311	1,094,600	1,188,154	1,223,205
Council Equity Interest		1,593,629	1,561,901	2,049,333	2,242,643	2,327,049
Minority Equity Interest	19	-	-	-	-	-
TOTAL EQUITY		1,593,629	1,561,901	2,049,333	2,242,643	2,327,049

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 2011-12 ATTACHMENT B GENERAL PURPOSE FINANCIAL STATEMENTS

Wollongong City Council

General Purpose Financial Statements for the financial year ended 30 June 2012

Contents	Page
1. Understanding Council's Financial Statements	2
2. Statement by Councillors & Management	3
3. Primary Financial Statements:	
- Income Statement	4
- Statement of Comprehensive Income	5
- Balance Sheet	6
- Statement of Changes in Equity	7
- Statement of Cash Flows	8
4. Notes to the Financial Statements	9
5. Independent Auditor's Reports:	
- On the Financial Statements (Sect 417 [2])	
- On the Conduct of the Audit (Sect 417 [3])	

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 politic 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 Paragraph 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 25/09/12.
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 2012

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across NSW are required to present a set of audited Financial Statements to their Council & Community.

What you will find in the Statements

The Financial Statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2012.

The format of the Financial Statements is standard across all NSW Councils and complies with both the accounting & reporting requirements of Australian Accounting Standards and requirements as set down by the NSW Division of Local Government.

About the Councillor/Management Statement

The Financial Statements must be certified by Senior staff as "presenting fairly" the Council's financial results for the year, and are required to be adopted by Council - ensuring both responsibility for & ownership of the Financial Statements.

About the Primary Financial Statements

The Financial Statements incorporate 5 "primary" financial statements:

1. An Income Statement

A summary of Council's financial performance for the year, listing all income & expenses.

This Statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

2. A Statement of Comprehensive Income

Primarily records changes in the fair values of Council's Infrastructure, Property, Plant & Equip.

3. A Balance Sheet

A 30 June snapshot of Council's Financial Position including its Assets & Liabilities.

4. A Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

5. A Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

This Statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 5 Primary Financial Statements.

About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialize in Local Government).

In NSW, the Auditor provides 2 audit reports:

1. An opinion on whether the Financial Statements present fairly the Council's financial performance & position, &
2. Their observations on the conduct of the Audit including the Council's financial performance & financial position.

Who uses the Financial Statements ?

The Financial Statements are publicly available documents & must be presented at a Council meeting between 7 days & 5 weeks after the date of the Audit Report.

Submissions from the public can be made to Council up to 7 days subsequent to the public presentation of the Financial Statements.

Council is required to forward an audited set of Financial Statements to the Division of Local Government.

Wollongong City Council

General Purpose Financial Statements for the financial year ended 30 June 2012

Statement by Councillors 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 24 September 2012.


Gordon Bradbery
LORD MAYOR
John Dorahy
DEPUTY LORD MAYOR
David Farmer
GENERAL MANAGER
Brian Jenkins
RESPONSIBLE ACCOUNTING OFFICER

Wollongong City Council

Income Statement

for the financial year ended 30 June 2012

Budget ⁽¹⁾			Actual	Actual
2012	\$ '000	Notes	2012	2011
Income from Continuing Operations				
Revenue:				
143,800	Rates & Annual Charges	3a	143,083	138,239
28,805	User Charges & Fees	3b	29,036	27,744
4,250	Interest & Investment Revenue	3c	5,736	5,930
7,851	Other Revenues	3d	8,292	9,374
21,273	Grants & Contributions provided for Operating Purposes	3e,f	32,561	27,839
6,912	Grants & Contributions provided for Capital Purposes	3e,f	19,586	61,405
Other Income:				
149	Net gains from the disposal of assets	5	-	-
	Net Share of interests in Joint Ventures & Associated			
-	Entities using the equity method	19	298	141
213,040	Total Income from Continuing Operations		238,592	270,672
Expenses from Continuing Operations				
84,921	Employee Benefits & On-Costs	4a	93,681	87,218
3,407	Borrowing Costs	4b	3,236	3,273
48,307	Materials & Contracts	4c	41,608	40,074
63,424	Depreciation & Amortisation	4d	60,434	59,469
-	Impairment	4d	346	-
29,237	Other Expenses	4e	32,169	28,362
-	Net Losses from the Disposal of Assets	5	1,153	2,183
229,296	Total Expenses from Continuing Operations		232,627	220,579
(16,256)	Operating Result from Continuing Operations		5,965	50,093
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
(16,256)	Net Operating Result for the Year		5,965	50,093
(16,256)	Net Operating Result attributable to Council		5,965	50,093
-	Net Operating Result attributable to Minority Interests		-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes				
(23,168)			(13,621)	(11,312)

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

Wollongong City Council

Statement of Comprehensive Income

for the financial year ended 30 June 2012

\$ '000	Notes	Actual 2012	Actual 2011
<hr/>			
Net Operating Result for the year (as per Income statement)		5,965	50,093
Other Comprehensive Income			
Gain (loss) on revaluation of I,PP&E	20b (ii)	43,128	97,125
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)	-	-
Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-
		<hr/>	<hr/>
Total Other Comprehensive Income for the year		43,128	97,125
		<hr/>	<hr/>
Total Comprehensive Income for the Year		49,093	147,218
		<hr/>	<hr/>
Total Comprehensive Income attributable to Council		49,093	147,218
Total Comprehensive Income attributable to Minority Interests		-	-
		<hr/>	<hr/>

Wollongong City Council

Balance Sheet
as at 30 June 2012

\$ '000	Notes	Actual 2012	Actual 2011
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	83,506	75,211
Investments	6b	7,189	9,207
Receivables	7	14,221	16,743
Inventories	8	8,900	8,826
Other	8	722	1,026
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		114,538	111,013
Non-Current Assets			
Investments	6b	-	-
Receivables	7	3,522	3,316
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	2,326,827	2,238,391
Investments accounted for using the equity method	19	739	291
Investment Property	14	3,725	3,725
Intangible Assets	25	-	-
Total Non-Current Assets		2,334,813	2,245,723
TOTAL ASSETS		2,449,351	2,356,736
LIABILITIES			
Current Liabilities			
Payables	10	25,112	21,912
Borrowings	10	1,659	1,843
Provisions	10	37,900	33,545
Total Current Liabilities		64,671	57,300
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	14,986	16,504
Provisions	10	42,645	40,289
Total Non-Current Liabilities		57,631	56,793
TOTAL LIABILITIES		122,302	114,093
Net Assets		2,327,049	2,242,643
EQUITY			
Retained Earnings	20	1,103,844	1,054,489
Revaluation Reserves	20	1,223,205	1,188,154
Council Equity Interest		2,327,049	2,242,643
Minority Equity Interest		-	-
Total Equity		2,327,049	2,242,643

Wollongong City Council

Statement of Changes in Equity for the financial year ended 30 June 2012

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Minority Interest	Total Equity
2012						
Opening Balance (as per Last Year's Audited Accounts)		1,054,489	1,188,154	2,242,643	-	2,242,643
a. Correction of Prior Period Errors	20 (c)	35,313	-	35,313	-	35,313
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/11)		1,089,802	1,188,154	2,277,956	-	2,277,956
c. Net Operating Result for the Year		5,965	-	5,965	-	5,965
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	43,128	43,128	-	43,128
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	43,128	43,128	-	43,128
Total Comprehensive Income (c&d)		5,965	43,128	49,093	-	49,093
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		8,077	(8,077)	-	-	-
Equity - Balance at end of the reporting period		1,103,844	1,223,205	2,327,049	-	2,327,049

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Minority Interest	Total Equity
2011						
Opening Balance (as per Last Year's Audited Accounts)		954,733	1,094,600	2,049,333	-	2,049,333
a. Correction of Prior Period Errors	20 (c)	46,092	-	46,092	-	46,092
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/10)		1,000,825	1,094,600	2,095,425	-	2,095,425
c. Net Operating Result for the Year		50,093	-	50,093	-	50,093
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	97,125	97,125	-	97,125
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	97,125	97,125	-	97,125
Total Comprehensive Income (c&d)		50,093	97,125	147,218	-	147,218
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		3,571	(3,571)	-	-	-
Equity - Balance at end of the reporting period		1,054,489	1,188,154	2,242,643	-	2,242,643

Wollongong City Council

Statement of Cash Flows

for the financial year ended 30 June 2012

Budget 2012	\$ '000	Notes	Actual 2012	Actual 2011
Cash Flows from Operating Activities				
Receipts:				
144,465	Rates & Annual Charges		143,122	137,499
28,805	User Charges & Fees		31,869	29,424
4,250	Investment & Interest Revenue Received		5,645	4,506
28,185	Grants & Contributions		48,796	41,588
7,638	Other		14,489	9,727
Payments:				
(83,209)	Employee Benefits & On-Costs		(89,320)	(85,769)
(48,362)	Materials & Contracts		(48,556)	(47,807)
(19)	Borrowing Costs		(16)	(1,976)
(1,275)	Other		(33,678)	(27,446)
80,478	Net Cash provided (or used in) Operating Activities	11b	72,350	59,746
Cash Flows from Investing Activities				
Receipts:				
2,751	Sale of Investment Securities		3,027	5,016
424	Sale of Infrastructure, Property, Plant & Equipment		1,114	2,841
-	Deferred Debtors Receipts		15	15
Payments:				
-	Purchase of Investment Securities		(989)	(65)
(66,872)	Purchase of Infrastructure, Property, Plant & Equipment		(64,021)	(52,880)
(135)	Contributions Paid to Joint Ventures & Associates		(150)	(150)
(63,832)	Net Cash provided (or used in) Investing Activities		(61,004)	(45,223)
Cash Flows from Financing Activities				
Receipts:				
Nil				
Payments:				
(3,041)	Repayment of Borrowings & Advances		(2,760)	(650)
-	Repayment of Finance Lease Liabilities		(291)	(824)
(3,041)	Net Cash Flow provided (used in) Financing Activities		(3,051)	(1,474)
13,605	Net Increase/(Decrease) in Cash & Cash Equivalents		8,295	13,049
75,211	plus: Cash & Cash Equivalents - beginning of year	11a	75,211	62,162
88,816	Cash & Cash Equivalents - end of the year	11a	83,506	75,211
Additional Information:				
	plus: Investments on hand - end of year	6b	7,189	9,207
	Total Cash, Cash Equivalents & Investments		90,695	84,418

Please refer to Note 11 for additional cash flow information

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	10
2(a)	Council Functions / Activities - Financial Information	28
2(b)	Council Functions / Activities - Component Descriptions	29
3	Income from Continuing Operations	30
4	Expenses from Continuing Operations	36
5	Gains or Losses from the Disposal of Assets	40
6(a)	Cash & Cash Equivalent Assets	41
6(b)	Investment Securities	41
6(c)	Restricted Cash, Cash Equivalents & Investments - Details	42
7	Receivables	44
8	Inventories & Other Assets	45
9(a)	Infrastructure, Property, Plant & Equipment	46
9(b)	Externally Restricted Infrastructure, Property, Plant & Equipment	47
9(c)	Infrastructure, Property, Plant & Equipment - Current Year Impairments	47
10(a)	Payables, Borrowings & Provisions	48
10(b)	Description of (& movements in) Provisions	49
11	Statement of Cash Flows - Additional Information	50
12	Commitments for Expenditure	52
13a	Statements of Performance Measures:	
	(i) Local Government Industry Indicators (Consolidated)	55
	(ii) Local Government Industry Graphs (Consolidated)	56
14	Investment Properties	57
15	Financial Risk Management	58
16	Material Budget Variations	62
17	Statement of Developer Contributions	64
18	Contingencies and Other Liabilities/Assets not recognised	67
19	Controlled Entities, Associated Entities & Interests in Joint Ventures	69
20	Equity - Retained Earnings and Revaluation Reserves	72
21	Financial Result & Financial Position by Fund	74
22	"Held for Sale" Non Current Assets & Disposal Groups	74
23	Events occurring after Balance Sheet Date	74
24	Discontinued Operations	74
25	Intangible Assets	75
26	Reinstatement, Rehabilitation & Restoration Liabilities	75
Additional Council Disclosures		
27	Council Information & Contact Details	76

n/a - not applicable

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies

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

Under Australian Accounting Standards (AASB's), 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;

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board,
- the Local Government Act (1993) & Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

For the purpose of preparing these financial statements, Council has been deemed to be a not-for-profit entity.

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

Because Australian Accounting Standards (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.

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

Under the Local Government Act (LGA), 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) New and amended standards adopted by Council

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2011 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iv) Early adoption of Accounting Standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2011.

Refer further to paragraph (ab) relating to a summary of the effects of Standards with future operative dates..

(v) 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.

(vi) Changes in Accounting Policies

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

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated [refer Note 20(d)].

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

(vii) Critical Accounting Estimates

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

Accordingly this requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

- (i) Estimated fair values of investment properties
- (ii) Estimated fair values of infrastructure, property, plant and equipment.
- (iii) Estimated tip remediation provisions.

Critical judgements in applying the entity's accounting policies

- (i) Impairment of Receivables - Council has made a significant judgement about the impairment of a number of its receivables in Note 7.
- (ii) Projected Section 94 Commitments - Council has used significant judgement in determining future Section 94 income and expenditure in Note 17.

(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.

Revenue 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.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

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.

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

These financial statements incorporate (i) the assets and liabilities of Council and any Entities (or operations) that it **controls** (as at 30/6/12) and (ii) all the related operating results (for the financial year ended the 30th June 2012).

The financial statements also include Council's share of the assets, liabilities, income and expenses of any **Jointly Controlled Operations** under the appropriate headings.

In the process of reporting on Council's activities as a single unit, all inter-entity year end balances and reporting period transactions have been eliminated in full between Council and its controlled entities.

(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.

The Consolidated Fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

Council has significant influence over the following entities but do not consolidate due to their immaterial value and nature.

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

The prior funding arrangements ceased with Wollongong City Centre Limited on 31 October 2011. From this date Council is performing the services and activities previously provided by the Wollongong City Centre Limited.

(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

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

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.

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 Ventures

Jointly Controlled Entities

Any interests in Joint Venture Entities & Partnerships are accounted for using the equity method and is carried at cost.

Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in retained earnings & reserves is recognised in the balance sheet.

(iv) Associated Entities

Council has not entered into any associated entities at balance date.

(v) County Councils

Council is not a member of any County Councils.

(vi) Additional Information

Note 19 provides more information in relation to Joint Venture Entities, Associated Entities and Joint Venture Operations where applicable.

(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.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

(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.

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.

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

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

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.

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.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

authorised investments prescribed under the Ministerial 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.

Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations. Certain investments that 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. These will be disposed of when most financially advantageous to Council.

(g) Fair value estimation

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

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 using valuation techniques.

Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques.

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

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 estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(h) Receivables

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 2012

Note 1. Summary of Significant Accounting Policies (continued)

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

Raw materials and stores, work in progress and finished goods in respect of business undertakings are all stated at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

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.

Land Held for Resale/Capitalisation of Borrowing Costs

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

Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development.

When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made.

Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

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

Acquisition of assets

Council's non current assets have been 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** (Internal Valuation)
- **Plant and Equipment** (as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths** (Internal Valuation)
- **Drainage Assets** (Internal Valuation)
- **Bulk Earthworks** (Internal Valuation)
- **Community Land** (Internal Valuation)
- **Land Improvements** (Internal Valuation)
- **Other Structures** (Internal Valuation)
- **Other Assets** (Internal Valuation)

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.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

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.

Asset Revaluations (including Indexation)

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.
- 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.

For all assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date.

If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount.

Full revaluations are undertaken for all assets on a 5 year cycle.

Capitalisation Thresholds

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

Land

- council land	100% Capitalised
- open space	100% Capitalised
- land under roads (purchases after 30/6/08)	100% Capitalised

Plant & Equipment

Office Equipment	100% Capitalised
Office Furniture	> \$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

Depreciation

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

Land is not depreciated.

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

Plant & Equipment

- Office Equipment	3 to 10 years
- Furniture & Fittings	6 to 10 years
- Vehicles	5 to 7 years
- Earthmoving Equipment	10 to 20 years
- Rural Fire Service Equipment	5 to 10 years
- Other plant and equipment	5 to 20 years
- PP&E - Leased	10 to 20 years

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

Other Equipment	
- Playground equipment	10 to 15 years
Buildings	
- Buildings	15 to 50 years
- Public Amenities	10 to 50 years
Stormwater Drainage	
- Stormwater Drainage Infrastructure	50 to 100 years
Transportation Assets	
- Roads - Infrastructure	10 to 80 years
- Bridges - Concrete	30 to 80 years
Other Infrastructure Assets	
- Land Improvements	10 to 50 years
- Bulk earthworks	Infinite
- Land – Council owned	Infinite
- Land – Council controlled	Infinite
Other Assets	
- Swimming Pools	50 years
- Library Books	6 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.

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

(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. Of the 3 methods available Council has used the average unit value of the land contained within Council's area of control to determine the value.

(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.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

(o) Rural Fire Service assets

Under section 119 of the Rural Fires Act 1997, *“all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the 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 statements.

(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 an open-market value determined annually by external valuers.

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

Full revaluations are carried out every three years with an appropriate index utilised each year in between the full revaluations.

The last full revaluation for Council’s Investment Properties was dated 30/06/11 by R.F Aubin, Certified Practising Valuer.

(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 discount is 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.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

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.

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 (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount and (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 - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

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.

A Discontinued Operation is a component of the entity that has been disposed of or is classified as "held for sale" and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the income statement.

(s) Impairment of assets

All Council's I,PP&E is subject to an annual assessment of impairment.

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 its written down replacement cost.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

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

Goodwill & other Intangible Assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.

(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.

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) Short Term Obligations

Short term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be settled within the 12 months after the reporting period.

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

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

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) Other Long Term Obligations

The liability for all long service and annual leave in respect of services provided by employees up to the reporting date (which is not expected to be settled within the 12 months after the reporting period) are recognised in the provision for employee benefits.

These liabilities are measured at the present value of the expected future payments to be made using the projected unit credit method.

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

Expected future payments are then discounted using market yields at the reporting date based 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 has 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 2012 a deficit still exists.

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

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

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.

Defined 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.

(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 30/6/12.

(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

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

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 2012.

Council has not adopted any of these standards early.

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, AASB 2009 11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities.

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

When adopted, the standard will affect in particular the 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.

AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, revised AASB 127 - Separate Financial Statements and

AASB 128 - Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation.

However, the standard introduces a single definition of control that applies to all entities.

It focuses on the need to have both power and rights or exposure to variable returns.

Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns.

There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements.

The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement.

Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture.

Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules.

As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128.

Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. Council is still assessing the impact of these amendments.

Council does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 was released in September 2011.

It explains how to measure fair value and aims to enhance fair value disclosures. Council has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance.

It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements.

Council does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

Applicable to Local Government but no implications for Council;

None

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

Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

In September 2011, the AASB released a revised standard on accounting for employee benefits.

It requires the recognition of all remeasurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.

This replaces the expected return on plan assets that is currently included in profit or loss.

The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits.

The amendments will have to be implemented retrospectively.

Council does not recognise defined benefit assets and liabilities for the reasons set out in note 1 (s)(iii) and so these changes will not have an impact on its reported results.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

Not applicable to Local Government per se;

None

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(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) 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 2012

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 Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2012	2012	2011	2012	2012	2011	2012	2012	2011	2012	2011	2012	2011
Planning and Environment	9,882	10,790	9,726	19,635	19,765	19,890	(9,753)	(8,975)	(10,164)	332	541	7,832	7,861
Infrastructure and Works	63,129	75,919	106,282	147,992	146,004	137,449	(84,863)	(70,085)	(31,167)	11,180	8,551	2,285,573	2,205,803
Corporate and Community Support	9,525	11,806	23,600	61,669	66,858	63,240	(52,144)	(55,052)	(39,640)	4,457	4,799	155,207	142,781
Total Functions & Activities	82,536	98,515	139,608	229,296	232,627	220,579	(146,760)	(134,112)	(80,971)	15,969	13,891	2,448,612	2,356,445
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	298	141	-	-	-	-	298	141	-	-	739	291
General Purpose Income ¹	130,504	139,779	130,923	-	-	-	130,504	139,779	130,923	22,521	17,296	-	-
Operating Result from Continuing Operations	213,040	238,592	270,672	229,296	232,627	220,579	(16,256)	5,965	50,093	38,490	31,187	2,449,351	2,356,736

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 2012

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, Professional 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 2012

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2012	Actual 2011
(a). Rates & Annual Charges			
Ordinary Rates			
Residential		76,610	74,161
Farmland		382	375
Mining		844	821
Business		36,169	34,936
Total Ordinary Rates		114,005	110,293
Special Rates			
Mall		904	840
City Centre		424	398
Total Special Rates		1,328	1,238
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		26,039	25,002
Stormwater Management Services		1,711	1,706
Total Annual Charges		27,750	26,708
TOTAL RATES & ANNUAL CHARGES		143,083	138,239

Council has used 2010 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 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
(b). User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Waste Management Services (non-domestic)		10,221	9,190
Total User Charges		10,221	9,190
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Inspection Services		435	448
Planning & Building Regulation		1,922	1,778
Registration Fees		197	175
Section 149 Certificates (EPA Act)		547	457
Section 603 Certificates		233	227
Section 611 Charges		152	207
Contestable Building Services		349	387
Other		2	4
Total Fees & Charges - Statutory/Regulatory		3,837	3,683
(ii) Fees & Charges - Other(incl. General User Charges (per s.608)			
Car Parking		694	638
Crematorium & Cemeteries		2,302	1,929
Hire Charges		513	515
Leaseback Fees - Council Vehicles		566	565
Leisure Centre		2,249	2,230
Library		45	43
Marketing		36	130
Parking Meters		1,210	1,130
Recreation		1,198	1,152
Tourist Parks		4,927	5,340
Pools & Beaches		451	452
Other		787	747
Total Fees & Charges - Other		14,978	14,871
TOTAL USER CHARGES & FEES		29,036	27,744

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
(c). Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges		820	646
- Interest earned on Investments (interest & coupon payment income)		4,840	5,083
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		71	197
Amortisation of Premiums & Discounts			
- Interest Free (& Interest Reduced) Loans provided		5	4
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>5,736</u>	<u>5,930</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		820	646
General Council Cash & Investments		3,253	3,334
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		461	633
Infrastructure Loan		1,068	1,213
Other Externally Restricted Assets		134	104
<u>Total Interest & Investment Revenue Recognised</u>		<u>5,736</u>	<u>5,930</u>
(d). Other Revenues			
Fair Value Adjustments - Investment Properties	14	-	150
Rental Income - Investment Properties	14	406	422
Rental Income - Other Council Properties		2,726	2,342
Fines		697	617
Fines - Parking		1,917	2,243
Legal Fees Recovery - Rates & Charges (Extra Charges)		430	185
Diesel Rebate		127	136
Insurance Claim Recoveries		81	680
Sales - General		519	792
Sponsorship & Promotional Income		278	289
Outgoings - Reimbursed		515	434
Other Reimbursements		362	369
Other		234	715
<u>TOTAL OTHER REVENUE</u>		<u>8,292</u>	<u>9,374</u>

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	2012 Operating	2011 Operating	2012 Capital	2011 Capital
(e). Grants				
General Purpose (Untied)				
Financial Assistance	20,821	15,592	-	-
Pensioners' Rates Subsidies - General Component	1,700	1,704	-	-
Total General Purpose	22,521	17,296	-	-
Specific Purpose				
Pensioners' Rates Subsidies - Domestic Waste Mgmt	533	525	-	-
Arts & Culture	123	61	-	-
Building Better Regional Cities Program	-	-	6,000	-
Buildings	-	210	-	422
Car Parks	-	-	25	-
Community Development & Support	409	415	-	-
Community Services & Facilities	-	-	-	96
Economic Development	57	38	-	-
Emergency Services	566	549	-	-
Environmental Education	-	-	-	7
Environmental Management & Enhancement	200	27	-	-
Environmental Protection	5	-	-	-
Floodplain & Stormwater Management	135	123	-	-
Footpaths & Cycleways	-	-	432	857
HACC Community Transport	1,924	1,661	-	-
Healthy Communities	286	878	-	-
Illawarra Dementia Respite Service	371	386	-	-
Library	457	453	-	-
Local Bus Route Subsidy	59	55	-	-
Natural Area Management	109	469	-	-
Parks, Gardens & Sportsfields	-	50	-	180
People & Learning	5	19	-	-
Regional Infrastructure Program	-	-	-	863
Strategic City Planning	137	131	-	-
Street Lighting	448	437	-	-
Tourism	-	-	-	136
Transport (Roads to Recovery)	-	-	658	420
Transport (Other Roads & Bridges Funding)	323	299	214	385
Voluntary Purchase Scheme	-	-	541	804
Waste Performance Improvement	1,138	1,001	-	-
Wollongong Multi Service Outlet	814	792	-	-
Other	-	-	-	1,142
Total Specific Purpose	8,099	8,579	7,870	5,312
Total Grants	30,620	25,875	7,870	5,312
Grant Revenue is attributable to:				
- Commonwealth Funding	23,302	17,930	1,742	2,558
- State Funding	7,318	7,945	6,128	2,754
	30,620	25,875	7,870	5,312

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	2012 Operating	2011 Operating	2012 Capital	2011 Capital
(f). Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
S 94A - Fixed Development Consent Levies	-	-	2,038	2,364
S 94 West Dapto	-	-	1,331	-
Total Developer Contributions	-	-	3,369	2,364
Other Contributions:				
Art & Culture	-	-	-	239
Buildings	-	-	-	100
Community Development & Support	47	43	-	-
Community Services & Facilities	496	438	-	-
Contributed Buildings (Illawarra Motorlife Museum)	-	-	-	3,391
Contributed Bush Fire Assets	-	-	-	622
Contributed Transport Assets (RMS) ¹⁾	-	-	1,839	21,832
Dedications (other than by S94) ¹⁾	-	-	6,474	16,751
Domestic Waste	-	40	-	-
Emergency Services	-	-	-	236
Footpaths & Cycleways	62	-	-	-
Parks, Gardens and Sportsfields	24	23	-	-
Private Contribution (Keira Street Integral Restoration)	-	-	-	30
Roads & Bridges	51	101	-	-
RMS Contributions (Regional Roads, Block Grant)	1,234	1,287	-	-
Strategic City Planning	27	32	-	-
Wollongong City Gallery Collection	-	-	34	10,528
Total Other Contributions	1,941	1,964	8,347	53,729
Total Contributions	1,941	1,964	11,716	56,093
TOTAL GRANTS & CONTRIBUTIONS	32,561	27,839	19,586	61,405

1) Dedications & Contributions include road assets from RMS and developer dedications of road and stormwater assets.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2012	Actual 2011
(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	16,788	20,258
add: Grants & contributions recognised in the current period but not yet spent:	6,914	5,529
less: Grants & contributions recognised in a previous reporting period now spent:	(5,500)	(8,999)
Net Increase (Decrease) in Restricted Assets during the Period	1,414	(3,470)
Unexpended and held as Restricted Assets	18,202	16,788
Comprising:		
- Specific Purpose Unexpended Grants	10,628	6,265
- Developer Contributions	7,359	9,800
- Other Contributions	215	723
	18,202	16,788

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2012	Actual 2011
(a) Employee Benefits & On-Costs			
Salaries and Wages		73,352	70,742
Employee Leave Entitlements (ELE)		14,048	10,421
Superannuation		9,526	10,510
Workers' Compensation Insurance		19	62
Fringe Benefit Tax (FBT)		285	263
Payroll Tax		38	43
Training Costs (other than Salaries & Wages)		719	794
Protective Clothing		260	256
Workers Compensation Provision		626	861
Workers Compensation - Self Insurance		2,843	1,894
Other		385	387
Total Employee Costs		102,101	96,233
less: Capitalised Costs		(8,420)	(9,015)
TOTAL EMPLOYEE COSTS EXPENSED		93,681	87,218
Number of "Equivalent Full Time" Employees at year end		983	981
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Overdraft		1	2
Charges relating to Finance Leases		15	48
Total Interest Bearing Liability Costs		16	50
less: Capitalised Costs		-	-
Total Interest Bearing Liability Costs Expensed		16	50
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	1,871	1,926
Interest applicable on Interest Free (& favourable) Loans to Council		1,349	1,297
Total Other Borrowing Costs		3,220	3,223
TOTAL BORROWING COSTS EXPENSED		3,236	3,273

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
(c) Materials & Contracts			
Raw Materials & Consumables		16,626	17,205
Contractor & Consultancy Costs		63,776	58,878
Auditors Remuneration ⁽¹⁾		203	286
Legal Expenses:			
- Legal Expenses: Planning & Development		117	680
- Legal Expenses: Other		1,154	1,090
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽²⁾		517	773
Total Materials & Contracts		82,393	78,912
less: Capitalised Costs		(40,785)	(38,838)
<u>TOTAL MATERIALS & CONTRACTS</u>		<u>41,608</u>	<u>40,074</u>
1. Auditor Remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):			
(i) Audit and Other Assurance Services			
- Audit & review of financial statements: Council's Auditor		104	101
- Audit & review of financial statements: Other Consolidated Entity Auditors		95	165
Remuneration for audit and other assurance services		199	266
(ii) Other Services			
- Other Services		4	20
Remuneration for other services		4	20
Total Auditor Remuneration		203	286
2. Operating Lease Payments are attributable to:			
Computers		517	773
		517	773

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2012	Actual 2011	Actual 2012	Actual 2011

(d) Depreciation, Amortisation & Impairment

Plant and Equipment	-	-	3,785	3,675	
Office Equipment	-	-	1,327	905	
Furniture & Fittings	-	-	568	602	
Land Improvements (depreciable)	-	-	-	4,946	
Buildings - Non Specialised	-	-	750	736	
Buildings - Specialised	346	-	14,242	13,694	
Other Structures	-	-	1,648	1,151	
Infrastructure:					
- Roads, Bridges & Footpaths	-	-	23,617	22,991	
- Stormwater Drainage	-	-	8,043	7,562	
Other Assets					
- Library Books	-	-	973	1,041	
- Other	-	-	2,751	1,056	
Asset Reinstatement Costs	9 & 26	-	-	2,730	1,110
Total Depreciation & Impairment Costs		346	-	60,434	59,469
less: Capitalised Costs		-	-	-	-
less: Impairments (to)/from ARR [Equity]	9a	-	-	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		346	-	60,434	59,469

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		428	479
Bad & Doubtful Debts		144	80
Bank Charges		489	460
Contributions/Levies to Other Levels of Government			
- Waste and Environment Levy		11,481	8,439
- Emergency Services Levy		199	181
- NSW Fire Brigade Levy		2,540	2,546
- NSW Rural Fire Service Levy		402	388
- Lake Illawarra Authority		490	200
Councillor Expenses - Mayoral Fee		59	-
Councillor Expenses - Councillors' Fees		287	-
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		5	-
Donations, Contributions & Assistance to other organisations (Section 356)		1,820	1,323
- Wollongong City of Innovation		857	884
- Illawarra Performing Arts Centre		588	567
- Wollongong City Centre Ltd		442	1,055
Electricity & Heating		2,168	1,955
Insurance		2,796	3,650
Postage		285	235
Provision for Self Insurance Claims		(220)	(10)
Street Lighting		2,974	2,722
Telephone & Communications		465	581
Valuation Fees		355	300
Water Rates		706	878
Other		3,198	1,627
Total Other Expenses		32,958	28,540
less: Capitalised Costs		(789)	(178)
TOTAL OTHER EXPENSES		32,169	28,362

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2012	Actual 2011
Property (excl. Investment Property)			
Proceeds from Disposal - Property		346	1,323
less: Carrying Amount of Property Assets Sold / Written Off		(684)	(1,881)
Net Gain/(Loss) on Disposal		(338)	(558)
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		761	1,518
less: Carrying Amount of P&E Assets Sold / Written Off		(592)	(1,188)
Net Gain/(Loss) on Disposal		169	330
Infrastructure			
Proceeds from Disposal - Infrastructure		7	-
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(940)	(1,924)
Net Gain/(Loss) on Disposal		(933)	(1,924)
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		3,027	5,016
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(3,078)	(5,047)
Net Gain/(Loss) on Disposal		(51)	(31)
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(1,153)	(2,183)
* Financial Assets disposals / redemptions include:			
- Net Gain/(Loss) from Financial Instruments "At Fair Value through profit & loss"		(51)	(31)
Net Gain/(Loss) on Disposal of Financial Instruments		(51)	(31)

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

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

\$ '000	Notes	2012 Actual Current	2012 Actual Non Current	2011 Actual Current	2011 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		1,203	-	1,544	-
Cash-Equivalent Assets ⁽¹⁾					
- Deposits at Call		20,273	-	5,667	-
- Short Term Deposits		62,030	-	68,000	-
Total Cash & Cash Equivalents		83,506	-	75,211	-
Investment Securities (Note 6b)					
- Managed Funds		1,115	-	1,123	-
- NCD's, FRN's (with Maturities > 3 months)		996	-	3,024	-
- Mortgage Backed Securities		2,032	-	2,492	-
- Other Long Term Financial Assets		3,046	-	2,568	-
Total Investment Securities		7,189	-	9,207	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		90,695	-	84,418	-

⁽¹⁾ Those Investments where time to maturity (from date of purchase) is < 3 mths or can be liquidated at short notice with little or no cost.

**Cash, Cash Equivalents & Investments were
classified at year end as follows:****Cash & Cash Equivalents**

a. "At Fair Value through the Profit & Loss"	83,506	-	75,211	-
--	---------------	----------	---------------	----------

Investments**a. "At Fair Value through the Profit & Loss"**

- "Held for Trading"	6(b-i)	7,189	-	9,207	-
Investments		7,189	-	9,207	-

Note 6(b-i)**Reconciliation of Investments classified as
"At Fair Value through the Profit & Loss"**

Balance at the Beginning of the Year	9,207	-	13,992	-
Revaluations (through the Income Statement)	71	-	197	-
Additions	989	-	65	-
Disposals (sales & redemptions)	(3,078)	-	(5,047)	-
Balance at End of Year	7,189	-	9,207	-

Comprising:

- Managed Funds	1,115	-	1,123	-
- NCD's, FRN's (with Maturities > 3 months)	996	-	3,024	-
- Mortgage Backed Securities	2,032	-	2,492	-
- Other Long Term Financial Assets	3,046	-	2,568	-
Total	7,189	-	9,207	-

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details

\$ '000	2012 Actual Current	2012 Actual Non Current	2011 Actual Current	2011 Actual Non Current
Total Cash, Cash Equivalents and Investment Securities	90,695	-	84,418	-
attributable to:				
External Restrictions (refer below)	42,281	-	40,726	-
Internal Restrictions (refer below)	18,981	-	17,316	-
Unrestricted	29,433	-	26,376	-
	90,695	-	84,418	-

2012 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

Details of Restrictions

External Restrictions - Included in Liabilities

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

External Restrictions - Other

Developer Contributions - General (B)	9,800	3,830	(6,271)	7,359
RMS (formerly RTA) Contributions (C)	723	2,099	(2,607)	215
Specific Purpose Unexpended Grants (D)	6,265	13,280	(8,917)	10,628
Domestic Waste Management (E)	537	3,579	-	4,116
Stormwater Management (E)	235	1,713	(1,225)	723
Private Subsidies	2,458	718	(775)	2,401
Special Rates Levy - Wollongong Centre Imp. Fund	169	66	(1)	234
Unexpended Loan (F)	20,501	1,068	(5,507)	16,062
Special Rates Levy - Wollongong Mall	-	938	(451)	487
Special Rates Levy - City Centre	-	358	(302)	56
External Restrictions - Other	40,688	27,649	(26,056)	42,281
Total External Restrictions	40,726	27,649	(26,094)	42,281

- A** Funds being administered by Council in an agency capacity. The remainder of these funds have been returned to the original funding body as at the end of the reporting period.
- B** Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- C** RMS Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- D** Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1) with contributions plans (refer Note 17).
- E** 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.
- F** State Government interest free loan to be administered on infrastructure as part of the West Dapto development.

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

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

2012 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Car Parking Strategy	(89)	345	(151)	105
Property *	(430)	314	(137)	(253)
Darcy Wentworth Park	54	15	-	69
MacCabe Park Development	900	150	(810)	240
Sports Priority Program	989	267	(319)	937
Telecommunications Reserve	190	58	-	248
Waste Disposal Facility	15,702	3,816	(1,883)	17,635
Total Internal Restrictions	17,316	4,965	(3,300)	18,981
TOTAL RESTRICTIONS	58,042	32,614	(29,394)	61,262

- * Property was previously reported under the title Community Infrastructure. This reserve has a negative balance at 30 June 2012 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 2012

Note 7. Receivables

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		5,340	2,714	5,391	2,702
Interest & Extra Charges		478	796	397	592
User Charges & Fees		2,625	-	2,816	-
Accrued Revenues					
- Interest on Investments		1,083	-	1,353	-
- Other Income Accruals		2,082	-	2,046	-
Government Grants & Subsidies		1,183	-	3,553	-
Deferred Debtors		15	12	15	22
Net GST Receivable		1,766	-	1,350	-
Private Subsidies		-	-	29	-
Total		14,572	3,522	16,950	3,316
less: Provision for Impairment					
User Charges & Fees		(351)	-	(207)	-
Total Provision for Impairment - Receivables		(351)	-	(207)	-
<u>TOTAL NET RECEIVABLES</u>		<u>14,221</u>	<u>3,522</u>	<u>16,743</u>	<u>3,316</u>
Externally Restricted Receivables					
Nil					
Internally Restricted Receivables					
		-	-	-	-
Unrestricted Receivables		14,221	3,522	16,743	3,316
TOTAL NET RECEIVABLES		14,221	3,522	16,743	3,316

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 was charged on overdue rates & charges at 11.00% (2011 9.00%).
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 2012

Note 8. Inventories & Other Assets

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		8,611	-	8,611	-
Stores & Materials		289	-	215	-
Total Inventories		8,900	-	8,826	-
Other Assets					
Prepayments		722	-	1,026	-
Total Other Assets		722	-	1,026	-
TOTAL INVENTORIES / OTHER ASSETS		9,622	-	9,852	-

Externally Restricted Assets

There are no restrictions applicable to the above assets.

(i) Other Disclosures**(a) 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	-

(b) 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;

	2012	2011
Real Estate for Resale	5,734	8,611
	5,734	8,611

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

- Stores & Materials	1,302	1,362
----------------------	-------	-------

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2011					Asset Movements during the Reporting Period								as at 30/6/2012					
						Asset Additions	WDV of Asset Disposals	Depreciation Expense	Impairment Loss (recognised in P/L)	WIP Transfers	Adjustments & Transfers <small>refer 20 (c)</small>	Revaluation Decrements to Equity (ARR)	Revaluation Increments to Equity (ARR)						
	At Cost	At Fair Value	Accumulated Dep'n	Impairment	Carrying Value									At Cost	At Fair Value	Accumulated Dep'n	Impairment	Carrying Value	
Capital Work in Progress	19,466	-	-	-	19,466	16,854	-	-	-	(15,379)	-	-	-	20,941	-	-	-	-	20,941
Plant & Equipment	-	28,213	9,510	-	18,703	5,500	(592)	(3,721)	-	-	1,403	-	-	-	36,405	15,110	-	-	21,295
Office Equipment	-	6,447	2,139	-	4,308	2,383	-	(1,327)	-	-	(17)	-	-	-	8,814	3,467	-	-	5,347
Furniture & Fittings	-	4,837	3,363	-	1,474	148	-	(568)	-	-	-	-	-	-	4,985	3,931	-	-	1,054
Plant & Equipment (under Finance Lease)	-	5,297	3,513	-	1,784	-	-	(64)	-	-	(1,403)	-	-	-	636	319	-	-	317
Land:																			
- Operational Land	-	391,274	-	-	391,274	4,300	(518)	-	-	-	1,137	(5,980)	-	-	390,213	-	-	-	390,213
- Community Land	-	366,304	-	-	366,304	3,794	-	-	-	-	-	-	-	-	370,098	-	-	-	370,098
- Land under Roads (post 30/6/08)	-	22,980	-	-	22,980	-	-	-	-	-	-	-	-	-	22,980	-	-	-	22,980
Land Improvements - non depreciable	-	67,045	-	-	67,045	-	-	-	-	-	-	-	-	-	67,045	-	-	-	67,045
Buildings - Non Specialised	-	21,436	12,006	-	9,430	718	(165)	(750)	-	2	57	-	157	-	21,434	11,985	-	-	9,449
Buildings - Specialised	-	540,513	256,312	-	284,201	6,608	-	(14,242)	(346)	3,714	2,882	-	2,254	-	563,639	278,222	346	-	285,071
Other Structures	-	49,952	34,249	-	15,703	2,568	-	(1,648)	-	-	438	(8)	-	-	53,225	36,172	-	-	17,053
Infrastructure:																			
- Roads, Bridges, Footpaths	-	1,384,699	847,550	-	537,149	22,704	(905)	(23,617)	-	11,249	21,840	-	12,678	-	1,526,490	945,397	-	-	581,093
- Stormwater Drainage	-	746,728	290,232	-	456,496	5,891	(36)	(8,043)	-	291	2,624	-	34,105	-	814,794	323,466	-	-	491,328
Other Assets:																			
- Heritage Collections	-	10,957	-	-	10,957	146	-	-	-	-	-	-	-	-	11,103	-	-	-	11,103
- Library Books	-	6,310	3,102	-	3,208	1,204	-	(973)	-	-	-	-	-	-	7,514	4,075	-	-	3,439
- Other	-	59,260	46,080	-	13,180	268	-	(2,751)	-	123	6,352	(78)	-	-	70,170	53,076	-	-	17,094
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26)																			
- Tip Asset	-	22,626	7,897	-	14,729	-	-	(2,730)	-	-	(92)	-	-	-	19,738	7,831	-	-	11,907
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	19,466	3,734,878	1,515,953	-	2,238,391	73,086	(2,216)	(60,434)	(346)	-	35,221	(6,066)	49,194	20,941	3,989,283	1,683,051	346	-	2,326,827

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals (\$21,858) and New Assets (\$19,322). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000

Council has no Externally Restricted Infrastructure, Property, Plant & Equipment.

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

	Notes	Actual 2012	Actual 2011
(i) Impairment Losses recognised in the Income Statement include:			
- Mt Keira Summit Park Café		(346)	-
Total Impairment Losses		(346)	-
<u>IMPAIRMENT of ASSETS - GAINS/(LOSSES) in P/L</u>	4(d)	<u>(346)</u>	<u>-</u>

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		7,042	-	5,677	-
Goods & Services - capital expenditure		11,014	-	10,391	-
Payments Received In Advance		1,772	-	1,438	-
Accrued Expenses:					
- Other Expenditure Accruals		3,370	-	2,427	-
Security Bonds, Deposits & Retentions		1,487	-	1,501	-
Agency Funds		-	-	38	-
Other		427	-	440	-
Total Payables		25,112	-	21,912	-
Borrowings					
Loans - Secured ¹		1,519	14,986	1,412	16,504
Finance Lease Liabilities		140	-	431	-
Total Borrowings		1,659	14,986	1,843	16,504
Provisions					
Employee Benefits;					
Annual Leave		7,785	-	7,851	-
Sick Leave		612	-	664	-
Long Service Leave		27,137	352	22,379	323
Other Leave		710	-	853	-
Sub Total - Aggregate Employee Benefits		36,244	352	31,747	323
Self Insurance - Workers Compensation		1,556	6,394	1,378	5,946
Self Insurance - Claims Incurred		100	100	420	-
Asset Remediation/Restoration (Future Works) ²⁶		-	35,799	-	34,020
Total Provisions		37,900	42,645	33,545	40,289
Total Payables, Borrowings & Provisions		64,671	57,631	57,300	56,793

(i) Liabilities relating to Restricted Assets

	2012		2011	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Agency Funds	-	-	38	-
Liabilities relating to externally restricted assets	-	-	38	-
Internally Restricted Assets				
Nil				
Total Liabilities relating to restricted assets	-	-	38	-

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 2012

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

\$ '000	2012	2011
(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	26,402	22,060
Payables - Security Bonds, Deposits & Retentions	1,025	1,040
	27,427	23,100

Note 10b. Description of and movements in Provisions

Class of Provision	2011	2012				Closing Balance as at 30/6/12
	Opening Balance as at 1/7/11	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	7,851	6,690	(6,826)	70	-	7,785
Sick Leave	664	23	(124)	49	-	612
Long Service Leave	22,702	3,666	(2,225)	3,346	-	27,489
Other Leave	853	137	(285)	5	-	710
Self Insurance						
- Workers Compensation	7,324	626	-	-	-	7,950
Self Insurance						
- Claims Incurred	420	(220)	-	-	-	200
Asset Remediation	34,020	1,779	-	-	-	35,799
TOTAL	73,834	12,701	(9,460)	3,470	-	80,545

- 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 2012. Actuarial estimates were provided by David A Zaman Pty Ltd. Wollongong City Council is a licensed self-insurer under the Workers' Compensations Act 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 2012

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2012	Actual 2011
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	83,506	75,211
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		83,506	75,211
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		5,965	50,093
Adjust for non cash items:			
Depreciation & Amortisation		60,434	59,469
Net Losses/(Gains) on Disposal of Assets		1,153	2,183
Non Cash Capital Grants and Contributions		(8,347)	(53,125)
Impairment Losses Recognition - I,PP&E		346	-
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "At Fair Value" or "Held for Trading"		(71)	(197)
- Investment Properties		-	(150)
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- Interest on all fair value adjusted Interest Free Advances made by Council		(5)	(4)
- Interest Exp. on Interest Free Loans received by Council (previously Fair Value		1,349	1,297
Unwinding of Discount Rates on Reinstatement Provisions		1,871	1,926
Share of Net (Profits) or Losses of Associates/Joint Ventures		(298)	(141)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		2,162	(4,085)
Increase/(Decrease) in Provision for Doubtful Debts		144	59
Decrease/(Increase) in Inventories		(74)	31
Decrease/(Increase) in Other Assets		304	327
Increase/(Decrease) in Payables		1,365	127
Increase/(Decrease) in accrued Interest Payable		-	-
Increase/(Decrease) in other accrued Expenses Payable		943	(662)
Increase/(Decrease) in Other Liabilities		269	176
Increase/(Decrease) in Employee Leave Entitlements		4,526	1,571
Increase/(Decrease) in Other Provisions		314	851
NET CASH PROVIDED FROM/(USED IN)			
OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		72,350	59,746

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

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

\$ '000	Notes	Actual 2012	Actual 2011
(c) Non-Cash Investing & Financing Activities			
Other Dedications		6,474	16,751
Contributed Transport Assets - RMS		1,839	21,833
Contributed Bush Fire Assets		-	622
Contributed Buildings		-	3,391
Contributed Art Works		34	10,528
Total Non-Cash Investing & Financing Activities		8,347	53,125
(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		61	31
Total Financing Arrangements Utilised		61	31

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.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2012	Actual 2011
(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		2,635	12,760
Plant & Equipment		59	-
Infrastructure		330	1,154
Waste Depot new landfill		-	2,076
Investment Property			
- Nil			
Total Commitments		3,024	15,990
These expenditures are payable as follows:			
Within the next year		3,024	14,914
Later than one year and not later than 5 years		-	1,076
Later than 5 years		-	-
Total Payable		3,024	15,990
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		2,899	6,465
Sect 64 & 94 Funds/Reserves		125	4,669
Unexpended Grants		-	2,075
Externally Restricted Reserves		-	516
Internally Restricted Reserves		-	2,076
Unexpended Loans		-	189
Total Sources of Funding		3,024	15,990

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2012	Actual 2011
---------	-------	----------------	----------------

(b) Finance Lease Commitments

(i) Commitments under Finance Leases at the Reporting Date
are payable as follows:

Within the next year		140	447
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
Total Minimum Lease Payments		140	447
less: Future Finance Charges		-	(16)
Amount Recognised as a Liability		140	431

(ii) Finance Lease Liability Recognised represent;

Current Liabilities		140	431
Non-Current Liabilities		-	-
Total Finance Lease Liabilities Disclosed		140	431

(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	4	Y	N	140	431
Total Carrying Value at Year End				140	431

(c) 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		156	516
Later than one year and not later than 5 years		373	606
Later than 5 years		1,195	1,252
Total Non Cancellable Operating Lease Commitments		1,724	2,374

b. Non Cancellable Operating Leases include the following assets:

Computer / IT Equipment & Fitness Equipment

Contingent Rentals may be payable depending on the condition of items or usage during the lease term.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 12. Commitments for Expenditure (continued)

\$ '000

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.

(d) Investment Property Commitments

Nil

(e) 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 2012

Note 13a(i). Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts 2012	Indicator 2012	Prior Periods 20112010	
Local Government Industry Indicators				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	66,523	1.79 : 1	1.81	1.48
Current Liabilities less Specific Purpose Liabilities ^(2,3)	37,244			
2. Debt Service Ratio				
Debt Service Cost	3,067	1.47%	0.77%	0.77%
Income from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	208,966			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	143,083	59.97%	51.07%	61.22%
Income from Continuing Operations	238,592			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	9,328	6.08%	6.16%	5.91%
Rates, Annual & Extra Charges Collectible	153,415			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾	21,178	45.06%	53.89%	52.51%
Depreciation, Amortisation & Impairment	46,998			

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/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 13a(ii). Statement of Performance Measurement - Graphs (Consolidated)

<p>1. Unrestricted Current Ratio</p> <table><tr><th>Year</th><th>Ratio : 1</th></tr><tr><td>2009</td><td>1.18</td></tr><tr><td>2010</td><td>1.48</td></tr><tr><td>2011</td><td>1.81</td></tr><tr><td>2012</td><td>1.79</td></tr></table>	Year	Ratio : 1	2009	1.18	2010	1.48	2011	1.81	2012	1.79	<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 2011/12 Result</p> <p>2011/12 Ratio 1.79 : 1</p> <p>1. Council's strategy is to maximise the use of available funds and target a lean unrestricted current ratio. 2. Restrictions relating to DWM and Waste Facilities were separated at the end of the 2010-11 reporting period. Rationalisation of the waste model has led to the inclusion of cash assets held for future Waste Facility requirements in the unrestricted ratio. As the requirements to hold funds for the Waste Facility rehabilitation is significant the measure is expected to increase over time.</p>
Year	Ratio : 1											
2009	1.18											
2010	1.48											
2011	1.81											
2012	1.79											
<p>2. Debt Service Ratio</p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2009</td><td>1.00%</td></tr><tr><td>2010</td><td>0.77%</td></tr><tr><td>2011</td><td>0.77%</td></tr><tr><td>2012</td><td>1.47%</td></tr></table>	Year	Ratio %	2009	1.00%	2010	0.77%	2011	0.77%	2012	1.47%	<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 2011/12 Result</p> <p>2011/12 Ratio 1.47%</p> <p>The ratio increased in comparison to the previous reporting period. Annual repayment installments of the \$26M State Government infrastructure loan increased during 2011/12 to \$2,760M up from \$650K in the previous reporting period. Although this affected the ratio, the interest free nature of the loan reduced the impact on the result. It is expected that this measure will continue to increase as Council begins to pay back a \$20M infrastructure loan in subsequent financial years.</p>
Year	Ratio %											
2009	1.00%											
2010	0.77%											
2011	0.77%											
2012	1.47%											
<p>3. Rates & Annual Charges Coverage Ratio</p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2009</td><td>62.93%</td></tr><tr><td>2010</td><td>61.22%</td></tr><tr><td>2011</td><td>51.07%</td></tr><tr><td>2012</td><td>59.97%</td></tr></table>	Year	Ratio %	2009	62.93%	2010	61.22%	2011	51.07%	2012	59.97%	<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 2011/12 Result</p> <p>2011/12 Ratio 59.97%</p> <p>The performance of this ratio is as expected. The increase in 11/12 is primarily due to decreases in revenues relating to the recognition of contributed assets [2010/11: \$53.1M, 2011/12: \$8.3M].</p>
Year	Ratio %											
2009	62.93%											
2010	61.22%											
2011	51.07%											
2012	59.97%											
<p>4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage</p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2009</td><td>6.75%</td></tr><tr><td>2010</td><td>5.91%</td></tr><tr><td>2011</td><td>6.16%</td></tr><tr><td>2012</td><td>6.08%</td></tr></table>	Year	Ratio %	2009	6.75%	2010	5.91%	2011	6.16%	2012	6.08%	<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 2011/12 Result</p> <p>2011/12 Ratio 6.08%</p> <p>The decrease in the percentage of outstanding rates represents an improvement in this performance measure. Council adopted a revised debt recovery policy in 2011 and this has assisted in the achievement of this improved result in 2012. It is noted that this ratio is negatively impacted by Council's policy to exempt pensioners from debt recovery proceedings.</p>
Year	Ratio %											
2009	6.75%											
2010	5.91%											
2011	6.16%											
2012	6.08%											
<p>5. Building & Infrastructure Renewals Ratio</p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2009</td><td>79.09%</td></tr><tr><td>2010</td><td>52.51%</td></tr><tr><td>2011</td><td>53.89%</td></tr><tr><td>2012</td><td>45.06%</td></tr></table>	Year	Ratio %	2009	79.09%	2010	52.51%	2011	53.89%	2012	45.06%	<p>Purpose of Asset Renewals Ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p>Commentary on Result</p> <p>2011/12 Ratio 45.06%</p> <p>The measure is down slightly in comparison with 2011. It is noted that an additional \$10.9M was directed to renewal on other assets that are not considered in the calculation of this ratio. Further, Council spent 65% of its renewal program on Building & Infrastructure assets in 2012 compared to 62% in 2011.</p>
Year	Ratio %											
2009	79.09%											
2010	52.51%											
2011	53.89%											
2012	45.06%											

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 14. Investment Properties

\$ '000	Notes	Actual 2012	Actual 2011
(a) Investment Properties at Fair value			
<u>Investment Properties on Hand</u>		<u>3,725</u>	<u>3,725</u>
Reconciliation of Annual Movement:			
Opening Balance		3,725	3,575
- Net Gain/(Loss) from Fair Value Adjustments		-	150
CLOSING BALANCE - INVESTMENT PROPERTIES		<u>3,725</u>	<u>3,725</u>

(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 2012 revaluations are not based on an Independent Assessment and Valuation.

Council's Property Division has determined that there is no evidence of any movement in the value of its investment property and therefore no movement recognised. The 2011 valuation was performed 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

Future Minimum Lease Payments receivable under non-cancellable Investment Property Operating Leases not recognised in the Financial Statements are due:

Within 1 year	341	292
Later than 1 year but less than 5 years	354	466
Later than 5 years	-	-
Total Minimum Lease Payments Receivable	<u>695</u>	<u>758</u>

(e) Investment Property Income & Expenditure - summary

Rental Income from Investment Properties:		
- Minimum Lease Payments	406	422
Direct Operating Expenses on Investment Properties:		
- that generated rental income	(116)	(116)
Net Revenue Contribution from Investment Properties	<u>290</u>	<u>306</u>
plus:		
Fair Value Movement for year	<u>-</u>	<u>150</u>
Total Income attributable to Investment Properties	<u>290</u>	<u>456</u>

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

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.

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	
	2012	2011	2012	2011
Financial Assets				
Cash and Cash Equivalents	83,506	75,211	83,506	75,211
Investments				
- "Held for Trading"	7,189	9,207	7,189	9,207
Receivables	17,743	20,059	17,743	20,059
Total Financial Assets	108,438	104,477	108,438	104,477
Financial Liabilities				
Payables	23,340	20,474	23,340	20,474
Loans / Advances	16,505	17,916	16,505	17,916
Lease Liabilities	140	431	140	431
Total Financial Liabilities	39,985	38,821	39,985	38,821

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"** or (ii) **Available for Sale** - 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 2012

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 area manages the Cash & Investments portfolio with the assistance of independent advisors. Council seeks advice from its independent advisers before placing any funds in Cash Equivalents & Investments.

Council has an Investment Policy which complies with the Local Government Act & Minister's Investment Order. This 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 FRN, MBS 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.

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 investment counterparty 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.

The following represents a summary of the sensitivity of Council's Income Statement and Accumulated Surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

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
2012				
Possible impact of a 10% movement in Market Values	719	719	(719)	(719)
Possible impact of a 1% movement in Interest Rates	835	835	(835)	(835)
2011				
Possible impact of a 10% movement in Market Values	920	920	(920)	(920)
Possible impact of a 1% movement in Interest Rates	752	752	(752)	(752)

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

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. The level of outstanding receivables is monitored against benchmarks set for acceptable collection performance. 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.

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:

	2012 Rates & Annual Charges	2012 Other Receivables	2011 Rates & Annual Charges	2011 Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	0%	57%	0%	76%
Overdue	100%	43%	100%	24%
(ii) Movement in Provision for Impairment of Receivables			2012	2011
Balance at the beginning of the year			207	148
+ new provisions recognised during the year			144	80
- amounts already provided for & written off this year			-	(21)
- amounts provided for but recovered during the year			-	10
- previous impairment losses reversed			-	(10)
Balance at the end of the year			351	207

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

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.

Payment terms can (in extenuating circumstances) also be extended & overdraft facilities utilised as required.

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		
2012									
Trade/Other Payables	1,487	21,853	-	-	-	-	-	23,340	23,340
Loans & Advances	-	2,760	2,760	2,760	2,760	2,760	8,840	22,640	16,505
Lease Liabilities	-	140	-	-	-	-	-	140	140
Total Financial Liabilities	1,487	24,753	2,760	2,760	2,760	2,760	8,840	46,120	39,985
2011									
Trade/Other Payables	1,501	18,973	-	-	-	-	-	20,474	20,474
Loans & Advances	-	2,760	2,760	2,760	2,760	2,760	11,600	25,400	17,916
Lease Liabilities	-	447	-	-	-	-	-	447	431
Total Financial Liabilities	1,501	22,180	2,760	2,760	2,760	2,760	11,600	46,321	38,821

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:

	2012		2011	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	23,340	0.00%	20,474	0.00%
Loans & Advances - Fixed Interest Rate	16,505	0.00%	17,916	0.00%
Lease Liabilities	140	6.41%	431	6.55%
	39,985		38,821	

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 11/12 was incorporated as part of its Management Plan and was adopted by the Council on 21 June 2012.

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.

Note that for Variations* of Budget to Actual :

Material Variations represent those variances that amount to **10%** or more of the original budgeted figure.

F = Favourable Budget Variation, **U** = Unfavourable Budget Variation

\$ '000	2012 Budget	2012 Actual	2012 Variance*		
REVENUES					
Rates & Annual Charges	143,800	143,083	(717)	(0%)	U
User Charges & Fees	28,805	29,036	231	1%	F
Interest & Investment Revenue	4,250	5,736	1,486	35%	F
This favourable variation has resulted from increased cash holdings due to the timing and progress of capital projects and higher than expected interest rates in the earlier part of the year.					
Other Revenues	7,851	8,292	441	6%	F
Operating Grants & Contributions	21,273	32,561	11,288	53%	F
Additional grant funds were received as follows:					
- Financial Assistance Grant. Early payment of the first two instalments of the 2012/13 grant and increased level of grant for 2011/12 have contributed to an improvement of \$8.9M F					
- Community Services related grants \$1.1M F					
- Increase in annual funding under the Waste and Sustainability Improvement Program (Wasip) \$0.3M F					
- Additional natural areas grants \$0.3M F					
- Other various additional grant payments \$0.7M F					
Capital Grants & Contributions	6,912	19,586	12,674	183%	F
The favourable variance is due to the recognition of the notional value of contributed assets of \$8.3M and receipt of a \$6.0M grant under the Building Better Cities program at the end of June 2012.					

These improvements have been offset by the delay in approval of grant funds associated with the Crown Street Upgrade project of \$2.0M. Funding of \$4.9M has now been confirmed under the Regional Development Australia Fund program and these funds will be received over the next two financial years.

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 16. Material Budget Variations (continued)

\$ '000	2012 Budget	2012 Actual	2012 Variance*		
REVENUES (continued)					
Net Gains from Disposal of Assets	149	-	(149)	(100%)	U
This unfavourable variation is a result of:					
- Asset write offs associated with changes in the capital renewal program through the year \$0.9M U					
- Lower profit on land sales, plant & tourist cabin disposals \$0.4MU					
EXPENSES					
Employee Benefits & On-Costs	84,921	93,681	(8,760)	(10%)	U
The variation in employee costs is a result of the following:					
- Increase in value of employee entitlement liabilities that is mainly attributable to the low interest rate discounting the future value of the liability compared to previous years \$4.8M U					
- Additional labour and overtime used to complete projects & programs in place of external contracts \$2.0M U					
- Higher levels of workers compensation related expenditure \$1.4M U					
- Increased in workers compensation provision valuation \$0.4M U					
Borrowing Costs	3,407	3,236	171	5%	F
Materials & Contracts	48,307	41,608	6,699	14%	F
This positive variation is largely the result of timing of expenditure and changes in the nature of resources used to complete projects and activities. The principle variation areas are :					
- Use of additional labour and overtime to complete projects & programs in place of external contracts \$2.0M F					
- Projects in progress and to be completed in future periods \$0.8M F					
- Projects expenditure reclassified as capital works \$0.6M F					
- Additional projects introduced funded from new grants \$1.4M U					
- Operational savings target notionally budgeted in other expenses, but achieved in materials & contracts \$2.7M F					
- Additional savings achieved including legal, IT , printing & marketing areas \$0.9M F					
Depreciation & Amortisation	63,424	60,434	2,990	5%	F
Impairment Expenses	-	346	(346)	0%	U
Other Expenses	29,237	32,169	(2,932)	(10%)	U
This unfavourable variation is due to:					
- Original budget included a saving target that was notinally budgeted as Other Expenses but was achieved in Materials & contracts expenditure category 2.7M U					
- Revised insurance period leading to change in timing of insurance expenditure 0.3M U					
Net Losses from Disposal of Assets	-	1,153	(1,153)	0%	U
Budget Variations relating to Council's Cash Flow Statement include:					
Cash Flows from Operating Activities	80,478	72,350	(8,128)	(10.1%)	U
Cash Flows from Investing Activities	(63,832)	(61,004)	2,828	(4.4%)	F
Cash Flows from Financing Activities	(3,041)	(3,051)	(10)	0.3%	U

Notes to the Financial Statements
for the financial year ended 30 June 2012

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	-	272	-	1	-	-	273	Figures provided at left relate to the West Dapto S94 Plan. This Plan was adopted in 2010 and resulted in the Horsley S94 Plan being repealed and all remainign balances being absorbed into the West Dapto Initial Access Strategy.		
Roads	1,062	751	-	202	(410)	2,788	4,393			
Traffic Facilities	185	-	-	2	-	(187)	-			
Open Space	(445)	208	-	(4)	-	450	209			
Community Facilities	3,101	43	-	38	-	(3,139)	43			
Administration	-	23	-	-	-	-	23			
Public Transport	-	34	-	-	-	-	34			
Other	(87)	-	-	(1)	-	88	-			
S94 Contributions - under a Plan	3,816	1,331	-	238	(410)	-	4,975			
S94A Levies - under a Plan	5,984	2,038	-	223	(5,861)	-	2,384			
Total S94 Revenue Under Plans	9,800	3,369	-	461	(6,271)	-	7,359			
S94 not under Plans	-	-	-	-	-	-	-			
S93F Planning Agreements	-	-	-	-	-	-	-			
Total Contributions	9,800	3,369	-	461	(6,271)	-	7,359			

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN - HORSLEY

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 related to the Horsley Plan. This plan represented stage 1 of the broader West Dapto area. With the adoption of the West Dapto S94 Plan (2010) this plan has been repealed and all balances absorbed into the West Dapto Plan.		
Roads	1,062	-	-	14	-	(1,075)	1			
Traffic Facilities	185	-	-	2	-	(187)	-			
Parking	-	-	-	-	-	-	-			
Open Space	(445)	-	-	(5)	-	450	-			
Community Facilities	3,101	-	-	38	-	(3,139)	-			
Total	3,816	-	-	48	-	(3,863)	1			

CONTRIBUTION PLAN - WEST DAPTO

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	-	272	-	1	-	-	273	The above comments regarding the Horsley Plan cover the West Dapto Plan.		
Roads	-	751	-	188	(410)	3,863	4,392			
Open Space	-	208	-	1	-	-	209			
Community Facilities	-	43	-	-	-	-	43			
Administration	-	23	-	-	-	-	23			
Public Transport	-	34	-	-	-	-	34			
Total	-	1,331	-	190	(410)	3,863	4,974			

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 17. Statement of Developer Contributions (continued)

\$ '000

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	6,849	1,955	-	428	(1,444)	(378)	7,410			
City Centre	(865)	83	-	(205)	(4,417)	378	(5,026)			
Total	5,984	2,038	-	223	(5,861)	-	2,384			

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

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 provided security to Work Cover for outstanding workers compensation claims liability in the form of a bank guarantee to the sum of \$10,791,000.

In addition to the above, Council has provided four Bank Guarantees totalling \$180,000 as security over damages for work that may impact a third party.

Council is also Guarantor on a mortgage for a third party up to \$250,000.

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 for all claims through its Insurance Coverage 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

3. S94 Plans (continued)

Council's General Funds.

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 with member Councils required to make significantly higher contributions from 2009/10 & beyond. These contributions amounted to \$2.81M in 2010/11 and \$1.76M in 2011/12.

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 its 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.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

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 currently \$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 \$696,928.89. At this time, the liquidators of HIH, CMGL have made 16 interim payments totalling \$274,138.31.

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.

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 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.

The court has determined that LawCover is liable to pay damages, however the amount has not been determined. It is therefore not possible to consistently advise when any amount will be received by Council.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '000

Council's objectives can and in some cases are best met through the use of separate entities & operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other Councils, Bodies and other Outside Organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of Councils (i) interest and (ii) control and the type (form) of entity/operation, as follows;

Subsidiaries

Note 19(a)

Operational Arrangements where Councils Control (but not necessarily Interest) exceeds 50%

Associated Entities & Joint Venture Entities

Note 19(b) (i)&(ii)

Arrangements in the form of a Separate Entity that deploys the resources of the operation itself. Under Associated Entities, Council significantly influences the operations (but does not control them, whilst for JV Entities, Council Jointly Controls the Operations with other parties.

Joint Venture Operations

Note 19(c)

Arrangements that do not comprise an actual individual entity which can deploy the resources of the individual participants. Under JV Operations, Council Jointly Controls the operations with the Other Parties involved.

Subsidiaries, Associated Entities and Joint Ventures Not Recognised

Note 19(d)

Accounting Recognition:

- (i) Subsidiaries disclosed under Note 19(a), and Joint Venture Operations disclosed at Note 19(c), are accounted for on a Line by Line Consolidation basis within the Income Statement and Balance Sheet.
- (ii) Associated Entities and Joint Venture Entities as per Notes 19(b)(i) & (ii) are accounted for using the Equity Accounting Method - and are disclosed as a 1 line entry in both the Income Statement and Balance Sheet.

	Council's Share of Net Income		Council's Share of Net Assets	
	Actual 2012	Actual 2011	Actual 2012	Actual 2011
Associated Entities	-	-	-	-
Joint Venture Entities	298	141	739	291
Total	298	141	739	291

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '000

19(a) Subsidiaries (ie. Entities & Operations controlled by Council)

Council has no interest in any Subsidiaries.

19(b) Associated Entities & Joint Venture Entities

(i) ASSOCIATED ENTITIES

Council has no interest in any Associated Entities.

(ii) JOINT VENTURE ENTITIES

(a) Carrying Amounts

Name of Entity	Principal Activity	2012	2011
Westpool	Insurance	228	172
United Independent Pools (UIP)	Insurance	511	119
Total Carrying Amounts - Joint Venture Entities		739	291

(b) Relevant Interests

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2012	2011	2012	2011	2012	2011
Westpool	1%	1%	1%	1%	1%	1%
United Independent Pools (UIP)	11%	8%	11%	8%	11%	8%

(c) Movement in Carrying Amounts

	Westpool		United Independent Pools (UIP)	
	2012	2011	2012	2011
Opening Balance	172	-	119	-
Share in Operating Result	(94)	22	392	119
New Capital Contributions	150	150	-	-
Council's Equity Share in the Joint Venture Entity	228	172	511	119

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '000

19(b) Associated Entities & Joint Venture Entities (continued)

(d) Share of Joint Ventures Assets & Liabilities

	Assets		Liabilities		Net Assets
	Current	Non Current	Current	Non Current	
2012					
Westpool	444	-	29	187	228
United Independent Pools (UIP)	915	-	185	219	511
Totals	1,359	-	214	406	739
2011					
Westpool	299	-	19	108	172
United Independent Pools (UIP)	525	-	257	149	119
Totals	824	-	276	257	291

(e) Share of Joint Ventures Revenues, Expenses & Results

	2012			2011		
	Revenues	Expenses	Result	Revenues	Expenses	Result
Westpool	1,158	1,252	(94)	685	663	22
United Independent Pools (UIP)	1,348	956	392	675	556	119
Totals	2,506	2,208	298	1,360	1,219	141

(f) Share of Joint Venture Entities Expenditure Commitments

	2012	2011
Capital Commitments	-	-
Other Expenditure Commitments	-	-
Lease Commitments	-	-

(g) Contingent Liabilities of Joint Venture Entities

	2012	2011
Share of Contingent Liabilities incurred jointly with other Participants	-	-
Share of Contingent Liabilities for which Council is severally liable	-	-

No material losses are anticipated in respect of any of the above contingent liabilities

19(c) Joint Venture Operations

Council has no interest in any Joint Venture Operations.

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2012	Actual 2011
a. Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		1,054,489	954,733
a. Correction of Prior Period Errors	20 (c)	35,313	46,092
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		5,965	50,093
e. Distributions to/(Contributions from) Minority Interests		-	-
f. Transfers between Equity		8,077	3,571
Balance at End of the Reporting Period		1,103,844	1,054,489

(1) On disposal of assets which were revalued in prior years, the balance in the 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	1,223,205	1,188,154
Total	1,223,205	1,188,154

(ii). Reconciliation of movements in Reserves:**Infrastructure, Property, Plant & Equipment Revaluation Reserve**

- Opening Balance	1,188,154	1,094,600
- Revaluations for the year	43,128	97,125
- Transfer to Retained Earnings for Asset disposals	(8,077)	(3,571)
- Balance at End of Year	1,223,205	1,188,154

TOTAL VALUE OF RESERVES

1,223,205	1,188,154
------------------	------------------

(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 2012

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2012	Actual 2011
---------	-------	----------------	----------------

c. Correction of Error/s relating to a Previous Reporting Period

Council had not previously reassessed the useful life of its other structures and other assets and, as a result, was found to have understated their depreciation.

It was also found that land, buildings and transport assets that Council owned had not been previously recognised and transport assets 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	19,129	7,643
- Land not recognised in previous years	1,137	9,526
- Buildings not recognised in previous years	9,824	3,444
- Transport not recognised in previous years	2,779	24,974
- Stormwater not recognised in previous years	2,625	4,484
- Transport disposed of in previous years but still recorded	(69)	(3,881)
- Buildings disposed of in previous years but still recorded	(112)	(98)

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 for the 30/06/11 reporting year end	-	46,092
- Adjustments for the 30/06/12 reporting year end	35,313	-

Total Prior Period Adjustments - Prior Period Errors

35,313	46,092
---------------	---------------

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 2012

Note 21. Financial Result & Financial Position by Fund

\$ '000

Council utilises only a General Fund for its operations.

Note 22. "Held for Sale" Non Current Assets & Disposal Groups

Council did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

Note 23. Events occurring after Balance Sheet Date

Events that occur after the reporting date of 30 June 2012, 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 25/09/12.

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 2012.

(ii) Events that have provided evidence of conditions that arose after the Reporting Date

These financial statements (& figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2012 and which are only indicative of conditions that arose after 30 June 2012.

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".

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 25. Intangible Assets

\$ '000

Intangible Assets represent identifiable non-monetary asset without physical substance.

Council is unaware of any control over Intangible Assets that warrant recognition in the Financial Statements, including either internally generated and developed assets or purchased assets.

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

Council has legal/public obligations to make restore, rehabilitate and reinstate the following assets/operations:

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2012	2011
Waste Facility Remediation - Whytes Gully	2054 ⁽¹⁾	35,799	34,020
Balance at End of the Reporting Period	10(a)	35,799	34,020

(1) The year of restoration has been adjusted to reflect an extension to the life of the Waste Facility based on new modelling undertaken during the reporting period.

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	34,020	32,094
Effect of a change in other calculation estimates used - Helensburgh Waste Facility ⁽²⁾	(204)	-
Effect of a change in other calculation estimates used - Whytes Gully Waste Facility ⁽²⁾	112	-
Amortisation of discount (expensed to borrowing costs)	1,871	1,926
Total - Reinstatement, rehabilitation and restoration provision	35,799	34,020

(2) Adjustments to the remediation provision reflect changes to the life of each facility based on new modelling undertaken during the reporting period. The Helensburgh Waste Facility has now closed while the life of the Whytes Gully Facility has been extended to 2054.

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 2012

Note 27. Council Information & Contact Details

Principal Place of Business:

41 Burelli Street
Wollongong NSW 2500

Contact Details**Mailing Address:**

Locked Bag 8821
Wollongong NSW 2500

Opening Hours:

Administration Building: 8:30am - 5:00pm

Telephone: (02) 4227 7111

Facsimile: (02) 4227 7277

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

Elected Members**LORD MAYOR**

Gordon Bradbery

COUNCILLORS

Leigh Colacino

Janice Kershaw

Jill Merrin

Greg Petty

Michelle Blicavs

David Brown

John Dorahy

George Takacs

Chris Conner

Bede Crasnich

Vicki Curran

Ann Martin

Other Information

ABN: 63 139 525 939

Hill Rogers
Spencer Steer

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 2012, 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. Accordingly, no opinion is expressed on these matters.

Assurance Partners

T. +61 2 9232 5111
F. +61 2 9233 7950

Level 5, 1 Chifley Square
Sydney NSW 2000 Australia

GPO Box 7066
Sydney NSW 2001

www.hr-ss.com.au
info@hr-ss.com.au

Practising as Hill Rogers Spencer
Steer Assurance Partners

ABN 56 435 338 966

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. 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 we have become aware of during the course of the audit.

HILL ROGERS SPENCER STEER



BRETT HANGER
Partner

Dated at Sydney this 25th day of September 2012

Hill Rogers
Spencer Steer

25 September 2012

The Lord Mayor
Wollongong City Council
41 Burelli Street
WOLLONGONG NSW 2500

Lord Mayor,

Audit Report - Year Ended 30 June 2012

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2012 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 \$5.965 million as compared with \$50.093 million in the previous year.

Assurance Partners

T. +61 2 9232 5111
F. +61 2 9233 7950

Level 5, 1 Chifley Square
Sydney NSW 2000 Australia

GPO Box 7066
Sydney NSW 2001

www.hr-ss.com.au
info@hr-ss.com.au

Practising as Hill Rogers Spencer
Steer Assurance Partners

ABN 56 435 338 966

Hill Rogers
Spencer Steer

The following table sets out the results for the year and the extent (%) that each category of revenue and expenses contributed to the total.

	2012 \$000	% of Total	2011 \$000	% of Total	Increase (Decrease) \$000
Revenues before capital items					
Rates & annual charges	143,083	65%	138,239	66%	4,844
User charges, fees & other revenues	37,626	17%	37,259	18%	367
Grants & contributions provided for operating purposes	32,561	15%	27,839	13%	4,722
Interest & investment revenue	5,736	3%	5,930	3%	(194)
	219,006	100%	209,267	100%	9,739
Expenses					
Employee benefits & costs	93,681	40%	87,218	40%	6,463
Materials, contracts & other	74,930	32%	70,619	32%	4,311
Depreciation, amortisation & impairment	60,780	26%	59,469	27%	1,311
Borrowing costs	16	0%	50	0%	(34)
Discounting adjustment to remediation provision	1,871	1%	1,926	1%	(55)
Fair Value adjustment to interest free loan	1,349	1%	1,297	1%	52
	232,627	100%	220,579	100%	12,048
Surplus/(Deficit) before capital items	(\$13,621)		(\$11,312)		(\$2,309)
Grants & contributions provided for capital purposes	19,586		61,405		(41,819)
Net Surplus/(Deficit) for the year	\$5,965		\$50,093		(\$44,128)

The table above shows an overall decrease over the previous year of \$44.128 million. The decrease can be attributed to the receipt of contributed assets during the prior year amounting to \$53.125 million as compared to \$8.347 million received during 2011/12.

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.

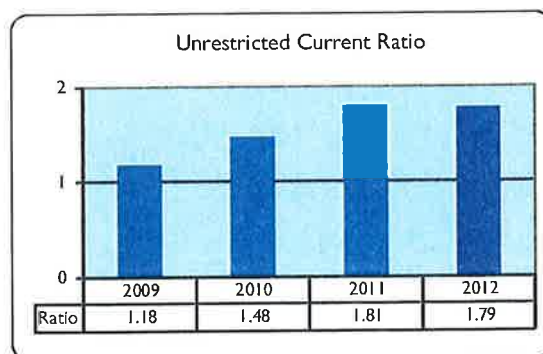
	2012	2011
	\$000	\$000
Funds were provided by:-		
Operating Result (as above)	5,965	50,093
Add back non funding items:-		
- Fair value adjustment to interest free loan	1,349	1,297
- Depreciation, amortisation & impairment	60,780	59,469
- Book value of non current assets sold	2,216	4,993
- Non-cash Contributions of assets acquired	(8,347)	(53,125)
- (Gain)/Loss of fair value to investment properties	0	(150)
- (Surplus)/Deficit in joint ventures	(298)	(141)
	<u>61,665</u>	<u>62,436</u>
Transfers from externally restricted assets (net)	0	7,922
Repayments from deferred debtors	15	15
Net Changes in current/non current assets & liabilities	<u>9,353</u>	<u>3,995</u>
	<u>71,033</u>	<u>74,368</u>
Funds were applied to:-		
Purchase and construction of assets	(64,644)	(57,661)
Principal repaid on loans	(2,760)	(650)
Finance lease instalments	(291)	(824)
Transfers to externally restricted assets (net)	(1,593)	0
Transfers to internal reserves (net)	(1,664)	(3,960)
Capital contributions to joint ventures	(150)	(150)
	<u>(71,102)</u>	<u>(63,245)</u>
Increase/(Decrease) in Available Working Capital	(69)	11,123

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 \$29.279 million representing a factor of 1.79 to 1.



2.2 Available Working Capital – (Working Funds)

At the close of the year the Available Working Capital of Council stood at \$23.902 million as detailed below;

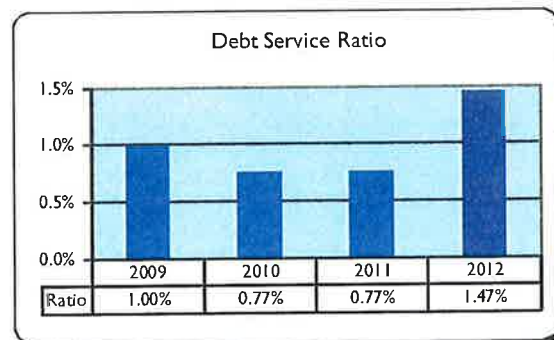
	2012	2011	Change
	\$000	\$000	\$000
Net Current Assets (Working Capital) as per Accounts	49,867	53,713	(3,846)
Add: Payables, provisions and inventories not expected to be realised in the next 12 months included above	21,693	14,489	7,204
Adjusted Net Current Assets	71,560	68,202	3,358
Add: Budgeted & expected to pay in the next 12 months			
- Borrowings	1,659	1,843	(184)
- Employees leave entitlements	9,842	9,687	155
- Self insurance claims	1,656	1,798	(142)
- Deposits & retention moneys	462	461	1
- Deferred debtors	(15)	(15)	0
Less: Externally restricted assets	(42,281)	(40,688)	(1,593)
Less: Internally restricted assets	(18,981)	(17,317)	(1,664)
Available Working Capital as at 30 June	\$ 23,902	\$ 23,971	\$ (69)

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. Taking into consideration the nature and level of the internally restricted assets (Reserves) set aside to fund future works and services and liabilities, Council's Available Working Capital at year end was sound.

2.3 Debt

Operating revenue (excluding special purpose grants and contributions) required to service debt (loan repayments) was 1.47%.

After repaying principal and interest of \$3.067 million Council's debt as at 30 June 2012 amounted \$16.645 million.



2.4 Summary

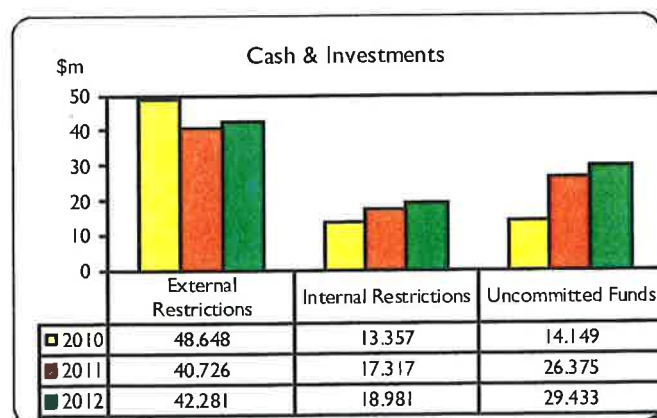
Council's overall financial position, when taking into account the above financial indicators is, in our opinion, sound.

3. CASH ASSETS

3.1 Cash & Investments

Cash and investments held at the close of the year amounted to \$90.695 million as compared with \$84.418 million and \$76.154 million at the close of financial years 2011 and 2010 respectively.

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 (\$7.359 million), domestic waste management charges (\$4.116 million), stormwater management charges (\$723,000), unexpended loans (\$16.062 million) and other specific purpose grants, contributions and levies (\$14.021 million).

Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect forward plans and identified programs of works. These amounts totalled \$18.981 million and their purposes are more fully disclosed in Notes 6 of the financial statements.

Unrestricted cash and investments amounted to \$29.433 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 \$8.295 million to \$83.506 million at the close of the year.

In addition to operating activities which contributed net cash of \$72.350 million were the sale of assets (\$1.114 million), sale of investments (\$3.027 million) and receipts from deferred debtors (\$15,000). Cash outflows other than operating activities were used to repay principal on loans and finance leases (\$3.051 million), purchase and construct assets (\$64.021 million), purchase investments (\$989,000) and to make contributions to joint ventures (\$150,000).

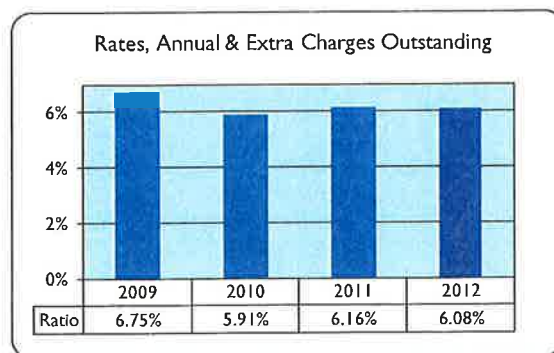
4. RECEIVABLES

4.1 Rates & Annual Charges (excluding interest & extra charges)

Net rates and annual charges levied during the year totalled \$143.083 million. Including arrears, the total rates and annual charges collectible was \$151.176 million of which \$143.122 million (94.67%) was collected.

4.2 Rates, Annual & Extra Charges

Arrears of rates, annual & extra charges stood at \$9.328 million at the end of the year and represented 6.08% of those receivables.



4.3 Other Receivables

Receivables (other than rates annual & extra charges) totalled \$8.766 million and included amounts due from other levels of government of \$2.949 million and user charges and fees amounting to \$2.625 million. Those considered to be uncertain of collection have been provided for as doubtful debts and this provision amounted to \$351,000.

5. PAYABLES

5.1 Employees Leave Entitlements

Council's provision for its liability towards employees leave entitlements and associated on costs amounted to \$36.596 million. No internally restricted cash and investments were specifically held at year end to meet any unbudgeted and unanticipated terminations. Whilst a funding level of 20% is generally considered the industry benchmark, management are of the opinion that the pay out of leave entitlements throughout the year is adequately funded through the annual budgeting process and available working capital.

5.2 Self Insurance

Workers Compensation insurance claims have been actuarially assessed at \$7.950 million (2011 - \$7.324 million) and a bank guarantee of \$10.791 million is held to cover these claims as required by the WorkCover Authority of NSW.

6. MANAGEMENT LETTER

An audit management letter addressing the findings from our interim audit was issued on 17 August 2012. This included our recommendations on possible ways to strengthen and/or improve procedures and management's comments and proposed actions.

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.

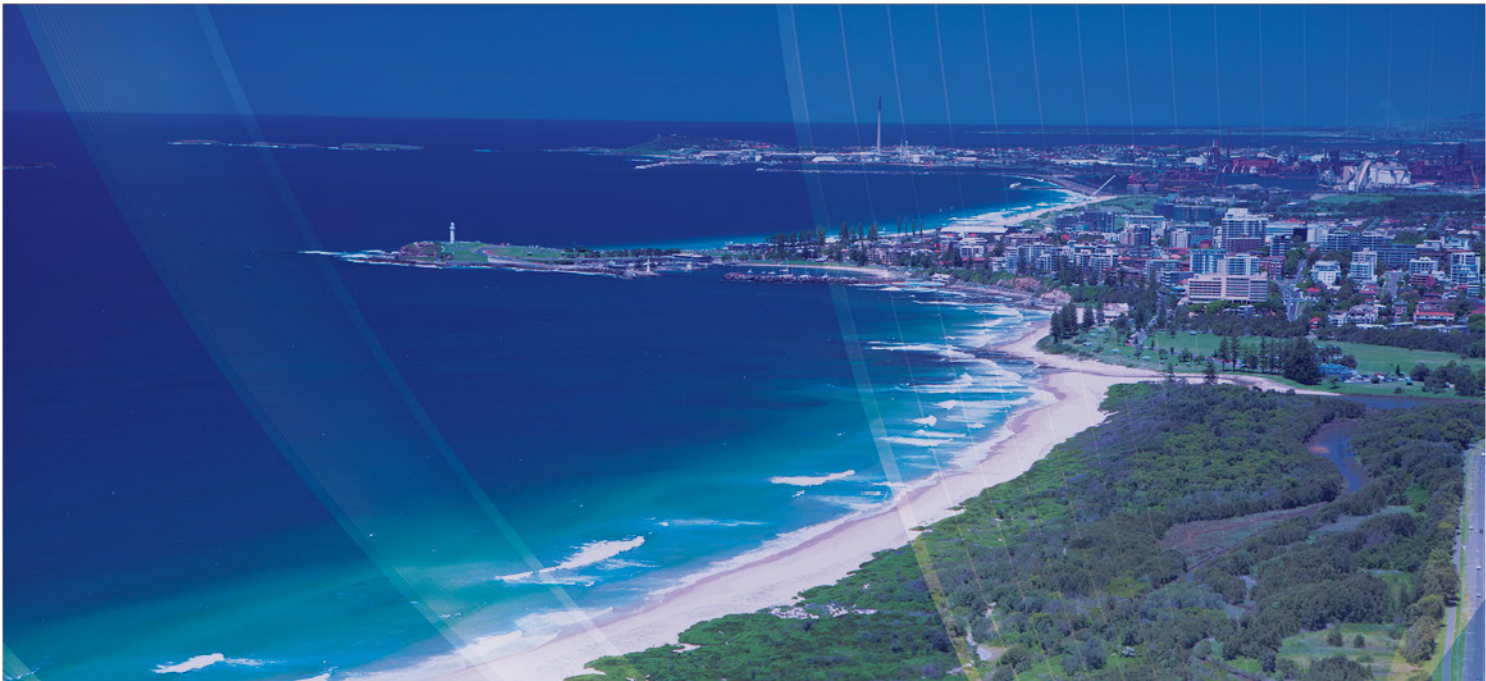
Yours faithfully,

HILL ROGERS SPENCER STEER



BRETT HANGER

Partner



WOLLONGONG CITY COUNCIL

WORKING WITH YOU

ANNUAL REPORT 2011-12 ATTACHMENT C SPECIAL PURPOSE FINANCIAL STATEMENTS

Wollongong City Council

Special Purpose Financial Statements for the financial year ended 30 June 2012

Contents	Page
1. Statement by Councillors & 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	

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 2012

Statement by Councillors and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

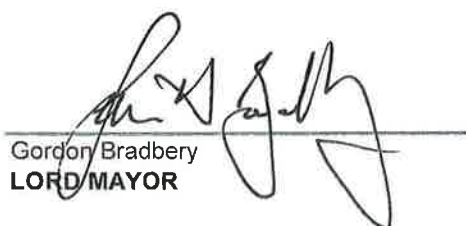
- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.
- 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.

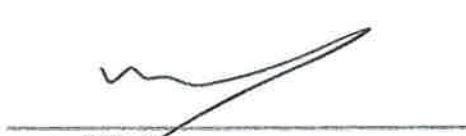
Signed in accordance with a resolution of Council made on 24 September 2012.



Gordon Bradbery
LORD MAYOR



John Dorahy
DEPUTY LORD MAYOR



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 2012

	Waste Disposal		Tourist Parks	
	Category 1		Category 1	
\$ '000	Actual 2012	Actual 2011	Actual 2012	Actual 2011
Income from continuing operations				
Access charges	-	-	-	-
User charges	20,908	21,113	4,950	5,349
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	219	199	72	68
Total income from continuing operations	21,127	21,312	5,022	5,417
Expenses from continuing operations				
Employee benefits and on-costs	1,646	1,625	2,232	2,292
Borrowing costs	1,871	1,926	-	-
Materials and contracts	1,472	1,715	762	740
Depreciation and impairment	3,263	1,565	819	863
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	327	309	630	168
Debt guarantee fee (if applicable)	-	-	-	-
EPA Levy	11,481	8,439	-	-
Other expenses	2,300	1,966	756	821
Total expenses from continuing operations	22,360	17,545	5,199	4,884
Surplus (deficit) from Continuing Operations before capital amounts	(1,233)	3,767	(177)	533
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(1,233)	3,767	(177)	533
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	(1,233)	3,767	(177)	533
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	(1,130)	-	(160)
SURPLUS (DEFICIT) AFTER TAX	(1,233)	2,637	(177)	373
plus Opening Retained Profits	(11,692)	(15,768)	10,848	10,147
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	327	309	630	168
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	1,130	-	160
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	(12,598)	(11,692)	11,301	10,848
Return on Capital %	1.4%	12.4%	-1.3%	4.0%
Subsidy from Council	713	-	589	169

Wollongong City Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2012

	Health & Fitness Category 1		Crematorium & Cemeteries Category 1	
\$ '000	Actual 2012	Actual 2011	Actual 2012	Actual 2011
Income from continuing operations				
Access charges	-	-	-	-
User charges	2,300	2,280	2,371	2,002
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	29	33	-	-
Total income from continuing operations	2,329	2,313	2,371	2,002
Expenses from continuing operations				
Employee benefits and on-costs	2,032	2,025	1,464	1,471
Borrowing costs	-	-	-	-
Materials and contracts	245	257	292	224
Depreciation and impairment	11	40	11	133
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	332	187	85	93
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	896	839	405	411
Total expenses from continuing operations	3,516	3,348	2,257	2,332
Surplus (deficit) from Continuing Operations before capital amounts	(1,187)	(1,035)	114	(330)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(1,187)	(1,035)	114	(330)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	(1,187)	(1,035)	114	(330)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	(34)	-
SURPLUS (DEFICIT) AFTER TAX	(1,187)	(1,035)	80	(330)
plus Opening Retained Profits	(6,535)	(5,687)	5,332	5,569
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	332	187	85	93
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	-	34	-
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	(7,390)	(6,535)	5,531	5,332
Return on Capital %	-9.2%	-8.1%	0.8%	-2.4%
Subsidy from Council	1,579	1,698	301	1,035

Wollongong City Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2012

	Waste Disposal		Tourist Parks	
	Category 1		Category 1	
\$ '000	Actual 2012	Actual 2011	Actual 2012	Actual 2011
ASSETS				
Current Assets				
Cash and cash equivalents	17,635	15,702	-	-
Investments	-	-	-	-
Receivables	984	1,011	28	16
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	18,619	16,713	28	16
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	44,583	46,012	13,591	13,480
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	44,583	46,012	13,591	13,480
TOTAL ASSETS	63,202	62,725	13,619	13,496
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	2,563	1,855	354	290
Interest bearing liabilities	-	-	-	-
Provisions	504	415	403	446
Total Current Liabilities	3,067	2,270	757	736
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	35,907	34,133	144	150
Other Liabilities	36,826	38,014	1,417	1,762
Total Non-Current Liabilities	72,733	72,147	1,561	1,912
TOTAL LIABILITIES	75,800	74,417	2,318	2,648
NET ASSETS	(12,598)	(11,692)	11,301	10,848
EQUITY				
Retained earnings	(12,598)	(11,692)	11,301	10,848
Revaluation reserves	-	-	-	-
Council equity interest	(12,598)	(11,692)	11,301	10,848
Minority equity interest	-	-	-	-
TOTAL EQUITY	(12,598)	(11,692)	11,301	10,848

Wollongong City Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2012

	Health & Fitness		Crematorium & Cemeteries	
	Category 1		Category 1	
\$ '000	Actual 2012	Actual 2011	Actual 2012	Actual 2011
ASSETS				
Current Assets				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables	55	30	210	189
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	55	30	210	189
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	12,928	12,734	13,688	13,526
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	12,928	12,734	13,688	13,526
TOTAL ASSETS	12,983	12,764	13,898	13,715
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	110	56	122	178
Interest bearing liabilities	-	-	-	-
Provisions	413	389	623	585
Total Current Liabilities	523	445	745	763
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	131	131	98	100
Other Liabilities	19,719	18,723	7,524	7,520
Total Non-Current Liabilities	19,850	18,854	7,622	7,620
TOTAL LIABILITIES	20,373	19,299	8,367	8,383
NET ASSETS	(7,390)	(6,535)	5,531	5,332
EQUITY				
Retained earnings	(7,390)	(6,535)	5,531	5,332
Revaluation reserves	-	-	-	-
Council equity interest	(7,390)	(6,535)	5,531	5,332
Minority equity interest	-	-	-	-
TOTAL EQUITY	(7,390)	(6,535)	5,531	5,332

Wollongong City Council

Special Purpose Financial Statements

for the financial year ended 30 June 2012

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 2012

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 is not a reporting entity.

The figures presented in these special purpose financial statements have been prepared in accordance with the recognition criteria of;

- applicable Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Australian Accounting Interpretations,

The disclosures in these special purpose financial statements have been prepared in accordance with;

- 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 or except where specifically stated, current values of non-current assets.

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.

Wollongong City Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2012

Note 1. Significant Accounting Policies (continued)

(i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations (General Purpose Financial Statements) just like all other costs. However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council nominated business activities and are reflected in the SPFS.

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 **\$396,000** of combined land values attracts **0%**. From \$396,001 to \$2,421,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,421,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$678,000.

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 GPFR. 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. 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 2012

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”.

Funds are subsequently available for meeting commitments or financing future investment strategies.

The Rate of Return is disclosed for each of Council's business activities on the Income statement.

(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 COUNCIL
SPECIAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying *special purpose financial statements* of **Wollongong Council**, which comprises the Balance Sheet as at 30 June 2012, 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.

Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

Assurance Partners

T. +61 2 9232 5111
F. +61 2 9233 7950

Level 5, 1 Chifley Square
Sydney NSW 2000 Australia

GPO Box 7066
Sydney NSW 2001

www.hr-ss.com.au
info@hr-ss.com.au

Practising as Hill Rogers Spencer
Steer Assurance Partners

ABN 56 435 338 966

Hill Rogers
Spencer Steer

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.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the financial requirements of the Division of Local Government. As a result, the financial statements may not be suitable for another purpose.

HILL ROGERS SPENCER STEER



BRETT HANGER

Partner

Dated at Sydney this 25th day of September 2012

Wollongong City Council

SPECIAL SCHEDULES
for the year ended 30 June 2012



Wollongong City Council

Special Schedules

for the financial year ended 30 June 2012

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 2012

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	1,597	-	-	(1,597)
Administration	33,017	4,438	35	(28,544)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	4,601	571	-	(4,030)
Beach Control	5,095	4	-	(5,091)
Enforcement of Local Govt. Regulations	1,932	2,059	-	127
Animal Control	1,037	492	-	(545)
Other	47	6	-	(41)
Total Public Order & Safety	12,712	3,132	-	(9,580)
Health	1,516	563	-	(953)
Environment				
Noxious Plants and Insect/Vermin Control	-	-	-	-
Other Environmental Protection	5,604	930	541	(4,133)
Solid Waste Management	34,677	38,382	-	3,705
Street Cleaning	4,041	-	-	(4,041)
Drainage	10,021	1,729	-	(8,292)
Stormwater Management	-	-	-	-
Total Environment	54,343	41,041	541	(12,761)
Community Services and Education				
Administration & Education	36	-	-	(36)
Social Protection (Welfare)	4,312	2,907	-	(1,405)
Aged Persons and Disabled	1,134	452	-	(682)
Children's Services	2,495	993	-	(1,502)
Total Community Services & Education	7,977	4,352	-	(3,625)
Housing and Community Amenities				
Public Cemeteries	2,180	2,371	-	191
Public Conveniences	618	-	-	(618)
Street Lighting	2,976	448	-	(2,528)
Town Planning	8,203	3,203	3,415	(1,585)
Other Community Amenities	2,157	1,373	-	(784)
Total Housing and Community Amenities	16,134	7,395	3,415	(5,324)
Water Supplies	-	-	-	-
Sewerage Services	-	-	-	-

Wollongong City Council

Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2012

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	9,968	801	-	(9,167)
Museums	-	-	-	-
Art Galleries	1,871	166	34	(1,671)
Community Centres and Halls	5,350	465	-	(4,885)
Performing Arts Venues	2,825	37	-	(2,788)
Other Performing Arts	-	-	-	-
Other Cultural Services	658	24	-	(634)
Sporting Grounds and Venues	1,000	526	-	(474)
Swimming Pools	5,645	496	-	(5,149)
Parks & Gardens (Lakes)	17,525	475	-	(17,050)
Other Sport and Recreation	3,232	2,329	-	(903)
Total Recreation and Culture	48,074	5,319	34	(42,721)
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	40,024	1,874	15,104	(23,046)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	-	-	-	-
Sealed Rural Roads (SRR) - 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	2,266	1,210	25	(1,031)
Footpaths	5,267	62	432	(4,773)
Aerodromes	-	-	-	-
Other Transport & Communication	2	-	-	(2)
Total Transport and Communication	47,559	3,146	15,561	(28,852)
Economic Affairs				
Camping Areas & Caravan Parks	4,745	5,022	-	277
Other Economic Affairs	4,953	4,521	-	(432)
Total Economic Affairs	9,698	9,543	-	(155)
Totals – Functions	232,627	78,929	19,586	(134,112)
General Purpose Revenues⁽²⁾		139,779		139,779
Share of interests - joint ventures & associates using the equity method	-	298		298
NET OPERATING RESULT ⁽¹⁾	232,627	219,006	19,586	5,965

(1) As reported in the Income Statement | (2) Includes: Rates & Annual Charges (incl. Ex Gratia, excl. Water & Sewer), Non Capital General Purpose Grants & Interest on Investments (excl. Ext. Restricted Assets)

Wollongong City Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose) for the financial year ended 30 June 2012

\$'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	2,760	22,640	25,400	-	2,760	-	-	-	2,760	19,880	22,640
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	2,760	22,640	25,400	-	2,760	-	-	-	2,760	19,880	22,640
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	431	-	431	-	291	-	-	15	140	-	140
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	431	-	431	-	291	-	-	15	140	-	140
Total Debt	3,191	22,640	25,831	-	3,051	-	-	15	2,900	19,880	22,780

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** (which are reported in the GPFS).

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense (\$)	Cost	Valuation	Accum. Depreciation Amortisation & 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 >>>>>>>>>							
	Buildings	1-10%	14,992		585,073	290,553	294,520	3	22,033	5,842	3,705
	sub total		14,992	-	585,073	290,553	294,520		22,033	5,842	3,705
Other Assets & Structures											
	Recreation & Other	1-10%	4,399		123,395	89,248	34,147	3	20,630	1,410	1,498
	sub total		4,399	-	123,395	89,248	34,147		20,630	1,410	1,498
Transport											
	Road & Road Related Assets	1-5%	18,315		1,173,092	714,351	458,741	3	65,122	5,048	5,894
	Bridges, Boardwalk & Jetties	1-10%	1,011		80,499	39,340	41,159	3	3,248	851	33
	Footpaths & Cycleways	1-3%	2,821		216,482	165,511	50,971	3	11,198	2,121	421
	Other Transport Assets	1-10%	1,470		56,417	26,195	30,222	3	3,635	479	669
	sub total		23,617	-	1,526,490	945,397	581,093		83,203	8,499	7,017
Stormwater											
	Stormwater	1-5%	8,043		814,794	323,466	491,328	3	32,144	2,734	444
	sub total		8,043	-	814,794	323,466	491,328		32,144	2,734	444
	TOTAL - ALL ASSETS		51,051	-	3,049,752	1,648,664	1,401,088		158,010	18,485	12,664

Special Schedule No. 7 - Condition of Public Works (continued) as at 30 June 2012

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) however, service levels identified in Council's Draft Asset Management Plans have been used where available. The cost estimates are based on adopted valuation methodologies, and do not generally include the cost of enhancements/upgrades to existing assets. The nominated percentage of each asset type below satisfactory standard is detailed under Condition of Public Works in the Annual Report.
- (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.
- (4) Asset class groupings have been modified from previous years. Below is a summary of asset types included in each group:
- Buildings** : Community Facilities, Cultural Facilities, Childcare Centres, Public Toilets, Exeloos, Grandstands, Surf Life Saving Clubs, Amenities, Office/Shops, Industrial, Residences, Cabins and Leisure Centres
 - Roads and Road Related Assets** : Road seal, base, sub-base, kerb and gutter, guardrails and traffic facilities (roundabouts, speedhumps, medians etc)
 - Bridge, Boardwalks and Jetties** : Road Bridges, Pedestrian Bridges, Boardwalks and Jetties
 - Footpaths and Cycleways** : Footpaths and cycleways (excluding off road footpaths in parks)
 - Other Transport Assets** : Carparks, Boatramps, Bus Shelters, Retaining Walls and roadside furniture (fences, signage and bollards)
 - Stormwater** : Pits, Pipes, Headwalls, Culverts and Riparian Assets
 - Recreation** : Pools, Playgrounds, Sport Courts, Park Furniture, Picnic Shelters and Landscaping
 - Other** : Waste Facilities and Off-road Footpaths

Special Schedule No. 7 - Condition of Public Works (continued) as at 30 June 2012

Condition of Public Assets

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 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 in an 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.

Wollongong City Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2012

\$'000	Actual ⁽¹⁾ 11/12	Forecast 12/13	Forecast 13/14	Forecast⁽³⁾ 14/15	Forecast⁽³⁾ 15/16
(i) OPERATING BUDGET					
Income from continuing operations	238,592	222,188	236,489	240,055	247,538
Expenses from continuing operations	232,627	237,670	242,623	249,763	257,597
Operating Result from Continuing Operations	<u>5,965</u>	<u>(15,482)</u>	<u>(6,134)</u>	<u>(9,708)</u>	<u>(10,059)</u>
(ii) CAPITAL BUDGET					
New Capital Works ⁽²⁾	40,959	35,471	32,796	30,558	32,852
Replacement/Refurbishment of Existing Assets	32,130	33,322	35,738	36,825	35,154
Total Capital Budget	<u>73,089</u>	<u>68,793</u>	<u>68,534</u>	<u>67,383</u>	<u>68,006</u>
Funded by:					
– Loans	-	1,750	4,000	6,750	7,000
– Asset sales	525	1,660	5,637	2,073	1,808
– Reserves	12,004	19,500	16,231	19,889	15,632
– Grants/Contributions	16,324	9,697	11,781	5,615	9,695
– Recurrent revenue	44,236	36,186	30,885	33,056	33,871
	<u>73,089</u>	<u>68,793</u>	<u>68,534</u>	<u>67,383</u>	<u>68,006</u>

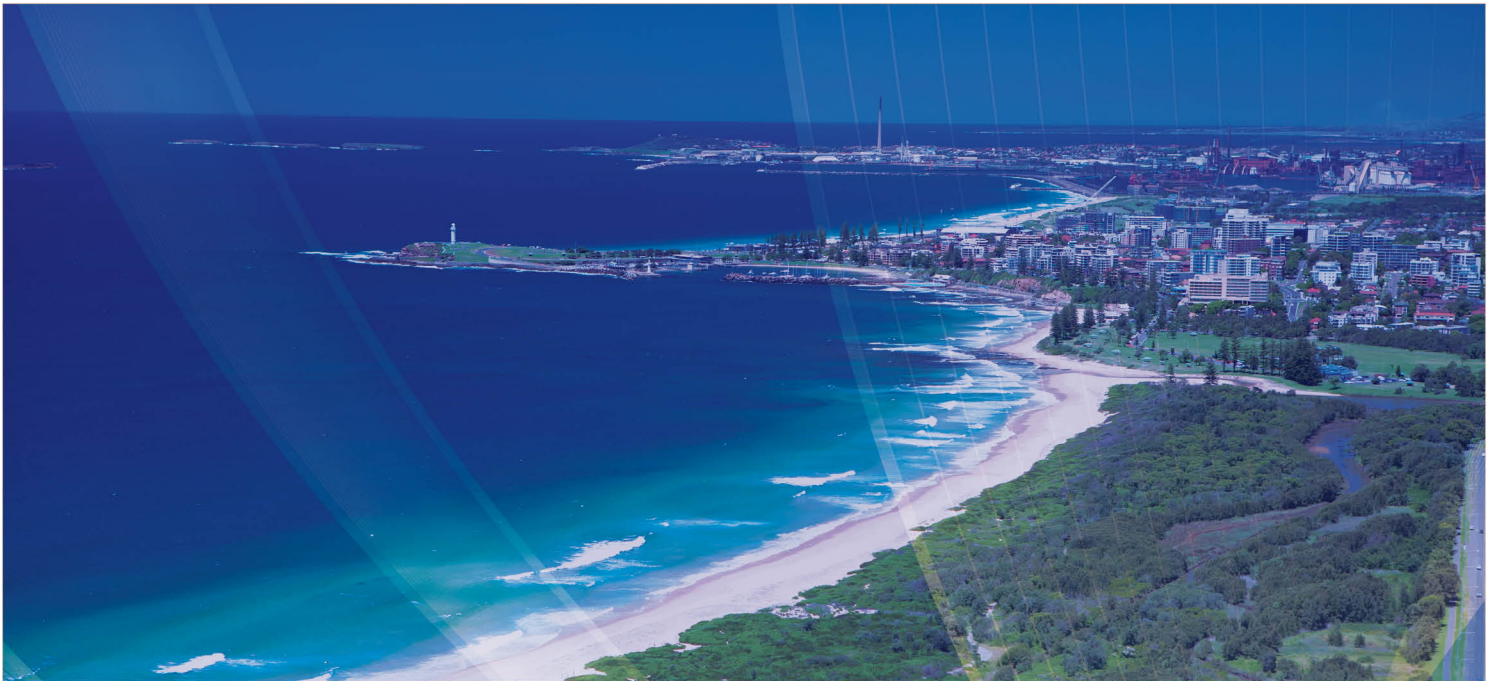
Notes:

(1) From 11/12 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.

(4) Financial Projections should be in accordance with Council's Integrated Planning & Reporting framework.



WOLLONGONG CITY COUNCIL

WORKING WITH YOU

ANNUAL REPORT 2011-12 ATTACHMENT D PAYMENT OF EXPENSES AND PROVISION OF FACILITIES TO LORD MAYOR AND COUNCILLORS

PAYMENT OF EXPENSES AND PROVISION OF FACILITIES TO LORD MAYOR AND COUNCILLORS

COUNCIL POLICY

BACKGROUND

The Local Government Act 1993 requires Council to adopt a policy that allows for Councillors to receive adequate and reasonable expenses and facilities to enable them to carry out their civic duties as elected representatives of their local communities.

OBJECTIVE

The objective of this policy is to ensure that there is accountability and transparency in the payment of expenses incurred or to be incurred by Councillors and that these expenses and the facilities provided to Councillors are acceptable to and meet the expectations of the local community.

POLICY STATEMENT

This policy is to be read in conjunction with Council's Code of Conduct for Councillors, particularly those provisions relating to the use of resources, to ensure that Councillor expenses and facilities are not used inappropriately.

TABLE OF CONTENTS

PART 1 – INTRODUCTION.....	4
Commencement.....	4
Purpose	4
Objectives	4
Availability of Policy	4
Reporting Requirements	4
Legislative Provisions	5
Approval Arrangements.....	7
Trim Reference	7
PART 2 – PAYMENT OF EXPENSES.....	8
GENERAL PROVISIONS	8
Allowances and Expenses.....	8
Payment in Advance.....	8
Reimbursement and Reconciliation of Expenses and Payments in Advance.....	8
Community Functions	8
Dinners and Other Non-Council Functions	8
Spouse and Partner Expenses.....	9
SPECIFIC EXPENSES FOR MAYORS AND COUNCILLORS.....	9
Attendance at Conferences and Seminars	9
Accommodation	10
Professional Development.....	11
Local Travel Expenses – Official Council Business.....	11
Care and Other Related Expenses.....	12
Insurance Expenses and Obligations	12
Legal Expenses and Obligations.....	13
PART 3 – PROVISION OF FACILITIES	14
GENERAL PROVISIONS	14
Provision of Facilities Generally	14
Private Use of Equipment and Facilities	14
PROVISION OF EQUIPMENT AND FACILITIES FOR COUNCILLORS.....	14
Office	14
Mobile Telephony	14
Information Communication Technology	15
Shredder.....	15
Newspaper	15
Stationery	15
Postage.....	15
Meals	15

Refreshments	15
Use of Motor Vehicle	16
Parking	16
Lockers	16
Insignia of Office	16
Secretarial Support	16
Correspondence	16
PROVISION OF ADDITIONAL EQUIPMENT AND FACILITIES FOR LORD MAYOR.....	17
Motor Vehicle	17
Office	17
Purchase Card	17
Motor Vehicle Parking Space	17
Staff	17
Refreshments	17
Insignia of Office	17
MAINTENANCE AND SERVICING OF EQUIPMENT.....	17
PART 4 – OTHER MATTERS	18
A Acquisition and Returning of Facilities and Equipment by Councillors	18
B Status of the Policy	18
C Dispute Resolution	18

STATEMENT OF PROCEDURES

PART 1 – INTRODUCTION

Commencement

- This policy commences on 3 September 2011 and replaces the existing policy on the Payment of Expenses and Provision of Facilities to the Lord Mayor, Deputy Lord Mayor and Councillors last amended on 20 November 2007.

Purpose

- To ensure that there is accountability and transparency in the payment and/or reimbursement of expenses incurred or to be incurred by Councillors in carrying out their civic duties; and
- To ensure that the reimbursement of expenses and facilities provided to assist Councillors to carry out their civic duties are appropriate and reasonable.

Objectives

- To comply with legislative requirements.
- To ensure that Councillors are not financially or otherwise disadvantaged in undertaking their civic duties.

Availability of Policy

- Council will ensure that this policy is readily identifiable and available to the community via Council's website.

Reporting Requirements

Legislative

Clause 217 of the Local Government (General) Regulation 2005 requires Council to include detailed information in its Annual Report about the payment of expenses and facilities to Councillors.

An annual report is to include the following information:

- Details (including the purpose) of overseas visits undertaken during the year by Councillors, Council staff or other persons while representing the Council (including visits sponsored by other organisations)
- Details of the total cost during the year of the payment of the expenses of, and the provision of facilities to, Councillors in relation to their civic functions (as paid by the Council, reimbursed to the Councillor or reconciled with the Councillor), including separate details on the total cost of each of the following:
 - The provision during the year of dedicated office equipment allocated to Councillors on a personal basis, such as laptop computers, mobile telephones and landline telephones and facsimile machines installed in Councillors' homes (including equipment and line rental costs and internet access costs but not including call costs),

- Telephone calls made by Councillors, including calls made from mobile telephones provided by Council and from landline telephones and facsimile services installed in Councillors' homes,
- The attendance of Councillors at conferences and seminars,
- The training of Councillors and the provision of skill development for Councillors,
- Interstate visits undertaken during the year by Councillors while representing the Council, including the cost of transport, the cost of accommodation and other out-of-pocket travelling expenses,
- Overseas visits undertaken during the year by Councillors while representing the Council, including the cost of transport, the cost of accommodation and other out-of-pocket travelling expenses,
- The expenses of any spouse, partner (whether of the same or the opposite sex) or other person who accompanied a Councillor in the performance of his or her civic functions, being expenses payable in accordance with the *Guidelines for the Payment of Expenses and the Provision of Facilities for Mayors and Councillors for Local Councils in NSW* prepared by the Director-General from time to time,
- Expenses involved in the provision of care for a child of, or an immediate family member of, a Councillor, to allow the Councillor to undertake his or her civic functions.

Council's Annual Report must also incorporate a copy of this policy.

Council

A report on Councillor and General Manager expenses will be submitted to each Corporate Governance Committee meeting and an audit of Councillor and General Manager expenses will be included in the Internal Audit Plan and undertaken every two years.

Legislative Provisions

This policy has been prepared in accordance with the provisions of Sections 23A, 252, 253 and 254 of the Local Government Act 1993 and Clause 403 of the Local Government (General) Regulation 2005 which are detailed hereunder –

Local Government Act 1993

Section 252 of the Act states –

- (1) Within 5 months after the end of each year, a council must adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor (if there is one) and the other councillors in relation to discharging the functions of civic office.
- (2) The policy may provide for fees payable under this Division to be reduced by an amount representing the private benefit to the mayor or a councillor of a facility provided by the council to the mayor or councillor.
- (3) A council must not pay any expenses incurred or to be incurred by, or provide any facilities to, the mayor, the deputy mayor (if there is one) or a councillor otherwise than in accordance with a policy under this section.

- (4) A council may from time to time amend a policy under this section.
- (5) A policy under this section must comply with the provisions of this Act, the regulations and any relevant guidelines issued under section 23A.

Section 253 of the Act states –

- (1) A council must give public notice of its intention to adopt or amend a policy for the payment of expenses or provision of facilities allowing at least 28 days for the making of public submissions.
- (2) Before adopting or amending the policy, the council must consider any submissions made within the time allowed for submissions and make any appropriate changes to the draft policy or amendment.
- (3) Despite subsections (1) and (2), a council need not give public notice of a proposed amendment to its policy for the payment of expenses or provision of facilities if the council is of the opinion that the proposed amendment is not substantial.
- (4) Within 28 days after adopting a policy or making an amendment to a policy for which public notice is required to be given under this section, a council is to forward to the Director-General –
 - (a) a copy of the policy or amendment together with details of all submissions received in accordance with subsection (1), and
 - (b) a statement setting out, for each submission, the council's response to the submission and the reasons for the council's response, and
 - (c) a copy of the notice given under subsection (1).
- (5) A council must comply with this section when proposing to adopt a policy each year in accordance with section 252(1) even if the council proposes to adopt a policy that is the same as its existing policy.

Section 254 of the Act requires that a part of a Council or Committee meeting which considers the adopting or amending of this policy must not be closed to the public.

Section 23A of the Act makes provision for the Director-General of the Division of Local Government from time to time to prepare, adopt or vary guidelines that relate to the exercise of any of its functions. It also requires that a Council must take the relevant guidelines into consideration before exercising any of its functions.

Local Government (General) Regulation 2005

Clause 403 of the Regulation states that a policy under Section 252 of the Local Government Act 1993 must not include any provision enabling a Council –

- To pay any Councillor an allowance in the nature of a general expense allowance, or
- To make a motor vehicle owned or leased by the Council available for the exclusive or primary use or disposition of a particular Councillor other than a Mayor.

Other Government Policy Provisions

This policy has also been prepared in consultation with the following documents –

- The Department of Local Government Guidelines for payment of expenses and provision of facilities for Mayors and Councillors dated October 2009 which have been issued under Section 23A of the Local Government Act 1993.
- Council's previous policy on the Payment of Expenses and Provision of Facilities to the Lord Mayor, Deputy Lord Mayor and Councillors.
- Department of Local Government Circulars to Council, particularly Circular N^os 02/34 of 19/7/02, 05/08 of 9/3/05 and 06-57 of 5/9/06.
- Council's Code of Conduct and in particular Clauses 10.12 and 10.14 to 10.18.
- ICAC publication – No Excuse for Misuse.

Approval Arrangements

- Councillor attendance at conferences, seminars, training and skills development sessions and the like will be considered following submission of a completed Councillor Request for Conference/Seminar/Training Application.
- All Applications requiring overnight accommodation or air travel will be determined in open Council. The report to Council must detail the purpose of the trip, expected benefits, duration, itinerary, approximate costs and nomination/number of Councillors undertaking the trip.
- All other Applications and where approval at a meeting of Council is not possible or appropriate, Councillors will be determined by the Lord Mayor and noted by the General Manager.
- An application submitted by the Lord Mayor will be determined by the Deputy Lord Mayor and noted by the General Manager.
- Retrospective reimbursement of overseas travel expenses is not allowed unless prior authorisation of the travel has been obtained.
- The use of a Mayoral minute to obtain Council approval for travel is not appropriate as it is not consistent with the principles of openness and transparency.

Trim Reference

The Trim container for this policy is GI-80.07.03.001.

PART 2 – PAYMENT OF EXPENSES

GENERAL PROVISIONS

Allowances and Expenses

- Council will reimburse reasonable incidental personal out of pocket expenses incurred by Councillors in attending Civic Functions, Seminars, Conferences and Training Sessions.

Incidental expenses include telephone or facsimile calls, laundry and dry cleaning, taxi fares, parking station fees and cost of meals not included in registration fees, but excludes tips, and such expenses shall not exceed –

- * \$50.00 per day excluding meals or
- * \$100.00 per day including meals.

- Other incidental expenses such as refreshments and parking meter fees, up to a value of \$15.00 per day, may be incurred and reimbursed, without substantiation, following completion of the appropriate claim form. This amount is based on Australian Taxation Office Taxation Ruling 97/14.

Payment in Advance

Councillors may request a payment in advance, up to a maximum of \$100 per day, in anticipation of expenses being incurred in attending conferences, seminars and training outside the City of Wollongong.

Reimbursement and Reconciliation of Expenses and Payments in Advance

Councillors are required to complete a Petty Cash claim form for claims less than \$50.00 or alternatively the Reimbursement of Expenses form for claims greater than \$50.00.

Unless otherwise stated in this Policy a claim for reimbursement of expenses and accounting for any payment in advance must be substantiated and lodged within 30 days of the costs being incurred.

Community Functions

Council will provide a budget allocation in the Annual Budget for Councillor attendance at community functions.

Where a Councillor accepts an invitation to attend a community function in the role of a Councillor, Council shall meet all costs associated with such attendance, including entry and hire of special attire but excluding travel costs.

Dinners and Other Non-Council Functions

- Council will meet the entry fee associated with the attendance of a Councillor at a dinner or other non-Council function which provides briefings to Councillors from key members of the community, politicians and business.
- Attendance must be authorised by the Lord Mayor and noted by the General Manager.
- Council will not contribute to, or reimburse to a Councillor, any costs associated with attendance at any political fundraising event, any donation to a political party or candidate's electoral fund or for some other private benefit.

Spouse and Partner Expenses

Council will meet –

- Reasonable costs of spouses, partners or an accompanying person in attending official Council functions that are of a formal or ceremonial nature where the Councillor's spouse, partner or accompanying person would reasonably be expected to attend. Examples include, but are not limited to Australia Day Award Ceremonies, Citizenship Ceremonies, Civic Receptions and Charitable functions at the request of the Lord Mayor.
- Limited expenses associated with the attendance of the Councillor's spouse, partner or accompanying person at the Annual Local Government Association Conference. These expenses are limited to the cost of the spouse, partner or accompanying person's registration and official conference dinner.

Travel expenses, any additional accommodation expenses and the cost of the spouse, partner or accompanying person's tours, etc. will be the responsibility of individual Councillors.

- Reasonable expenses for the spouse, partner or accompanying person of the Lord Mayor, or a Councillor when they are representing the Lord Mayor, when called on to attend an official function of Council or carry out an official ceremonial duty while accompanying the Lord Mayor or Councillor representing the Lord Mayor outside the Wollongong City Council area but within the State. Such functions include charitable functions to which the Lord Mayor has been invited and award ceremonies and other functions to which the Lord Mayor is invited to represent the Council.

The payment of expenses as detailed above is limited to the cost of the ticket, meal and/or the direct cost of attending the function. Peripheral expenses incurred by a spouse, partner or accompanying person such as grooming, special clothing and transport are not reimbursable expenses.

Where not provided above, all expenses incurred in relation to the attendance of a spouse, partner or accompanying person at any event, function, seminar, conference, business trip and the like, must be met by the Councillor or the spouse, partner or accompanying person.

In this section, reference to an "accompanying person" is a person who has a close personal relationship with the Councillor and/or provides carer support for the Councillor.

SPECIFIC EXPENSES FOR MAYORS AND COUNCILLORS

Attendance at Conferences and Seminars

Councillors will be required to submit a Councillor Request for Conference/Seminar/Training Application in respect of all other Conferences and Seminars for approval in accordance with this policy – refer Approval Arrangements with the exception of those Seminars and training courses included in Council's Induction Program.

In determining Council's delegates to the Local Government Association of New South Wales Annual Conference the Lord Mayor and Deputy Lord Mayor are automatically granted delegate status.

Costs

- Council will arrange for all bookings and reservations associated with Councillors' attendance at approved conferences covered by this policy including those relating to official luncheons, dinners and tours/inspections considered relevant to the business and interest of Council.
- All other costs incurred by an individual Councillor except where otherwise stated in this policy, will be the responsibility of the individual Councillor.

Accommodation

- Where possible, accommodation is to be booked at the conference venue unless the General Manager determines otherwise.
- In all other cases Council will ensure that reasonable and appropriate accommodation is provided to Councillors and in this regard a standard equivalent to 4 Star, where available, is considered appropriate.
- Preference will be given to accommodation venues providing Government rates.

Mode of Travel

- All reasonable travel costs for Councillors whilst on official Council business will be met by Council and will be in accordance with the following standards –

New South Wales and Canberra

Except in exceptional circumstances, the method of transport will be by road:

- Councillors may request the use of a Council motor vehicle for official business use.
- Councillors are required to complete the Councillors Motor Vehicle Requisition and must comply with the general conditions of the Motor Vehicle Management Policy. Where a number of Councillors are attending the same function, every attempt is to be made to share motor vehicles.
- A minimum of 48 hours notice is required for access to a vehicle for overnight use and 7 days notice for longer periods.
- Only where a Council vehicle is not available is a Councillor permitted to use their private vehicle for Council purposes. In such instances, reimbursement will be equivalent to the per kilometre rate as specified in the NSW Local Government (State) Award with the total claim not exceeding the cost of return air travel, where available, plus transfer costs
- A hire car may be utilised by Council in instances such as travel to and from Sydney airport when a number of Councillors are attending a Conference or where a Council vehicle is unavailable.

Australia and New Zealand

Air travel –

- Economy class, where air travel time is less than four (4) hours.
- Premium economy class, where air travel time exceeds four (4) hours. Where premium economy class is unavailable, business class is appropriate.

Overseas

Air travel – premium economy, where available; if not available, business class.

A Councillor seeking to extend travel for personal reasons whilst overseas on Council business must seek the approval of the Lord Mayor prior to making travel arrangements and must meet all additional costs associated with the extension.

Travel Arrangements

All Councillor travel arrangements will be centrally coordinated and booked with Council's approved travel provider or via the internet.

Conference Reports

After returning from Conferences a Councillor is to provide a written report to Council via the Information Folder on an assessment of the event including the benefit to Council and the community and the knowledge gained.

No such report is required in respect of the Local Government Association of New South Wales Annual Conference.

Each quarter the General Manager shall inform Councillors via the Information Folder of the Conferences attended by Councillors and the expenses incurred.

Professional Development

- All Councillors are expected to attend any Post Election Seminars coordinated by the Division of Local Government.
- Councillors are expected to familiarise themselves with the Councillor Development Strategy which is a joint initiative of the Division of Local Government and the Local Government and Shires Associations of New South Wales.
- Councillors are encouraged to undertake relevant training and skills development as part of the Local Government Professional Development Program and other appropriate programs to assist them in carrying out their civic duties.
- Council will include in its annual budget a specific allocation for Councillors training and educational expenses. This budget will be increased to provide for additional training following a Council general election or introduction of new legislation.
- Councillors are required to complete the Councillor Request for Conference/Seminar/Training Application for approval in accordance with this Policy – refer Approval Arrangements.

Local Travel Expenses – Official Council Business

- Private Vehicle - If the Lord Mayor or a Councillor is required to use his/her private vehicle, reimbursement will be equivalent to the per kilometre rate as specified in the NSW Local Government (State) Award. This allowance takes into account the use, maintenance and depreciation of the vehicle.
- Public Transport – Councillors travelling by taxi or other mean of public transport shall be reimbursed for actual expenses incurred subject to substantiation within 21 days of the costs being incurred.

Council will provide Councillors with access to the Wollongong Taxi Service for travel in the Wollongong area on Council related business with all costs charged to Council.

- Official Council Business includes, but is not limited to, attendance at the following –
 - * all Council and Committee meetings including Council reference groups and Councillor briefing forums.
 - * civic receptions.
 - * meetings and inspections.

- * authorised conferences, seminars and training.
- * Independent Hearing and Assessment Panel [IHAP] and/or formal facilitation sessions.
- * meetings of external organisations where the Councillor is an elected Council delegate or alternate delegate.
- * where Councillor attendance is required as indicated on the Corporate Diary.

Care and Other Related Expenses

- Council will provide a child care service during Council and Committee meetings. The cost for the use of this service will be in accordance with Council's Annual Fees and Charges and will be deducted from the Councillor's next monthly fee payment.
- Council will reimburse Councillors the cost of child care expenses whilst attending the Local Government Association of New South Wales Annual Conference during consideration of conference motions and conference dinner. All costs are subject to substantiation and will be reimbursed with the Councillor's next monthly fee payment. All other child care expenses incurred at the Conference are to be met by the relevant Councillor.
- Council will, subject to substantiation, reimburse Councillors for the carer expenses incurred for immediate family members in order to allow the Councillor to fulfil his/her Council business obligations up to a limit of \$2,000 per year. Examples are care of elderly, disabled or sick family members. Reimbursement does not apply where the care is provided by immediate family members including family, spouse or partner.

Insurance Expenses and Obligations

Councillors are to receive the benefit of insurance coverage effected by Council for –

(a) Travel and Personal Accident for Councillors and Persons Travelling with Councillors on Council Business within Australia (outside of 75km from Wollongong) and Worldwide (subject to policy limitations)

- Personal accident and capital benefits
- Medical, evacuation and additional expenses (excluding medical expenses payable within Australia)
- Evacuation cover (non-medical)
- Baggage, travellers cheques, travel documents and credit cards, portable computers, display property and money
- Loss of deposits and cancellation charges
- Kidnap and ransom
- Hire car excess expenses
- Personal liability

(b) Councillor's Liability

Liability to a third party in the form of damages, compensation, interest and costs and defence costs arising from an error, mis-statement, misleading statement, conduct, omission, neglect or breach of duty by a Councillor.

(c) Public Liability

Liability to a third party arising out of Councillors' exercise of their functions as Councillors subject to any limitations or conditions of the policy of insurance effected by Council.

(d) Statutory Liability

Liability for fines or penalties arising out of an inadvertent breach of the law by a Councillor when exercising the functions of Council.

Legal Expenses and Obligations

- 1 Councillors are to receive the benefit of insurance coverage effected by Council for Legal Services in the event of –

- (a) An enquiry, investigation or hearing by any of the following:

- * Council's Conduct Review Committee/Reviewer
- * Independent Commission Against Corruption
- * Office of the NSW Ombudsman
- * Division of Local Government, Department of Premier and Cabinet
- * NSW Police Force
- * Director of Public Prosecutions or
- * Local Government Pecuniary Interest and Disciplinary Tribunal

into the conduct of a Councillor; or

- (b) Legal proceedings being taken against a Councillor, arising out of or in connection with the Councillor's exercise in good faith of his or her functions as a Councillor.

Council shall reimburse such Councillor, after the conclusion of the enquiry, investigation, hearing or proceeding, for expenses properly and reasonably incurred, given the nature of the enquiry, investigation, hearing or proceeding, on a Solicitor/client basis, provided that –

- (i) approval of the General Manager is sought and gained prior to legal expenses being incurred.
- (ii) the outcome of the legal proceedings is favourable to the Councillor or where an investigator or review body makes a finding that is not substantially unfavourable to the Councillor.
- (iii) the amount of such reimbursement shall be reduced by the amount of any monies that may be or are recouped by the Councillor on any basis.
- (iv) the Councillors' exercise of his or her function, was in the opinion of Council bona fide and/or proper; and as a Councillor.
- (v) the amount of legal expense reimbursement shall be paid at a rate equivalent to the average hourly partner rate charged by Council's Panel Solicitors.

- 2 Notwithstanding any other provisions of this Clause the following costs cannot be the subject of reimbursement:

- (i) the costs of any action in defamation taken by a Councillor as plaintiff in any circumstances;
- (ii) the costs of a Councillor seeking advice in respect of possible defamation, or in seeking a non-litigious remedy for possible defamation;
- (iii) legal costs for legal proceedings that do not involve a Councillor performing their role as a Councillor;
- (iv) legal costs of legal proceedings initiated by a Councillor;
- (v) the costs of defending any matter relating to the eligibility of a Councillor to stand for election.

PART 3 – PROVISION OF FACILITIES

GENERAL PROVISIONS

Provision of Facilities Generally

The facilities, equipment and services made available under this policy are considered appropriate to support the Lord Mayor and Councillors in undertaking their role as elected members of Council.

Private Use of Equipment and Facilities

Councillors should not generally obtain private benefit from the provision of equipment and facilities, nor from travel bonus or any other such loyalty schemes. However, it is acknowledged that incidental use of Council equipment and facilities may occur from time to time. Such incidental private use is not subject to a compensatory payment.

PROVISION OF EQUIPMENT AND FACILITIES FOR COUNCILLORS

Office

- A furnished Councillors room is provided on the tenth floor of the Administrative Centre for use by all Councillors.
- This office will incorporate two computers configured to Council's standard operating environment, printing facility, telephones and a refrigerator.

Mobile Telephony

- A Smart Phone with a 1000Mb data allowance will be available to Councillors for official use on request.
- Council will meet the cost of calls up to a maximum of \$100.00 (Plus GST) per month with any additional costs being borne by the individual Councillor and will be deducted from their next monthly Councillor fee payment.
- A Councillor may wish to use their private mobile phone in lieu of a Council provided smart phone and in such circumstances Council will meet the cost of Council business related calls only, up to a maximum of \$100 per month subject to submission of their monthly telephone account highlighting that expenditure has been incurred. The Councillor will be responsible for any mobile phone access plan
- International roaming and message bank roaming will be activated when requested by a Councillor proposing overseas travel. However, where the travel is for vacation or personal business purposes all outgoing call costs incurred are to be reimbursed to Council by way of deduction from the next Councillor monthly fee payment.
- Each month Councillors will receive a copy of their monthly smart phone account and be required to complete an online mobile phone usage declaration. highlighting any personal calls charges to be reimbursed to Council by way of deduction from their next monthly Councillor fee payment.

Information Communication Technology

Council will provide Councillors with a Council specified standard Tablet PC package, printing facility and internet access.

- Councillors will be provided with appropriate induction in the use of the provided equipment.
- Internet access will be filtered by Council. A 3000Mb data allowance is included with all excess charges being reimbursed to Council by way of deduction from their next monthly Councillor fee payment.
- Usage of all Council provided technology requires compliance with Council's Technology Systems Acceptable Usage Policy. Councillors will be required to endorse a copy of the policy indicating that they have read the contents and agree to comply with the policy. Any alleged breach will be referred to the General Manager for appropriate action.
- Council will provide support services during business hours, being 8.30am to 5.30pm, to assist Councillors in resolving operational issues. Such support will only relate to Council related services and applications. Non Council related applications will not be installed.
- Councillors will be provided with consumables such as printer cartridges and paper for Council related purposes and will be available for collection at Council's Administrative Centre.
- Access to a Council supplied email address and Councillor Portal will be provided on the Tablet PC and the computers in the Councillors Room on the tenth floor of the Administrative Centre.

Shredder

A medium duty personal shredder up to a maximum capacity of 10 pages shall be provided to the Lord Mayor and Councillors on request.

Newspaper

One Illawarra Mercury newspaper home delivered Monday to Saturday.

Stationery

Lord Mayor and Councillor stationery, business cards, briefcase, diary and Christmas cards – Lord Mayor (up to 150 pa) and Councillors (up to 100 pa)

Council stationery is not to be converted or modified in any way and may only be used for carrying out the functions of civic office.

Postage

All outgoing mail is to be included as part of Council's daily mail collection by Australia Post and as such needs to be delivered to Council's Administrative Centre. Mail is not permitted to be delivered directly to an individual Post Office.

Meals

Councillors will be provided with a meal and refreshments, excluding alcohol, prior to Council and Standing Committee meetings.

Refreshments

Beverage service in the Councillors' Room, excluding alcohol.

Use of Motor Vehicle

- Councillors may request the use of a Council motor vehicle for official business use.
- Councillors are required to complete a Councillor Motor Vehicle Requisition and must comply with the general conditions of the Motor Vehicle Management Policy. Where a number of Councillors are attending the same function, every attempt is to be made to share motor vehicles.
- A minimum of 48 hours notice is required for access to a vehicle for overnight use and 7 days notice for longer periods.
- Only where a Council vehicle is not available is a Councillor permitted to use their private vehicle for Council purposes. In such instances, reimbursement will be equivalent to the per kilometre rate as specified in the NSW Local Government (State) Award.
- Individual drivers are personally liable for all fines resulting from breaches of traffic laws and regulations and parking offences when using a Council provided vehicle and when using a private vehicle for Council related business.

Parking

- Councillors will be provided with two Wollongong City Council stickers for affixing to their private vehicle to enable them to park in the Administrative Centre car park or the Stewart and Corrimal Street car parks free of charge when attending Council.

Lockers

A locker will be provided for each Councillor.

Insignia of Office

Councillors will be provided with a jacket and name badge to be worn at civic functions indicating that the wearer holds the office of Deputy Lord Mayor and/or Councillor.

Secretarial Support

Council staff will be available on the tenth floor of Council's Administrative Centre as required to provide Councillors with stenographic and administrative support.

Correspondence

- Correspondence to individual residents or groups of residents should be directly related to issues concerning that resident or group of residents.
- Correspondence should not refer to the Lord Mayor or Councillor's political allegiance or non-allegiance to any political group, organisation or party.
- The Lord Mayor and Councillors should be mindful, particularly in the lead up to elections, that material should not directly or indirectly seek to promote the electoral prospects of any individual or group.
- The content of mass correspondence (more than 50) with residents, which utilise Council resources, facilities or funds, should be referred to the General Manager or Public Officer for perusal as to its compliance with the above policy, prior to distribution.

PROVISION OF ADDITIONAL EQUIPMENT AND FACILITIES FOR LORD MAYOR

Motor Vehicle

- A fully serviced and maintained Holden Caprice or equivalent for official civic duties and incidental use or a credit to that equivalent via a Novated Lease in accordance with Council's Motor Vehicle Policy.
- Full private use is available in accordance with the private use provisions contained within Council's Motor Vehicle Policy.
- Servicing ensures that the vehicle is serviced, cleaned and fuelled ready for daily use.
- The Lord Mayor is personally liable for all fines resulting from breaches of traffic laws and regulations and parking offences incurred whilst driving this vehicle.

Office

- A furnished office suite located on the tenth floor of Council's Administrative Centre.
- This office will incorporate a computer configured to Council's standard operating environment where required/requested, telephones, refrigerator and meeting room.

Purchase Card

- A Purchase Card will be provided to meet hospitality expenses incurred by the Lord Mayor in discharging his functions on behalf of Council. Use of the Purchase Card is to be in accordance with Council's Purchase Card Policy.

Motor Vehicle Parking Space

A permanent parking space in the basement of Council's Administrative Centre will be provided to the Lord Mayor and Deputy Lord Mayor.

Staff

- An Executive Officer will provide executive support on a full time basis if required.
- A Personal Assistant will provide stenographic/clerical support on a full time basis.

Refreshments

Food and beverage service associated with hosting meetings, excluding alcohol

Insignia of Office

- Provision of a jacket, badge and name plates to be worn at civic functions indicating that the wearer holds the offices of Lord Mayor and Councillor.
- Provision of a Lord Mayoral Chain to be worn at civic receptions, citizenship ceremonies and other appropriate functions.

MAINTENANCE AND SERVICING OF EQUIPMENT

- Servicing and repairs to all Council provided equipment will be coordinated through Council's IT Help Desk facility during business hours, being 8.30 am to 5.30 pm, on the basis of a back-to-base service.
- All servicing and repairs to any privately owned equipment will be the responsibility of the individual Councillor irrespective of whether it is used for Council related business.

PART 4 – OTHER MATTERS

A Acquisition and Returning of Facilities and Equipment by Councillors

- All equipment provided to Councillors remains the property of Council except where Councillors are seeking to purchase equipment in accordance with this policy.
- Councillors are to return all Council owned equipment to the location nominated by the Manager Governance and Information in accordance with the following circumstances –
 - * Local Government Election – by 5.00 pm on the day preceding the day of the election.
 - * Resignation from Civic Office – by 5.00 pm on the day of resignation.
 - * Extended Leave of Absence – where a Councillor has been granted leave of absence for a period of more than three (3) months.
- A Councillor will be provided with the opportunity to purchase Council owned equipment in accordance with the following –
 - * Where a Councillor has been in office for at least one full term of Council.
 - * Where a Councillor has indicated that he/she is not standing for re-election at the next Council election.
 - * Where a Councillor has been unsuccessful in seeking re-election.
 - * The sale price will be determined by the General Manager based on fair market value.
- The opportunity to purchase Council owned equipment will not be available to a Councillor who –
 - * Is disqualified from holding civic office.
 - * Is dismissed from civic office or
 - * Ceases to hold civic office for any other reason.

B Status of the Policy

Council may amend this Policy from time to time in accordance with the provisions of Sections 252 and 253 of the Local Government Act. However Council must adopt such a Policy within 5 months after the end of each year as required by Section 252.

For the purposes of this Policy a 'year' is defined as being a financial year.

C Dispute Resolution

Where an individual Councillor disputes the decision on an expenses claim or the provision of facilities the following process will apply:

- The Councillor must notify the General Manager, in writing, of the details of the claim or request for facilities.
- The General Manager will investigate the issue and inform the Councillor of the decision, in writing, within seven (7) days of the request being received.
- Should the Councillor not accept the General Manager's decision, the General Manager will submit a report to Council outlining the reasons for denying the claim or request.
- Council's decision will be final and no further appeal will be permitted.

SUMMARY SHEET

RESPONSIBLE DIVISION	Governance and Information
DATE ADOPTED ON BEHALF OF COUNCIL	28 November 2011
DATE OF PREVIOUS ADOPTION(S)	26 July 2011 17 October 1994 19 November 2007
DATE FOR REVIEW	30 November 2012
PREPARED BY	Senior Governance Project Officer
AUTHORISED BY	Manager Governance and Information