



From the mountains to the sea

WOLLONGONG CITY COUNCIL

# ANNUAL REPORT 2012 - 2013

## About this report

Wollongong City Council reports to the community through a number of ways, including quarterly reviews, six monthly delivery program reports and an annual report. This annual report outlines our progress towards the Delivery Program 2012-2017, Annual Plan 2012-13, Budget 2012-13 and Capital Budget 2012-13. It is a key document advising the Wollongong community of Council's performance during 2012-13. It represents our commitment to transparent reporting and accountability to the community.

The delivery program is a strategic planning document that guides Council's progress in working with the community and other stakeholders toward achieving the six interconnected community goals in the Wollongong 2022 Community Strategic Plan.

1. We value and protect our environment
2. We have an innovative and sustainable economy
3. Wollongong is a creative, vibrant city
4. We are a connected and engaged community
5. We are a healthy community in a liveable city
6. We have sustainable, affordable and accessible transport.

Reflective of the transition to Integrated Planning and Reporting this is the first year we have reported on these six goals and our Delivery Program 2012-17. Under each goal we have included an highlight of our performance and challenges faced during 2012-13.

### Planning Principles

The suite of Wollongong 2022 documents, including the Community Strategic Plan and Delivery Program 2012-17, is underpinned by the Social Justice Principles of equity, access, participation and rights. These four interrelated principles ensure that:

- § There is fairness in decision making, prioritisation and allocating resources, particularly for those in need
- § All people have fair access to services, resources and opportunities to improve their quality of life
- § Everyone has the maximum opportunity to genuinely participate in decisions which affect their lives
- § Equal rights are established and promoted, with opportunities provided for people from diverse linguistic, cultural and spiritual backgrounds to participate in community life.

### 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](http://www.wollongong.nsw.gov.au)).

Requests for hard copies of this report can be made by contacting the Executive Strategy Unit on telephone 4227 7305 or write to:

Executive Strategy Unit  
Wollongong City Council  
Locked Bag 8821 Wollongong DC NSW 2500

Hard copies of this report are also available for viewing in Council branch libraries and at your local neighbourhood forum.

## ACKNOWLEDGEMENT OF COUNTRY

WOLLONGONG CITY COUNCIL WOULD LIKE TO SHOW THEIR RESPECT AND ACKNOWLEDGE THE TRADITIONAL OWNERS OF THE LAND, OF ELDERS PAST AND PRESENT, AND EXTEND THAT RESPECT TO OTHER ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE.

# Welcome to Wollongong City Council

## Annual Report 2012-13

Wollongong City Council manages 135 services and more than \$2.5 billion in assets, including land, roads, footpaths, stormwater drains and pipes, community buildings, libraries, parks, sporting fields, and swimming pools. During 2012-13 we had a total income of \$263.4 million, including rates, user fees and charges, and grants and contributions; and spent \$238.2 million on services and assets that benefit the community.

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## Our City



Picture: Nasreen Jahan  
Draw Write Snap Share Promotion

## Our Location

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.

## Our Community

Wollongong City covers approximately 715km<sup>2</sup> with a population of 203,025.

Wollongong originated from the Aboriginal word 'woolyungah', meaning five islands. The traditional owners of this land are the Dharawal people. Wollongong City Council acknowledges the traditional owners of the land and extends/pays respect to the Elders past and present. Council also extends that respect to other Aboriginal and Torres Strait Islander people who now reside within the area.

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

Known in past decades for its heavy manufacturing, the city's key industry sectors now also include retail, tourism, health, property, business services and education. It is home to the University of Wollongong and is a regional centre for the south coast.

### Population

**203,025**  
ERP, 2012

### Land area

**71,544** hectares  
(715 km<sup>2</sup>)

### Population density

**2.84** persons per hectare

## Population Highlights

<b>WOLLONGONG LGA</b> <b>COMMUNITY PROFILE</b> <b>2011 CENSUS COMPARISONS</b>				
PROFILES	WOLLONGONG	REGIONAL NSW	NEW SOUTH WALES	AUSTRALIA
Median age	38	41	38	37
Median weekly household income	\$1,101	\$961	\$1,237	\$1,234
Couples with children	30%	27%	32%	31%
Older couples without children	10%	12%	9%	9%
Medium and high density housing	29%	16%	31%	25%
Households with a mortgage	30%	30%	32%	33%
Median weekly rent	\$250	\$220	\$300	\$285
Households renting	29%	27%	29%	29%
Non-English speaking backgrounds	14%	5%	19%	16%
University attendance	6%	3%	4%	4%
Bachelor or higher degree	17%	12%	20%	19%
Vocational	21%	22%	18%	18%
Public transport (to work)	7%	2%	14%	10%

For more information visit [www.wollongong.nsw.gov.au](http://www.wollongong.nsw.gov.au) and go to Community/City Demographics - Community Profile.

## Lord Mayor's Message

Over the last year, we have been working with and talking to many different groups in our community on fantastic projects – projects that will provide us with a cleaner seaside and escarpment, and an attractive city that offers enjoyable, safe and innovative spaces.

We've adopted a proposal for new zoning on the former 7(d) lands in Helensburgh, Stanwell Tops and Otford. We've adopted the Bald Hill Landscape Master Plan, and the Dune Management Strategy. Council also endorsed the concept design for the Grand Pacific Walk, a pathway that will run from the Royal National Park to Lake Illawarra.

Along the way we have been recognised. The North Beach Bathers Pavilion has won a National Trust of Australia Heritage Award, the NSW Best Play Space Award for the Thirroul Playground, and a National Award for involving young children in the design of Towradgi's playground.

We are also seeing a new Wollongong emerge. There is more than \$500 million in developments and construction underway in the city, and Council started work on the refurbishment of the Crown Street Mall. The GPT complex is nearing completion, there are new residential and office developments around the city centre, and we now have a new crop of cafes and small businesses popping up.

Council continues to support StartPad in Crown Street – a supportive co-working space where entrepreneurs can develop and grow their ideas.

More public artworks are emerging with great art in the laneway behind the IPAC and the Warrawong Laneway 127 project.

There are a number of challenges that lie ahead, with Council beginning work on the Financial Sustainability Review.

I will ensure we continue to work on these important initiatives and projects to keep Wollongong growing as a vibrant, safe and connected city.

On behalf of Council I am pleased to present Council's Annual Report for 2012-13.

*Lord Mayor Councillor  
Gordon Bradbery OAM*

## General Manager's Message

During the past year we have continued our focus on improving how we manage projects and will continue to invest in repairing our playgrounds, footpaths, roads and other local infrastructure.

We achieved a lot with our capital works program of \$53.9 million. These works included the renewal of playgrounds in Keiraville, Bellambi, Dapto, Warrawong and Unanderra. We have also been designing and constructing new footpaths and shared pathways around the city.

We continued work on the \$20 million citywide footpath and shared pathways program with a loan interest subsidy under the NSW Government's Local Infrastructure Renewal Scheme.

As part of the West Dapto Access Strategy, work commenced on the Shone Avenue road and bridge project - total cost of project \$5.6 million. The ageing timber bridge was also replaced with a concrete one along Darkes Road, Dapto.

During 2012-13 work commenced on the new landfill cell at Whytes Gully.

As part of our Financial Sustainability Review we reviewed the budgets of all divisions and identified savings of \$1.3 million over the last year.

We have also been looking at those assets that we can retire, such as two ageing buildings in Corrimal's Memorial Park.

Council continues to offer employment and training through its transition to employment program with traineeships offered to disadvantaged youths, new arrivals and people living with a disability. We employed 24 new cadets, trainees and apprentices for various roles throughout Council in 2012-13.

In September we underwent an internal restructure to help us better deliver services to the community. Council also increased services such as consistent opening times across our libraries resulting in an 11% increase in library use during March 2013.

I'd like to thank Council staff for their continued hard work to help achieve our objectives.

*General Manager  
David Farmer*

## Interesting Facts



198,774 calls (76% answered within 30 seconds)	1,445	2,188
Customer Service Centre	DAs assessed	Food premises inspected
37,531 (participants)	7,000 (Primary school children)	98 sites (Asset Protection Zone)
Environmental programs	Water safety education	Bushfire hazard reduction
1,000km	470km	638 km
Roads maintained	Footpaths maintained	Stormwater pipes maintained
46% (domestic waste)	680 (inspected + emptied every day)	585 (approximately 900 hectares)
Rubbish diverted from landfill	Public bins emptied	Parks + sports fields maintained
141 (4 skate parks)	13 (tidal and chlorinated)	931,207 (Central and branch libraries)
Playgrounds maintained	Free public pools	Library visit

Pictures: Jenny Boge, Julie Ann, Natasha Granzien  
Draw Write Snap Share Promotion



# Financial Snapshot

## WHERE DOES THE MONEY COME FROM?

TOTAL \$263.4M

**56%**

RATES & ANNUAL CHARGES  
\$149.8M

**16%**

USER FEES & CHARGES & OTHER REVENUE  
\$41.8M

**15%**

GRANTS & CONTRIBUTIONS - CAPITAL PURPOSES  
\$39.8M

**11%**

GRANTS & CONTRIBUTIONS - OPERATING PURPOSES  
\$29.1M

2% INTEREST & INVESTMENT REVENUE \$5.4M

## WHERE DOES THE MONEY GO?

Rates and charges collected by Council help fund more than 100 services and programs. **For every \$100 of expenditure\*, Council delivers the following services:**

\$0.03 Aged & Disability Services	\$0.04 Tourist Parks	\$0.09 Crematorium & Cemeteries	\$0.10 Public Health & Safety	\$0.56 Leisure Centres
\$0.40 Corporate Strategy	\$0.56 Youth Services	\$0.58 City Centre Management	\$0.79 Economic Development	\$0.85 Community Programs
\$0.88 Property Services	\$1.06 Regulatory Control	\$1.13 Land Use Planning	\$1.26 Natural Area Management	\$1.42 Internal Charges Service
\$1.50 Public Relations	\$1.67 Environmental Services	\$1.73 Botanic Garden & Annexes	\$1.93 Development Assessment	\$2.00 Waste Management
\$2.09 Information Technology	\$2.41 Integrated Customer Service	\$2.51 Emergency Management	\$3.27 Human Resources	\$3.37 Community Facilities
\$3.76 Cultural Services	\$3.78 Financial Services	\$4.23 Governance and Administration	\$5.53 Libraries	\$5.84 Stormwater Services
\$6.42 Aquatic Services	\$6.48 Infrastructure Planning & Support	\$9.10 Parks and Sportsfields	\$22.63 Transport Services	<b>TOTAL \$100</b>

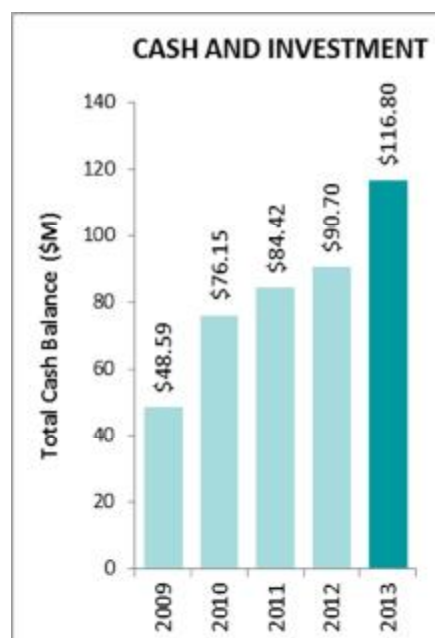
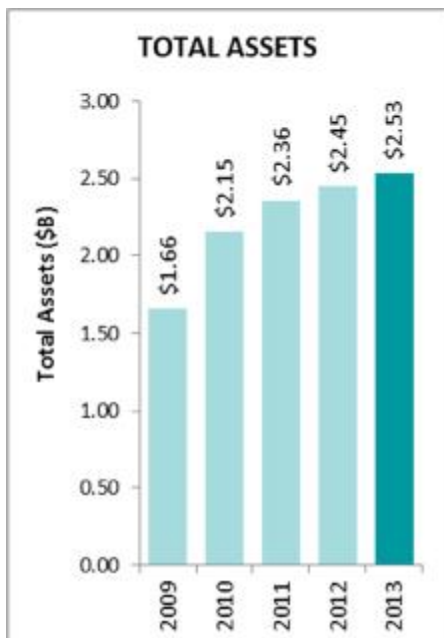
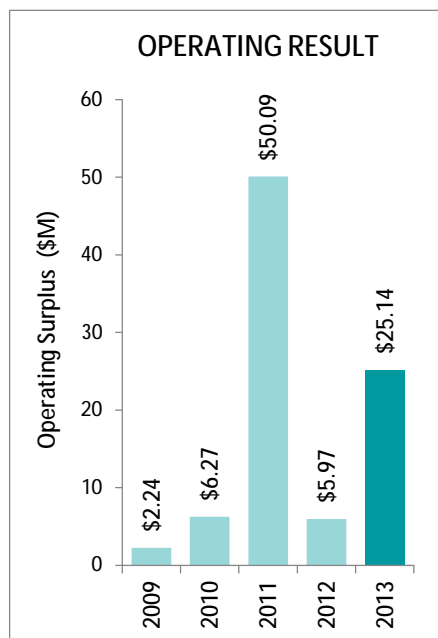
**Note:** At the beginning of 2013-14 allocation of expenditure and income by individual services underwent changes, therefore comparisons between 2012-13 Actuals and following years may result in significant variations. These variations are attributed to:

1. Redistributed in 2013-14 of centrally held administrative costs and introduced of an internal asset charge for infrastructure assets

2. Relocation of staff and some other costs as a result of sustainability exercise
3. Some budgets (eg. operational contingency) provided centrally for budget purpose then allocated to specific areas as required throughout the year
4. One off projects

\*Based on Council's contribution after allowing for grant funding, and user charges and revenues that are generated by the service





## INCOME STATEMENT

The income statement identifies income and expenses for 2012-13. As at June 2013, Council's operating result was \$25.1 million. The operating surplus of \$25.1 million was \$40.0 million higher than budget, primarily due to \$36.4 million in additional capital grants and contributions.

## BALANCE SHEET

The balance sheet identifies what Council owns as assets, what it owes as liabilities and its net worth position (equity). As at June 2013, Council managed \$2.5 billion worth of total assets.

## CASH FLOW STATEMENT

This statement provides a summary of Council's cash receipts (inflow) and cash payments (outflows) during the year. The closing cash balance as at 30 June 2013 was \$116.8 million. This represents a \$26.0 million increase from the previous year, primarily due to delayed timing of capital works expenditure.

## EXTERNAL FUNDING

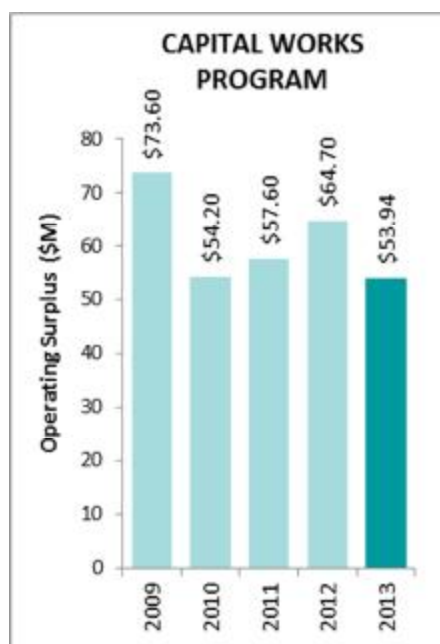
In 2012-13 Wollongong City Council received \$32.5 million in federal and state government funding. This represents a decrease compared to 2011-12 when Council received \$38.5 million in federal and state government funding. Some of the funding received this financial year include:

- § \$3.0 million received for footpaths and cycle ways
- § \$1.3 million for roads and bridges
- § \$1.9 million for community transport
- § \$1.2 million for waste performance improvement.

The full amount of grants received is reported in Note 3 of the financial statements.

## Capital Works Program

Wollongong City Council is the custodian of in excess of \$2.5 billion of assets. During 2012-13 Council completed a capital works program of \$53.9 million including the construction and purchase of \$20.1 million of assets and renewal of existing assets of \$33.8 million. \$53.9 million has been expended on programmed works compared to a revised budget of \$58.9 million. The program has included such projects as the West Dapto Access Strategy, Crown Street Upgrade, Sandon Point Surf Club Expansion, North Beach Bathers Pavilion, stormwater and floodplain management, roads and bridges, parks and recreation facilities, car parks, building renewals and purchase of library books.



The capital works statement identifies costs of creating or acquiring property, infrastructure or equipment assets. Wollongong City Council spent \$53.9 million on capital works in 2012-13.

Asset Class	Actual 2012-13 (\$M)
Roads and Related Assets	12.05
West Dapto	5.75
Footpaths and Cycle Ways	8.47
Car parks	1.86
Stormwater and Floodplain Management	2.53
Buildings	10.15
Commercial Operations	1.52
Parks Gardens and Sport fields	2.26
Beaches and Pools	1.04
Natural Areas	0.36
Waste Facilities	1.48
Fleet	1.51
Plant and Equipment	1.77
Information Technology	0.91
Library Books	1.24
Public Art	0.18
Emergency Services	0.02
Land Acquisitions	0.81
Miscellaneous	0.03
<b>Total</b>	<b>\$53.94M</b>

Some of the major capital projects undertaken during 2012-13	Expenditure 2012-13 \$'000
<b>Stormwater and Floodplain Management</b>	
Bundaleer, Estate ,Warrawong - relining multiple pipelines	206.8
Northcote St, Wollongong - construct new culvert	200.8
<b>Buildings</b>	
IPAC Burelli St, Wollongong - replace and upgrade existing café kitchen	423.3
Thirroul SLSC - replace roof on part of the building	458.4
Bathers Pavilion, North Beach - major refurbishment and upgrade	2,276.0
Sandon Point SLSC - major refurbishment and upgrade	2,375.0
Windang Beach Tourist Park - install three new cabins	733.3
Lake Pde, Corrimal Tourist Park - construct new commercial kiosk	524.8
<b>Parks and Recreation</b>	
Parks throughout Wollongong City - renew various park furniture, fences, etc	206.3
<b>Roads and Bridges</b>	
Parkes St and Princes Hwy, Helensburgh - construct new roundabout	749.4
Mt Keira Rd, Mt Keira - construct new drainage and sub soil drainage infrastructure	815.8
Darkes Rd, Dapto - construct replacement bridge over Mullet Creek	561.1
Shone Ave, Dapto - commence construction of bridge and road upgrade	1,315.8
Cleveland Rd, Dapto - commence construction of Cleveland Rd to Fairwater Dr	771.3
Dapto Primary School, Horsley - construct new road and drop off/pick up zone	1,478.5
<b>Road Re-Surfacing</b>	
Greenacre Rd, Wollongong - resurface from Rosemount to Mercury sts	216.4
Cordeaux Rd, Figtree - re-surface from Rachel Cres to Central Rd	214.4
<b>Footpaths and Cycle Ways</b>	
O'Briens Rd, Figtree - construct new cycle way Murray Park Rd to Jacaranda Ave	304.8
Princes Hwy, West Wollongong - construct new cycle way London Dr to Abercrombie St Lane	358.7
Princes Hwy, Dapto - construct new cycle way Kembla Grange PI to West Dapto Rd	597.3
Kembla St, Wollongong - upgrade footpath from Crown to Burelli sts (west side)	628.1
<b>Car Parks</b>	
Stanwell Park Shops - reconstruct car park	286.1
Station St, Thirroul - complete construction of Thomas Gibson Park Car Park	279.7
Beaton Park, Wollongong (Stage 2) - upgrade basketball stadium car park	758.5
<b>Retaining Walls</b>	
King St, Warrawong - reconstruct retaining wall	319.3



## Our 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 or officers of Council. Their role is to 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.

During the period under review, 21 Council meetings were held and the Agenda's and Minutes of these meetings are available on Council's website.

### Expenses and Provision of Facilities to Councillors

The Lord Mayor and councillors are paid an annual fee that is within the limit set by the Local Government Remuneration Tribunal. Council has adopted a policy on the payment of expenses and provision of facilities. The policy outlined in Attachment D depicts the services and facilities provided to the Lord Mayor and councillors to enable them to discharge their civic duties.

The total cost on payment of fees and expenses and on the provision of facilities to the Lord Mayor and councillors (from 1 July 2012 to 30 June 2013) is \$537,504.46 and consists of the following:

Fees \$407,070.00

Expenses and Facilities \$130,434.46

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

- i. Provision of facilities - \$7,021.13
- ii. Telephone calls - \$3,584.58
- iii. Conferences and seminars - \$37,910.77\* includes interstate conferences and seminars
- iv. Training and skills development - \$61,336.64
- v. Interstate travel - \$766.42
- vi. Overseas travel - \$354.49
- vii. Partner, spouse or accompanying person - \$1,007.50
- viii. Care of child or immediate family member - Nil

## WOLLONGONG LGA



**LORD MAYOR**  
**GORDON BRADBERRY OAM**  
 BA, BD (Psych, Soc and Divinity)  
 Minister of the Uniting Church in Australia  
 First elected 2011  
 Attended 21 Council meetings

## WARD 1



**JANICE KERSHAW**  
**Senior Operations Manager**  
 Mobile: 0407 383 927  
 Email: [cr.jkershaw@wollongong.nsw.gov.au](mailto:cr.jkershaw@wollongong.nsw.gov.au)  
 First elected 1991, re-elected 1995, 1999, 2004, 2011  
 Attended 21 Council meetings



**JILL MERRIN**  
 MSc, BSc  
 Mobile: 0409 548 418  
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 First elected 2011  
 Attended 15 Council meetings

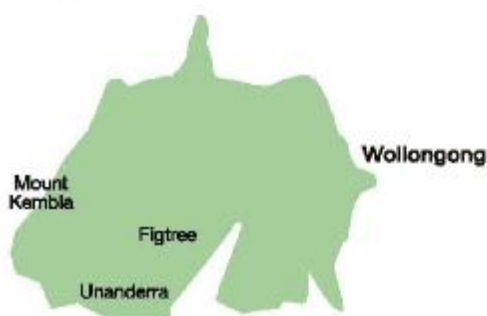


**LEIGH COLACINO**  
**Artist**  
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 First elected 2011  
 Attended 20 Council meetings



**GREG PETTY**  
**Company Director**  
 FCPA, GAICD, ACSA, BBS (NSWIT), JP  
 Mobile: 0417 446 283  
 Email: [cr.gpetty@wollongong.nsw.gov.au](mailto:cr.gpetty@wollongong.nsw.gov.au)  
 First elected 2011  
 Audit Committee  
 Attended 21 Council meetings

## WARD 2

**DEPUTY LORD MAYOR****JOHN DORAHEY****Director of Business Development**

GAICD

Mobile: 0450 917 262

Email: [crjdorahey@wollongong.nsw.gov.au](mailto:crjdorahey@wollongong.nsw.gov.au)

First elected 2011

Governance Committee

Attended 17 Council meetings

**DAVID BROWN****Media Consultant**

BSc, JP

Mobile: 0409 897 597

Email: [crdbrown@wollongong.nsw.gov.au](mailto:crdbrown@wollongong.nsw.gov.au)

First elected 2002, re-elected 2004, 2011

Attended 21 Council meetings

**MICHELLE BLICAVS****CEO**

MMgt, GAICD

Mobile: 0408 693 257

Email: [crmblicavs@wollongong.nsw.gov.au](mailto:crmblicavs@wollongong.nsw.gov.au)

First elected 2011

Audit Committee

Attended 20 Council meetings

**GEORGE TAKACS****Physicist**

BSc(Hons), PhD, GAICD

Mobile: 0419 819 337

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First elected 2011

Attended 21 Council meetings

## WARD 3

**CHRIS CONNOR****School Principal**

MEdAdmin, GradDipEdSt ISchoolAdmin], DipT

Mobile: 0419 545 897

Email: [cr.connor@wollongong.nsw.gov.au](mailto:cr.connor@wollongong.nsw.gov.au)

First elected 2011

Governance Committee

Attended 18 Council meetings

**BEDE CRASNICH****Electoral Officer/Student**

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First elected 2011

Attended 21 Council meetings

**ANN MARTIN BM****Artist/Planner**

BA [Visual Arts], MFA, MPlan, GAICD

Mobile: 0419 720 919

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First elected 2011

Attended 20 Council meetings

**VICKI CURRAN****Juvenile Justice Support + Community Advocate**

GAICD

Mobile: 0419 691 688

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First elected 2011

Attended 21 Council meetings

## About Us

Council is the governing body that appoints the General Manager. Three directors (Planning + Environment - Future City and Neighbourhoods; Infrastructure + Works - Connectivity, Asset and Liveable Cities; and Corporate + Community - Creative, Engaged and Innovative City) along with the General Manager form the Executive Management Committee (EMC). This committee has responsibility for the day to day management of operations in accordance with the delivery program and annual plan.

### Council's 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.

### Executive Management Committee

The Executive Management Committee (EMC) meets on a weekly basis to oversee policy development, strategy and the overall management of Council. Members of EMC attend all Council meetings and provide information and advice enabling Council to make informed decisions on strategic and policy issues.

This executive team is supported by divisional managers and staff that have responsibility for implementing the policies and directions set by the Council.

### Senior Managers Remuneration

As determined by a resolution of Council in September 2012, the General Manager, three directors and 13 senior managers are defined as senior staff under the Local Government Act (sec 332). The remuneration packages of senior staff include the:

- § total value of the salary component of the package
- § 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
- § total value of any non-cash benefits for which the manager may elect under the package, and
- § total amount payable by Council by way of fringe benefits tax for any such non-cash benefits.

Position	Period	Total
General Manager	1/07/2012 - 30/06/2013	\$349,628
Directors: Corporate + Community - Creative, Engaged + Innovative City Infrastructure + Works - Connectivity, Asset and Liveable Cities Planning + Environment - Future City and Neighbourhoods.	1/07/2012 - 30/06/2013	\$728,256
Senior Managers Manager Property + Leisure; Manager City Works; Manager Infrastructure, Strategy + Planning <sup>1</sup> ; Manager Project Delivery <sup>2</sup> ; Manager Library + Community Services; Manager Governance + Information; Manager Finance; Manager Community, Cultural + Economic Development <sup>3</sup> ; Manager Human Resources; Manager Environmental Strategy + Planning; Manager City Planning; Manager Regulation + Enforcement; Planning + Environment Lawyer	1/07/2012 - 30/06/2013	\$2,002,689

1 - 14/1/13 to 30/6/13; 2 - 24/12/12 to 30/6/13; 3 - 11/2/13 to 30/6/13



## Our People

As of 30 June 2013, Council staff establishment (full time equivalent) included:

- § 957.1 permanent staff
- § 123.2 temporary staff
- § 15 fixed term staff, and
- § 37 provisional, cadet/apprentice/trainee staff.

Our staff are primarily aged between 35 and 54 years (65%), with a gender balance of 25% female and 75% male in management positions, and 42% female and 58% male organisationally.

The majority of our staff are positioned at the operational level (27%), with senior management representing 1% of our workforce.

## Our Structure

In September 2012, Council endorsed a new organisational structure which supports the Wollongong 2022 Strategic Management Plans, in particular the Delivery Plan 2012-17. A project control group has been established to ensure the implementation of the structure is carried out in a constructive and effective manner delivering the planned efficiencies and benefits to our community.



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## *Our Planning and Reporting Framework*

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The work of Council is informed by the Wollongong 2022 Community Strategic Plan, as well as the regulatory and business functions required to achieve Council's wider strategic objectives as set out under various legislations and regulations. Wollongong 2022 Community Strategic Plan is a long term plan that outlines the Wollongong community's priorities and aspirations for the future and how these will be achieved. The community strategic plan includes an aspirational vision, six community goals, objectives and strategies. This plan is not the sole responsibility of Council. Other levels of government, business, educational institutions, community groups and individuals also have a role in the delivery of this plan.

Council's role in delivering the community strategic plan is supported by the Resourcing Strategy 2012-2022, Delivery Program 2012-17 and Annual (Operational) Plan 2012-13. Whilst the community strategic plan sets out the community's agenda for the future, the Resource Strategy identifies matters that are within Council's realm of responsibility. The delivery program and annual plan spell out Council's plan of action for responding to these matters.

Council reports on the progress towards achieving the delivery program and annual plan in quarterly delivery program progress reports and budget review statements, as well as this annual report. Achievements towards the community strategic plan will be reported in Council's end of term report.

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

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## *Our Community Vision*

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From the mountains to the sea, we value and protect our natural environment and we will be leaders in building an educated, creative and connected community.

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## *Our Community Goals*

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To support the achievement of our community vision, collaborative efforts will focus on six interconnected goals:

- 1 We value and protect our environment
- 2 We have an innovative and sustainable economy
- 3 Wollongong is a creative, vibrant city
- 4 We are a connected and engaged community
- 5 We are a healthy community in a liveable city
- 6 We have sustainable, affordable and accessible transport.

## Councillor Aspirations

Councillors have made a commitment to support Council and the community in making Wollongong a better place to live, work, visit and play. To focus Council's attention on this outcome, councillors have agreed on five key focus areas for the next five years. These are known as our councillor aspirations which are outlined in the Wollongong 2022: Delivery Program 2012-17. Progress towards the Councillor Aspirations during 2012-13 are outlined below.

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### Financial Sustainability

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#### Reduction in operating costs to allow increased reinvestment in infrastructure renewal

At the end of 2012-13, Council exceeded the budgeted operational funds available for capital budget. The improvement is primarily due to the early part payment of the 2013-14 Federal Assistance Grant, and also a range of operational savings and additional income that have an underlying value of \$5.5 million.

During the year, Council continued to undertake a comprehensive program of reviews including the delivery of the Supply Action Plan, which seeks to improve the way in which Council purchases goods and services to deliver our business. One of the sub-projects within the action plan is to investigate opportunities for strategic procurement both within the Wollongong Local Government Area and with our partner councils in the Southern Councils Group.

Council also reviewed 2,000 plus land assets within its property portfolio, and at its meeting 24 June 2013, endorsed seven properties to progress to sale. These properties have been through the process of reclassification, including extensive community engagement in the past. Phase 2 will be progressed as part of a planned discussion with the community in 2013-14 regarding services and service levels. Work also continues on the review of existing business models in key areas, such as tourist parks and leisure centres. These reviews have been extended to allow for additional models of operation to be considered.

An internal operational review has also been undertaken with the Botanic Garden Nursery and is due for completion early 2013-14.

In June, Council endorsed the Annual Operational Plan for 2013-14. A key project within the plan builds on Council's commitment to be a financially sustainable organisation. This includes determining Council's position with regards to a rates increase to address the forecast deficit, whilst at the same time continuing to review services and identify efficiencies within the organisation.

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### West Dapto

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#### Planning and ensuring appropriate infrastructure to service the West Dapto Urban Release

The major construction projects commenced during 2012-13 include:

- § Shone Avenue realignment including new 45 metre bridge over Robins Creek – Stage 1
- § Cleveland Road upgrade including new bridge over Mullet Creek
- § Intersection improvements at West Dapto Road/Princes Highway.

A number of other infrastructure projects planned for West Dapto are currently in the design phase, including:

- § Upgrade of Shone Avenue including new 62 metre bridge over Robins Creek. Stage 2 (south of Stage 1 works) detailed design is in its final stages of preparation
- § Upgrade of Wongawilli Road and part of West Dapto Road is in its preliminary phase of design.

A technical design brief, which will provide instruction to a consultant for the preparation of the design for the new link road from Fowlers Road to Fairwater Drive, is nearing completion. Tenders for the design work will be called in the first half of 2013-14.

Council resolved in May 2013 to support Biodiversity Certification of the West Dapto Urban Release Area. An interagency project team has been formed to prepare the information in support of an application to the NSW Office of Environment and Heritage.



## Waste

Develop new waste contracts, services, facilities and systems in line with the adopted Waste Strategy

The Waste Strategy, adopted by Council in August 2012, outlines Council's approach to improve its collection and processing of waste and how we will ensure the best use of landfill space in the period from 2012 to 2022.

Following an exhibition period, the Whytes Gully Landfill Facility Upgrade Environmental Assessment (EA) was provided to the NSW Department of Planning, with Council being granted Draft Consent Conditions for the Whytes Gully Landfill Facility.

The tender for the construction of Stage 1 was awarded to Select Civil Pty Ltd, with construction commencing in the latter part of 2012-13. Stage 1 of the new cell is expected to be operational by March 2014. Stage 2 and Stage 3 of the landfill cell are currently in the design phase.

Rehabilitation of Helensburgh Waste Depot is currently in the design phase.

During 2012-13, Council also released the waste contract tenders for the Collection Services (joint with Shellharbour City Council), and Recyclables Processing (joint with Shellharbour City Council).

## Central Business District (CBD) Revitalisation

Improving the public realm, vibrancy and development opportunities within the CBD

Over the past 12 months, \$540 million of construction within the CBD has either been completed or is underway. Major developments taking place include the \$19 million Crown Street Mall refurbishment and the \$200 million expansion of GPT Crown Central. Other developments, although not directly delivered by Council, include the Vantage Residential Development (\$38M) on the former Dairy Farmers site at Gladstone Avenue, Wollongong; Australian Tax Office building on Kembla Street (\$16M); and expansion of Wollongong Public Hospital (\$106M).

In addition, a number of projects/initiatives which aim to contribute to the revitalisation of the Wollongong City Centre have progressed, including:

- § Works on the IPAC café/restaurant refurbishment, scheduled for completion in early 2013-14
- § Development of a strategy and action plan for a Wollongong City Centre Evening Economy. The project will be delivered in conjunction with the Live Music Taskforce and development of the new cultural plan
- § Completion of new signage in the Arts Precinct
- § Supporting Destination Wollongong in the delivery of the City Centre Marketing Plan
- § Footpath upgrades including Corrimal Street and upper Crown Street near the hospital
- § The delivery of *Street Talk* which is a public art program on the back wall of the IPAC building
- § Implementation of community art on the Crown Street Mall Refurbishment project hoardings which showcase the work of local artists and create vibrancy.

## Walkability

An LGA wide project renewing footpaths and cycle ways and constructing missing links in the system to encourage active transport

A number of major footpath upgrades have been completed during the year, including Kembla Street (Crown and Burelli streets); Princes Highway, Dapto (Kembla Grange PI to West Dapto Rd); and Princes Highway West Wollongong (London Dr to Abercrombie St).

The Grand Pacific Walk (GPW) Project is proceeding on track with both the Master Plan and Stage One designs in an advanced stage of development. A draft report on the GPW Master Plan is being finalised for presentation to councillors including the following components:

- § Site analysis of the entire route from Otford to Windang
- § Engagement report
- § Safety audit of the route from a cyclist and pedestrian perspective
- § Economic Impact Assessment of the proposed project
- § Pedestrian and cyclist counts for 30 locations along the route including feeders from the Council's Bike Plan
- § GPW Signage Strategy
- § Costed draft master plan incorporating site specific proposed upgrades.

A costed concept plan of the route from Sea Cliff Bridge to Stanwell Park has been completed, as part of the GPW Stage One Implementation Plan.

## Goal 1:

# We Value and Protect Our Environment



*Draw Write Snap Share Promotion*

As a community we value our heritage and protect our natural environment. We have enhanced our wildlife corridors and the city's unique natural beauty through a green network that connects the escarpment to the sea. We manage our resources effectively and attract visitors to play and stay with minimal impact on the environment.

Our beautiful city is well maintained and cared for, and the urban environment not only complements the city's natural qualities and assets, but assists in managing population growth and urban expansion in a sensitive and sustainable way.

We have the capacity to deal with the many pressures facing our unique environment, such as sea level rises and other climate change related issues. We balance the need for development with the desire of the community to protect our natural environment.

### COUNCIL'S ROLE IN DELIVERING ON THE GOAL

Council is one of many organisations working with the community to protect our environment and promote its value. Our role in protecting our natural environment involves planning, assessing, undertaking regulatory inspections and activities, and providing a variety of programs such as Bushcare, FireReady and Greenplan.

Council also has a significant role in the protection and promotion of our local and Indigenous heritage. This includes the delivery of the Heritage Assistance Grant Program, and working with other agencies to provide and support a diverse range of heritage education and promotion programs.

## *The natural environment is protected and enhanced*

### Illawarra Escarpment Strategic Management Plan (IESMP)

The Escarpment Planning Reference Group was formed in September 2012 and has continued to meet during the year to review and provide comment to Council on a variety of strategic projects and Council policies related to, or that may impact on, the Illawarra Escarpment. During the year, an initial review of the original IESMP was undertaken, including looking at the rezoning proposals in the escarpment to ensure consistency with the objectives in the management plan. An update of the IESMP is due to be completed by June 2014.

### Pest Management

During 2012-13, Council's Vertebrate Pest Management program continued in partnership with state agencies. There were a total of 88 deer culling operations undertaken, resulting in 493 deer culled. The increasing rabbit population was also serviced with 11 operational culls at nine sites in April 2013, resulting in 244 rabbits culled. Based on pre and post treatment surveys, this resulted in a 90% reduction in rabbit abundances at the nine control sites. Community participation in the Wollongong Indian Myna Bird Program resulted in 21 workshops with 267 residents involved in the trapping program.

### Annual Bushfire Hazard Reduction Works

Council's annual bushfire hazard reduction works program was conducted at 98 Asset Protection Zone (APZ) sites. The successful application for the Rural Fire Service's Local Government Fund of \$43,000 enabled hazard reduction works to be undertaken at a further 10 sites.

The program seeks to reduce ground fuel in high priority Council and community land areas. These areas are primarily in the Northern suburbs including Helensburgh, Otford, Stanwell Park and Stanwell Tops.

## *Our coastal areas and waterways are protected and enhanced*

### Coastal Zone Management Plan

Finalisation of the Coastal Zone Management Plan (CZMP) is dependent on completion of the State Coastal Reforms. Council is provided with regular updates on NSW Government legislative changes relating to this project.

One element of the draft CZMP, the draft Wollongong Dune Management Strategy for Patrolled Swimming Areas of 17 beaches progressed during the year. In June 2013, the dune management strategy was prepared and placed on public exhibition. A follow up report, including an implementation plan will be presented to Council in the first quarter of 2013-14.

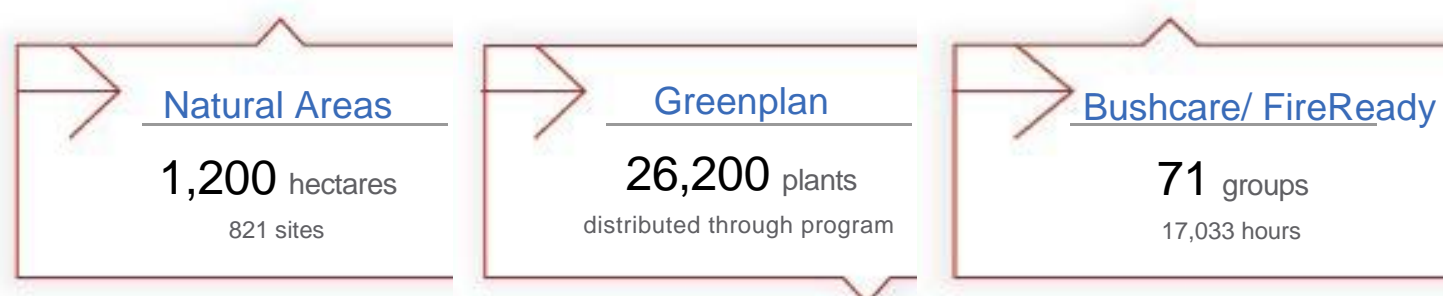
### Keep Australia Beautiful Award

Council achieved state recognition during the annual Keep Australia Beautiful Week for North Wollongong and City beaches. North Wollongong Beach was awarded the Sydney Water – Water Conservation Award and received highly commended recognition in the overall category. City Beach was the state winner of the friendly beach award and received highly commended in the community partnerships category.

### Lifeguard and Volunteer Lifesaving Patrols

Council lifeguard and Surf Life Saving Illawarra (SLSI) services and beach patrols were delivered effectively throughout the 2012-13 summer period. An estimated 1,218,164 visits at beaches was reflective of the favourable weather conditions the city experienced in the year. Council's Ocean Lifeguard Service which operates Monday – Saturday in summer performed 1,395 rescues and advised 32,867 swimmers of potential hazards.

A review of the current service level agreement with SLSI was undertaken throughout the year with no major service changes proposed. A risk review of ten unpatrolled beach locations was also undertaken in partnership with Australian Coast Safe – the risk management arm of Surf Life Saving Australia. The review has identified 17 recommendations that are being evaluated and prioritised for implementation.





## Surf Sense Water Safety Education Program

Water Safety Education was effectively delivered to over 7,200 primary school students. The program was also delivered to targeted university and TAFE students as part of their orientation to the city. Council continues to work with key migrant agencies including SCARF Illawarra to deliver surf and water safety education presentations to targeted groups.

## Companion Animal Management

The Annual Pound Data Collection Forms and all data relating to dog attacks have been returned to the Department of Local Government for the 2012-13 period.

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

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

All registration income returned to Council from the Companion Animal Fund from the Department of Local Government was expended into animal management. Council expended a total of \$1,387,312 on companion animal management activities during 2012-13.

This year education largely related to the development of a new amended Dogs on Beaches and Parks Off-Leash Brochure (available at Customer Service areas), a microchip day, and media and web information concerning the requirement for dogs to wear a collar and tag. A brochure was also sent out with microchip and registration letters to educate the community on microchipping and registration laws and changes to ownership details.

Council's new Dogs on Beaches and Parks Policy and the brochure were also placed on Council's web page for additional education opportunity.

This year Council's Dogs on Beaches and Parks Policy was amended after community consultation to improve safety adjacent to East Corrimal car park due to competing conflicting uses by relocating the southern boundary of the off-leash area to the northern side of Bellambi Lagoon. The current list of declared off-leash areas are:

- § Perkins Beach, Windang (extending from Shellharbour Road/Wattle Street beach walkway north to access way south of Port Kembla Surf Life Saving Club southern car park)
- § MM Beach, Port Kembla
- § Coniston Beach, Coniston 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 northern side of Bellambi Lagoon to Bellambi Point)
- § Bellambi between Bellambi ramp and ocean pool
- § McCauley's 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, Figtree
- § Proud Park, Helensburgh
- § Riley Park, Unanderra
- § Eleebana Reserve, Koonawarra
- § King George V Park, Port Kembla.

### Patrolled beaches

17

Monday to Saturday

### Off-leash areas

15

### Rise & Shine

22 tonnes

rubbed removed from  
waterways, parks, natural areas

## Stormwater Management Services

### 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 run-off. 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 Stormwater Management Charge Budget Expenditure 2012-13 \$	Actual Stormwater Management Charge Expenditure 2012-13 \$
Stormwater Quantity Management	450,000	595,280
Stormwater and Watercourse Quality Management	375,000	246,777
Stormwater Infrastructure Restoration and Replacement	930,000	540,705
Stormwater Operational Management	318,000	231,860
Stormwater Asset Management System	37,000	37,470
<b>TOTAL</b>	<b>2,110,000</b>	<b>1,652,092</b>

The major difference between the management plan budget and the actual expenditure were for the categories of stormwater quantity management (which is essentially for construction of new or upgraded stormwater infrastructure to mitigate localised flooding). The over expenditure compared to budget, related to cost increases on two jobs.

Under expenditure for Stormwater Infrastructure Restoration and Replacement was due to several capital projects which were delayed in the planning and approval stages.

Under expenditure in the Stormwater Operational Management was due to delays in implementing works programs to clean out existing stormwater infrastructure of 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	Stormwater Levy budget \$	Stormwater Levy actual expenditure \$
2 Fisher St, West Wollongong	Construct flood diversion mound and kerb and guttering to mitigate minor flooding	38,000	35,024
113 Parkes St, Helensburgh	Construct additional stormwater infrastructure to mitigate minor flooding	39,000	39,000
Northcote St, Wollongong	Construct new pits channel lining to mitigate minor flooding	202,666	200,830
Wigram Rd, Austinmer	Construct additional stormwater drainage infrastructure to mitigate minor flooding	54,700	51,909
Henry Halloran Park, Stanwell Tops	Design of additional stormwater drainage infrastructure to mitigate minor flooding	7,000	7,000
Winton Pl, Balgownie	Design and construct creek bank protection infrastructure	95,651	80,908
4 Cornock Ave, Thirroul	Construct creek bank protection and new inlet structure to pipe under road to mitigate flood damage	185,000	180,609
Upper Byarong Creek, Figtree	Design of flood mitigation infrastructure	26,666	0
<b>TOTAL</b>		<b>648,983</b>	<b>595,280</b>

## Stormwater and Watercourse Quality Management

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

Project Location	Work Description	Stormwater Levy budget \$	Stormwater Levy actual expenditure \$
Weed Tree Removal – various creeks	Weed removal and replanting of creek banks with native species	10,000	10,000
Bellambi Creek – Albert St, Bellambi	Weed removal and replanting of creek banks with native species	5,000	5,000
Bellambi Creek – Gladstone St, Bellambi	Weed removal and replanting of creek banks with native species	1,000	1,000
Branch Creek – O'Briens Rd Figtree	Weed removal and replanting of creek banks with native species	1,000	7,165
Budjong Creek – Imperial Dr, Berkeley	Weed removal and replanting of creek banks with native species	5,000	5,000
Byarong Creek – Figtree	Weed removal and replanting of creek banks with native species	20,000	20,264
Cabbage Tree Creek – Chalmers Rd, Balgownie	Weed removal and replanting of creek banks with native species	5,000	5,000
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	15,000	15,000
Cabbage Tree Creek – Cabbage Tree Lane, Fairy Meadow	Weed removal and replanting of creek banks with native species	3,000	3,000
Cabbage Tree Creek – Foothills Rd, Balgownie	Weed removal and replanting of creek banks with native species	3,000	3,000
Cabbage Tree Creek – WK Bates Park, Fairy Meadow	Weed removal and replanting of creek banks with native species	1,500	1,500
Cabbage Tree Creek – Foothills Rd, Balgownie	Weed removal and replanting of creek banks with native species	5,000	5,000

Project Location	Work Description	Stormwater Levy budget \$	Stormwater Levy actual expenditure \$
Charcoal Creek – Tallegalla St, Unanderra	Weed removal and replanting of creek banks with native species	15,000	15,000
Collins Creek – Robert St, Woonona	Weed removal and replanting of creek banks with native species	1,000	1,000
Fairy Creek – Carters Ln, Fairy Meadow	Weed removal and replanting of creek banks with native species	10,000	10,000
Fairy Creek – Chapman St, Towradgi	Weed removal and replanting of creek banks with native species	1,000	1,000
Fairy Creek – Fraternity Club, Fairy Meadow	Weed removal and replanting of creek banks with native species	5,000	5,000
Fairy Creek – Mercury St, 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	7,500	7,500
Fairy Creek – Wisemans Park Basin, Gwynneville	Weed removal and replanting of creek banks with native species	2,500	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 Ave, Corrimal	Weed removal and replanting of creek banks with native species	2,000	1,898
Towradgi Creek – Zeims Ave, Towradgi	Weed removal and replanting of creek banks with native species	7,500	7,500
American Creek – Cordeaux Rd, Mt Kembla	Weed removal and replanting of creek banks with native species	3,000	2,997
Farahars Creek – Halley Cres, Woonona	Weed removal and replanting of creek banks with native species	1,500	1,500
Mullet Creek – Bong Bong Rd, Dapto	Weed removal and replanting of creek banks with native species	5,000	5,000
Robins Creek, Horsley	Weed removal and replanting of creek banks with native species	3,000	3,000
Budgong Creek, Semaphore Rd, Berkeley	Weed removal and replanting of creek banks with native species	5,000	5,000
Mullet Creek, Avondale Rd, Dapto	Weed removal and replanting of creek banks with native species	5,000	5,000
Mullet Creek, Ena Ave, Dapto	Weed removal and replanting of creek banks with native species	2,500	2,500
Minegang Creek, Ranchby Ave, Warrawong	Weed removal and replanting of creek banks with native species	5,000	5,000
Fairy Creek, Porter St, North Wollongong	Weed removal and replanting of creek banks with native species	3,000	3,000
Minegang Creek, Denise St, Warrawong	Weed removal and replanting of creek banks with native species	5,000	5,000
Branch Creek, Sid Parish Park, Cleverdon Cres, Figtree	Weed removal and replanting of creek banks with native species	5,000	5,000
Fairy Creek, Gilmore Pk, West Wollongong	Weed removal and replanting of creek banks with native species	10,000	10,000
Nicole and Windang Rd, Primbee	Weed removal and replanting of creek banks with native species	1,000	1,000
Stormwater Water Quality Management Ponds	Aquatic weed and rubbish removal	17,528	17,528
<b>SUBTOTAL: Stormwater Quality Management - Operational</b>		<b>238,528</b>	<b>235,730</b>



Project Location	Work Description	Stormwater Levy budget \$	Stormwater Levy actual expenditure \$
<i>Projects below involve design and construction of pollution control infrastructure.</i>			
Squires Way, Fairy Meadow	Design of access track for servicing gross pollutant trap	11,500	7,978
Nyrang Park, Keiraville	Design of access track for servicing gross pollutant trap	7,000	3,069
Andrew Ave, Keiraville	Design of access track for servicing gross pollutant trap	4,500	0
Upper Byarong Creek, Figtree	Design of access track for servicing gross pollutant trap	23,000	0
SUBTOTAL: Stormwater Quality Management - Capital Projects		46,000	11,047
TOTAL		284,528	246,777

## Stormwater Infrastructure Restoration and Replacement

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

Project Location	Work Description	Stormwater Levy budget \$	Stormwater Levy actual expenditure \$
Gilmore St, West Wollongong	Construction of replacement downstream headwall of existing culvert	29,000	26,262
Cnr Barnes St/ Massey St, Berkeley	Reconstruct pipeline	47,000	42,851
Citywide	Minor stormwater infrastructure renewals	46,000	25,609
Bellambi Creek, Brompton Rd, Bellambi	Design for reconstruction of creek bank protection	13,168	13,168
James Rd, Mt Keira	Design for reconstruction and upgrade of pit and pipe	9,500	6,439
Spinks Rd, Corrimal	Reconstruction of pipeline	12,519	12,519
Beach and Southview sts, Bulli	Renewal and upgrade of pits and pipes	74,720	73,673
721, Lawrence Hargrave Dr, Coledale	Design for renewal for channel lining	2,936	1,170
18 Pindari St, Keiraville	Replace pipeline in easement on private property	50,000	43,322
Robsons Rd, West Wollongong	Design of replacement upstream and downstream headwalls of existing culvert	14,614	12,813
Cnr Ellen and Auburn sts, Wollongong	Replace and upgrade pits, pipes and kerb and guttering	160,000	159,826
Swan St, Wollongong	Reline pipeline	30,416	27,765
Billabong Ave, Dapto	Reline pipeline	17,888	17,888
37 Joseph St, Woonona	Reline pipeline	14,300	14,300
10 Asquith, Austinmer	Reline pipeline	19,580	19,580
38 Morrison Ave, Wombarra	Reline pipeline	28,520	28,520
Iris Ave, Coniston	Reline pipeline	15,000	15,000
TOTAL		609,457	540,705

## Stormwater Operational Management

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	242,235	231,860
TOTAL		242,235	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.	37,470	37,470
<b>TOTAL</b>		<b>37,470</b>	<b>37,470</b>

## *Community awareness and appreciation of heritage is increased*

### North Beach Bathers Pavilion

The North Beach Bathers Pavilion won the Regeneration and New Development award at the National Trust of Australia (NSW) Heritage Awards in May 2013. The award recognises the conservation of built heritage through design, capital works and repair.

Council reopened the North Beach Bathers Pavilion in September 2012 following a complex and extensive renovation of the building and its surrounds. The building's brickwork was cleaned, repaired and repainted, lifeguard and public amenities were upgraded and inclusion of a café. Outside there was wide-ranging work done to the building's surrounds including a new pedestrian promenade, the replacement of the seawall and the construction of new retaining walls. This work was completed as part of the broader Blue Mile project.

### Decision Framework for Managing Aboriginal Heritage Items and Plans Affected by Coastal Hazards

A draft Aboriginal Cultural Heritage Management Development Assessment Toolkit has been prepared by Wollongong, Shellharbour and Kiama councils. This toolkit outlines a process and guidelines to assist in identifying and applying the most appropriate type and level of consideration to Aboriginal cultural heritage values during the assessment of development applications.

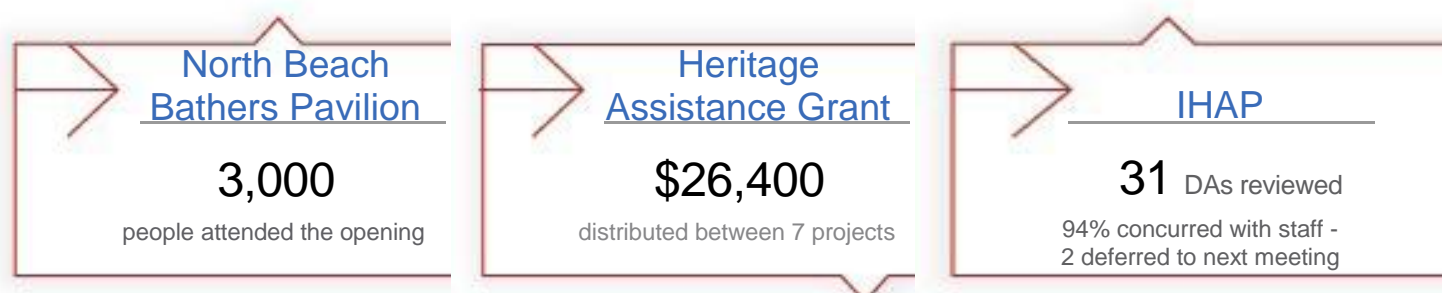
The draft Sandon Point and McCauley's Beach Plan of Management was placed on exhibition from December 2012 to March 2013. The draft plan of management provides ideas and plans to manage the community land with respect for all users and to recognise the area's rich Aboriginal significance.

### Local Studies Projects

A number of local studies projects were conducted during the year including Illawarra Remembers 1914-1918 and the Illawarra Mercury Digitisation project.

The Illawarra Remembers 1914-1918 project, to continue into 2013-14, was held at Thirroul Library and incorporated a seminar by John McQuilton, a University of Wollongong academic, who leads study tours to the Western Front; as well as a 'scan and share' session, where community members contributed items for scanning, including photographs, postcards, Christmas cards, cablegrams and letters.

The Illawarra Mercury Digitisation project involves converting copies of the Illawarra Mercury printed between 1856 – 1954 to digital format to enable online access to this important historical resource.



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## *Wollongong's ecological footprint is reduced*

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### National Television and Computer Recycling Scheme – eWaste Product Stewardship

The National Computer and Television Recycling Scheme (eWaste Product Stewardship) provides householders and small businesses with access to free collection and recycling services for televisions and computers. In March 2013, Council entered into a five year agreement with DHL for the collection and recycling of the services. The Wollongong Waste and Resource Recovery Park at Whytes Gully will accept eligible eWaste at no cost.

### Wollongong Waste and Resource Recovery Park – Gas Management System Stage 1

Run Energy was contracted by Council for Stage 1 of the Landfill Gas Management. Stage 1 is an exploratory stage collecting and flaring landfill methane gas emissions to determine gas quantities and quality for future Clean Energy initiatives. Work has commenced with the installation of gas wells, gas manifolds and a gas flare on the Western Gully.

### Waste and Sustainability Improvement Payment (WaSIP)

During the latter part of 2012-13, the NSW Government announced a new waste and resource recovery initiative; Waste Less, Recycle More, a \$465.7 million package over five years.

Environment and sustainability projects not directly related to waste initiatives were previously funded under the WaSIP program, however are not eligible for funding under the new Waste Less, Recycle More initiative. Transition arrangements allow continuation of WaSIP funding for these projects for a twelve month period (ie until June 2014). Over the next twelve months, Council will need to transition to a revised program which considers the reduction in funding.

### Community Environmental Programs

A total of 13,000 people were involved in educational activities at Wollongong Botanic Garden, with a focus on reducing our ecological footprint via waste avoidance. This involved 250 workshops and 15 events including 1,000 primary school students taking part in World Environment Day workshops, 3,000 people attending school holiday programs for families, and 1,000 visitors to the family activities at the Backyard Festival. Council had 16 major events that were Waste Wise events. The Waste Wise program saw a 93.8% reduction in waste to landfill from these events.

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## *The sustainability of our urban environment is improved*

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### Draft Planning Proposal for the Former 7(d) Lands

During 2012-13, the draft Planning Proposal for the former 7(d) lands at Helensburgh, Otford and Stanwell Tops was exhibited, with 58,000 submissions being received. The outcomes from this exhibition will be presented to Council to enable a final decision to be made on these lands.

### Farmborough Heights to Mt Kembla Strategic Plan

A draft strategic plan for Farmborough Heights to Mt Kembla was prepared in two stages during 2012-13 to determine whether rural lands adjoining existing residential areas is suitable for development. Completion of the Stage 1 Ecological Assessment has provided independent and up-to-date information on the ecological and riparian values of the study area. Stage 2 then examined the capacity of the lands mapped outside these proposed conservation areas to accommodate any land use change or intensification. The draft strategic plan will be placed on public exhibition in early 2013.

## YEAR AHEAD

### IN 2013-14 WOLLONGONG CITY COUNCIL WILL:

- § Implement and monitor pilot gas wells at Whytes Gully
- § Review and update the West Dapto Release Area Master Plan
- § Finalise the Dune Management Strategy and commence implementation of priority actions
- § Commence a review of the Heritage list within the Wollongong Local Environmental Plan
- § Continue to undertake investigations into the feasibility of a Regional Museum.

## Goal 2:

# We have an innovative and sustainable economy



Pictures: Angela Douglas  
Draw Write Snap Share Promotion

We are global leaders in innovative and sustainable research, development and new industries. We become renowned for leading the way with green technology and jobs.

Wollongong is established as the Regional Centre, creating hubs of activity with a thriving and resilient local economy. The city is able to support the establishment of new industries, enterprises and businesses which attract and retain people to live and work.

Wollongong is a student-friendly city and our residents are educated and employed. We have access to employment and education through our diverse industry base and world class learning institutions.

### COUNCIL'S ROLE IN DELIVERING ON THE GOAL

Council's role in supporting the establishment of an innovative and sustainable economy involves leadership, planning, marketing and infrastructure provision. We do this via the preparation, revision and management of planning controls from within our Land Use Planning, City Planning and Regulation Services. We also facilitate and fund key activities and initiatives such as those undertaken by Destination Wollongong, on behalf of Council, to market and promote the city and the region.



## *Local employment opportunities are increased within a strong regional economy*

### Wollongong Economic Advisory Board

In September 2012, Council endorsed the establishment of an Economic Development Advisory Board (EDAB) comprising of twelve members (five councillors and seven independent representatives). The board is responsible for providing advice to Council management in the formulation, monitoring, implementation and review of Council's Economic Development program and policies. There is a strong focus on business attraction and expansion, business development, industry development and business infrastructure.

Achievements to date include the endorsement of the Economic Development Strategy and Council's Expression of Interest (EOI) to the NSW Government Restart NSW Illawarra Infrastructure Fund for Fowlers Road bridge and road connection (\$45M), Bald Hill upgrade (\$5.8M) and Grand Pacific Walk/Way Stage 1 (\$5M).

### Business Investment and Attraction Strategy

The Business Investment and Attraction Strategy aims to actively promote Wollongong as a destination to invest, live, work and play. Key events held throughout the year include:

- § A night held at Sydney Parliament House, with over 200 businesses and investors attending. In addition, representation has been made to the Premier and Minister for the Illawarra.
- § Hosting, in partnership with NSW Government, the University of Wollongong and Port Kembla Port Corporation a visit of NSW Consular Corps representatives to the Illawarra region. Consular representatives from 19 countries were in attendance. The purpose of the visit was to showcase the economic opportunities and industry capabilities of the Illawarra region.
- § Exhibit at CeBIT, in partnership with NSW Trade and Investment, University of Wollongong and local ICT businesses. The stand promoted Wollongong as an ideal place for information and communications technology (ICT) businesses to establish and highlighted the city's capabilities in ICT.

### Economic Gardening Program

Council conducted a successful Economic Gardening program in September 2012. This is the third year Council has joined with Shellharbour and Kiama councils to conduct the three tier program, consisting of a business boot camp, workshops on a range of topics and individual coaching, all designed to help local businesses thrive. The program has provided more than 200 businesses with support to grow their operations.

## *The profile of Wollongong as the regional city of the Illawarra is expanded and improved*

### Southern Gateway Bulli Tops

Council resolved to lease the Southern Gateway Centre at Bulli Tops to GIMA Pty Ltd, who will establish a café bar specialising in Gelato. The new business is expected to increase visitor levels that will work in harmony with the existing tenants to increase exposure of this site. It is anticipated that the business will open in the second quarter of 2013-14.

### Crown Street Mall Refurbishment

The refurbishment of the Crown Street Mall commenced in March with the removal of the chessboard area and amphitheatre. The refurbishment is an integral part of revitalising the city centre and is part funded by a \$5.0 million grant from the Australian Government's Regional Development Australia Fund. The refurbishment is anticipated to cost \$19.4 million. This includes new granite pavers, semi-mature trees along the southern side of the mall, new furniture, decorative lighting, public art and free Wi-Fi in Crown Street.

### Free Wi-Fi in the City Centre

A local company, MCT Solutions, was contracted for the provision of free Wi-Fi in the city centre. The infrastructure for the project was installed in late 2012 with the service going live in January 2013. In June 2013, there were, on average, 89 concurrent users per day. The most commonly used access points were in front of 93 Crown Street, Wollongong and the Keira Street entrance to the Crown Street Mall.



## Destination Wollongong

Council contributes to the promotion of Wollongong via a funding agreement with Destination Wollongong. Data released by Destination NSW, relating to domestic visitors spending at least one night, showed Wollongong reached the one million mark last year, a 16% increase on the previous year (state averaged 1% increase).

Destination Wollongong helped launch or supported a number of events throughout the year with the summer program of events reported to have injected \$22.0 million into the city's economy.

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## *The region's industry base is diversified*

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### Upgrades to Bald Hill

Following an extensive community engagement and exhibition period, Council adopted the draft Landscape Master Plan for Bald Hill in March 2013. A NSW Government funding grant aligned to the Restart NSW Illawarra Infrastructure Fund has been submitted and is aimed to accelerate the implementation of the master plan.

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## *New industries and green technologies are established and flourish*

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### #Illawarra Digital Strategy

Council has partnered with Regional Development Australia Illawarra (RDA-I), and Kiama and Shellharbour councils to commission Explor Consulting to prepare a five year digital futures strategy for the Illawarra region with sub strategies for the three local government areas.

A series of consultative workshops were undertaken in February and March involving each of the councils, the community and six identified key industry sector groups. In addition, a number of consultative meetings with key regional stakeholders were held. An initial report has been delivered to the RDA-I sub committee outlining the expected structure of the Illawarra Digital Strategy.

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## *Wollongong continues to expand as a place of learning*

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### Gleniffer Brae Planning Proposal

Following the exhibition of the draft Gleniffer Brae planning proposal, community information sessions and a public hearing, a report was provided to Council on issues raised from 63 submissions and two petitions.

In December 2012, Council resolved not to proceed with the planning proposal. Further options will now be explored regarding use of the site.

### StartPad Program

StartPad, Illawarra's ideas incubator, is a joint initiative between the University of Wollongong, Wollongong City Council, NSW Trade and Investment, Regional Development Australia Illawarra (RDA-I) and Enterprise Connect. Council provides support for this initiative through the leasing of space to the University of Wollongong at Level 2, 93 Crown Street for the operations of StartPad, incorporating the StartPad operations into the central Wollongong Information Hub (i-Hub). Council and project partners have agreed to extend this successful program for a further twelve months.

## YEAR AHEAD

### IN 2013-14 WOLLONGONG CITY COUNCIL WILL:

- § Continue to deliver the infrastructure delivery program to support the West Dapto Urban Release Area
- § Continue to implement the Crown Street Mall and City Centre Revitalisation Capital works projects, including the mall refurbishment
- § Facilitate the Wollongong Economic Development Advisory Board
- § Deliver the Wollongong Major Events Strategy with Destination Wollongong
- § Deliver a program of activities and services that support learning
- § Commence a review of the City Centre Revitalisation Strategy.

## Goal 3:

### Wollongong is a creative, vibrant city



*Draw Write Snap Share Promotion*

Wollongong is a creative, vibrant city where our rich cultural heritage is celebrated. We have thriving creative industries that reflect the diversity of our community; nationally and internationally recognised events and festivals; and an environment that embraces new ideas and welcomes new people.

Our public spaces are activated, exciting and attractive at all times of the day. All of our communities are working together in partnership to strengthen our community connections and celebrate the diversity of our vibrant city.

#### COUNCIL'S ROLE IN DELIVERING ON THE GOAL

Council's role in contributing to a creative, vibrant city ranges from land use planning to the delivery of cultural services such as community cultural development; and the operation and management of the region's art gallery and town hall. In addition, Council funds the Illawarra Performing Arts Centre which operates out of a Council owned facility in Burelli Street, Wollongong.

Council currently delivers a significant calendar of events such as the Viva la Gong Festival and provides funding to facilitate and attract national and international rated events to the city. We also coordinate key local community events such as Australia Day and New Year's Eve.

## *Creative cultural industries are established and fostered*

### Creative Space Strategy

The Creative Spaces Strategy is designed to invigorate Wollongong and suburban centres by creating opportunities and partnerships between Council and property owners and local creative industry and community/social enterprises. A number of sites for creative spaces have been investigated including research on the possible use of the lower town hall as a creative arts hub. Other projects undertaken include Papergirl (pop-up shop), Lunch in the Precinct, Creative Dialogue Program and Viva la Gong Festival.

## *The visibility of our cultural diversity is increased*

### Refugee Week 2013

Refugee Week 2013 was a culmination of Council working with community partners on a multifaceted arts program. Activities included a community art exhibition, an education program with schools and a Living Books program with people from refugee backgrounds. World Refugee Day, saw the city gallery achieve one of its busiest days with the launch of Restoring Hope exhibition and the professional art exhibition Me the Road and I. The launches featured guest speakers and performers from a range of newly arrived communities.

The refugee art program was an innovative way to showcase the creative talents of refugee communities, and their journeys, strength and resilience. It also provided an opportunity to bring together those of refugee background and the wider community to learn about each other and to celebrate the diversity of our city.

### Songworld

The Songworld program involved 130 Year 7 and 8 students from Cringila, Coniston, Bulli and Helensburgh public schools. The program, funded by Federal Government Department of Immigration and Citizenship, aimed at building new community networks using music as the intermediary tool. The songs represented a culturally diverse repertoire covering Swahili, Scottish, Maori, Macedonian, Arabic and Burmese languages.

### Small Cultural Grants Program 2012-13

The Small Cultural Grant was dispersed to 15 successful applicants. Projects ranged from art on coffee cups to dance, performance and literary workshops. One of the funded project was ADART's (art on coffee cups) whose aim was to promote and celebrate the rich and varied art scene in Wollongong. ADART has now collaborated with Biopac to curate artwork on their bio-degradable cups. There has been one release of six designs with two reprints - a total of 300,000 cups and ADART has been signed for two more releases.

### NAIDOC Week

Council funded five community groups to conduct NAIDOC Week activities in the local community. A Reconciliation story time was held at the Botanical Garden Indigenous display area with over 50 school children present.

## *Community access to the arts and participation events and festivals is increased*

### Arts Precinct

The Arts Precinct on Burelli Street has seen some significant achievements including renovation work taking place for a new café/restaurant space within the Illawarra Performing Arts Centre. The project includes the installation of a commercial kitchen and serving area, tables and chairs both inside IPAC and on the concourse of the centre. Bi-fold doors leading to the outside will provide outdoor dining opportunities.

In addition, new wayfinding and event information signage has been installed throughout the precinct. Other initiatives are planned for delivery in 2013-14 including art installations and outdoor dining.





## Art Gallery Exhibitions and Education

Visitation to Wollongong City Art Gallery has continued to increase during 2012-13, with 78,128 visits. During the year the gallery hosted 24 exhibitions in the main program, eight community exhibitions and 189 education and public program activities throughout the year, including 20th Anniversary of the Resident Artist Program, What Tomorrow Brings, Edith Kouto: A Tapestry, Local; Current 4, Frank Nowlan: Man of the Series, The Potter's Brush: John Kuczwal and Marino Moretti, Lizzie Buckmaster Dove: Alchemy of Blue and Y-Curate.

The Community Access Gallery also presented eight exhibitions in 2012-13 which included artworks for Seniors Week, the Youth Centre 2012 Resident Artist and the CEO Children's Christmas story exhibition.

Highlights of the education and public program calendar included the Children's Art Trail program, Art Enrichment Program, Introduction to Drawing and Painting and the School Holiday Workshop program.

## Kids' Day Out

Almost 250 children and their parents attended the Kids' Day Out event at the Thirroul Community Centre in January 2013. The event connected children with South Coast and Sydney Children's authors and involved activities, craft workshops, storytelling and the opportunity to dress up as their favourite characters. The event was jointly run by Council and the Illawarra South Coast Children's Book Council.

## Book Week

Over 1,000 children from local schools and pre-schools visited our libraries during Book Week. Activities included special displays and storytimes including a bilingual (Mandarin) storytime at the Central Library.

Bill Condon who was awarded a 'Commended' for his youth novel in the Book of the Year, gave a talk to 65 high school students and adults at the Thirroul Centre.

Over 350 children participated in the Paint the Town REaD event held at Westfield Warrawong, with the Lord Mayor opening the event with a children's story. The event also included participation of 30 university students studying Bachelor Early Years, 12 Illawarra TAFE students completing Diploma of Children's Services, the Wollongong Hawks and under 20's St George Illawarra Dragons.

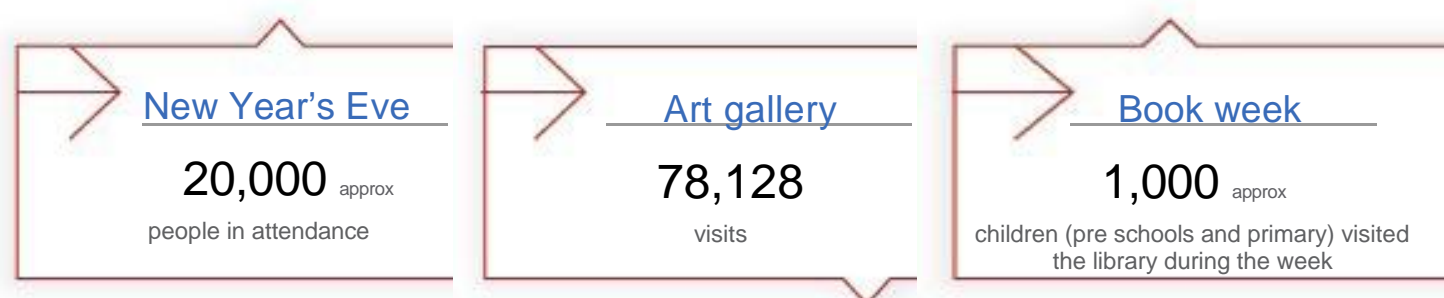
## Illawarra Performing Arts Centre (IPAC)/Merrigong Theatre Company

Council continues to work closely with Illawarra Performing Arts Centre (IPAC) in the delivery of a diverse range of performances. During the year a review of the current funding agreement between Council and IPAC took place with Council endorsing the finalisation of a new Funding and Performance Agreement effective for the period 1 January 2013 to 31 December 2017. This new agreement will facilitate Council's strategic, financial and operational planning and accountability, as well as establish clear parameters for Council's ongoing partnering with IPAC. In tandem with the development of the new IPAC Funding and Performance Agreement, negotiations have progressed for a five year lease which will align with the timeframe of the new agreement.

## *Strong diverse local cultures thrive*

### Library Strategic Plan

At the end of June 2013, deliverables of the Library Strategic Plan include an extension of library opening hours, development of a Collection Management Plan which provides clear parameters and guidance in relation to how and what is added to the libraries' resource base and how the collection will be managed, and holding the first of its kind the Comic Gong Festival. The festival was a major success with 1,300 people attending. Planning has now commenced for the 2014 Comic Gong festival.



## Public Art Program

Council has commenced several public art projects which aim to connect with local residents and communities enhancing pride and ownership of the area. Some of these include:

- § The Warrawong 'Laneway 127' Street Art Project - Artists engaged a range of local residents to develop themes and designs, and to paint and install artwork at identified sites in Warrawong.
- § Street Talk- Three street artists collaborated with four poets to develop wall design for the IPAC laneway.
- § Art on Crown, Crown St Mall Hoardings Panel Project - Council commissioned four local artists to work with local art based groups to create 48 panels to be installed onto the hoardings during the construction of the new Crown Street Mall.
- § Judbooley – 'Sea Life' a contemporary public artwork created for the public recreational area along the Lake Illawarra foreshore at Judbooley Parade, Windang.

## Men's Shed Strategy

Council's application through Age-Friendly Community Local Government Grants Scheme to fund the development of a Men's Shed Strategy was unsuccessful. In order to progress the development of the strategy a project officer was engaged using existing resources.

The scope of the project was expanded to men's spaces and places including men's sheds. To date, the project has included a review of academic literature; national, state and local government initiatives; and a comprehensive community engagement process. As part of the engagement process more than 340 people responded to the survey and 24 men's shed stakeholders attended a workshop. The information provided through the research and engagement phase has resulted in a range of strategies to inform the work of Council and our community partners into the future.

## Online Calendar of Events

With Destination Wollongong, an online calendar of events has been developed in association with Destination NSW and the Australian Tourism Data Warehouse. Event organisers across the local government area are able to utilise this as a one-stop-shop location for listing their events. This information is automatically listed on three sites; [www.visitwollongong.com](http://www.visitwollongong.com), [www.wollongong.com](http://www.wollongong.com) and [www.visitnsw.com/wollongong](http://www.visitnsw.com/wollongong)

# YEAR AHEAD

## IN 2013-14 WOLLONGONG CITY COUNCIL WILL:

- § Deliver community cultural development projects
- § Deliver strategies from the cultural plan
- § Implement strategies of community safety plan
- § Deliver improvements as a response to the library satisfaction survey.

## Goal 4:

### We are a connected and engaged community



*Draw Write Snap Share Promotion*

We are a connected community, engaged in our neighbourhood and other social networks. We have opportunities to participate in civic society and are empowered to have our say. We have strong and effective local leadership.

We respect and acknowledge the wisdom of age, the vitality and enthusiasm of our young people and the diversity of our community. Our Aboriginal community is recognised and valued.

We have embraced new technology to ensure all residents have access to information, services and each other.

#### COUNCIL'S ROLE IN DELIVERING ON THE GOAL

Council's role in working towards a connected and engaged community ranges from the provision of information and consulting with stakeholders to the provision of community centres, and delivery of an integrated customer service centre.

Council also works with other agencies to increase the opportunity for community connection through volunteering and not for profit events, programs and activities.

Our statutory requirements for delivering this goal include the governance and leadership responsibilities associated with our role as a local government authority.

Council will seek to improve connections with our community and partners, and build on internal networks and integration of services and planning.

## *Residents are able to have their say through increased engagement opportunities and take an active role in decisions that affect our city*

### Community Engagement

Following an extensive exhibition period, including online surveys, kiosks, stands at shopping centres and information on our website and at neighbourhood forums, the Community Engagement Policy was endorsed by Council in April 2013. Work has now commenced on a Community Engagement Framework with the documentation proposed to be complete in the second half of 2013-14 in conjunction with organisational training.

The community were engaged on a number of topics during 2012-13, including:

- § Community Engagement Policy
- § West Dapto Access Project with new works commencing on Shone Avenue and Cleveland Road
- § Sandon Point and McCauley's Beach Plan of Management
- § Warrawong, Figtree and Unanderra town and village plans
- § Holborn Skate Plaza
- § Exhibition of a Bald Hill Reserve draft Concept Master Plan
- § Land zoning in Helensburgh
- § Exhibition of Council's annual plan 2013-14
- § Proposed smoking ban in Crown Street Mall
- § Men's spaces and places strategy
- § Draft Positive Ageing Plan 2013-17
- § Wollongong City Libraries Draft Strategy 2012-15
- § Wollongong Development Control Plan updates
- § Strategic land use plans including West Dapto Release area, structure plan for Yallah-Marshall Mount and planning proposals.
- § Planning for a Grand Pacific Walk vision.

Council engaged on its asset renewal scheme and undertook communication on implementation of the Crown Street Mall revitalisation. Council continued to work with neighbourhood forums, and special interest reference groups and advisory committees to resolve local issues, engage on plans and projects and access Council information and processes.

### Engagement Award

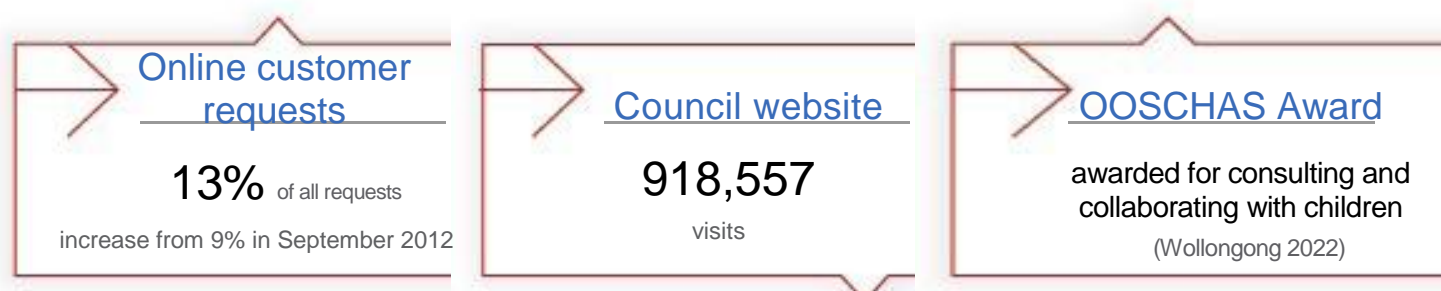
Our engagement of the community for Wollongong 2022 merited three prestigious awards: OOSCHAS Award (peak body for Out of School Hours Services in NSW) from the Network of Community Activities for work consulting and collaborating with children; Best Project for NSW in the Australasian awards for the International Association of Public Participation (IAP2) for best practice engagement; and Highly Commended in the RH Dougherty Award for Reporting to your community (Division C: more than 100,000 population).

Council's consultation process and plan has been included as a best practice case study in the NSW Commission for Children and Young People.

### Customer Service Online

Customer Service Online was launched in July 2012. Feedback has been positive and many customers have taken advantage of the opportunity to do business with Council outside normal business hours.

The percentage of online requests continued to increase throughout the year from 9.1% in the first quarter to 13% of all requests lodged online in the four quarter. There is also a steady increase in the kerbside collection requests with a 27% increase compared to last year.





## *Our residents feel an increased sense of community*

### National Youth Week

In April 2013, National Youth Week 2013 was held across the local government area, with around 1,000 young people participating in a broad range of art, cultural and recreation activities. Some highlights included the Debate of the Ages, Urban Art Mural Project and the Big Day In (festival). This year's National Youth Week activities in Wollongong were recently nominated as finalist for the Local Government Awards in the National Youth Week Innovation category.

### Seniors' Week, March 2013

Over 90 events were held across the city during Seniors' Week. The week opened with the United Nations Older Person's Award and the Lady Mayoress Afternoon Tea Dance with 230 people attending. The art and photography competitions exhibited in the city gallery were also very popular with 78 entries. Council partnered with Centrelink and the Department of Ageing, Disability and Home Care to host the Seniors' Week Expo which included information stalls and guest speakers with more than 250 people in attendance. The Older Person of the Year Award was presented to Victor Chapman. Vic, as he is more frequently called, was the first Indigenous School Principal of NSW; is recognised as a highly respected Elder of the Aboriginal community and is an active member of Northern Probus.

## *Residents have easy and equitable access to information resources and services*

### Council website accessibility

Council commissioned Vision Australia to review the accessibility of its website against the Web Content Accessibility Guidelines (WCAG) 2.0 specification. Their recommendations will now guide website improvements, content management and future development to ensure 'A' and 'AA' level compliance.

### Warrawong Community Facility

Concept planning work for the Warrawong Community Facility was initiated. Work to date includes analysing current and forecast data, reviewing existing reports, researching local and overseas best practice work and carrying out community engagement activities such as workshops, one on one interviews and surveys. Three potential sites have been identified through the Warrawong town planning process which requires more detailed investigation once initial concept planning works are complete.

### Expand Council's use of multimedia

Council successfully trialled webcasting at the December 2012 Council meeting where approximately 160 live viewers tuned in across the night. Since then all Council meetings have been webcast providing greater community access to meetings and enhancing transparency in decision making.

Council has also engaged a Digital Communications Officer, to enhance communication and engagement, provide an added resource to manage the growth of Council's social media presence, support web content, as well as investigating greater use of short video clips and other online communications methods.

### Online engagement and communication tools

Council has continued to increase its use of online engagement and communication tools through online surveys, Facebook and Twitter. In addition, Council signed up with 'Bang the Table' for a twelve month trial period in June 2013. 'Bang the Table' is an online engagement tool that incorporates moderated forums, story gathering and Question and Answer tools.

## *Our local Council has the trust of the community*

### Mini Budget Review

As part of the Financial Sustainability program a Mini Budget Review has been completed with all divisions identifying savings against operational budgets that can be applied now and in the future. The review identified \$1.3 million savings in 2012-13 and close to \$1.0 million recurrently. This is one of the strategies Council utilises to ensure resources are being expended efficiently.

#### National Youth Week

**1,000** approx  
young people participated

#### Webcasting Council meetings

**160**  
live viewers on first night

#### Mini budget review

**\$1.3** million  
savings in 2012-13

## Develop and Implement the Work Health Safety (WHS) Management Plan

Council's WHS Management Plan was reviewed and changed to ensure compliance with new legislative requirements and WorkCover self insurers licence requirements. Through organisational cross sectional workshops and the WHS Safety Committee, organisational safety behaviours are being developed and will be adopted to form an important part of our preferred safety culture. A WHS Leadership Program was developed and commenced in 2013 to further enhance the WHS leadership behaviours of people in supervisory and management roles.

## Public Interest Disclosures (PID)

Public authorities are required to report annually to Parliament on their obligations under the Public Interest Disclosures Act 1994 (section 31). The Public Interest Disclosures Act 1994 (PID Act) sets in place a system to encourage public officials to report serious wrongdoing. The conditions around this reporting are set out in Council's Internal Reporting Policy.

### Public Interest Disclosures received and investigated by Council during 2012-13 include:

Number of public officials who made PIDs	7
Number of PIDs received	6
Of PIDs received, primarily about:	
Corrupt Conduct	5
Maladministration	1
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
Number of PIDs finalised	4

*Note: The number of PIDs finalised only refers to PIDs that have been received since 1 July 2012.*

During the reporting period, Council undertook the following actions to meet its staff awareness obligations:

- § Council PID program was audited by NSW Ombudsman's office
- § Training sessions for PID officers and general staff
- § Ombudsman Guideline D2 adopted as standard practice by Council as part of the PID processes
- § Message from the General Manager to staff on the Hub
- § Internal reporting policy on the intranet
- § Poster program to promote staff awareness.

## Details of overseas visits by councillors and Council staff

### Gordon Bradbery Lord Mayor

Exercise Boss Lift – escorted tour in an advocacy role, alongside selected employers of Reserve Soldiers deployed on Operation ANODE  
16-19 July 2012  
Solomon Island

#### COSTS

Registration	\$ Nil
Accommodation	\$ Nil
Flights	\$ Nil
TOTAL COST	\$ All costs met by Department of Defence

### David Farmer General Manager

Local Government Chief Officers Group  
6-8 March 2013  
Whangarei, NZ

#### COSTS

Registration	\$ 300
Accommodation	\$ 391
Expenses	\$ 149
Flights	\$ 594
TOTAL COST	\$1,434

## Summary of legal proceedings

Particulars	Finalised	Expenses Including GST \$	Receipts Excluding GST \$
<b>Liability litigation against Council</b>			
COLLINS – public liability	No	7,908	Nil
CRINIS – public liability	No	2,068	Nil
HODSDEN – public liability	No	5,415	Nil
MCGUINNESS – public liability	No	1,465	Nil
MORAITIS – public liability	No	7,020	Nil
RUDGE – public liability	No	9,039	Nil
SEWELL – public liability	No	20,701	Nil
STOKLASA – public liability	No	1,914	Nil
OWNERS STRATA PLAN 75846 – professional indemnity	No	66,488	Nil
LEGAL BUSINESS CENTRE – professional indemnity	No	Nil	Nil
PERUSCO – public liability	Yes	Nil	Nil
<b>Council Initiated Litigation</b>			
Kudrynski – Application to L&E Court seeking orders that unauthorised works and structures at Highway Ave, West Wollongong be demolished – judgment in favour of Council.	Yes	10,582	Nil
Oakvale Capital Limited – Proceedings in Federal Court seeking damages and costs concerning investment advice.	No	29,867	Nil
Frames & Trusses Pty Limited – Application to L&E Court seeking orders that an unauthorised use of premises at Princes Highway, Yallah cease operation.	No	Nil	Nil
Percy & Pirie – Application to L&E Court seeking orders requiring demolition of unauthorised structure at Hewitts Ave, Thirroul.	No	Nil	Nil
Peedoms Lawyers Pty Ltd – Claim against Council's then lawyers for lost rent and costs arising from error in drafting of lease – judgment in favour of Council.	Yes	668,459	Terms not to be disclosed
Prodanovski – Application to L&E Court seeking a declaration that consent for development at Gipps Rd, Keiraville has lapsed – judgment in favour of Council.	Yes	99,159	Nil
Blackwells – Application to L&E Court for orders restraining unauthorised use at Walker St, Helensburgh.	No	Nil	Nil
<b>Appeals against Council</b>			
Site Plus - L&E Court appeals against refusal by JRPP of application for resource recovery facility at Jarvie Rd, Cringila.	No	68,663	Nil
Presrod Pty Ltd - L&E Court appeal against Council's refusal of development application for internal works to increase number of units at 39 Smith St, Wollongong.	No	29,369	Nil
Anglican Retirement Villages – L&E Court appeal against Council's refusal of development application for preliminary investigation works at Sandon Point.	No	Nil	Nil
Delfin Lend Lease - L&E Court appeal against PAC refusal of Stage 1 application for residential subdivision at Calderwood. PAC and Shellharbour Council also parties to proceedings.	No	120,579	Nil
St Jude Property Investments – L&E Court appeal against Council's refusal of development application for car wash at Crown St, Wollongong – Finalised by consent orders.	Yes	4,228	Nil
Hornby – L&E Court appeal against Council's refusal of development application for alterations and additions to dwelling at Dobbie Ave, East Corrimal – Appeal discontinued by appellant.	Yes	9,999	Nil
McKenna – L&E Court appeal against Council's refusal of development application for dwelling and granny flat at Morrison Rd, Wombarra – Finalised by consent orders.	Yes	Nil	Nil
Percy – L&E Court appeal against Council's refusal of building certificate for unauthorised works at Hewitts Ave, Thirroul – Appeal discontinued by applicant.	Yes	Nil	Nil
Kudrynski – Appeal against L&E Court decision to NSW Court of Appeal.	No	Nil	Nil
Prodanovski – Appeal against L&E Court decision to NSW Court of Appeal.	Yes	68,867	Nil

## Additional Financial Information

### Contracts Awarded

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 2012 to 30 June 2013 (whether as a result of tender or otherwise):

Tender No.	Name of Contractor	Contract Description	Contract Amount (Excluding GST) \$
T11-24	Oztech Security Services	Security guard, patrols and monitoring services	159,812 pa
T11-29	Project Coordination (Australia) Pty Ltd	IPAC Café	579,450
T12-09	Kembla Water Tech Pty Ltd	Restoration of stormwater infrastructure - Bundaleer Estate	186,600
T12-11	Network Nursing Agency, INS Health Care, Care 1, Warrigal Care, South Coast Home Health Care, Just Better Care	Social support and community transport services	Schedule of Rates
T12-12	Opteon Pty Ltd, Walsh & Monaghan Pty Ltd, Martin Morris & Jones Pty Ltd and Herron Todd White	Valuation services	Schedule of Rates
T12-18	Project Coordination (Australia) Pty Ltd	Thirroul SLSC new roof	339,220
T12-19	Blackwell Bros, Dunmore Resources & Recycling, SCE, Soilco	Disposal of Council's waste material	7,500,000
T12-20	Affective Services, Austalian Catchment Management, Contractors United, Donnelly Civil, GT Civil, MECM Environmental Management, Southern Habitat	Maintenance of stormwater assets	5,000,000
T12-21	Able Roadwork Traffic Analysis, Altus Traffic, Dialtone Traffic Control, Donnelley Civil, D&D Traffic Management, Evolution Traffic Control, Roadworx Surfacing, South East Traffic Management, Statewide Traffic Control, Stop Slow Traffic Control, Traffic Group Australia, Traffic Logistics, Traffic Management Australia, Traffic Management Services	Provision of traffic control services	2,000,000
T12-37	Australian Built Urban Design	Replacement of bus shelters in Wollongong CBD	202,650
T12-38	GHD Pty Ltd	Design Consultants for West Dapto Rd (part) and Wongawilli Rd upgrade	439,265
T12-39	Mann Group (NSW) Demolition Discretionary Trust	Crown Street Mall redevelopment - demolition works	173,900
T12-40	Select Civil	Landfill Cell at Whytes Gully Resource Recovery Park	10,875,333
T12-41	Orimatech	Provision of pool blankets	129,000
T12-42	United Stone Australia	Supply of pavers for Crown Street Mall	1,054,541
T12-43	Trazlbat	Redevelopment Water Main Replacement at Crown Street Mall	256,056
T12-44	Lahey Constructions	Refurbishment Project of the Crown Street Mall	11,557,241
T12-46	Manteena Pty Ltd	Cawley Park Soccer amenities refurbishment	212,966
T13/02	Camarda and Cantrill Pty Ltd	Warrawong Community Centre re-roofing	141,275
T13/05	Euro Civil, Ledacon	Supply, maintain and install guardrails	Schedule of Rates
T13/06	C & M Constructions	Helensburgh Soccer Club amenities roof replacement project	112,210



## Controlled Entities

There are no controlled entities in the financial statements for 2012-13

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 (trading as *Destination Wollongong*)

## Financial Assistance to Persons for Council Functions

Contributions made by Council under section 356 of the Local Government Act, 1993 in 2012-13 include:

	\$
Community events and activities	\$120,112
Arts and cultural activities	\$50,760
Community safety	\$24,788
Educational and environmental activities	\$26,674
Sporting activities	\$35,000
<b>Total</b>	<b>\$283,734</b>

## 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 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*):

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

## Competitive Neutrality Complaints

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

Wollongong City Council has a process distributing indirect costs and overheads attributable to the declared business activities which are shown in the Special Purpose Financial Reports.

## Partnerships, Cooperatives or Joint Ventures

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

## Rates and Charges Written Off

2011 Abandonments	\$
Section 600 Allowances	573,620
Postponed Rates	48,702
Postponed Interest	23,003
Council Voluntary Pension Rebate	739,697
Pensioner Interest write-offs	7,341
<b>Total</b>	<b>1,392,363</b>

## YEAR AHEAD

## IN 2013-14 WOLLONGONG CITY COUNCIL WILL:

- § Finalise and implement the Asset Management Improvement Program
- § Implement the revised Community Engagement Policy and Framework
- § Develop a playground strategy with the community
- § Provide support for Not for Profit organisations via provision of affordable Council assets and community facilities
- § Work with NBN Co in the roll out of NBN through planning, infrastructure and engagement advice
- § Develop and continue to refine a concept brief for Warrawong Community Facility
- § Provide training and volunteer management committee support through Volunteering Illawarra
- § Improve the availability and accessibility of information relating to the business of Council.

## Goal 5:

## We are a healthy community in a liveable city



*Draw Write Snap Share Promotion*

Our community is safe, healthy and happy. The city provides diverse and accessible recreational and lifestyle activities to foster community wellbeing for people of all ages, abilities, cultural backgrounds and personal challenges.

Our people thrive with a sense of self and a connection to place. We enjoy the relaxed pace, the opportunities for being with family and friends, helping our neighbours and meeting new people.

We encourage informal and formal lifelong learning and we share a common goal to make Wollongong a place where at a minimum all residents' basic needs are met and our quality of life improved.

### COUNCIL'S ROLE IN DELIVERING ON THE GOAL

In partnership with other agencies, Council has a diverse role in working with the community to support a safe, healthy and liveable city. Our role is to provide direct services to the community including Youth Services, Aged and Disability Services, community programs, libraries and community facilities. We also manage significant open space, recreation services, leisure centres, aquatic services such as pools and lifeguard patrols for 17 beaches.

Council funds and supports community based groups and programs through the Neighbourhood Youth Work Program, NAIDOC Week and Seniors Week.

We also work with other agencies to lobby, plan and advocate on behalf of others to work towards an integrated and holistic range of services that support community wellbeing.

Our statutory responsibility to maintain healthy communities is provided through our Emergency Management Service and Public Health Services.

## *There is an increase in the physical fitness, mental health and emotional wellbeing of all our residents*

### Southern Suburbs Capacity Building Project - Warrawong Kitchen and Coomaditchie United Aboriginal Corporation

Council is working with Warrawong Community Kitchen and Coomaditchie Aboriginal Corporation, in partnership with the Department of Family and Community Services, to increase the capacity of these organisations to deliver services, and the outcomes of their funding requirements. Actions have included supporting both committees of management to update their policies and procedures manuals, develop business action plans, asset mapping of clients' strengths and conducting planning days for their services.

### Helensburgh Community Centre Kitchen

Helensburgh Community Centre's kitchen was extensively renovated during the year, including the installation of a commercial quality stainless steel kitchen facility which is compliant with Health and Building regulations. Renovation work also included replacing the old roller doors between the kitchen and hall and meeting room with user-friendly bi-fold doors, installing additional storage cupboards and a new mini-boil. At a total cost of approximately \$80,000 the works were co-funded by Council and a grant from the NSW Government's Community Building Partnerships program.

### Warrawong, Figtree, Unanderra and Wongawilli town centre plans

Planning studies for the Warrawong Town Centre and proposed Wongawilli Village Centre were completed.

Planning studies for the Unanderra and Figtree town centres were exhibited and are scheduled to be reported to Council in early 2013-14. The draft Warrawong Master Plan promotes the renewal of Cowper Street, including the widening of footpaths and possible future community public spaces.

The draft Figtree Master Plan recommends an improvement to Figtree Oval and Allans Creek Catchment and improved linkages between the shops and community land. The draft Unanderra Master Plan recommends improved pedestrian links through the town centre, the continuation of lobbying the state government for improved pedestrian access to Unanderra Railway Station and the creation of new community spaces.

## *The public domain is maintained to a high standard*

### Smoking Ban in Crown Street Mall

Following extensive community consultation, Council resolved in December 2012 to ban smoking in Crown Street Mall and Council owned outdoor dining areas from the start of summer 2013-14. The decision supports results of a Council survey which found that 85% of respondents supported plans to ban smoking in these areas.

### Illegal Dumping Program

Council signed a Memorandum of Understanding (MOU) with the Southern Councils' Group Regional Illegal Dumping Program. The MoU agreed to the development and delivery of a Regional Illegal Dumping Prevention Program across seven councils which includes increasing Council's capacity to prevent and respond to illegal dumping incidents (local and regional); building on Council's capacity to develop and deliver operations for effective illegal dumping prevention and enforcement, monitoring and reporting activities; and raising community awareness of the impacts of illegal dumping and the Regional Illegal Dumping Program.

### Graffiti Removal Day

Graffiti Removal Day was conducted in September 2012 in partnership with Dapto Rotary Club and attracted six community members and 25 square metres of graffiti was removed.

A partnership with Corrective Services NSW commenced in March 2013. Under this partnership, people serving community service orders can, under supervision, remove graffiti from private and business properties across Wollongong.

**Wollongong Mall &  
Blue Mile Precinct**

**cleaned daily**

**Street sweeper**

**4,400** tonnes  
waste collected

**Graffiti removal**

**946**  
incidents removed from Council assets  
costing \$346,578



## Condition of public works

	Current Replacement Cost (CRC) (1) \$'000	Est Cost to Bring Asset to Satisfactory Standard (2) \$'000	Est of Annual Maintenance Expense to Keep Asset at Satisfactory Standard (3) \$'000	Est of Annual Renewal to Keep Asset at Satisfactory Standard (4) \$'000	Actual Maintenance Expenditure 2012-13 (5) \$'000	Actual Capital Renewal Expenditure 2012-13 (6) \$'000	Average Asset Condition (7)	% Below Satisfactory Standard	% Annual Maintenance Required
<b>Buildings</b>									
Total - Buildings	597,055	22,330	5,971	16,087	4,200	6,193	2.4	2-4%	1%
<b>Transport</b>									
Roads and road related assets	1,178,786	66,998	5,015	19,325	5,428	9,802	2.5	1-8%	0-3%
Bridges, boardwalks and jetties	91,506	3,660	1,007	1,234	73	724	2.3	4%	1%
Footpaths and cycle ways	218,315	11,463	2,183	4,110	1,001	5,651	3.3	2-6%	1%
Other transport assets	63,134	2,920	722	946	431	1,867	2.3	1-9%	0.6-1.8%
Total - Transport	1,551,741	85,041	8,927	25,615	6,934	18,044	-	-	-
<b>Stormwater</b>									
Total - Stormwater	826,189	32,548	2,769	8,919	755	1,045	1.9	2-5%	0.25-1%
<b>Recreation and Other</b>									
Total - Recreation and Other	137,685	20,843	1,588	5,610	1,495	2,135	2.6	2-57%	1-2%
<b>TOTAL</b>	<b>3,112,670</b>	<b>160,762</b>	<b>19,255</b>	<b>56,232</b>	<b>13,385</b>	<b>27,416</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 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, on the next page) 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.

### *Work carried out on private land*

Works were carried out at the following locations funded by Stormwater Management Services Charges include:

1. Adjacent to the boundary between 16 and 18 Pindari Ave, Keiraville - replacement and upgrade of existing stormwater pipeline within a drainage easement. The value of the work completed in 2012-13 was \$43,322.
2. 15 Northcote Ave, West Wollongong - construct new stormwater drainage infrastructure within Council land which separates two parcels of private land at this address. The value of the work completed in 2012-13 was \$200,830.

### *Community safety is improved*

#### Community Safety Plan 2012-16

The Community Safety Plan 2012-16 was endorsed by Council in December 2012 after extensive internal and partner consultation, and public exhibition period for community feedback.

As part of the implementation of the plan, Council, in partnership with NSW Police Wollongong Local Area Command conducted a free fitting of Anti-Theft Screws for car license plates in the Thomas Street car park in Wollongong. Stolen number plates are often used to commit other crimes such as petrol drive off, robberies and toll evasions.

The *In the Midnight Hour* project was undertaken in the city centre on one night between the hours of 10pm and 4am. The research project focused on the incidence of violence and intended method of transport home. Over 300 people were interviewed on the night. The results of the survey are now being analysed.

#### Swimming Pool Legislation

In October 2012, the legislation applied to swimming pools was amended, with all swimming pool owners now required to register their pool on a State Government Swimming Pool Register. Council will undertake community engagement on how an effective pool inspection program could be developed and identify other ways to promote pool safety.

### *Participation in recreational and lifestyle activities is increased*

#### Social Support Services

Council was successful in obtaining additional funds of \$70,000 from the Department of Health and Ageing to assist its Social Support Service in meeting the requirements of the Aged Care sector reform.

During 2012-13, Social Support Services delivered 8,032 hours of social support (10% increase) and 16,427 hours of respite (9.4% increase) to frail older people and people with a disability and those who care for them.

#### Dapto Heated Pool Accessibility Upgrade

A state of the art accessibility platform was installed at Dapto Heated Pool, featuring an innovative design produced from a local engineering company. The new platform and elevator-style design allows people to be lowered into the pool whilst seated on a purpose-built wheelchair. Dapto pool is the first of Council's chlorinated pools to be retrofitted with the new equipment.

## Sustainability of Council Pools

Council engaged consultants Strategic Leisure Group to develop a plan for Council's nine public swimming pools located at Helensburgh, Thirroul, Corrimal, Wollongong (Continental and Beaton Park), Unanderra, Berkeley, Dapto and Port Kembla. An extensive community engagement phase was undertaken in March and April with over 1,600 community members responding to a survey about the community's current and future needs, and planning future improvements for swimming pools. A draft strategy is scheduled to be presented to Council in the second quarter of 2013-14.

## Sandon Point Surf Club refurbishment and expansion

Sandon Point Surf Life Saving Club renewal works were completed with the club officially opened by the Lord Mayor in April 2013. The building has been extensively refurbished and has improved storage areas, club activity rooms, amenities and a lifeguard observation room. The updated clubhouse will provide both the growing club and Council's lifeguard service with greatly improved facilities. The final construction cost for this project was \$3.7 million. The increase was due to the discovery of the midden, construction delays and ensuing design changes to ensure the preservation of this important site.

## APOLA Lifeguard Challenge

Wollongong City Council Beach Lifeguards participated and won the Annual Relay in the Professional Ocean Lifeguard Team Challenge in February 2013.

## Southern Suburbs Skate Plaza

A site assessment has been undertaken on Holborn Park, Berkeley to determine whether it is a suitable site for the Southern Suburbs Skate Park. More than 500 young people and residents were engaged on the future design of a skate plaza. Feedback received highlighted that young people would like to see the design include a broad range of youth recreation facilities along with skate features. Detailed design and construction on the skate plaza is scheduled to be undertaken in early 2014.

## Playground Renewal

In accordance with Council's capital works program a number of playgrounds were renewed, including Keira Village Park, Keiraville; Bramsen Street, Bellambi; Penrose Park, Dapto; Bailey Park and Bong Bong Community Park, Dapto; Bruce Park, Warrawong; and Waples Road, Unanderra.

Each of these playgrounds has been renewed with modern play features that comply with Australian standards and have been further embellished with synthetic soft fall. Planning for an all abilities playground at Memorial Park, Corrimal has been completed.

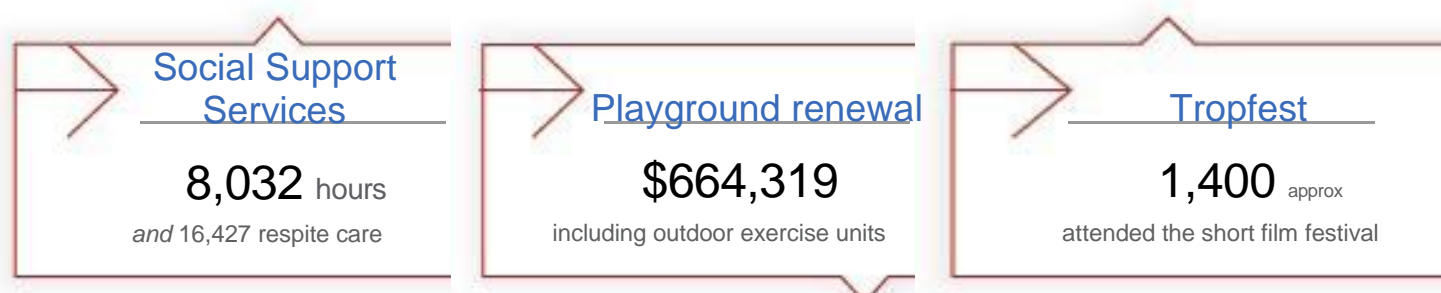
## Towradgi Playground wins National Recognition

Towradgi playground was nominated to the peak industry association, Parks and Leisure Australia, and was awarded the 'National Play Space Award' at the National Conference in September 2012. The award recognised the involvement of children in the design phase.

## Thirroul Playground - NSW Parks and Leisure Australia Best Play Space Award

The Thirroul Beach regional playground was renewed following extensive consultation in the design phase with local schools. The official opening of the \$600,000 playground in July 2012 was well attended and the innovative playground elements such as the flying fox and climbing nets featured extensively through local media.

The playground won the NSW Parks and Leisure Australia (PLA) Best Play space award in early 2013, and is now a finalist in the prestigious national awards to be conducted at the National Conference in Melbourne in October.



## Equal Employment Opportunity Management Plan

The Employment, Equity and Diversity (EED) Management Plan includes a number of programs specifically addressing targeted groups. Our EED programs have expanded, and staff have continued to be involved in employment strategy initiatives in the community

The plan has included the following activities which have provided opportunities for a diverse range of groups:

- Transition to Employment Program offers traineeship to disadvantaged youth, new arrivals (with refugee status) and people living with a disability. The trainees are employed for a twelve month period with the traineeship consisting of on and off the job training. The program also provides a leadership opportunity for several existing employees in the supervision of the new trainees.
- Cadets, Apprentices and Trainees Program has two targeted positions for an ATSI person and a person with a disability. During 2012-13, the largest single intake of new employees started their careers with Council. Six cadets, four apprentices and 14 trainees have been added to the city's workforce and will fill various roles from aquatic services to engineering.
- Targeted recruitment for youth in selected entry level positions such as laboring and truck driving. This is part of Council's initiative to assist in addressing the high level of youth unemployment in the local government area.

Council conducts ongoing Cultural Diversity Training for staff and there is an ongoing review of policies and recruitment criteria and process to ensure there are no barriers for any group.

## Residents have a high level of life satisfaction and personal happiness

### Volunteering Illawarra

Volunteering Illawarra has commenced the delivery of a new training program 'Way2Go' to assist volunteer managers and management committees to comply with the Volunteering National Standards.

In addition, Volunteering Illawarra worked closely with the University of Wollongong to assist local non-government organisations (NGO) in their governance and operational activities and to increase capacity of the NGO sector.

National Volunteer Week celebrates and acknowledges the contribution of volunteers to the delivery of services. To mark this year's event, Volunteering Illawarra organised two workshops to raise awareness about the rights and responsibilities of volunteers and a third workshop focused on the role of volunteers on non-government organisation management committees. All who attended the third session have been successfully placed as committee members with local non-government organisations. Planning has commenced for the annual Illawarra Volunteering Expo to be held in September in line with other Volunteering Regional Centres across NSW.

### Outdoor Exercise Equipment

Innovative outdoor exercise equipment has been installed at Kanahooka Reserve and Lang Park Wollongong with local residents involved in the final location of fitness stations. The installation has received positive media attention and correspondence from residents.





## External Bodies that Exercise Functions Delegated by Council

During 2012-13 the following external bodies exercised functions delegated by Council under Section 355 of the Local Government Act, 1993.

Body	Function
<b>PLANNING + ENVIRONMENT</b>	
Alanson Avenue Fiready	§ APZ maintenance
Allen Park Bushcare	§ Riparian restoration
Alvan Parade Bushcare	§ Bushland restoration
Artis Street Bulli Bushcare	§ Riparian restoration
Balmer Crescent Fiready	§ APZ maintenance
Bellambi 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
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
Garden Avenue Fiready	§ APZ maintenance
Gellatly Bushcare	§ Riparian restoration
Gooyong Crescent Fiready	§ APZ maintenance
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
Knight Place Fiready	§ APZ maintenance
Kurrimul Creek Bushcare	§ Riparian restoration
Lower Hill Street Fiready	§ APZ maintenance
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
Stephen Drive Fiready	§ APZ maintenance
Stockyard Slope	§ Riparian restoration

Body	Function
<b>PLANNING + ENVIRONMENT</b>	
Sunninghill Circuit Fiready	§ APZ maintenance
Tathra Park Bushcare	§ Riparian restoration
Thomas Dalton Park	§ Riparian restoration
Towradgi Dune Bushcare	§ Dune restoration
2 Figs Bushcare	§ Bushland restoration
Underwood Bushcare	§ Riparian restoration
Upper Brooks Creek Bushcare	§ Riparian restoration
Upper Hill Street Fiready	§ APZ maintenance
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
Wombarra Pool	§ Sea cliff restoration
Woodland Park Fiready	§ APZ maintenance
<b>INFRASTRUCTURE + WORKS</b>	
Mount Kembla Pathway Project	§ Undertake management of the memorial track through minor weed control, mowing and waste removal.
<b>CORPORATE + COMMUNITY SERVICES</b>	
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.
Bulli Senior Citizens' Centre	§ 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.
Friends of Scarborough Cemetery	§ Undertake minor maintenance and works to the grounds and improvements of Scarborough cemetery.
Social Support Services Volunteers	§ Support for frail aged, people with disabilities and their carers.
Surf Life Saving Illawarra	§ To provide lifesaving and rescue services to Council in accordance with the executed service agreement.
Viva La Gong 2013 Volunteers	§ Support for Papergirl Wollongong project.
Wollongong Senior Citizens' Centre	§ 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.

## YEAR AHEAD

### IN 2013-14 WOLLONGONG CITY COUNCIL WILL:

- § Apply at least 85% of Operational Funds available for Capital to the renewal of existing assets
- § Work with the community to determine levels of service, funding opportunities including willingness to pay and prioritise future works
- § Construct a Southern Suburbs Skate Park
- § Implement the Positive Aging Strategy
- § Deliver community transport services in line with the funding agreement
- § Increase utilisation of Council's recreation and leisure assets
- § Develop and implement public health, amenity and safety educational and regulatory programs that assist in improving compliance with legislative requirements
- § Commence a review and update the Corrimal Town Centre Study.

## Goal 6:

### We have sustainability, affordable and accessible transport



*Draw Write Snap Share Promotion*

We will have access to an integrated transport network from north to south and east to west.

We prefer to walk, cycle or take the bus or train. We have safe, accessible and interconnected pathways to encourage pedestrian traffic.

The local government area continues to be linked to the broader region and the city of Sydney via efficient, safe and affordable linkages.

#### COUNCIL'S ROLE IN DELIVERING ON THE GOAL

Council's role in contributing to an integrated transport network across the local government area involves planning, construction and maintenance of our local roads, footpaths and shared pathways. Council also partners with other agencies, including state government to investigate, lobby and establish an improved public transport system.

## *Walking, cycling and public transport is an accessible and well resourced means of transport, and the use of private cars is reduced*

\* For additional information on achieving this Action, refer to Councillor Aspirations – Walkability

### Work with Federal and State Governments to Complete the 'Blue Mile' Pathway (tramway)

An application for funding for the Tramway renewal project was made under the Australian Government's Regional Development Australia Fund (round 4). This application also included two other components of the Blue Mile Project's pathway plan. Unfortunately, Council's application was unsuccessful. Further opportunities for funding may become available in the first or second quarter of 2013-14

### Grand Pacific Walk – North Wollongong to Otford, Stage 1 Stanwell Park to Coalcliff

The Grand Pacific Walk Project is proceeding on track with the completion of the master plan, to be presented to Council in early 2013-14. Preparation of design documentation is also underway for Stage 1, between Seacliff Bridge and Stanwell Park. The first section being designed is the pathway between Paterson Road and Coalcliff Railway Station including a new pedestrian bridge over Stoney Creek.

Council undertook targeted engagement by meeting a group of Coalcliff residents whose properties face Lawrence Hargrave Drive and who will potentially be affected by Stage 1 (Coalcliff- Stanwell Park). Communication with this group of residents is ongoing and future on-site meetings will occur as the project progresses.

### Review and Update the City of Wollongong Bicycle Plan

The Active Transport Reference Group has been formed to assist in the review of the Wollongong Bicycle Plan which is on schedule to be delivered in 2013-14. During the year, Council commenced community engagement activities through kiosks, promotion on social media and visits to three primary schools and one high school across the local government area. Council received more than 1,000 responses to the survey. Feedback has provided valuable information about barriers to cycling and opportunities to provide improved infrastructure that will be considered in the development of a new strategy. The draft strategy will be exhibited to the community for further comment.

## *Wollongong is supported by integrated transport system*

### Shone Avenue, West Dapto Road and Bridge Upgrade

During May, work commenced on the first stage of the Shone Avenue, West Dapto road and bridge upgrade. The total project cost of \$5.6 million, are part funded by an interest free loan from the NSW State Government, an infrastructure grant from the Australian Government and Council. Work involves the realignment of Shone Avenue and the replacement of a single lane bridge with the three-span two lane bridge with pedestrian facilities to improve safety, traffic capacity and sight lines, road widths and flood reliability. This work forms part of the West Dapto Access Strategy which aims to reduce congestion and ensure adequate access to West Dapto. These works are expected to be completed by the end of March 2014

### West Dapto Access

In March 2013, Council adopted the route from the intersection of the Princes Highway and Fowlers Road to the new roundabout on Fairwater Drive as the access route over the South Coast Railway line.

Council received \$600,000 funding from the Department of Planning and Infrastructure which will be used in the design of this major transport route and continue to pursue funding opportunities for the implementation of the new road connection.

### Darkes Road Bridge Dapto Re-opened

The old timber Darkes Road bridge, which crosses Mullet Creek, was closed in August 2012 after an inspection found some of the bridge girders had deteriorated. A new concrete bridge was completed in March, two weeks ahead of schedule. The new bridge is single lane with room for expansion and two-way traffic if required in the future.





### West Dapto Taskforce

An interagency Project Control Group has been established consisting of representatives from Department of Planning and Infrastructure, Department of Transport, Roads and Maritime Services and Council. The group met in December 2012 to progress the land release and address infrastructure and coordination issues. Landcom have been commissioned by the Department of Planning and Infrastructure to undertake a housing and infrastructure acceleration study for Stages 1 and 2 of the West Dapto release area. An Access Strategy for West Dapto is currently being developed by Council in partnership with Department of Planning and Infrastructure, Roads and Maritime Services and Transport for NSW.

### NSW Government's Local Infrastructure Renewal Scheme

Council received approval of a grant application for a 4% loan interest subsidy (\$20 million loan) under the NSW Government's Local Infrastructure Renewal Scheme (LIRS) for a Citywide Footpaths and Shared Path Renewal and Missing Link Program with a total program value of \$38.6 million over five years. Significant progress was made during 2012-13 to implement both programs include:

- § Citywide Footpaths and Shared Path Renewal – completed projects include Southern Cycle Way, Port Kembla; Kembla Street, Wollongong between Crown and Burelli streets; and Princes Highway Woonona, north of Hillcrest Ave.
- § Citywide Missing Link Program – completed projects include Brian Road and Brokers Road, Balgownie; Gibsons Road, Cordeaux Road and O'Briens Road, Figtree; and Abercrombie Street and Princes Highway, West Wollongong.

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## *Transport disadvantaged communities have increased access to services*

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### Community Transport

Council's Community Transport service provided 151,657 passenger trips, a 38% decrease from the previous year due primarily to a reduction in taxi vouchers issued.

A new Travel Training program was introduced this year to increase access to public transport for people who for various reasons have never used a bus or train, increasing their capacity for independent travel. This innovative short term project, funded by Transport NSW. The project delivered a range of individualised services to 181 participants, through various groups and to individuals including individual bus and train travel, group travel and group presentation/induction sessions.

Induction information sessions have been delivered to a range of community groups including those servicing newly arrived refugees, the frail aged and the CALD community. Feedback from individuals and groups has been positive with participants indicating the project has given them new skills and confidence to use the public transport system, provided a sense of freedom and independence, and improved their quality of lives.

## YEAR AHEAD

### IN 2013-14 WOLLONGONG CITY COUNCIL WILL:

- § Finalise the master plan and commence construction of the Grand Pacific Walk
- § Implement significant upgrade and replacement works for our footpaths and cycle ways across the city
- § Continue work on the Blue Mile
- § Continue to deliver the infrastructure program to support the West Dapto Urban Release Area.



From the mountains to the sea

WOLLONGONG CITY COUNCIL

# ANNUAL REPORT 2012 - 2013

Attachment A:  
Financial Commentary



## EXECUTIVE SUMMARY

As General Manager of Wollongong City Council, I present the Annual Financial Statements for 2012/13. The Income Statement shows a net operating surplus of \$25.1M compared to a surplus of \$6M in 2011/12. The increase in income is largely attributable to an unusually large amount of contributed assets received in 2012/13 [\$26.1M] 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 \$13.9M compared to a deficit of \$13.6M in 2011/12. This represents a slight deterioration compared to 2011/12 and affirms the long term challenge of financial sustainability for Council.

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 2013 was \$2.53B. During 2012/13, Council completed a capital works program of \$53.9M including the construction and purchase of \$20.1M of new assets and renewal of existing assets of \$33.8M. The program has included projects such as the West Dapto Access Strategy, City Centre Crown Street Upgrade, Sandon Point Surf Club Expansion, North Beach Bathers' Pavilion Renewal and civil asset renewals including roads, car parks and buildings.

In 2013, Council maintained a strong position in cash and investments, with holdings of \$116.8M at 30 June 2013 (\$90.7M in 2011/12). \$88.3M of Council's cash (\$61.3M in 2011/12) is restricted in its use to specific purposes by external bodies, legislation and Council resolution. This increased in 2012/13 primarily as a result of additional external funds relating to the subsidised \$20M loan under the Local Infrastructure Renewal Scheme. The level of available funds increased from \$22.8M to \$31.5M in 2012/13 which is 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 [\$8.7M], the expected settlement of Law Cover litigation [\$1.2M] and general operational improvements.

Council's unrestricted current ratio has increased slightly from 1.79:1 in 2011/12 to 2.01:1 in 2012/13. This ratio measures Council's liquidity and ability to satisfy obligations in the short term. Although the result is on par with the Local Government Benchmark of >2:1, Council's strategy is to better utilise cash and target a lean unrestricted cash ratio. Cash assets held for future waste facility requirements and carbon price are in the unrestricted current ratio. As the requirements to hold funds for the waste facility and carbon price is significant, the measure is expected to increase until payments are required.

Relatively low levels of borrowing are a financial strength of Council and add flexibility in making financial decisions for the future. The 2012/13 debt service ratio increased to 1.71% compared to 1.47% in 2011/12 which reflects a decision to borrow \$20M under the Local Government Infrastructure Renewal Scheme. These funds will be used over a five year period to accelerate infrastructure relating to footpaths. The financial strategy allows for a ratio of 4% and Council continues to operate within this strategy.

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. Council has further resolved to undertake a review of all services currently provided in consultation with the Community. This work aims to determine service levels, create efficiencies and consider funding levels to improve the result in the short term and create a balanced result in future years.

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



David Farmer  
General Manager  
Wollongong City Council

## 2012/2013 Financial Statements

This report provides an overview of Council's 2012/2013 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° 21). 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

## 2012/2013 Highlights

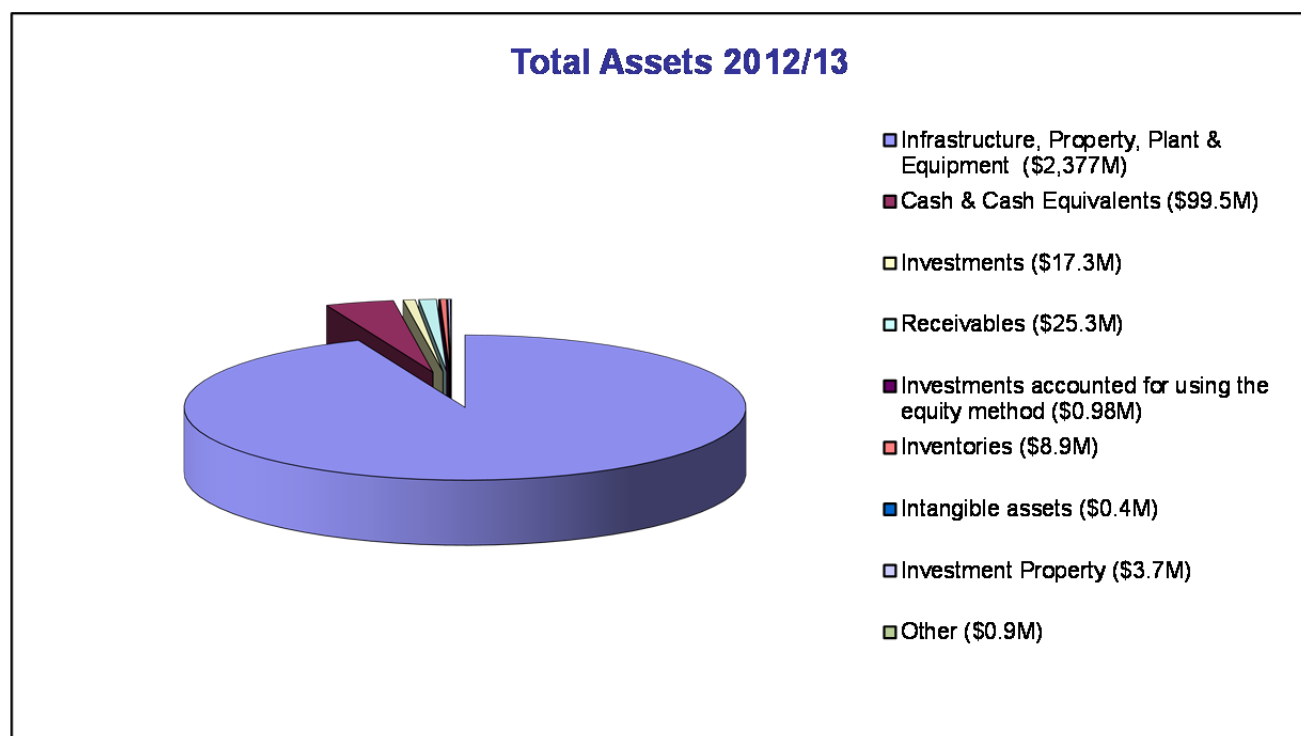
- Total Assets \$2.53B from \$2.45B (2012)
- Expenditure on Infrastructure, Property, Plant & Equipment [New/Renewal] \$53.9M (2012: \$64.7M)
- Recognition of contributed assets including infrastructure \$26.1M (2012: \$8.3M)
- Cash assets of \$116.8M
- Secured subsidised loan of \$20M under the Local Infrastructure Renewal Scheme
- Unrestricted current ratio of 2.01:1 (2012: 1.79:1)
- Debt Service Ratio at 1.71% (2012: 1.47%)
- Net Operating Result \$25.1M Surplus (2012: Surplus \$6M)
- Net Operating Result before Capital Grants and Contributions \$13.9M Deficit (2012: \$13.6M Deficit)



## 2012/2013 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 2013 was \$2.53B. The composition of assets is shown below.



### ***Infrastructure, Property, Plant & Equipment (IPPE)***

With a carrying value of \$2.38B, Infrastructure, Property, Plant and Equipment (IPPE) is Council's most significant asset and represents 94% of the total value of assets.

During 2012/2013 Council completed a capital works program of \$53.9M including the construction and purchase of \$20.1M of new assets and renewal of existing assets of \$33.8M.

After accounting for annual depreciation expense, the overall value of IPPE increased by \$50.8M during 2012/2013. The increase was primarily due to asset additions [\$53.9M], contributed assets [\$26.1M] and a further [\$37.8M] as a result of assets transferred in and adjustments to the useful lives of assets. Further financial details of IPPE are shown in Note 9.

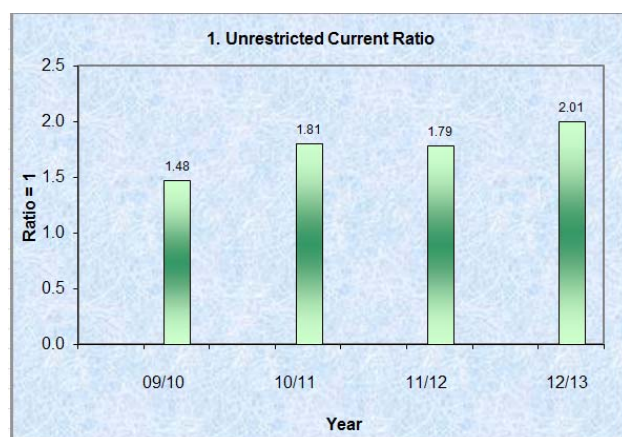
## Cash and Investments

In 2012/2013, Council maintained a strong position in cash and investments, with holdings of \$116.8M at 30 June 2013. Council's cash and investment positions over recent years are as follows:

CASH, INVESTMENTS & AVAILABLE FUNDS					
		YTD Actual 30 June 2010	YTD Actual 30 June 2011	YTD Actual 30 June 2012	YTD Actual 30 June 2013
Total Cash and Investments	\$M	76.154	84.418	90.695	116.796
Less Restrictions:					
External	\$M	48.648	40.726	42.281	63.961
Internal	\$M	13.357	17.317	18.982	24.383
Available Cash	\$M	14.149	26.375	29.432	28.452
Adjusted for :					
Current payables	\$M	(17.490)	(21.912)	(25.112)	(23.201)
Receivables	\$M	17.397	21.085	18.465	26.205
Available Funds	\$M	14.056	25.548	22.785	31.456

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. Cash holdings have continued to track higher than anticipated throughout the 2012/2013 financial year as a result of additional external funds including the \$20M Local Infrastructure Renewal Scheme loan and \$6M Building Better Regional Cities Program Grant. Further details on the composition of reserves are shown in Note 6.

At 30 June 2013, Council achieved an available funds position of \$31.5M, 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 [\$8.7M], the additional impact of the expected settlement of the Law Cover case [\$2M] and a range of operational improvements compared to budget.



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.

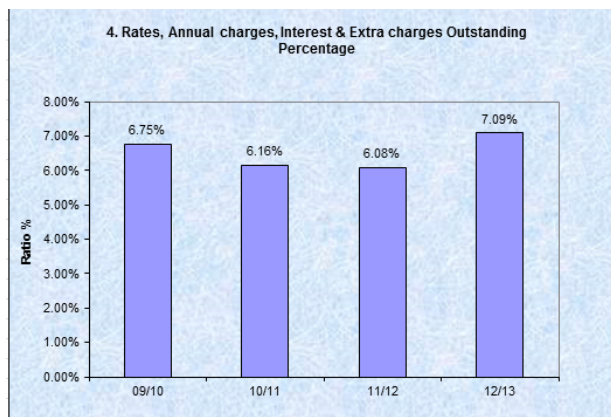
Council's strategy is to maximise the use of available funds and target a lean unrestricted current ratio. Cash assets held for future waste facility requirements and carbon price are held in the unrestricted ratio. As the requirements to hold funds for the waste facility and carbon price is significant the measure is expected to increase until payments are required.

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

## Receivables

Receivables are the amount of money owed to Council or funds that Council has paid in advance. At June 2013, receivables totalled \$25.3M, an increase of \$7.6M compared to the 2012 reporting period. This increase compared to the previous year is mainly due to the revised Law Cover receipt [\$2M], capital grant funding for the Crown Street Mall upgrade [\$1.7M] and general timing of rates payments and other receipts. Full details of receivables are provided in Note 7.

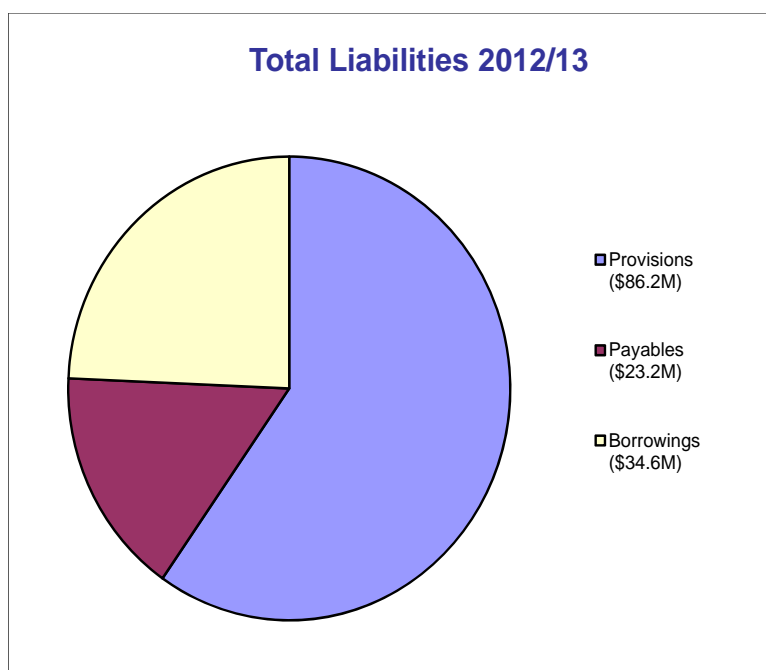
## Receivables (continued)



This measure assesses the impact of uncollected rates and other charges on liquidity and the adequacy of recovery efforts. There has been an increase in the reported outstanding rates and annual charges percentage during the reporting period which represents a deterioration in this measure. Council's Debt Recovery Policy aims to bring Council in line with the industry standard of <5%. It is noted that this ratio is negatively impacted by some rates notices issued late in the reporting period and Council's Policy to exempt pensioners from debt recovery proceedings.

## Liabilities

At 30 June 2013 Council's Total Liabilities were \$144M. The composition of Council's Total Liabilities is shown below.



Provisions account for 59.9% of Council's Liabilities with the most significant provisions relating to Employee Leave Entitlements [\$38.5M], Waste Depot Remediation Provision [\$37.6M] and Workers' Compensation Provision [\$6.7M].

Payables account for 16.1% 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 24% of Council's Liabilities and relate to the interest free Infrastructure Loan from the State Government secured in 2010 and the subsidised Local Infrastructure Renewal Scheme loan secured at the end of 2012.

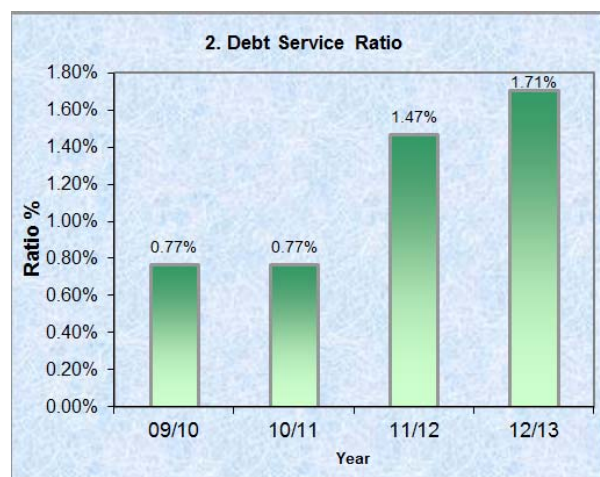
## Provisions

Provisions increased during 2013 by \$5.7M. The increase is primarily attributable to the recognition of carbon price [\$2.1M] which was not previously required, an increase for the future remediation works at Whytes Gully waste facility [\$1.7M] and the recognition of land remediation works [\$0.9M] on Council's Flinders Street property.

## Borrowings

One of Council's financial strengths is a relatively low level of borrowing. 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. At the end of 2012 Council also secured a \$20M subsidised loan under Local Government Infrastructure Renewal Scheme that will be used over a five year period to accelerate the Citywide Footpaths and Shared Path Renewal and Missing Links Construction Program.

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



A low level of debt is reflected in Council's Debt Service Ratio which is 1.71%. This is exceptionally low in comparison to the Local Government benchmark ratio of <10%.

The Debt Service Ratio has increased in 2012/2013 and this reflects a decision to borrow under the Local Government Infrastructure Scheme (LIRS) and the State Government Infrastructure interest free loan program. The financial strategy allows for a ratio of 4% and Council continues to operate within this strategy.

## Operational Performance - Income & Expenses

Council's headline financial performance in 2013 was up on the prior year, achieving a Net Operating Surplus from Continuing Operations of \$25.1M, compared to a prior year Surplus of \$6M. The 2012/2013 Surplus has been substantially improved by the receipt of \$26.1M worth of assets contributed to Council as income. 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. Council's underlying measure of longer term operational performance, the Operational Result before Capital Grants and Contributions shows a deficit of \$13.9M, compared to a deficit of \$13.6M in 2011/12.

### Income

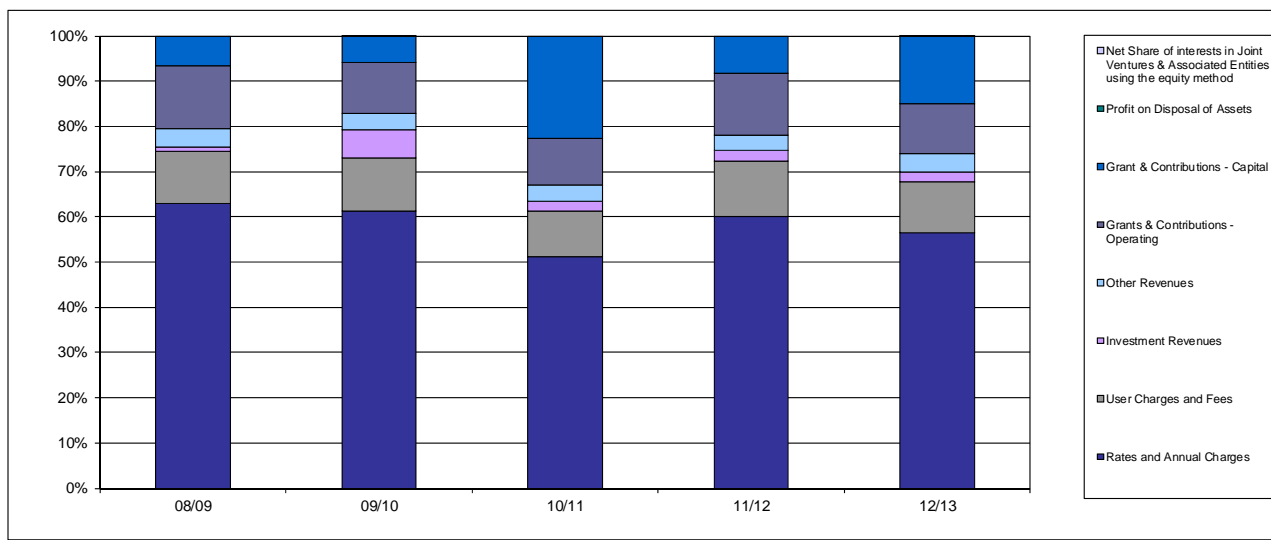
Council's Income from Continuing Operations for 2013 was \$263.4M, an improvement on the prior year of \$238.6M. The significant increase in income is due to the unusually large amount of Capital Grants and Contributions in 2012/2013 of \$39M compared to \$19.6M in 2012/2013. In addition, Other Revenues for 2012/2013 were inflated by proceeds from the settlement of a significant insurance claim. The other sources of revenue for Council remained steady based on prior financial years, as shown in the following table.



## REVENUE SOURCES

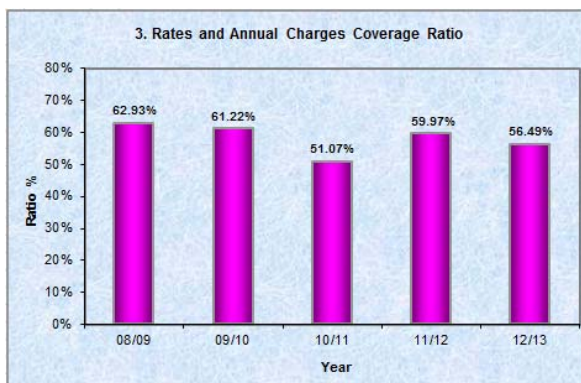
## INCOME FROM CONTINUING OPERATIONS

	Year ended 30/06/2009		Year ended 30/06/2010		Year ended 30/06/2011		Year ended 30/06/2012		Year ended 30/06/2013	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Rates & Annual Charges	121,872	63%	130,741	61%	138,239	51%	143,083	60%	148,777	56%
User Charges & Fees	22,298	12%	25,451	12%	27,744	10%	29,036	12%	29,899	11%
Interest & Investment Revenues	2,116	1%	12,884	6%	5,930	2%	5,736	2%	5,431	2%
Other Revenues	7,613	4%	7,859	4%	9,374	3%	8,292	3%	10,864	4%
Grants & Contributions - Operating	27,118	14%	23,989	11%	27,839	10%	32,561	14%	29,107	11%
Grants & Contributions - Capital	12,644	7%	12,437	6%	61,405	23%	19,586	8%	39,042	15%
Profit on Disposal of Assets	0	0%	209	0%	0	0%	0	0%	0	0%
Net Share of interests in Joint Ventures & Associated Entities using the equity method	0	0%	0	0%	141	0%	298	0%	244	0%
<b>Total Income from Continuing Operations</b>	<b>193,661</b>	<b>100%</b>	<b>213,570</b>	<b>100%</b>	<b>270,672</b>	<b>100%</b>	<b>238,592</b>	<b>100%</b>	<b>263,364</b>	<b>100%</b>



## Income (continued)

Income from Rates and Annual Charges in 2013 totalled \$148.8M, an increase of \$5.7M 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 decrease in 2012/2013 is primarily due to the proportion of revenue from contributed assets [2011/12: \$8.3M, 2012/2013: \$26.1M when compared to rating income

Interest and Investment Income of \$5.4M was recognised, representing a consistent result when compared to the prior year result of \$5.7M. There was a decrease in Operating Grants & Contributions from \$32.6M in 2011/12 to \$29.1M in 2012/2013. This is primarily due to the timing of instalments paid in relation to the Financial Assistance Grant. During 2012/2013, Council received a total of four instalments [\$16.8M] in comparison to five instalments in the prior financial year totalling \$20.8M.

## Expenses

Council's Expenses from Continuing Operations for 2013 totalled \$238.2M, compared to prior year expenditure of \$232.6M. The majority of the increase relates to other expenses where carbon price [\$2.1M] was recognised for the first time. Other variations from the prior year include depreciation and impairment expense [\$1.5M] and net loss from the disposal of assets [\$3.2M]. It is noted that a significant portion of the loss from the disposal of assets relates to Infrastructure assets such as Roads and Stormwater that are replaced but have no resale value.

Material variations from the 2012/2013 for both income and expenditure items are detailed in Note 16 of the statements.

## Future Challenges

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 with. As the population continues to grow and with a greater number of people aged 65 years there will be increased pressure on physical infrastructure. Council's challenge will be to ensure long-term financial sustainability whilst providing services that meet the current and future community needs and expectations.

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 2012/2013 the savings target was \$3M and approximately an additional \$1M each future year of the 10 year plan.

Council has resolved to undertake a review of all services currently provided in consultation with the Community. This work aims to determine service levels, create efficiencies and consider funding levels to improve this result in the short term and create a balanced result in future years.

## Wollongong City Council

## Historical Financial Data

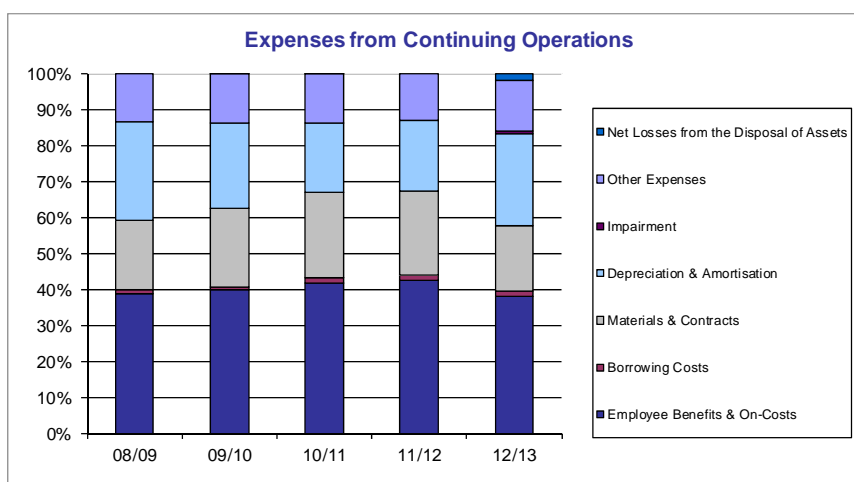
## Income Statement

		Actual 2008/09 \$'000	Actual 2009/10 \$'000	Actual 2010/11 \$'000	Actual 2011/12 \$'000	Actual 2012/13 \$'000
	Notes					
<b>Income from Continuing Operations</b>						
<b>Revenue:</b>						
Rates & Annual Charges	3a	121,872	130,741	138,239	143,083	148,777
User Charges & Fees	3b	22,298	25,451	27,744	29,036	29,899
Interest and Investment Revenue (1)	3c	2,116	12,884	5,930	5,736	5,431
Other Revenues	3d	7,613	7,859	9,374	8,292	10,864
Grants & Contributions provided for Operating Purposes	3e,f	27,118	23,989	27,839	32,561	29,107
Grants & Contributions provided for Capital Purposes (2)	3e,f	12,644	12,437	61,405	19,586	39,042
<b>Other Income:</b>						
Net Gains from the Disposal of Assets	5	-	209	-	-	-
Profit from interests in Joint Ventures & Associates	19	-	-	141	-	-
Entities using the equity method					298	244
<b>Total Income from Continuing Operations</b>		<b>193,661</b>	<b>213,570</b>	<b>270,672</b>	<b>238,592</b>	<b>263,364</b>
<b>Expenses from Continuing Operations</b>						
<b>Employee Benefits &amp; On-Costs</b>						
Employee Benefits & On-Costs	4a	76,330	80,846	87,218	93,681	91,043
Borrowing Costs	4b	1,954	1,938	3,274	3,236	3,367
Materials & Contracts	4c	41,502	40,012	40,073	41,424	43,139
Depreciation & Amortisation	4d	45,331	57,060	59,469	60,434	61,240
Impairment	4d	-	-	-	346	990
Other Expenses	4e	26,281	27,442	28,362	32,353	34,135
Net Losses from the Disposal of Assets	5	20	-	2,183	1,153	4,311
<b>Total Expenses from Continuing Operations</b>		<b>191,418</b>	<b>207,298</b>	<b>220,579</b>	<b>232,627</b>	<b>238,225</b>
<b>Operating Result from Continuing Operations</b>		<b>2,243</b>	<b>6,272</b>	<b>50,093</b>	<b>5,965</b>	<b>25,139</b>
<b>NET OPERATING RESULT FOR THE YEAR</b>		<b>2,243</b>	<b>6,272</b>	<b>50,093</b>	<b>5,965</b>	<b>25,139</b>
<b>Less:</b>						
Grants & Contributions provided for Capital Purposes	3e,f	12,644	12,437	61,405	19,586	39,042
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>		<b>(10,401)</b>	<b>(6,165)</b>	<b>(11,312)</b>	<b>(13,621)</b>	<b>(13,903)</b>

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

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

(2) Capital Grants and Contributions increased in 2011 and 2013 primarily as a result of contributed assets treated as income.



## Wollongong City Council

## Historical Financial Data

## Balance Sheet

	Notes	Actual 2008/09 \$'000	Actual 2009/10 \$'000	Actual 2010/11 \$'000	Actual 2011/12 \$'000	Actual 2012/13 \$'000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash & cash equivalents	6a	31,208	62,162	75,211	83,506	99,502
Investments	6b	17,384	13,992	9,207	7,189	7,294
Receivables	7	15,430	13,013	16,743	14,221	20,481
Inventories	8	8,873	8,857	8,826	8,900	8,940
Other	8	1,549	1,353	1,026	722	885
Assets held for sale (previously non-current)	22	2,329	-	-	-	-
<b>Total current assets</b>		<b>76,773</b>	<b>99,377</b>	<b>111,013</b>	<b>114,538</b>	<b>137,102</b>
<b>Non-current assets</b>						
Cash assets	6a	-	-	-	-	-
Investments	6b	-	-	-	-	10,000
Receivables	7	3,449	3,031	3,316	3,522	4,839
Inventories	8	-	-	-	-	-
Infrastructure, property, plant & equipment	9	1,571,394	2,048,850	2,238,391	2,326,193	2,376,962
Investments accounted for using the equity method	19	-	-	291	739	983
Investment property	14	3,688	3,575	3,725	3,725	3,725
Intangible assets	25	-	-	-	634	364
Non-current assets classified as 'held for sale'	22	-	-	-	-	-
Other	8	-	-	-	-	-
<b>Total non-current assets</b>		<b>1,578,531</b>	<b>2,055,456</b>	<b>2,242,723</b>	<b>2,334,813</b>	<b>2,396,873</b>
<b>TOTAL ASSETS</b>		<b>1,655,304</b>	<b>2,154,833</b>	<b>2,356,736</b>	<b>2,449,351</b>	<b>2,533,975</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Payables	10	25,808	17,490	21,912	25,112	23,201
Interest bearing liabilities	10	1,365	1,473	1,843	1,659	3,332
Provisions	10	29,359	31,611	33,545	37,900	40,833
<b>Total current liabilities</b>		<b>56,532</b>	<b>50,574</b>	<b>57,300</b>	<b>64,671</b>	<b>67,366</b>
<b>Non-current liabilities</b>						
Payables	10	-	-	-	-	-
Interest bearing liabilities	10	1,249	17,051	16,504	14,986	31,236
Provisions	10	35,622	37,875	40,289	42,645	45,401
<b>Total non-current liabilities</b>		<b>36,871</b>	<b>54,926</b>	<b>56,793</b>	<b>57,631</b>	<b>76,637</b>
<b>TOTAL LIABILITIES</b>		<b>93,403</b>	<b>105,500</b>	<b>114,093</b>	<b>122,302</b>	<b>144,003</b>
<b>NET ASSETS</b>		<b>\$ 1,561,901</b>	<b>2,049,333</b>	<b>2,242,643</b>	<b>2,327,049</b>	<b>2,389,972</b>
<b>EQUITY</b>						
Retained earnings	20	1,150,590	954,733	1,054,489	1,103,844	1,163,160
Revaluation reserves	20	411,311	1,094,600	1,188,154	1,223,205	1,226,812
Council Equity Interest		1,561,901	2,049,333	2,242,643	2,327,049	2,389,972
Minority Equity Interest	19	-	-	-	-	-
<b>TOTAL EQUITY</b>		<b>\$ 1,561,901</b>	<b>2,049,333</b>	<b>2,242,643</b>	<b>2,327,049</b>	<b>2,389,972</b>

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





From the mountains to the sea

WOLLONGONG CITY COUNCIL

# ANNUAL REPORT 2012 - 2013

Attachment B:  
General Purpose Financial Statements



# Wollongong City Council

## General Purpose Financial Statements for the financial year ended 30 June 2013

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### 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 detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services & facilities, and to carry out activities appropriate to the current & future needs of the local community and of the wider public,
- the responsibility for administering regulatory requirements under the LGA and
- a role in the management, improvement and development of the resources in the 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 15 October 2013. Council has the power to amend and reissue these financial statements.

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## Wollongong City Council

### General Purpose Financial Statements

for the financial year ended 30 June 2013

### 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:**

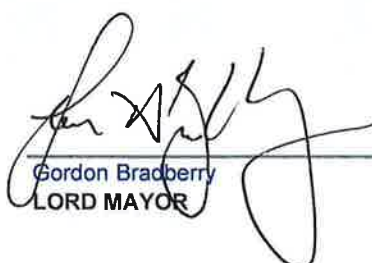
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

**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 14 October 2013.**




Gordon Bradberry  
LORD MAYOR



Chris Connor  
DEPUTY LORD MAYOR



David Farmer  
GENERAL MANAGER



Brian Jenkins  
RESPONSIBLE ACCOUNTING OFFICER

## Wollongong City Council

## Income Statement

for the financial year ended 30 June 2013

Budget <sup>(1)</sup> 2013 \$ '000		Notes	Actual 2013	Actual 2012
<b>Income from Continuing Operations</b>				
<b>Revenue:</b>				
148,944	Rates & Annual Charges	3a	148,777	143,083
29,818	User Charges & Fees	3b	29,899	29,036
3,499	Interest & Investment Revenue	3c	5,431	5,736
8,192	Other Revenues	3d	10,864	8,292
19,413	Grants & Contributions provided for Operating Purposes	3e,f	29,107	32,561
12,322	Grants & Contributions provided for Capital Purposes	3e,f	39,042	19,586
<b>Other Income:</b>				
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	244	298
<u>222,188</u>	<b>Total Income from Continuing Operations</b>		<u>263,364</u>	<u>238,592</u>
<b>Expenses from Continuing Operations</b>				
89,973	Employee Benefits & On-Costs	4a	91,043	93,681
3,286	Borrowing Costs	4b	3,367	3,236
51,400	Materials & Contracts	4c	43,139	41,424
62,059	Depreciation & Amortisation	4d	61,240	60,434
-	Impairment	4d	990	346
30,952	Other Expenses	4e	34,135	32,353
-	Net Losses from the Disposal of Assets	5	4,311	1,153
<u>237,670</u>	<b>Total Expenses from Continuing Operations</b>		<u>238,225</u>	<u>232,627</u>
<u>(15,482)</u>	<b>Operating Result from Continuing Operations</b>		<u>25,139</u>	<u>5,965</u>
<b>Discontinued Operations</b>				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
<u>(15,482)</u>	<b>Net Operating Result for the Year</b>		<u>25,139</u>	<u>5,965</u>
(15,482)	<b>Net Operating Result attributable to Council</b>		25,139	5,965
-	<b>Net Operating Result attributable to Non-controlling Interests</b>		-	-
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>				
<u>(27,804)</u>			<u>(13,903)</u>	<u>(13,621)</u>

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

## Wollongong City Council

# Statement of Comprehensive Income

for the financial year ended 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012
<b>Net Operating Result for the year</b> (as per Income statement)		<b>25,139</b>	<b>5,965</b>
<b>Other Comprehensive Income:</b>			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	-	43,128
Other Movements in reserves ( <a href="#">Revaluation Error - 2012</a> )	20b (ii)	1,414	-
<b>Total Items which will not be reclassified subsequently to the Operating Result</b>		<b>1,414</b>	<b>43,128</b>
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
<b>Total Other Comprehensive Income for the year</b>		<b>1,414</b>	<b>43,128</b>
<b>Total Comprehensive Income for the Year</b>		<b>26,553</b>	<b>49,093</b>
<b>Total Comprehensive Income attributable to Council</b>		<b>26,553</b>	<b>49,093</b>
<b>Total Comprehensive Income attributable to Non-controlling Interests</b>		<b>-</b>	<b>-</b>

# Wollongong City Council

## Statement of Financial Position as at 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012	Actual 2011
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	6a	99,502	83,506	75,211
Investments	6b	7,294	7,189	9,207
Receivables	7	20,481	14,221	16,743
Inventories	8	8,940	8,900	8,826
Other	8	885	722	1,026
Non-current assets classified as 'held for sale'	22	-	-	-
<b>Total Current Assets</b>		<b>137,102</b>	<b>114,538</b>	<b>111,013</b>
<b>Non-Current Assets</b>				
Investments	6b	10,000	-	-
Receivables	7	4,839	3,522	3,316
Inventories	8	-	-	-
Infrastructure, Property, Plant & Equipment	9	2,376,962	2,326,193	2,238,391
Investments accounted for using the equity method	19	983	739	291
Investment Property	14	3,725	3,725	3,725
Intangible Assets	25	364	634	-
Non-current assets classified as 'held for sale'	22	-	-	-
Other	8	-	-	-
<b>Total Non-Current Assets</b>		<b>2,396,873</b>	<b>2,334,813</b>	<b>2,245,723</b>
<b>TOTAL ASSETS</b>		<b>2,533,975</b>	<b>2,449,351</b>	<b>2,356,736</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	10	23,201	25,112	21,912
Borrowings	10	3,332	1,659	1,843
Provisions	10	40,833	37,900	33,545
<b>Total Current Liabilities</b>		<b>67,366</b>	<b>64,671</b>	<b>57,300</b>
<b>Non-Current Liabilities</b>				
Payables	10	-	-	-
Borrowings	10	31,236	14,986	16,504
Provisions	10	45,401	42,645	40,289
<b>Total Non-Current Liabilities</b>		<b>76,637</b>	<b>57,631</b>	<b>56,793</b>
<b>TOTAL LIABILITIES</b>		<b>144,003</b>	<b>122,302</b>	<b>114,093</b>
<b>Net Assets</b>		<b>2,389,972</b>	<b>2,327,049</b>	<b>2,242,643</b>
<b>EQUITY</b>				
Retained Earnings	20	1,163,160	1,103,844	1,054,489
Revaluation Reserves	20	1,226,812	1,223,205	1,188,154
Council Equity Interest		2,389,972	2,327,049	2,242,643
Non-controlling Interest		-	-	-
<b>Total Equity</b>		<b>2,389,972</b>	<b>2,327,049</b>	<b>2,242,643</b>



## Wollongong City Council

Statement of Changes in Equity  
for the financial year ended 30 June 2013

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
<b>2013</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		1,103,844	1,223,205	<b>2,327,049</b>	-	<b>2,327,049</b>
a. Correction of Prior Period Errors	20 (c)	36,370	-	<b>36,370</b>	-	<b>36,370</b>
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance</b> (as at 1/7/12)		<b>1,140,214</b>	<b>1,223,205</b>	<b>2,363,419</b>	-	<b>2,363,419</b>
<b>c. Net Operating Result for the Year</b>		<b>25,139</b>	-	<b>25,139</b>	-	<b>25,139</b>
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	-	-	-	-
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements (Revaluation Error - 2012)	20b (ii)	-	1,414	<b>1,414</b>	-	<b>1,414</b>
<b>Other Comprehensive Income</b>		-	<b>1,414</b>	<b>1,414</b>	-	<b>1,414</b>
<b>Total Comprehensive Income</b> (c&d)		<b>25,139</b>	<b>1,414</b>	<b>26,553</b>	-	<b>26,553</b>
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		(2,193)	2,193	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>1,163,160</b>	<b>1,226,812</b>	<b>2,389,972</b>	-	<b>2,389,972</b>

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

## Wollongong City Council

## Statement of Cash Flows

for the financial year ended 30 June 2013

Budget 2013	\$ '000	Notes	Actual 2013	Actual 2012
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
149,718	Rates & Annual Charges		147,009	143,122
29,818	User Charges & Fees		30,407	31,868
3,493	Investment & Interest Revenue Received		4,593	5,645
31,735	Grants & Contributions		42,534	48,796
-	Bonds, Deposits & Retention amounts received		576	-
8,013	Other		15,723	14,489
<b>Payments:</b>				
(86,793)	Employee Benefits & On-Costs		(89,235)	(89,320)
(80,679)	Materials & Contracts		(51,290)	(48,556)
(129)	Borrowing Costs		(336)	(16)
-	Other		(34,572)	(33,678)
<b>55,176</b>	<b>Net Cash provided (or used in) Operating Activities</b>	11b	<b>65,409</b>	<b>72,350</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
1,338	Sale of Investment Securities		29	3,027
1,660	Sale of Infrastructure, Property, Plant & Equipment		1,631	1,114
-	Deferred Debtors Receipts		18	15
<b>Payments:</b>				
-	Purchase of Investment Securities		(10,052)	(989)
(68,793)	Purchase of Infrastructure, Property, Plant & Equipment		(57,721)	(64,021)
(135)	Contributions Paid to Joint Ventures & Associates		-	(150)
<b>(65,930)</b>	<b>Net Cash provided (or used in) Investing Activities</b>		<b>(66,095)</b>	<b>(61,004)</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts:</b>				
1,750	Proceeds from Borrowings & Advances		20,000	-
<b>Payments:</b>				
(3,037)	Repayment of Borrowings & Advances		(3,178)	(2,760)
	Repayment of Finance Lease Liabilities		(140)	(291)
<b>(1,287)</b>	<b>Net Cash Flow provided (used in) Financing Activities</b>		<b>16,682</b>	<b>(3,051)</b>
<b>(12,041)</b>	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>15,996</b>	<b>8,295</b>
76,954	plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	11a	83,506	75,211
<b>64,913</b>	<b>Cash &amp; Cash Equivalents - end of the year</b>	11a	<b>99,502</b>	<b>83,506</b>
Additional Information:				
	plus: <b>Investments on hand - end of year</b>	6b	17,294	7,189
	<b>Total Cash, Cash Equivalents &amp; Investments</b>		<b>116,796</b>	<b>90,695</b>

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 2013

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n/a - not applicable

# Wollongong City Council

## Notes to the Financial Statements

for the financial year ended 30 June 2013

### 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 2012 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 2012.

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.

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 1. Summary of Significant Accounting Policies

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

#### **(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.

#### **(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).



# Wollongong City Council

## Notes to the Financial Statements

for the financial year ended 30 June 2013

### Note 1. Summary of Significant Accounting Policies

Note 3(g) also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year. The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of S94 of the EPA Act 1979.

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

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

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

#### 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 Financial Instruments: Recognition and Measurement.

#### (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 30/6/13) and **(ii)** all the related operating results (for the financial year ended the 30th June 2013).

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

#### (ii) The Trust Fund

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

# Wollongong City Council

## Notes to the Financial Statements

for the financial year ended 30 June 2013

### Note 1. Summary of Significant Accounting Policies

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 2013

### Note 1. Summary of Significant Accounting Policies

#### (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 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.

## Wollongong City Council

### Notes to the Financial Statements

for the financial year ended 30 June 2013

## Note 1. Summary of Significant Accounting Policies

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

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

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

### 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.

Council does not hold any monetary securities in a foreign currency.

### 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

# Wollongong City Council

## Notes to the Financial Statements

for the financial year ended 30 June 2013

### Note 1. Summary of Significant Accounting Policies

Government Act and S212 of the LG (General) Regulation 2005.

Investments are placed and managed in accordance with the Policy and having particular regard to authorised investments prescribed under the 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 collectability 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 2013

### Note 1. Summary of Significant Accounting Policies

#### (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)

Council's non-current assets have been progressively revalued to fair value in accordance with a staged implementation program as required 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) [Initial Valuation: 2009, Current Valuation: 2012]
- **Buildings – Specialised/Non Specialised** (Internal Valuation) [Initial Valuation: 2009, Current Valuation: 2012]
- **Plant and Equipment** (as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths** (Internal Valuation) [Initial Valuation: 2010, Current Valuation: 2012]
- **Drainage Assets (Internal Valuation)** (Internal Valuation) [Initial Valuation: 2010, Current Valuation: 2012]
- **Community Land** (Internal Valuation) [Initial Valuation: 2011, Current Valuation: 2012]
- **Land Improvements** (Internal Valuation) [Initial Valuation: 2011, Current Valuation: 2012]
- **Other Structures** (Internal Valuation) [Initial Valuation: 2011, Current Valuation: 2012]
- **Other Assets** (Internal Valuation) [Initial Valuation: 2011, Current Valuation: 2012]

The term internal valuation refers to the utilisation of in-house expertise to value Council's assets.

##### 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.

# Wollongong City Council

## Notes to the Financial Statements

for the financial year ended 30 June 2013

### Note 1. Summary of Significant Accounting Policies

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

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

#### Subsequent costs

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

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

#### 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. A revaluation exercise on Operational land, Buildings, Road Assets including roads, bridges and footpaths, Drainage assets, Community Land, Land Improvements, Other Structures and Other Assets was last undertaken in 2012.

Full revaluations are undertaken for all assets on a 5 year cycle. The next scheduled revaluation by asset class is outlined in the table below.

Asset Class	Due
Operational Land, Buildings	30 June 2014
Roads, Bridges, Footpaths, Drainage, Bulk Earths	30 June 2015
Community Land, Other Assets, Land Improvements	30 June 2016

#### 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
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# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 1. Summary of Significant Accounting Policies

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	5 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

#### Other Equipment

- Playground equipment	10 to 15 years
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#### Buildings

- Buildings	15 to 50 years
- Public Amenities	10 to 50 years

#### Stormwater Drainage

- Stormwater Drainage Infrastructure	50 to 100 years
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#### Transportation Assets

- Roads - Infrastructure	20 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.

# Wollongong City Council

## Notes to the Financial Statements

for the financial year ended 30 June 2013

### Note 1. Summary of Significant Accounting Policies

#### (m) Intangible Assets

Council has classified IT development and software assets as intangible during 2012/13 and recognised 2011/12 comparatively.

##### IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line bases over periods generally ranging from 3 to 5 years.

#### (n) Crown Reserves

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

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

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

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

#### (o) Rural Fire Service assets

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

## Wollongong City Council

### Notes to the Financial Statements

for the financial year ended 30 June 2013

#### Note 1. Summary of Significant Accounting Policies

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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.

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.



## Wollongong City Council

### Notes to the Financial Statements

for the financial year ended 30 June 2013

#### Note 1. Summary of Significant Accounting Policies

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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.

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.

# Wollongong City Council

## Notes to the Financial Statements

for the financial year ended 30 June 2013

### Note 1. Summary of Significant Accounting Policies

#### (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.

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.

# Wollongong City Council

## Notes to the Financial Statements

for the financial year ended 30 June 2013

### Note 1. Summary of Significant Accounting Policies

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 2013 a deficit still exists.

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

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

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

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

#### 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 June 2013.

#### (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.

# Wollongong City Council

## Notes to the Financial Statements

for the financial year ended 30 June 2013

### Note 1. Summary of Significant Accounting Policies

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

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

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

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

#### **Exceptions**

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

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

#### **(aa) Taxes**

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

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

#### **Goods & Services Tax (GST)**

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

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

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

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

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

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

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

#### **(ab) New accounting standards and UIG interpretations**

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2013.

**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 9 (December 2010) (effective from 1 January 2013) and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures (effective from 1 January 2015)**

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities.

The standard is not applicable until 1 January 2015 but is available for early adoption.

## Wollongong City Council

### Notes to the Financial Statements for the financial year ended 30 June 2013

#### Note 1. Summary of Significant Accounting Policies

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 although there is currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities.

The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

***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;**

***AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7] (effective 1 January 2013)***

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014).

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

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

***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.



## Wollongong City Council

### Notes to the Financial Statements

for the financial year ended 30 June 2013

#### Note 1. Summary of Significant Accounting Policies

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.

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.

***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 re-measurements 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

## Wollongong City Council

### Notes to the Financial Statements

for the financial year ended 30 June 2013

#### Note 1. Summary of Significant Accounting Policies

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 (x)(iii) and so these changes will not have an impact on its reported results.

(vi) AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014)

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

(vii) AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (effective 1 January 2013) AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. An entity can elect to apply AASB 123 from the transition date or an earlier date.

AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments.

AASB 116 - clarifies the classification of servicing equipment.

AASB 132 and Interpretation 2 - Clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes

AASB 134- provides clarification about segment reporting.

The amendments arising from this standard are not expected to change the reported financial position or performance of the Council.

#### Not applicable to Local Government per se;

#### **AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (effective 1 January 2013)**

AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. An entity can elect to apply AASB 123 from the transition date or an earlier date.

AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments.

AASB 116 - clarifies the classification of servicing equipment.

AASB 132 and Interpretation 2 - clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes

AASB 134 - provides clarification about segment reporting.

The amendments arising from this standard are not expected to change the reported financial position or performance of the Council.

**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.

## Wollongong City Council

### Notes to the Financial Statements for the financial year ended 30 June 2013

#### Note 1. Summary of Significant Accounting Policies

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##### **(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 2013

## 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
	2013	2013	2012	2013	2013	2012	2013	2013	2012	2013	2012	2013	2012
Planning and Engagement	5,001	7,365	4,188	17,493	15,102	14,828	(12,492)	(7,737)	(10,640)	13	110	-	-
Environment	13,447	14,679	13,720	52,748	50,240	49,614	(39,301)	(35,561)	(35,894)	3,027	2,657	11,686	11,906
Transport Services/Infrastructure	10,813	8,052	10,793	43,166	46,762	42,948	(32,353)	(38,710)	(32,155)	5,099	8,187	1,981,518	1,933,871
Community Services/Facilities	7,567	8,296	8,372	32,660	32,449	32,444	(25,093)	(24,153)	(24,072)	4,403	4,395	18,285	18,802
Recreation and Open Space	9,827	9,140	9,026	38,910	39,803	39,654	(29,083)	(30,663)	(30,628)	40	-	16,778	17,053
Regulatory Services and Safety	6,130	7,107	6,246	15,264	15,640	15,597	(9,134)	(8,533)	(9,351)	620	570	-	-
Governance & Internal Services	6,599	9,615	6,262	37,429	38,229	37,542	(30,830)	(28,614)	(31,280)	832	50	504,725	466,980
Contributed Assets	-	26,141	8,347	-	-	-	-	26,141	8,347	-	-	-	-
<b>Total Functions &amp; Activities</b>	<b>59,384</b>	<b>90,395</b>	<b>66,954</b>	<b>237,670</b>	<b>238,225</b>	<b>232,627</b>	<b>(178,286)</b>	<b>(147,830)</b>	<b>(165,673)</b>	<b>14,034</b>	<b>15,969</b>	<b>2,532,992</b>	<b>2,448,612</b>
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	244	298	-	-	-	-	244	298	-	-	983	739
General Purpose Income <sup>1</sup>	162,804	172,725	171,340	-	-	-	162,804	172,725	171,340	18,517	22,521	-	-
<b>Operating Result from Continuing Operations</b>	<b>222,188</b>	<b>263,364</b>	<b>238,592</b>	<b>237,670</b>	<b>238,225</b>	<b>232,627</b>	<b>(15,482)</b>	<b>25,139</b>	<b>5,965</b>	<b>32,551</b>	<b>38,490</b>	<b>2,533,975</b>	<b>2,449,351</b>

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

## Wollongong City Council

### Notes to the Financial Statements for the financial year ended 30 June 2013

#### 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 Engagement**

Infrastructure Planning and Support, City Centre Management, Land Use Planning, Public Relations, Economic Development, Strategy and Planning

##### **Environment**

Waste Management, Stormwater Services, Natural Area Management, Environmental Planning and Programs

##### **Transport Services/Infrastructure**

Transport Services and Infrastructure works

##### **Community Services/Facilities**

Libraries, Cultural Services, Community Facilities, Age and Disability Services, Crematorium and Cemeteries, Community Programs, Youth Services

##### **Recreation and Open Space**

Parks and Sports fields, Aquatic Services, Tourist Parks, Leisure Centres, Botanic Gardens

##### **Regulatory Services and Safety**

Emergency Management, Development Assessment, Regulatory Control, Public Health

##### **Governance & Internal Services**

Governance and Administration, Human Resources, Financial Services, Customer Service, Property Services, Information Technology, Internal Services



# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
<b>(a) Rates &amp; Annual Charges</b>			
<b>Ordinary Rates</b>			
Residential		80,035	76,610
Farmland		395	382
Mining		867	844
Business		37,088	36,169
<b>Total Ordinary Rates</b>		<b>118,385</b>	<b>114,005</b>
<b>Special Rates</b>			
City Centre		283	424
Mall		879	904
<b>Total Special Rates</b>		<b>1,162</b>	<b>1,328</b>
<b>Annual Charges</b> (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		27,511	26,039
Stormwater Management Services		1,719	1,711
<b>Total Annual Charges</b>		<b>29,230</b>	<b>27,750</b>
<b>TOTAL RATES &amp; ANNUAL CHARGES</b>		<b>148,777</b>	<b>143,083</b>

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 2013

### Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
<b>(b) User Charges &amp; Fees</b>			
<b>Specific User Charges</b> (per s.502 - Specific "actual use" charges)			
Waste Management Services (non-domestic)		10,840	10,221
<b>Total User Charges</b>		<b>10,840</b>	<b>10,221</b>
<b>Other User Charges &amp; Fees</b>			
<b>(i) Fees &amp; Charges - Statutory &amp; Regulatory Functions</b> (per s.608)			
Inspection Services		433	435
Planning & Building Regulation		1,972	1,922
Registration Fees		170	197
Section 149 Certificates (EPA Act-Planning Certificate)		563	547
Section 603 Certificates (Rating Certificate)		256	233
Section 611 Charges (Occupation of Land)		141	152
Contestable Building Services		421	349
Other		11	2
<b>Total Fees &amp; Charges - Statutory/Regulatory</b>		<b>3,967</b>	<b>3,837</b>
<b>(ii) Fees &amp; Charges - Other (incl. General User Charges)</b> (per s.608)			
Car Parking		714	694
Crematorium & Cemeteries		2,167	2,302
Hire Charges		514	513
Leaseback Fees - Council Vehicles		641	566
Leisure Centre		2,311	2,249
Library		47	45
Marketing		22	36
Parking Meters		1,243	1,210
Pools & Beaches		430	451
Recreation		1,231	1,198
Tourist Parks		4,949	4,927
Other		823	787
<b>Total Fees &amp; Charges - Other</b>		<b>15,092</b>	<b>14,978</b>
<b>TOTAL USER CHARGES &amp; FEES</b>		<b>29,899</b>	<b>29,036</b>

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
<b>(c) Interest &amp; Investment Revenue (incl. losses)</b>			
<b>Interest &amp; Dividends</b>			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		755	820
- Interest earned on Investments (interest & coupon payment income)		4,588	4,840
<b>Fair Value Adjustments</b>			
- Fair Valuation movements in Investments (at FV or Held for Trading)		82	71
<b>Amortisation of Premiums &amp; Discounts</b>			
- Interest Free (& Interest Reduced) Loans provided		6	5
<b><u>TOTAL INTEREST &amp; INVESTMENT REVENUE</u></b>		<b><u>5,431</u></b>	<b><u>5,736</u></b>
<b>Interest Revenue is attributable to:</b>			
<b>Unrestricted Investments/Financial Assets:</b>			
Overdue Rates & Annual Charges (General Fund)		755	820
General Council Cash & Investments		3,142	3,253
<b>Restricted Investments/Funds - External:</b>			
Development Contributions			
- Section 94		502	461
Infrastructure Loan		651	1,068
Other Externally Restricted Assets		381	134
<b>Total Interest &amp; Investment Revenue Recognised</b>		<b><u>5,431</u></b>	<b><u>5,736</u></b>
<b>(d) Other Revenues</b>			
Rental Income - Investment Properties	14	442	406
Rental Income - Other Council Properties		3,439	3,175
Fines		665	697
Fines - Parking		2,167	1,917
Legal Fees Recovery - Rates & Charges (Extra Charges)		402	430
Diesel Rebate		171	127
Insurance Claim Recoveries		156	81
Sales - General		508	519
Sponsorship & Promotional Income		273	278
LawCover Legal Claims Reimbursement		2,000	
Energy Saving Certificates		53	-
Other		588	662
<b><u>TOTAL OTHER REVENUE</u></b>		<b><u>10,864</u></b>	<b><u>8,292</u></b>

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
<b>(e) Grants</b>				
<b>General Purpose (Untied)</b>				
Financial Assistance	16,831	20,821	-	-
Pensioners' Rates Subsidies - General Component	1,686	1,700	-	-
<b>Total General Purpose</b>	<b>18,517</b>	<b>22,521</b>	<b>-</b>	<b>-</b>
<b>Specific Purpose</b>				
Pensioners' Rates Subsidies:				
- Domestic Waste Management	536	533	-	-
Arts & Culture	70	123	-	-
Building Better Regional Cities Program	-	-	-	6,000
Car Parks	-	-	3	25
Community Development & Support	477	409	-	-
Economic Development	5	57	-	-
Emergency Services	570	566	-	-
Environmental Management & Enhancement	59	200	-	-
Environmental Protection	19	5	-	-
Floodplain & Stormwater Management	432	135	-	-
Footpaths & Cycleways	-	-	3,062	432
HACC Community Transport	1,907	1,924	-	-
Healthy Communities	161	286	-	-
Heritage & Cultural	15	8	-	-
Illawarra Dementia Respite Service	402	371	-	-
Library	500	457	-	-
Local Bus Route Subsidy	57	59	-	-
Natural Area Management	89	109	-	-
People & Learning	16	5	-	-
Strategic City Planning	196	129	-	-
Street Lighting	460	448	-	-
Transport (Roads to Recovery)	-	-	731	658
Transport (Other Roads & Bridges Funding)	9	323	610	214
Voluntary Purchase Scheme	-	-	699	541
Waste Performance Improvement	1,251	1,138	-	-
Wollongong Multi Service Outlet	886	814	-	-
Infrastructure Renewal	195	-	-	-
Buildings	-	-	617	-
<b>Total Specific Purpose</b>	<b>8,312</b>	<b>8,099</b>	<b>5,722</b>	<b>7,870</b>
<b>Total Grants</b>	<b>26,829</b>	<b>30,620</b>	<b>5,722</b>	<b>7,870</b>
<b>Grant Revenue is attributable to:</b>				
- Commonwealth Funding	21,448	23,302	1,475	1,742
- State Funding	5,381	7,318	4,247	6,128
	<b>26,829</b>	<b>30,620</b>	<b>5,722</b>	<b>7,870</b>

## Wollongong City Council

Notes to the Financial Statements  
for the financial year ended 30 June 2013

## Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
<b>(f) Contributions</b>				
<b>Developer Contributions:</b>				
<b>(s93 &amp; s94 - EP&amp;A Act, s64 of the LGA):</b>				
S 94A - Fixed Development Consent Levies	-	-	2,591	2,038
S 94 - West Dapto	-	-	4,588	1,331
<b>Total Developer Contributions</b>	17 -	-	<b>7,179</b>	<b>3,369</b>
<b>Other Contributions:</b>				
Community Development & Support	47	47	-	-
Community Services & Facilities	521	496	-	-
Contributed Transport Assets (RMS)	-	-	4,841	1,839
Dedications (other than by S94)	-	-	20,709	6,474
Footpaths & Cycleways	-	62	-	-
Parks, Gardens and Sportsfields	16	24	-	-
Roads & Bridges	28	51	-	-
RMS Contributions (Regional Roads, Block Grant)	1,582	1,234	-	-
Strategic City Planning	13	27	-	-
Wollongong City Gallery Collection	-	-	147	34
Pollution Minimisation	71	-	-	-
Contributed Bushfire Assets	-	-	348	-
Sandon Point Surf Club	-	-	96	-
<b>Total Other Contributions</b>	<b>2,278</b>	<b>1,941</b>	<b>26,141</b>	<b>8,347</b>
<b>Total Contributions</b>	<b>2,278</b>	<b>1,941</b>	<b>33,320</b>	<b>11,716</b>
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>	<b>29,107</b>	<b>32,561</b>	<b>39,042</b>	<b>19,586</b>

\$ '000	Actual 2013	Actual 2012
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**(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	18,202	16,788
add: Grants & contributions recognised in the current period but not yet spent:	10,607	6,914
less: Grants & contributions recognised in a previous reporting period now spent:	(5,903)	(5,500)
<b>Net Increase (Decrease) in Restricted Assets during the Period</b>	<b>4,704</b>	<b>1,414</b>
<b>Unexpended and held as Restricted Assets</b>	<b>22,906</b>	<b>18,202</b>

**Comprising:**

- Specific Purpose Unexpended Grants	10,910	10,628
- Developer Contributions	11,758	7,359
- Other Contributions	238	215
	<b>22,906</b>	<b>18,202</b>



# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
<b>(a) Employee Benefits &amp; On-Costs</b>			
Salaries and Wages		76,912	73,352
Employee Leave Entitlements (ELE)		11,521	14,048
Superannuation		9,525	9,526
Workers' Compensation Insurance		63	19
Fringe Benefit Tax (FBT)		247	285
Payroll Tax		41	38
Training Costs (other than Salaries & Wages)		789	719
Protective Clothing		268	260
Workers Compensation Provision		(1,259)	626
Workers Compensation - Self Insurance		2,183	2,843
Other		399	385
<b>Total Employee Costs</b>		<b>100,689</b>	<b>102,101</b>
less: Capitalised Costs		(9,646)	(8,420)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>		<b>91,043</b>	<b>93,681</b>
Number of "Equivalent Full Time" Employees at year end		996	983
<b>(b) Borrowing Costs</b>			
<b>(i) Interest Bearing Liability Costs</b>			
Interest on Overdraft		-	1
Interest on Loans		336	-
Charges relating to Finance Leases		-	15
<b>Total Interest Bearing Liability Costs Expensed</b>		<b>336</b>	<b>16</b>
<b>(ii) Other Borrowing Costs</b>			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	1,790	1,871
Interest applicable on Interest Free (& favourable) Loans to Council		1,241	1,349
<b>Total Other Borrowing Costs</b>		<b>3,031</b>	<b>3,220</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>		<b>3,367</b>	<b>3,236</b>

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
<b>(c) Materials &amp; Contracts</b>			
Raw Materials & Consumables		15,683	16,442
Contractor & Consultancy Costs		61,400	63,776
Auditors Remuneration <sup>(1)</sup>		264	203
Legal Expenses:			
- Legal Expenses: Planning & Development		240	117
- Legal Expenses: Other		1,312	1,154
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments <sup>(2)</sup>		276	517
<b>Total Materials &amp; Contracts</b>		<b>79,175</b>	<b>82,209</b>
less: Capitalised Costs		(36,036)	(40,785)
<b>TOTAL MATERIALS &amp; CONTRACTS</b>		<b>43,139</b>	<b>41,424</b>
<b>1. Auditors Remuneration</b>			
During the year, the following fees were incurred for services provided by the Council's Auditors (external and internal):			
<b>(i) Audit and Other Assurance Services</b>			
- Audit & review of financial statements: Council's Auditor (external)		109	104
Remuneration for audit and other assurance services		<b>109</b>	<b>104</b>
<b>(ii) Other Services</b>			
- Other Services (internal audit)		155	99
Remuneration for other services		<b>155</b>	<b>99</b>
<b>Total Auditors Remuneration</b>		<b>264</b>	<b>203</b>
<b>2. Operating Lease Payments are attributable to:</b>			
Computers		148	391
Other		128	126
		<b>276</b>	<b>517</b>

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2013	Actual 2012	Actual 2013	Actual 2012
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	4,170	3,785
Office Equipment		-	-	1,373	1,074
Furniture & Fittings		-	-	469	568
Buildings - Non Specialised		-	-	1,290	750
Buildings - Specialised		53	346	14,390	14,242
Other Structures		-	-	1,863	1,648
Infrastructure:					
- Roads, Bridges & Footpaths		937	-	25,433	23,617
- Stormwater Drainage		-	-	8,818	8,043
Other Assets					
- Library Books		-	-	1,004	973
- Other		-	-	1,846	2,751
Asset Reinstatement Costs	9 & 26	-	-	221	2,730
Intangible Assets	25	-	-	363	253
<b>TOTAL DEPRECIATION &amp; IMPAIRMENT COSTS EXPENSED</b>		<b>990</b>	<b>346</b>	<b>61,240</b>	<b>60,434</b>

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
<b>(e) Other Expenses</b>			
Other Expenses for the year include the following:			
Advertising		404	428
Bad & Doubtful Debts		(17)	144
Bank Charges		484	489
Carbon Tax Expense		2,134	-
Contributions/Levies to Other Levels of Government			
- Emergency Services Levy		256	199
- Lake Illawarra Authority		487	490
- NSW Fire Brigade Levy		2,504	2,540
- NSW Rural Fire Service Levy		380	402
- Waste & Environment Levy		10,589	11,481
Councillor Expenses - Mayoral Fee		75	59
Councillor Expenses - Councillors' Fees		354	287
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		1	5
Donations, Contributions & Assistance to other organisations (Section 356)			
- Illawarra Performing Arts Centre		606	588
- Illawarra Regional Information Service		81	79
- Illawarra Surf Life Saving		61	61
- Neighbourhood Youth Program		225	215
- Southern Councils Group		65	62
- Wollongong City Centre Ltd.		-	442
- Wollongong City Of Innovation		917	857
- Other		1,537	1,403
Elections		-	579
Insurance		2,879	2,796
Lighting, Electricity & Heating		2,472	2,168
Postage		274	285
Provision for Self Insurance Claims		200	(220)
Street Lighting		3,316	2,974
Sustainability Programs		253	-
Telephone & Communications		703	649
Valuation Fees		379	355
Water Rates		914	706
Other		1,953	2,619
<b>Total Other Expenses</b>		<b>34,486</b>	<b>33,142</b>
less: Capitalised Costs		(351)	(789)
<b>TOTAL OTHER EXPENSES</b>		<b>34,135</b>	<b>32,353</b>

## Wollongong City Council

Notes to the Financial Statements  
for the financial year ended 30 June 2013

## Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2013	Actual 2012
<b>Property</b> (excl. Investment Property)			
Proceeds from Disposal - Property		238	346
less: Carrying Amount of Property Assets Sold / Written Off		(1,347)	(684)
<b>Net Gain/(Loss) on Disposal</b>		<b>(1,109)</b>	<b>(338)</b>
<b>Plant &amp; Equipment</b>			
Proceeds from Disposal - Plant & Equipment		1,393	761
less: Carrying Amount of P&E Assets Sold / Written Off		(1,180)	(592)
<b>Net Gain/(Loss) on Disposal</b>		<b>213</b>	<b>169</b>
<b>Infrastructure</b>			
Proceeds from Disposal - Infrastructure		-	7
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(3,415)	(940)
<b>Net Gain/(Loss) on Disposal</b>		<b>(3,415)</b>	<b>(933)</b>
<b>Financial Assets*</b>			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		29	3,027
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(29)	(3,078)
<b>Net Gain/(Loss) on Disposal</b>		<b>-</b>	<b>(51)</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>(4,311)</b>	<b>(1,153)</b>
<b>* Financial Assets disposals / redemptions include:</b>			
- Net Gain/(Loss) from Financial Instruments "At Fair Value through profit & loss"		-	(51)
<b>Net Gain/(Loss) on Disposal of Financial Instruments</b>		<b>-</b>	<b>(51)</b>



## Wollongong City Council

Notes to the Financial Statements  
for the financial year ended 30 June 2013

## Note 6a. - Cash Assets and Note 6b. - Investments

\$ '000	Notes	2013	2013	2012	2012
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		1,391	-	1,203	-
Cash-Equivalent Assets <sup>1</sup>					
- Deposits at Call		22,081	-	20,273	-
- Short Term Deposits		76,030	-	62,030	-
<b>Total Cash &amp; Cash Equivalents</b>		<b>99,502</b>	<b>-</b>	<b>83,506</b>	<b>-</b>
Investments (Note 6b)					
- Managed Funds		1,344	-	1,115	-
- NCD's, FRN's (with Maturities > 3 months)		1,019	-	996	-
- Mortgage Backed Securities		1,871	-	2,032	-
- Other Long Term Financial Assets		3,060	10,000	3,046	-
<b>Total Investments</b>		<b>7,294</b>	<b>10,000</b>	<b>7,189</b>	<b>-</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS &amp; INVESTMENTS</b>		<b>106,796</b>	<b>10,000</b>	<b>90,695</b>	<b>-</b>

<sup>1</sup> Those Investments where time to maturity (from date of purchase) is < 12 mths or can be liquidated at short notice with little or no cost.

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

**Cash & Cash Equivalents**

a. "At Fair Value through the Profit & Loss"		<b>99,502</b>	<b>-</b>	<b>83,506</b>	<b>-</b>
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**Investments**

a. "At Fair Value through the Profit & Loss"					
- "Held for Trading"	6(b-i)	7,294	-	7,189	-
b. "Held to Maturity"	6(b-ii)	-	10,000	-	-
<b>Investments</b>		<b>7,294</b>	<b>10,000</b>	<b>7,189</b>	<b>-</b>

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 6b. Investments (continued)

\$ '000	2013 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
<b>Note 6(b-i)</b>				
<b>Reconciliation of Investments classified as "At Fair Value through the Profit &amp; Loss"</b>				
Balance at the Beginning of the Year	7,189	-	9,207	-
Revaluations (through the Income Statement)	82	-	71	-
Additions	52	-	989	-
Disposals (sales & redemptions)	(29)	-	(3,078)	-
<b>Balance at End of Year</b>	<b>7,294</b>	<b>-</b>	<b>7,189</b>	<b>-</b>
<b>Comprising:</b>				
- Managed Funds	1,344	-	1,115	-
- NCD's, FRN's (with Maturities > 3 months)	1,019	-	996	-
- Mortgage Backed Securities	1,871	-	2,032	-
- Other Long Term Financial Assets	3,060	-	3,046	-
<b>Total</b>	<b>7,294</b>	<b>-</b>	<b>7,189</b>	<b>-</b>
<b>Note 6(b-ii)</b>				
<b>Reconciliation of Investments classified as "Held to Maturity"</b>				
Additions	-	10,000	-	-
<b>Balance at End of Year</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
<b>Comprising:</b>				
- Long Term Deposits	-	10,000	-	-
<b>Total</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
<b>Note 6(b-iii)</b>				
<b>Reconciliation of Investments classified as "Loans &amp; Receivables"</b>				
Nil				
<b>Note 6(b-iv)</b>				
<b>Reconciliation of Investments classified as "Available for Sale"</b>				
Nil				

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

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

\$ '000	2013 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
<b>Total Cash, Cash Equivalents and Investments</b>	<b>106,796</b>	<b>10,000</b>	<b>90,695</b>	<b>-</b>
<b>attributable to:</b>				
External Restrictions (refer below)	53,961	10,000	42,281	-
Internal Restrictions (refer below)	24,383	-	18,981	-
Unrestricted	28,452	-	29,433	-
	<b>106,796</b>	<b>10,000</b>	<b>90,695</b>	<b>-</b>

2013 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
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### Details of Restrictions

#### External Restrictions - Included in Liabilities

Nil

#### External Restrictions - Other

Developer Contributions - General (A)	7,359	7,681	(3,282)	11,758
RMS (formerly RTA) Contributions (B)	215	2,483	(2,460)	238
Specific Purpose Unexpended Grants (C)	10,628	11,319	(11,038)	10,910
Domestic Waste Management (D)	4,116	2,292	-	6,408
Stormwater Management (D)	723	1,715	(1,604)	834
Private Subsidies	2,401	827	(1,345)	1,883
Special Rates Levy - Wollongong Centre Imp. Fund	234	(234)	-	-
Unexpended Loan (E)	16,062	650	(3,835)	12,877
Special Rates Levy - Wollongong Mall	487	944	(1,180)	251
Special Rates Levy - City Centre	56	364	(409)	11
Local Infrastructure Renewal Scheme (F)	-	20,000	(1,209)	18,791
<b>External Restrictions - Other</b>	<b>42,281</b>	<b>48,041</b>	<b>(26,362)</b>	<b>63,961</b>
<b>Total External Restrictions</b>	<b>42,281</b>	<b>48,041</b>	<b>(26,362)</b>	<b>63,961</b>

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

**B** RMS Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.

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

**D** 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.

**E** State Government interest free loan to be administered on infrastructure as part of the West Dapto development.

**F** State Government subsidised loan to be administered on infrastructure projects over the local government area.

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

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

2013 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
<b>Internal Restrictions</b>				
Car Parking Strategy	105	384	-	489
Property *	(253)	-	-	(253)
Darcy Wentworth Park	69	31	(1)	99
MacCabe Park Development	240	151	-	391
Sports Priority Program	937	272	(359)	850
Telecommunications Reserve	248	31	-	279
Waste Disposal Facility	17,635	4,114	(1,468)	20,281
Carbon Price	-	2,176	-	2,176
West Dapto Development	-	71	-	71
<b>Total Internal Restrictions</b>	<b>18,981</b>	<b>7,230</b>	<b>(1,828)</b>	<b>24,383</b>
<b>TOTAL RESTRICTIONS</b>	<b>61,262</b>	<b>55,271</b>	<b>(28,190)</b>	<b>88,344</b>

- \* Property was previously reported under the title Community Infrastructure. This reserve has a negative balance at 30 June 2013 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 2013

### Note 7. Receivables

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
<b>Purpose</b>					
Rates & Annual Charges		5,957	3,865	5,340	2,714
Interest & Extra Charges		491	974	478	796
User Charges & Fees		4,718	-	2,625	-
Accrued Revenues					
- Interest on Investments		1,642	-	1,083	-
- Other Income Accruals		3,158	-	2,082	-
Government Grants & Subsidies		2,831	-	1,183	-
Deferred Debtors		15	-	15	12
Net GST Receivable		2,003	-	1,766	-
<b>Total</b>		<b>20,815</b>	<b>4,839</b>	<b>14,572</b>	<b>3,522</b>
<b>less: Provision for Impairment</b>					
User Charges & Fees		(334)	-	(351)	-
<b>Total Provision for Impairment - Receivables</b>		<b>(334)</b>	<b>-</b>	<b>(351)</b>	<b>-</b>
<b><u>TOTAL NET RECEIVABLES</u></b>		<b><u>20,481</u></b>	<b><u>4,839</u></b>	<b><u>14,221</u></b>	<b><u>3,522</u></b>

### Externally Restricted Receivables

There are no restrictions applicable to the above receivables.

### 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 10.00% (2012 11.00%).  
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 2013

### Note 8. Inventories & Other Assets

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
<b>Inventories</b>					
Real Estate for resale (refer below)		8,611	-	8,611	-
Stores & Materials		329	-	289	-
<b>Total Inventories</b>		<b>8,940</b>	<b>-</b>	<b>8,900</b>	<b>-</b>
<b>Other Assets</b>					
Prepayments		885	-	722	-
<b>Total Other Assets</b>		<b>885</b>	<b>-</b>	<b>722</b>	<b>-</b>
<b><u>TOTAL INVENTORIES / OTHER ASSETS</u></b>		<b>9,825</b>	<b>-</b>	<b>9,622</b>	<b>-</b>

#### 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	-
<b>Total Real Estate for Resale</b>	<b>8,611</b>	<b>-</b>	<b>8,611</b>	<b>-</b>
(Valued at the lower of cost and net realisable value)				
<b>Represented by:</b>				
Acquisition Costs	8,611	-	8,611	-
<b>Total Costs</b>	<b>8,611</b>	<b>-</b>	<b>8,611</b>	<b>-</b>
<b>Total Real Estate for Resale</b>	<b>8,611</b>	<b>-</b>	<b>8,611</b>	<b>-</b>
<b>Movements:</b>				
Real Estate assets at beginning of the year	8,611	-	8,611	-
<b>Total Real Estate for Resale</b>	<b>8,611</b>	<b>-</b>	<b>8,611</b>	<b>-</b>

##### (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;

	2013	2012
Real Estate for Resale	5,734	5,734
	<b>5,734</b>	<b>5,734</b>

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

- Stores & Materials	1,285	1,302
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Notes to the Financial Statements  
for the financial year ended 30 June 2013

Note 9a. Infrastructure, Property, Plant & Equipment

	as at 30/6/2012					Asset Movements during the Reporting Period						as at 30/6/2013				
	At Cost	At Fair Value	Accumulated		Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Impairment Loss (recognised in P/L)	WIP Transfers	Adjustments & Transfers	At Cost	At Fair Value	Accumulated		Carrying Value
			Dep'n	Impairment										Dep'n	Impairment	
<b>\$ '000</b>																
Capital Work in Progress	20,941	-	-	-	20,941	12,041	-	-	-	(16,217)	-	16,765	-	-	-	16,765
Plant & Equipment	-	36,405	15,110	-	21,295	3,674	(1,180)	(4,170)	-	-	1,050	-	36,536	15,867	-	20,669
Office Equipment	-	7,145	2,432	-	4,713	684	-	(1,373)	-	-	-	-	7,016	2,992	-	4,024
Furniture & Fittings	-	4,985	3,931	-	1,054	165	-	(469)	-	-	-	-	2,949	2,199	-	750
Plant & Equipment (under Finance Lease)	-	636	319	-	317	-	-	-	-	-	(317)	-	-	-	-	-
<b>Land:</b>																
- Operational Land	-	390,213	-	-	390,213	1,728	(640)	-	-	-	-	-	391,301	-	-	391,301
- Community Land	-	370,098	-	-	370,098	1,254	-	-	-	-	-	-	371,352	-	-	371,352
- Land under Roads (post 30/6/08)	-	22,980	-	-	22,980	1,586	-	-	-	-	-	-	24,566	-	-	24,566
Land Improvements - non depreciable	-	67,045	-	-	67,045	1	-	-	-	-	-	-	67,046	-	-	67,046
Buildings - Non Specialised	-	21,434	11,985	-	9,449	709	(627)	(1,290)	-	28	-	-	21,544	13,275	-	8,269
Buildings - Specialised	-	563,639	278,222	346	285,071	3,316	(63)	(14,390)	(53)	13,379	1,110	-	577,237	288,468	399	288,370
Other Structures	-	53,225	36,172	-	17,053	881	(17)	(1,863)	-	-	732	-	54,078	37,292	-	16,786
<b>Infrastructure:</b>																
- Roads, Bridges, Footpaths	-	1,526,490	945,397	-	581,093	42,333	(2,808)	(25,433)	(937)	1,875	19,441	-	1,555,312	938,809	937	615,566
- Stormwater Drainage	-	814,794	323,466	-	491,328	8,305	(582)	(8,818)	-	42	4,883	-	827,019	331,861	-	495,158
<b>Other Assets:</b>																
- Heritage Collections	-	11,103	-	-	11,103	212	-	-	-	-	95	-	11,410	-	-	11,410
- Library Books	-	7,514	4,075	-	3,439	1,233	-	(1,004)	-	-	-	-	6,730	3,062	-	3,668
- Other	-	70,170	53,076	-	17,094	2,668	(25)	(1,846)	-	893	10,792	-	73,752	44,176	-	29,576
<b>Reinstatement, Rehabilitation &amp; Restoration Assets (refer Note 26)</b>																
- Tip Asset	-	19,738	7,831	-	11,907	-	-	(221)	-	-	-	-	19,738	8,052	-	11,686
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIP.</b>	<b>20,941</b>	<b>3,987,614</b>	<b>1,682,016</b>	<b>346</b>	<b>2,326,193</b>	<b>80,790</b>	<b>(5,942)</b>	<b>(60,877)</b>	<b>(990)</b>	<b>-</b>	<b>37,786</b>	<b>16,765</b>	<b>4,047,586</b>	<b>1,686,053</b>	<b>1,336</b>	<b>2,376,962</b>

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals (\$25,671) and New Assets (\$16,530). 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 2013

#### 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 2013	Actual 2012
Impairment Losses recognised in the Income Statement include:			
- Mt Keira Summit Park Cafe		(14)	(346)
- RFS Bushfire Control Centre		(5)	-
- Stream Hill Cottage West Dapto		(15)	-
- Scarborough Cemetery Toilet Block		(19)	-
- Mount Keira Road		(937)	-
<b>Total Impairment Losses</b>		<b>(990)</b>	<b>(346)</b>
<b><u>IMPAIRMENT of ASSETS - GAINS/(LOSSES) in P/L</u></b>	4(d)	<b><u>(990)</u></b>	<b><u>(346)</u></b>

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		6,848	-	7,042	-
Goods & Services - capital expenditure		8,039	-	11,014	-
Payments Received In Advance		2,134	-	1,772	-
Accrued Expenses:					
- Other Expenditure Accruals		3,614	-	3,370	-
Security Bonds, Deposits & Retentions		2,063	-	1,487	-
Other		503	-	427	-
Total Payables		23,201	-	25,112	-
Borrowings					
Loans - Secured <sup>1</sup>		3,332	31,236	1,519	14,986
Finance Lease Liabilities		-	-	140	-
Total Borrowings		3,332	31,236	1,659	14,986
Provisions					
Employee Benefits;					
Annual Leave		8,013	-	7,785	-
Sick Leave		543	-	612	-
Long Service Leave		28,750	417	27,137	352
Other Leave		804	-	710	-
Sub Total - Aggregate Employee Benefits		38,110	417	36,244	352
Self Insurance - Workers Compensation		1,611	5,080	1,556	6,394
Self Insurance - Claims Incurred		200	200	100	100
Asset Remediation/Restoration (Future Works) <sup>26</sup>		-	37,570	-	35,799
Carbon Tax		-	2,134	-	-
Land Remediation		912	-	-	-
Total Provisions		40,833	45,401	37,900	42,645
Total Payables, Borrowings & Provisions		67,366	76,637	64,671	57,631

#### (i) Liabilities relating to Restricted Assets

There are no restricted assets (external or internal) applicable to the above liabilities.

<sup>1</sup>. 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 2013

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

\$ '000	Actual 2013	Actual 2012
(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	27,750	26,402
Payables - Security Bonds, Deposits & Retentions	1,171	1,025
	<b>28,921</b>	<b>27,427</b>

#### Note 10b. Description of and movements in Provisions

Class of Provision	2012	2013				Closing Balance as at 30/6/13
	Opening Balance as at 1/7/12	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	7,785	7,398	(7,201)	31	-	8,013
Sick Leave	612	8	(83)	6	-	543
Long Service Leave	27,489	3,355	(2,499)	822	-	29,167
Other Leave	710	251	(160)	3	-	804
Self Insurance						
- Workers Compensation	7,950	(1,259)	-	-	-	6,691
- Claims Incurred	200	200	-	-	-	400
Asset Remediation	35,799	1,790	(19)	-	-	37,570
Carbon Tax	-	2,134	-	-	-	2,134
Land Remediation	-	912	-	-	-	912
<b>TOTAL</b>	<b>80,545</b>	<b>14,789</b>	<b>(9,962)</b>	<b>862</b>	<b>-</b>	<b>86,234</b>

- 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.
- 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.
- 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.
- Workers Compensation - Self Insurance Provision represents Wollongong City Council's liability in respect of its self- insured outstanding claims incurred up to 30 June 2013. 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 2013

### Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2013	Actual 2012
<b>(a) Reconciliation of Cash Assets</b>			
Total Cash & Cash Equivalent Assets	6a	99,502	83,506
Less Bank Overdraft	10	-	-
<b>BALANCE as per the STATEMENT of CASH FLOWS</b>		<b>99,502</b>	<b>83,506</b>
<b>(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities</b>			
<b>Net Operating Result from Income Statement</b>		<b>25,139</b>	<b>5,965</b>
<b>Adjust for non cash items:</b>			
Depreciation & Amortisation		61,240	60,434
Net Losses/(Gains) on Disposal of Assets		4,311	1,153
Non Cash Capital Grants and Contributions		(26,141)	(8,347)
Impairment Losses Recognition - I,PP&E		990	346
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "At Fair Value" or "Held for Trading"		(82)	(71)
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- Interest on all fair value adjusted Interest Free Advances made by Council		(6)	(5)
- Interest Exp. on Interest Free Loans received by Council (previously Fair Valued		1,241	1,349
Unwinding of Discount Rates on Reinstatement Provisions		1,790	1,871
Share of Net (Profits) or Losses of Associates/Joint Ventures		(244)	(298)
<b>+/- Movement in Operating Assets and Liabilities &amp; Other Cash Items:</b>			
Decrease/(Increase) in Receivables		(7,572)	2,162
Increase/(Decrease) in Provision for Doubtful Debts		(17)	144
Decrease/(Increase) in Inventories		(40)	(74)
Decrease/(Increase) in Other Assets		(163)	304
Increase/(Decrease) in Payables		(194)	1,365
Increase/(Decrease) in other accrued Expenses Payable		244	943
Increase/(Decrease) in Other Liabilities		1,014	269
Increase/(Decrease) in Employee Leave Entitlements		1,931	4,526
Increase/(Decrease) in Other Provisions		1,968	314
<b>NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS</b>		<b>65,409</b>	<b>72,350</b>

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

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

\$ '000	Notes	Actual 2013	Actual 2012
<b>(c) Non-Cash Investing &amp; Financing Activities</b>			
Contributed Transport Assets - RMS		4,841	1,839
Contributed Art Works		147	34
Other Dedications		20,709	6,474
Contributed Bush Fire Assets		348	-
Other Non Cash Items		96	-
<b>Total Non-Cash Investing &amp; Financing Activities</b>		<b>26,141</b>	<b>8,347</b>
<b>(d) Financing Arrangements</b>			
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>			
Bank Overdraft Facilities <sup>(1)</sup>		300	300
Credit Cards / Purchase Cards		835	985
<b>Total Financing Arrangements</b>		<b>1,135</b>	<b>1,285</b>
<b>Amounts utilised as at Balance Date:</b>			
- Credit Cards / Purchase Cards		73	61
<b>Total Financing Arrangements Utilised</b>		<b>73</b>	<b>61</b>

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 2013

### Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2013	Actual 2012
<b>(a) Capital Commitments (exclusive of GST)</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
<b>Property, Plant &amp; Equipment</b>			
Buildings		925	2,635
Plant & Equipment		152	59
Infrastructure		26,101	330
<b>Total Commitments</b>		<b>27,178</b>	<b>3,024</b>
<b>These expenditures are payable as follows:</b>			
Within the next year		25,401	3,024
Later than one year and not later than 5 years		1,777	-
<b>Total Payable</b>		<b>27,178</b>	<b>3,024</b>
<b>Sources for Funding of Capital Commitments:</b>			
Unrestricted General Funds		8,048	2,899
Future Grants & Contributions		2,718	-
Sect 64 & 94 Funds/Reserves		178	125
Unexpended Grants		373	-
Externally Restricted Reserves		40	-
Internally Restricted Reserves		10,875	-
Unexpended Loans		4,946	-
<b>Total Sources of Funding</b>		<b>27,178</b>	<b>3,024</b>

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2013	Actual 2012
<b>(b) Finance Lease Commitments</b>			
<b>(i) Commitments under Finance Leases at the Reporting Date are payable as follows:</b>			
Within the next year		-	140
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
<b>Total Minimum Lease Payments</b>		<b>-</b>	<b>140</b>
less: Future Finance Charges		-	-
<b>Amount Recognised as a Liability</b>		<b>-</b>	<b>140</b>

#### **(ii) Finance Lease Liability Recognised represent;**

Current Liabilities	-	140
<b>Total Finance Lease Liabilities Disclosed</b>	<b>-</b>	<b>140</b>

#### **(iv) 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
<b>Total Carrying Value at Year End</b>				<b>-</b>	<b>140</b>

#### **(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	99	156
Later than one year and not later than 5 years	380	373
Later than 5 years	1,041	1,195
<b>Total Non Cancellable Operating Lease Commitments</b>	<b>1,520</b>	<b>1,724</b>

##### **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.

##### **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

## Wollongong City Council

Notes to the Financial Statements  
for the financial year ended 30 June 2013

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

\$ '000	Amounts 2013	Indicator 2013	Prior Periods 20122011	
Local Government Industry Indicators - Consolidated				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions <sup>(1)</sup>	77,407	2.01 : 1	1.79	1.81
Current Liabilities less Specific Purpose Liabilities <sup>(2,3)</sup>	38,445			
2. Debt Service Ratio				
Debt Service Cost	3,654	1.71%	1.47%	0.77%
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)	213,732			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	148,777	56.49%	59.97%	51.07%
Income from Continuing Operations	263,364			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	11,287	7.09%	6.08%	6.16%
Rates, Annual & Extra Charges Collectible	159,262			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals <sup>(4)</sup>	24,936	48.97%	45.06%	53.89%
Depreciation, Amortisation & Impairment	50,921			

## Notes

<sup>(1)</sup> Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

<sup>(2)</sup> Refer to Note 10(a).

<sup>(3)</sup> Refer to Note 10(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).

<sup>(4)</sup> 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 2013

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

\$ '000	Amounts 2013	Indicator 2013	Prior Periods 2012      2011	
TCorp Performance Measures - Consolidated				
a. Operating Performance (pre capital)				
Operating Revenue (excl. Capital Grants & Contributions)				
- Operating Expenses	(13,985)	-6.24%	Not Applicable	Not Applicable
Operating Revenue (excl. Capital Grants & Contributions)	224,240			
b. Own Source Operating Revenue				
Rates & Annual Charges + User Charges & Fees	178,676	67.86%	Not Applicable	Not Applicable
Total Operating Revenue (incl. Capital Grants & Contributions)	263,282			
c. Unrestricted Current Ratio				
Current Assets less all External Restrictions	77,407	2.01	Not Applicable	Not Applicable
Current Liabilities less Specific Purpose Liabilities	38,445			
d. Debt Service Cover Ratio				
Operating Result before Interest & Depreciation (EBITDA)	50,622	7.57	Not Applicable	Not Applicable
Principal Repayments (from the Statement of Cash Flows)	6,685			
+ Borrowing Interest Costs (from the Income Statement)				
e. Capital Expenditure Ratio				
Annual Capital Expenditure	74,848	1.22	Not Applicable	Not Applicable
Annual Depreciation	61,240			
f. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	160,762	0.11	Not Applicable	Not Applicable
Total value of Infrastructure, Building, Other Structures & Depreciable Land Improvement Assets	1,424,149			
g. Asset Maintenance Ratio				
Actual Asset Maintenance	13,394	0.70	Not Applicable	Not Applicable
Required Asset Maintenance	19,255			
h. Building & Infrastructure Renewals Ratio				
Asset Renewals	24,936	0.49	Not Applicable	Not Applicable
Depreciation of Building and Infrastructure Assets	50,921			
i. Cash Expense Cover Ratio				
Current Year's Cash & Cash Equivalents	99,502	6.88	Not Applicable	Not Applicable
(Total Expenses - Depreciation - Interest Costs) /12	14,468			
j. Interest Cover Ratio				
Operating Results before Interest & Depreciation (EBITDA)	50,622	15.03	Not Applicable	Not Applicable
Borrowing Interest Costs (from the income statement)	3,367			

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)

<p><b>1. Unrestricted Current Ratio</b></p> <table><tr><th>Year</th><th>Ratio : 1</th></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><tr><td>2013</td><td>2.01</td></tr></table>	Year	Ratio : 1	2010	1.48	2011	1.81	2012	1.79	2013	2.01	<p><b>Purpose of Unrestricted Current Ratio</b></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><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio 2.01 : 1</b></p> <p>1. Council's strategy is to maximise the use of available funds and target a lean unrestricted current ratio. 2. Cash assets held for future waste facility requirements and carbon price are held in the unrestricted ratio. As the requirements to hold funds for the waste facility rehabilitation and carbon price is significant the measure is expected to increase until payments are required.</p>
Year	Ratio : 1											
2010	1.48											
2011	1.81											
2012	1.79											
2013	2.01											
<p><b>2. Debt Service Ratio</b></p> <table><tr><th>Year</th><th>Ratio %</th></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><tr><td>2013</td><td>1.71%</td></tr></table>	Year	Ratio %	2010	0.77%	2011	0.77%	2012	1.47%	2013	1.71%	<p><b>Purpose of Debt Service Ratio</b></p> <p>To assess the impact of loan principal &amp; interest repayments on the discretionary revenue of council.</p>	<p><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio 1.71%</b></p> <p>The ratio increase reflects a decision to borrow under the Local Government Infrastructure Scheme (LIRS) and the State Government Infrastructure interest free loan program. The financial strategy allows for a ratio of 4% and Council continues to operate within this strategy.</p>
Year	Ratio %											
2010	0.77%											
2011	0.77%											
2012	1.47%											
2013	1.71%											
<p><b>3. Rates &amp; Annual Charges Coverage Ratio</b></p> <table><tr><th>Year</th><th>Ratio %</th></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><tr><td>2013</td><td>56.49%</td></tr></table>	Year	Ratio %	2010	61.22%	2011	51.07%	2012	59.97%	2013	56.49%	<p><b>Purpose of Rates &amp; Annual Charges Coverage Ratio</b></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><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio 56.49%</b></p> <p>The decrease is primarily due to the proportion of revenue from contributed assets [2011/12: \$8.3M, 2012/13: \$26.1M] when compared to rating income.</p>
Year	Ratio %											
2010	61.22%											
2011	51.07%											
2012	59.97%											
2013	56.49%											
<p><b>4. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b></p> <table><tr><th>Year</th><th>Ratio %</th></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><tr><td>2013</td><td>7.09%</td></tr></table>	Year	Ratio %	2010	5.91%	2011	6.16%	2012	6.08%	2013	7.09%	<p><b>Purpose of Rates &amp; Annual Charges Outstanding Ratio</b></p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio 7.09%</b></p> <p>There has been an increase in the reported outstanding rates and annual charges percentage during the reporting period. The figure includes 0.6M of rates notices issued in late May. Ratepayers were advised that they could pay over a longer period. The percentage also includes 2.5M of pensioner rates that is exempt from debt recovery proceedings.</p>
Year	Ratio %											
2010	5.91%											
2011	6.16%											
2012	6.08%											
2013	7.09%											
<p><b>5. Building &amp; Infrastructure Renewals Ratio</b></p> <table><tr><th>Year</th><th>Ratio %</th></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><tr><td>2013</td><td>48.97%</td></tr></table>	Year	Ratio %	2010	52.51%	2011	53.89%	2012	45.06%	2013	48.97%	<p><b>Purpose of Asset Renewals Ratio</b></p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio 48.97%</b></p> <p>Council continues to increase the funds available for the renewal program.</p>
Year	Ratio %											
2010	52.51%											
2011	53.89%											
2012	45.06%											
2013	48.97%											

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

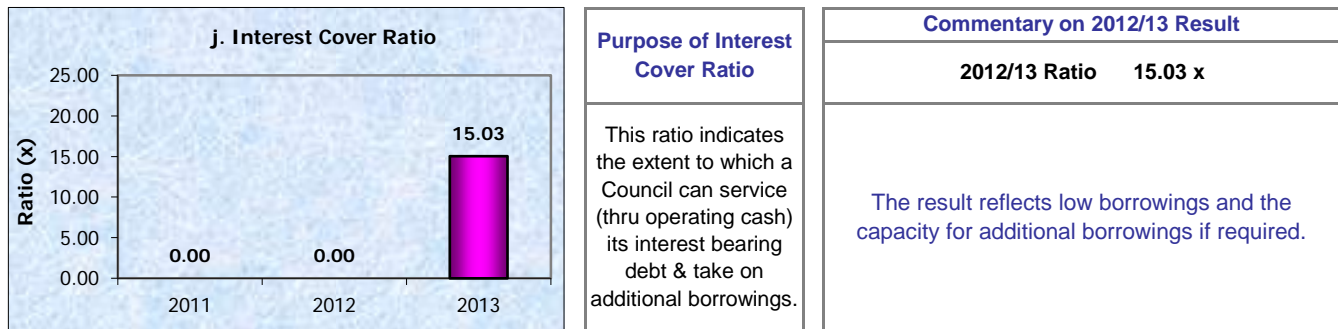
### Note 13a(ii). TCorp Performance Measures - Graphs (Consolidated)

<p><b>a. Operating Performance (pre capital)</b></p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2011</td><td>0.00%</td></tr><tr><td>2012</td><td>0.00%</td></tr><tr><td>2013</td><td>-6.24%</td></tr></table>	Year	Ratio %	2011	0.00%	2012	0.00%	2013	-6.24%	<p><b>Purpose of Operating Performance Ratio</b></p> <p>This ratio measures Council's achievement of containing operating expenditure within operating revenue.</p>	<p><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio</b>    <b>-6.24%</b></p> <p>Council has resolved to undertake a review of all services currently provided in consultation with the Community. This work aims to determine service levels, create efficiencies and consider funding levels to improve this result in the short term and create a balanced result in the future years.</p>
Year	Ratio %									
2011	0.00%									
2012	0.00%									
2013	-6.24%									
<p><b>b. Own Source Operating Revenue</b></p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2011</td><td>0.00%</td></tr><tr><td>2012</td><td>0.00%</td></tr><tr><td>2013</td><td>67.86%</td></tr></table>	Year	Ratio %	2011	0.00%	2012	0.00%	2013	67.86%	<p><b>Purpose of Own Source Operating Revenue Ratio</b></p> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants &amp; contributions.</p>	<p><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio</b>    <b>67.86%</b></p> <p>The performance of this ratio is as expected. It is noted that total revenue includes non-cash contributed assets that lowers own source revenue as a percentage.</p>
Year	Ratio %									
2011	0.00%									
2012	0.00%									
2013	67.86%									
<p><b>d. Debt Service Cover Ratio</b></p> <table><tr><th>Year</th><th>Ratio (x)</th></tr><tr><td>2011</td><td>0.00</td></tr><tr><td>2012</td><td>0.00</td></tr><tr><td>2013</td><td>7.57</td></tr></table>	Year	Ratio (x)	2011	0.00	2012	0.00	2013	7.57	<p><b>Purpose of Debt Service Cover Ratio</b></p> <p>This ratio measures the availability of operating cash to service debt including interest, principal and lease payments</p>	<p><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio</b>    <b>7.57 x</b></p> <p>The result provides an indication that Council can adequately service its outstanding debt. It is noted that this performance measure includes non-cash accounting entries relating to the unwinding of the interest free infrastructure loan that impact the result.</p>
Year	Ratio (x)									
2011	0.00									
2012	0.00									
2013	7.57									
<p><b>e. Capital Expenditure Ratio</b></p> <table><tr><th>Year</th><th>Ratio (x)</th></tr><tr><td>2011</td><td>0.00</td></tr><tr><td>2012</td><td>0.00</td></tr><tr><td>2013</td><td>1.22</td></tr></table>	Year	Ratio (x)	2011	0.00	2012	0.00	2013	1.22	<p><b>Purpose of Capital Expenditure Ratio</b></p> <p>This ratio assesses the extent to which a Council is expanding its asset base with capital expenditure (on new assets, replacement &amp; renewal of existing assets).</p>	<p><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio</b>    <b>1.22 x</b></p> <p>The result provides that Council's level of capital expenditure was greater than depreciation for the 2012/13 reporting period. It is noted that this performance measure includes non-cash contributed assets that impact the result.</p>
Year	Ratio (x)									
2011	0.00									
2012	0.00									
2013	1.22									
<p><b>i. Cash Expense Cover Ratio</b></p> <table><tr><th>Year</th><th>Ratio (mths)</th></tr><tr><td>2011</td><td>0.00</td></tr><tr><td>2012</td><td>0.00</td></tr><tr><td>2013</td><td>6.88</td></tr></table>	Year	Ratio (mths)	2011	0.00	2012	0.00	2013	6.88	<p><b>Purpose of Cash Expense Cover Ratio</b></p> <p>This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.</p>	<p><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio</b>    <b>6.88 mths</b></p> <p>The result of this measure is as expected. Overall it reflects the short term position of Council's investment portfolio at the end of 2012/13.</p>
Year	Ratio (mths)									
2011	0.00									
2012	0.00									
2013	6.88									

## Wollongong City Council

### Notes to the Financial Statements for the financial year ended 30 June 2013

#### Note 13a(ii). TCorp Performance Measures - Graphs (Consolidated) continued



# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 14. Investment Properties

\$ '000	Notes	Actual 2013	Actual 2012
<b>(a) Investment Properties at Fair value</b>			
<u>Investment Properties on Hand</u>		<u>3,725</u>	<u>3,725</u>
<b>Reconciliation of Annual Movement:</b>			
Opening Balance		3,725	3,725
<b>CLOSING BALANCE - INVESTMENT PROPERTIES</b>		<b>3,725</b>	<b>3,725</b>

### (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 2013 revaluations are based on an Independent Assessment and Valuation, 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

Details of leased Investment Properties are as follows;

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

Within 1 year	272	341
Later than 1 year but less than 5 years	123	354
Later than 5 years	-	-
<b>Total Minimum Lease Payments Receivable</b>	<b>395</b>	<b>695</b>

### (e) Investment Property Income & Expenditure - summary

<b>Rental Income from Investment Properties:</b>		
- Minimum Lease Payments	442	406
<b>Direct Operating Expenses on Investment Properties:</b>		
- that generated rental income	(104)	(116)
<b>Net Revenue Contribution from Investment Properties</b>	<b>338</b>	<b>290</b>
<b>Total Income attributable to Investment Properties</b>	<b>338</b>	<b>290</b>



# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### 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	
	2013	2012	2013	2012
<b>Financial Assets</b>				
Cash and Cash Equivalents	99,502	83,506	109,502	83,506
Investments				
- "Held for Trading"	7,294	7,189	7,294	7,189
Receivables	25,320	17,743	25,320	17,743
<b>Total Financial Assets</b>	<b>142,116</b>	<b>108,438</b>	<b>142,116</b>	<b>108,438</b>
<b>Financial Liabilities</b>				
Payables	21,067	23,340	21,067	23,340
Loans / Advances	34,568	16,505	34,568	16,505
Lease Liabilities	-	140	-	140
<b>Total Financial Liabilities</b>	<b>55,635</b>	<b>39,985</b>	<b>55,635</b>	<b>39,985</b>

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 2013

### Note 15. Financial Risk Management (continued)

\$ '000

#### (a) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated in accordance with Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 7 Financial Instruments: Disclosures, requires the disclosure of how fair valuations have been arrived at for all financial assets and financial liabilities that have been measured at fair value.

Arriving at fair values for financial assets & liabilities can be broken up into 3 distinct measurement hierarchies:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table presents the financial assets and financial liabilities that have been measured & recognised at fair values:

2013	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments				
- "Held for Trading"	4,079	3,215	-	7,294
<b>Total Financial Assets</b>	<b>4,079</b>	<b>3,215</b>	<b>-</b>	<b>7,294</b>
<b>Financial Liabilities</b>				
- Loans / Advances	34,568	-	-	34,568
<b>Total Financial Liabilities</b>	<b>34,568</b>	<b>-</b>	<b>-</b>	<b>34,568</b>
 2012	 Level 1	 Level 2	 Level 3	 Total
<b>Financial Assets</b>				
Investments				
- "Held for Trading"	4,042	3,147	-	7,189
<b>Total Financial Assets</b>	<b>4,042</b>	<b>3,147</b>	<b>-</b>	<b>7,189</b>
<b>Financial Liabilities</b>				
- Other ( <a href="#">enter details here</a> )	16,505	-	-	16,505
<b>Total Financial Liabilities</b>	<b>16,505</b>	<b>-</b>	<b>-</b>	<b>16,505</b>

# Wollongong City Council

## Notes to the Financial Statements

for the financial year ended 30 June 2013

### Note 15. Financial Risk Management (continued)

\$ '000

#### (b) 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 advisors 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. This 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
<b>2013</b>				
Possible impact of a 10% movement in Market Values	729	729	(729)	(729)
Possible impact of a 1% movement in Interest Rates	1,095	1,095	(1,095)	(1,095)
<b>2012</b>				
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)

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 15. Financial Risk Management (continued)

\$ '000

#### (c) 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:

	2013 Rates & Annual Charges	2013 Other Receivables	2012 Rates & Annual Charges	2012 Other Receivables
<b>(i) Ageing of Receivables</b>				
Current (not yet overdue)	0%	76%	0%	57%
Overdue	100%	24%	100%	43%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>(ii) Movement in Provision for Impairment of Receivables</b>				
			2013	2012
Balance at the beginning of the year			351	207
+ new provisions recognised during the year			-	144
- previous impairment losses reversed			(17)	-
<b>Balance at the end of the year</b>			<b>334</b>	<b>351</b>

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 15. Financial Risk Management (continued)

\$ '000

#### (d) 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	Actual
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs	Cash Outflows	Carrying Values
2013									
Trade/Other Payables	2,063	19,005	-	-	-	-	-	21,068	21,067
Loans & Advances	-	5,435	5,435	5,435	5,575	5,575	17,175	44,630	34,568
Total Financial Liabilities	2,063	24,440	5,435	5,435	5,575	5,575	17,175	65,698	55,635
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

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:

	2013		2012	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	21,067	0.0%	23,340	0.0%
Loans & Advances - Fixed Interest Rate	34,568	1.5%	16,505	0.0%
Lease Liabilities	-	0.0%	140	6.4%
	<b>55,635</b>		<b>39,985</b>	



# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 12/13 was adopted by the Council on 25 December 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	2013 Budget	2013 Actual	2013 ----- Variance* -----		
<b>REVENUES</b>					
<b>Rates &amp; Annual Charges</b>	<b>148,944</b>	<b>148,777</b>	<b>(167)</b>	<b>(0%)</b>	<b>U</b>
<b>User Charges &amp; Fees</b>	<b>29,818</b>	<b>29,899</b>	<b>81</b>	<b>0%</b>	<b>F</b>
<b>Interest &amp; Investment Revenue</b>	<b>3,499</b>	<b>5,431</b>	<b>1,932</b>	<b>55%</b>	<b>F</b>
Additional external funds received and not fully expended, along with timing of capital works program and earlier loan drawdowns have contributed to increased levels of cash holdings. External funds included the receipt of \$6M under the Building Better Regional Cities in June 2012 that was not included in the original cash holdings projections. In addition Council's original budget was premised on a multi year staged drawdown of loan funding under the Local Infrastructure Renewal Scheme that was subsequently accelerated to meet the requirements of this program.					
<b>Other Revenues</b>	<b>8,192</b>	<b>10,864</b>	<b>2,672</b>	<b>33%</b>	<b>F</b>
During the year a long standing legal action against Lawcover relating to a drafting error of a lease agreement by Council's solicitor was settled and an amount of \$2M was awarded as compensation to Council. In previous year financial reports this matter was recognised in Note 18 as an unvalued contingent asset. Improved penalty income and various other minor additional revenues have further contributed to the favourable variance.					
<b>Operating Grants &amp; Contributions</b>	<b>19,413</b>	<b>29,107</b>	<b>9,694</b>	<b>50%</b>	<b>F</b>
This variation is predominantly the early payment of the first two instalments of the 2013/14 Financial Assistance Grant (\$8.7M) and additional grants received compared to original budget.					
<b>Capital Grants &amp; Contributions</b>	<b>12,322</b>	<b>39,042</b>	<b>26,720</b>	<b>217%</b>	<b>F</b>
Recognition of the value of contributed roads and drainage assets from sub divisions of \$26M along with timing of grants and developer contributions have impacted on this variation. The second instalment of Regional Development Australia Fund grant for the Mall upgrade (\$1.7M) was budgeted to be received in the next financial year with the earlier project. The impact of this was partially offset by a delay in receipt of Section 94 developer contributions for West Dapto (\$1M).					

## Wollongong City Council

Notes to the Financial Statements  
for the financial year ended 30 June 2013

## Note 16. Material Budget Variations (continued)

\$ '000	2013 Budget	2013 Actual	2013 ----- Variance* -----	
<b>EXPENSES</b>				
<b>Employee Benefits &amp; On-Costs</b>	<b>89,973</b>	<b>91,043</b>	<b>(1,070)</b>	<b>(1%) U</b>
<b>Borrowing Costs</b>	<b>3,286</b>	<b>3,367</b>	<b>(81)</b>	<b>(2%) U</b>
<b>Materials &amp; Contracts</b>	<b>51,400</b>	<b>43,139</b>	<b>8,261</b>	<b>16% F</b>
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:				
Operational savings target notionally budgeted in other expenses, however, achieved on materials and contracts \$3M				
Use of additional labour and overtime to complete projects and programs in place of external contracts \$1M				
Externally funded projects in progress and to be completed in future periods \$0.9M				
IT projects in progress at end of year and maintenance and support agreements \$1.1M				
Insurance claims excess payments \$0.4M				
Various other operational savings.				
<b>Depreciation &amp; Amortisation</b>	<b>62,059</b>	<b>61,240</b>	<b>819</b>	<b>1% F</b>
<b>Impairment Expenses</b>	<b>-</b>	<b>990</b>	<b>(990)</b>	<b>0% U</b>
This is due to the recognition of the impairment of Mt Keira Rd.				
<b>Other Expenses</b>	<b>30,952</b>	<b>34,135</b>	<b>(3,183)</b>	<b>(10%) U</b>
The unfavourable variation is due to:				
Original budget included a saving target that was notionally budgeted as other expenses but was achieved on materials and contracts \$3.0M.				
Electricity, street lighting and insurance greater than originally expected \$0.7M and other minor variances.				
Offset by a reduction in contribution to RFS and Fire Brigade \$0.3M.				
<b>Net Losses from Disposal of Assets</b>	<b>-</b>	<b>4,311</b>	<b>(4,311)</b>	<b>0% U</b>
This unfavourable variance is mainly due to the write off of residual values on assets that were replaced during the year.				

\$ '000	2013 Budget	2013 Actual	2013 ----- Variance* -----	
<b>Budget Variations relating to Council's Cash Flow Statement include:</b>				
<b>Cash Flows from Operating Activities</b>	<b>55,176</b>	<b>65,409</b>	<b>10,233</b>	<b>18.5% F</b>
<b>Cash Flows from Investing Activities</b>	<b>(65,930)</b>	<b>(66,095)</b>	<b>(165)</b>	<b>0.3% U</b>
<b>Cash Flows from Financing Activities</b>	<b>(1,287)</b>	<b>16,682</b>	<b>17,969</b>	<b>F</b>

## Notes to the Financial Statements

for the financial year ended 30 June 2013

### 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	273	817	-	41	-	-	1,131			
Roads	4,393	2,254	-	286	(65)	-	6,868			
Open Space	209	1,098	-	52	-	-	1,359			
Community Facilities	43	249	-	12	-	-	304			
Administration	23	68	-	4	-	-	95			
Public Transport	34	101	-	5	-	-	140			
<b>S94 Contributions - under a Plan</b>	<b>4,975</b>	<b>4,587</b>	<b>-</b>	<b>400</b>	<b>(65)</b>	<b>-</b>	<b>9,897</b>			
<b>S94A Levies - under a Plan</b>	<b>2,384</b>	<b>2,592</b>	<b>-</b>	<b>102</b>	<b>(3,217)</b>	<b>-</b>	<b>1,861</b>			
<b>Total S94 Revenue Under Plans</b>	<b>7,359</b>	<b>7,179</b>	<b>-</b>	<b>502</b>	<b>(3,282)</b>	<b>-</b>	<b>11,758</b>			
<b>Total Contributions</b>	<b>7,359</b>	<b>7,179</b>	<b>-</b>	<b>502</b>	<b>(3,282)</b>	<b>-</b>	<b>11,758</b>			

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

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	273	817	-	41	-	-	1,131	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 remaining balances being absorbed into the West Dapto Plan.		
Roads	4,393	2,254	-	287	(65)	-	6,869			
Open Space	209	1,098	-	52	-	-	1,359			
Community Facilities	43	249	-	12	-	-	304			
Administration	23	68	-	4	-	-	95			
Public Transport	34	101	-	5	-	-	140			
<b>Total</b>	<b>4,975</b>	<b>4,587</b>	<b>-</b>	<b>401</b>	<b>(65)</b>	<b>-</b>	<b>9,898</b>			

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94A LEVIES - UNDER A PLAN

CONTRIBUTION PLAN NUMBER - WOLLONGONG

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	7,410	2,516	-	358	(2,783)	-	7,501			
City Centre	(5,026)	76	-	(256)	(434)	-	(5,640)			
<b>Total</b>	<b>2,384</b>	<b>2,592</b>	<b>-</b>	<b>102</b>	<b>(3,217)</b>	<b>-</b>	<b>1,861</b>			

Figures provided at left include amounts collected under the Section 94A Plan as well as contributions received from relevant development consents approved prior to 2006 that contained conditions for contributions to be made under now repealed Section 94 plans. These are now transferred and applied towards items within the Section 94A Plan works schedule as the Section 94A is the replacement for the plans repealed in June 2006.



# Wollongong City Council

## Notes to the Financial Statements

for the financial year ended 30 June 2013

### 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 \$7,711,000.

In addition to the above, Council has provided Bank Guarantees totalling \$461,662 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

##### 3. S94 Plans (continued)

future years or where a shortfall exists by the use of 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, \$1.76M in 2011/12 and \$1.76M in 2012/13.

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 2013

#### Note 18. Contingencies & Other Assets/Liabilities Not Recognised (continued)

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\$ '000

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##### **ASSETS NOT RECOGNISED:**

##### **1. Liability Insurance - Independent Insurance Company**

Council placed its liability insurance with Independent Insurance Company of London (Independent) in 1996. During 2000/2001 Independent was placed in liquidation. Independent remains responsible for payment of their portion of each Council claim incurred which exceeded Council's insurance excess. The total of Council's unrecovered liability claims is currently estimated at \$2,785,947. At this time the liquidator is unable to determine how much of Council's claims will be recovered from the remaining assets of Independent.

##### **2. Property Insurance - HIH**

Council placed its property insurance with HIH. During 2000/2001 HIH went into liquidation. HIH remains responsible for payment of their portion of each Council claim incurred which exceeded Council's insurance excess. The total of Council's unrecovered property damage claims is currently \$689,193. At this time the liquidator is unable to determine how much of Council's claims 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.

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### 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 Statement of Financial Position.

(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 Statement of Financial Position.

	Council's Share of Net Income		Council's Share of Net Assets	
	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Associated Entities	-	-	-	-
Joint Venture Entities	244	298	983	739
<b>Total</b>	<b>244</b>	<b>298</b>	<b>983</b>	<b>739</b>

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

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

\$ '000

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

Council has no interest in any Subsidiaries.

#### (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	2013	2012
Westpool	Insurance	150	228
United Independent Pools (UIP)	Insurance	833	511
<b>Total Carrying Amounts - Joint Venture Entities</b>		<b>983</b>	<b>739</b>

#### (b) Relevant Interests

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2013	2012	2013	2012	2013	2012
Westpool	1%	1%	1%	1%	1%	1%
United Independent Pools (UIP)	13%	11%	13%	11%	13%	11%

#### (c) Movement in Carrying Amounts

	Westpool		United Independent Pools (UIP)	
	2013	2012	2013	2012
Opening Balance	228	172	511	119
Share in Operating Result	(78)	(94)	322	392
New Capital Contributions	-	150	-	-
<b>Council's Equity Share in the Joint Venture Entity</b>	<b>150</b>	<b>228</b>	<b>833</b>	<b>511</b>

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

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

\$ '000

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

#### (d) Share of Joint Ventures Assets & Liabilities

	Assets		Liabilities		Net Assets
	Current	Non Current	Current	Non Current	
<b>2013</b>					
Westpool	297	-	20	127	150
United Independent Pools (UIP)	1,225	-	144	248	833
<b>Totals</b>	<b>1,522</b>	<b>-</b>	<b>164</b>	<b>375</b>	<b>983</b>
<b>2012</b>					
Westpool	444	-	29	187	228
United Independent Pools (UIP)	915	-	185	219	511
<b>Totals</b>	<b>1,359</b>	<b>-</b>	<b>214</b>	<b>406</b>	<b>739</b>

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

	2013			2012		
	Revenues	Expenses	Result	Revenues	Expenses	Result
Westpool	1,537	1,615	(78)	1,158	1,252	(94)
United Independent Pools (UIP)	1,297	975	322	1,348	956	392
<b>Totals</b>	<b>2,834</b>	<b>2,590</b>	<b>244</b>	<b>2,506</b>	<b>2,208</b>	<b>298</b>

#### (c) Joint Venture Operations

Council has no interest in any Joint Venture Operations.

#### (d) Subsidiaries, Associated Entities & Joint Venture Operations Not Recognised

All Subsidiaries, Associated Entities & Joint Ventures have been recognised in this Financial Report as required.

# Wollongong City Council

## Notes to the Financial Statements for the financial year ended 30 June 2013

### Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2013	Actual 2012
<b>(a) Retained Earnings</b>			
<b>Movements in Retained Earnings were as follows:</b>			
Balance at beginning of Year (from previous years audited accounts)		1,103,844	1,054,489
a. Correction of Prior Period Errors	20 (c)	36,370	35,313
b. Net Operating Result for the Year		25,139	5,965
c. Transfers between Equity <sup>(1)</sup>		(2,193)	8,077
<b>Balance at End of the Reporting Period</b>		<b><u>1,163,160</u></b>	<b><u>1,103,844</u></b>

(1) On disposal of assets which are 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	1,226,812	1,223,205
<b>Total</b>	<b><u>1,226,812</u></b>	<b><u>1,223,205</u></b>

#### (ii) Reconciliation of movements in Reserves:

<b>Infrastructure, Property, Plant &amp; Equipment Revaluation Reserve</b>		
- Opening Balance	1,223,205	1,188,154
- Revaluations for the year	9(a) -	43,128
- Transfer to Retained Earnings for Asset disposals	2,193	(8,077)
- Correction of Prior Period Errors (revaluation error - 2012)	1,414	-
<b>- Balance at End of Year</b>	<b><u>1,226,812</u></b>	<b><u>1,223,205</u></b>

#### (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 2013

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

\$ '000	Notes	Actual 2013	Actual 2012
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#### (c) Correction of Error/s relating to a Previous Reporting Period

##### Correction of errors disclosed in this year's financial statements:

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 as a result of an assessment of useful lives	30,874	19,129
- Land not recognised in previous years	-	1,137
- Artworks not recognised in previous years	95	-
- Buildings not recognised in previous years	260	9,824
- Transport not recognised in previous years	885	2,779
- Stormwater not recognised in previous years	4,334	2,625
- Transport disposed of in previous years but still recorded	(17)	(69)
- Buildings disposed of in previous years but still recorded	(56)	(112)
- Stormwater disposed of in previous years	(5)	(112)

**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 30/06/12 reporting year end	-	35,313
- Adjustments for the 30/06/13 reporting year end	36,370	-
<b>Total Prior Period Adjustments - Prior Period Errors</b>	<b>36,370</b>	<b>35,313</b>

#### (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 2013

#### Note 21. Financial Result & Financial Position by Fund

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\$ '000

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Council utilises only a General Fund for its operations.

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

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

#### Note 23. Events occurring after the Reporting Period

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Events that occur between the end of the reporting period (ending 30 June 2013) and 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 applicable "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 15/10/13.

Events that occur after the Reporting Period represent one of two types:

##### **(i) Events that provide evidence of conditions that existed at the Reporting Period**

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2013.

##### **(ii) Events that provide evidence of conditions that arose after the Reporting Period**

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2013 and which are only indicative of conditions that arose after 30 June 2013.

**Council is unaware of any material or significant "non-adjusting events" that should be disclosed.**

## Wollongong City Council

### Notes to the Financial Statements for the financial year ended 30 June 2013

#### Note 24. Discontinued Operations

\$ '000

Council has not classified any of its Operations as "Discontinued".

#### Note 25. Intangible Assets

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

	Actual 2013 Carrying Amount	Actual 2012 Carrying Amount
<b>Intangible Assets are as follows;</b>		
<b>Opening Values:</b>		
Gross Book Value (1/7/12)	1,669	1,669
Accumulated Amortisation (1/7/12)	(1,035)	(782)
Accumulated Impairment (1/7/12)	-	-
<b>Net Book Value - Opening Balance</b>	<b>634</b>	<b>887</b>
<b>Movements for the year</b>		
- Purchases	93	
- Amortisation charges	(363)	(253)
- Gross Book Value written off	(597)	-
- Accumulated Amortisation charges written off	597	-
<b>Closing Values:</b>		
Gross Book Value (30/6/13)	1,165	1,669
Accumulated Amortisation (30/6/13)	(801)	(1,035)
Accumulated Impairment (30/6/13)	-	-
<b><u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE <sup>1</sup></u></b>	<b><u>364</u></b>	<b><u>634</u></b>

<sup>1</sup>. The Net Book Value of Intangible Assets represent:

- Software	364	634
	<b>364</b>	<b>634</b>

## Wollongong City Council

### Notes to the Financial Statements for the financial year ended 30 June 2013

#### Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

\$ '000

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

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2013	2012
Waste Facility Remediation - Whytes Gully	2054	37,570	35,799
<b>Balance at End of the Reporting Period</b>	10(a)	<b>37,570</b>	<b>35,799</b>

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	35,799	34,020
Amounts capitalised to new or existing assets:		
- Effect of a change in other calculation estimates used - Helensburgh Waste Facility	-	(204)
- Effect of a change in other calculation estimates used - Whytes Gully Waste Facility	-	112
Amortisation of discount (expensed to borrowing costs)	1,790	1,871
Expenditure incurred attributable to Provisions	(19)	-
<b>Total - Reinstatement, rehabilitation and restoration provision</b>	<b>37,570</b>	<b>35,799</b>

#### 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 2013

#### Note 27. Council Information & Contact Details

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##### **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](http://www.wollongong.nsw.gov.au)

**Email:** [council@wollongong.nsw.gov.au](mailto: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**

##### **MAYOR**

Gordon Bradberry

##### **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

WOLLONGONG CITY COUNCIL

GENERAL PURPOSE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

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REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying **general purpose financial statements** of **Wollongong City Council**, which comprises the Statement of Financial Position as at 30 June 2013, 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 infrastructure backlog and asset maintenance ratios disclosed in Note 13 or the projected future developer contributions and costs disclosed in Note 17. Accordingly, no opinion is expressed on these matters.

**Assurance Partners**

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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 15<sup>th</sup> day of October 2013

Hill Rogers  
Spencer Steer

15 October 2013

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

Lord Mayor,

### **Audit Report - Year Ended 30 June 2013**

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2013 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;

## **I. RESULTS FOR THE YEAR**

### **I.1 Operating Result**

The operating result for the year was a surplus of \$25.139 million as compared with \$5.965 million in the previous year.

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Steer Assurance Partners

ABN 56 435 338 966

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

	2013 \$000	% of Total	2012 \$000	% of Total	Increase (Decrease) \$000
<b>Revenues before capital items</b>					
Rates & annual charges	148,777	66%	143,083	65%	5,694
User charges, fees & other revenues	41,007	18%	37,626	17%	3,381
Grants & contributions provided for operating purposes	29,107	13%	32,561	15%	(3,454)
Interest & investment revenue	5,431	2%	5,736	3%	(305)
	<b>224,322</b>	<b>100%</b>	<b>219,006</b>	<b>100%</b>	<b>5,316</b>
<b>Expenses</b>					
Employee benefits & costs	91,043	38%	93,681	40%	(2,638)
Materials, contracts & other	81,585	34%	74,930	32%	6,655
Depreciation, amortisation & impairment	62,230	26%	60,780	26%	1,450
Borrowing costs	336	0%	16	0%	320
Discounting adjustment to remediation provision	1,790	1%	1,871	1%	(81)
Fair Value adjustment to interest free loan	1,241	1%	1,349	1%	(108)
	<b>238,225</b>	<b>100%</b>	<b>232,627</b>	<b>100%</b>	<b>5,598</b>
<b>Surplus/(Deficit) before capital items</b>	<b>(\$13,903)</b>		<b>(\$13,621)</b>		<b>(\$282)</b>
Grants & contributions provided for capital purposes	39,042		19,586		19,456
<b>Net Surplus/(Deficit) for the year</b>	<b>\$25,139</b>		<b>\$5,965</b>		<b>\$19,174</b>

The table above shows an overall increase over the previous year of \$19.174 million. The increase can mostly be attributed to the receipt of contributed assets during the year amounting to \$26.141 million as compared to \$8.347 million received in 2011/12 and the recognition of \$2 million from the settlement of a legal claim.



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## 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.

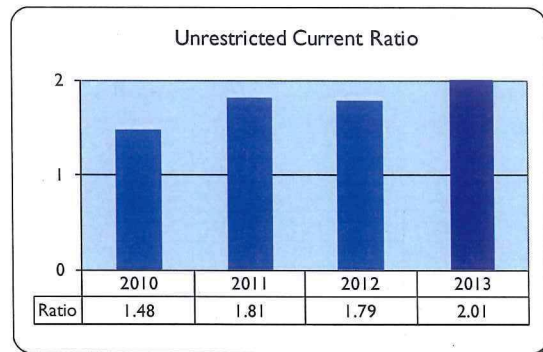
	2013	2012
	\$000	\$000
<b>Funds were provided by:-</b>		
<b>Operating Result (as above)</b>	<b>25,139</b>	<b>5,965</b>
Add back non funding items:-		
- Fair value adjustment to interest free loan	1,241	1,349
- Depreciation, amortisation & impairment	62,230	60,780
- Book value of non current assets sold	5,942	2,216
- Non-cash Contributions of assets acquired	(26,141)	(8,347)
- (Surplus)/Deficit in joint ventures	(244)	(298)
	68,167	61,665
New loan borrowings	20,000	0
Repayments from deferred debtors	18	15
Net Changes in current/non current assets & liabilities	4,930	9,353
	93,115	71,033
<b>Funds were applied to:-</b>		
Purchase and construction of assets	(54,746)	(64,644)
Increase/Purchase in Non Current Investments	(10,000)	0
Principal repaid on loans	(3,178)	(2,760)
Finance lease instalments	(140)	(291)
Transfers to externally restricted assets (net)	(11,680)	(1,593)
Transfers to internal reserves (net)	(5,402)	(1,664)
Capital contributions to joint ventures	0	(150)
	(85,146)	(71,102)
<b>Increase/(Decrease) in Available Working Capital</b>	<b>7,969</b>	<b>(69)</b>

## 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 \$38.962 million representing a factor of 2.01 to 1.



### 2.2 Available Working Capital – (Working Funds)

At the close of the year the Available Working Capital of Council stood at \$31.871 million as detailed below;

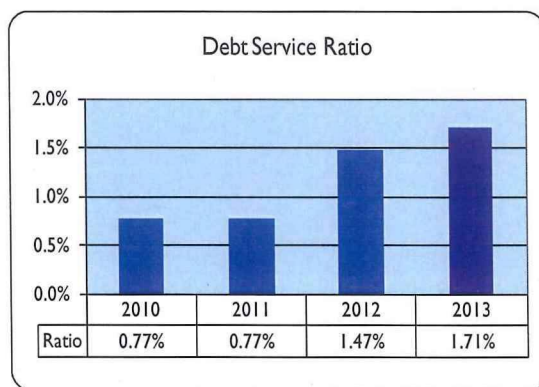
	2013 \$000	2012 \$000	Change \$000
<b>Net Current Assets (Working Capital) as per Accounts</b>	<b>69,736</b>	<b>49,867</b>	<b>19,869</b>
<b>Add:</b> Payables, provisions and inventories not expected to be realised in the next 12 months included above	23,187	21,693	1,494
<b>Adjusted Net Current Assets</b>	<b>92,923</b>	<b>71,560</b>	<b>21,363</b>
<b>Add:</b> Budgeted & expected to pay in the next 12 months			
- Borrowings	3,332	1,659	1,673
- Employees leave entitlements	10,360	9,842	518
- Self insurance claims	1,811	1,656	155
- Site remediation	912	0	912
- Deposits & retention moneys	892	462	430
- Deferred debtors	(15)	(15)	0
<b>Less:</b> Externally restricted assets	(53,961)	(42,281)	(11,680)
<b>Less:</b> Internally restricted assets	(24,383)	(18,981)	(5,402)
<b>Available Working Capital as at 30 June</b>	<b>\$ 31,871</b>	<b>\$ 23,902</b>	<b>\$ 7,969</b>

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 1.71%.

After repaying principal and interest of \$3.654 million and taking out a loan of \$20 million under the Local Infrastructure Renewal Scheme, Council's debt as at 30 June 2013 amounted \$34.568 million.



### 2.4 Summary

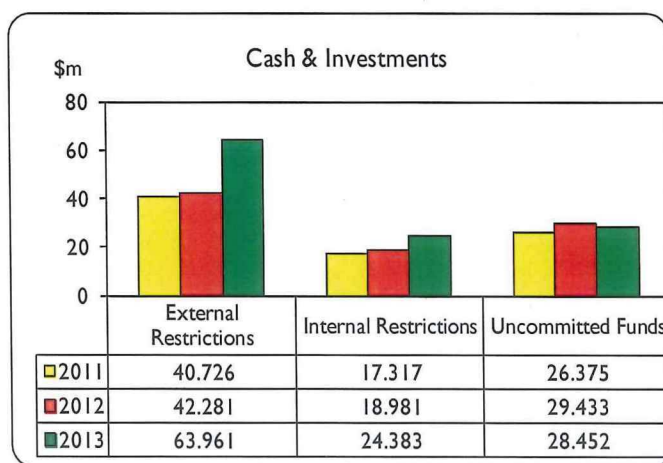
Council's overall financial position, when taking into account the above financial indicators is, in our opinion, sound.

## 3. CASH ASSETS

### 3.1 Cash & Investments

Cash and investments held at the close of the year amounted to \$116.796 million as compared with \$90.695 million and \$84.418 million at the close of financial years 2012 and 2011 respectively.

The chart alongside summarises the purposes for which cash and investments were held.





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**Externally restricted cash and investments** are restricted in their use by externally imposed requirements and consisted of unexpended development contributions under Section 94 (\$11.758 million), domestic waste management charges (\$6.408 million), stormwater management charges (\$834,000), unexpended loans (\$31.668 million) and other specific purpose grants, contributions and levies (\$13.293 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 \$24.383 million and their purposes are more fully disclosed in Notes 6 of the financial statements.

**Unrestricted cash and investments** amounted to \$28.452 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 \$15.996 million to \$99.502 million at the close of the year.

In addition to operating activities which contributed net cash of \$65.409 million were the sale of assets (\$1.631 million), sale of investments (\$29,000), receipt of loan funding (\$20 million) and receipts from deferred debtors (\$18,000). Cash outflows other than operating activities were used to repay principal on loans and finance leases (\$3.318 million), purchase and construct assets (\$57.721 million) and purchase investments (\$10.052 million).

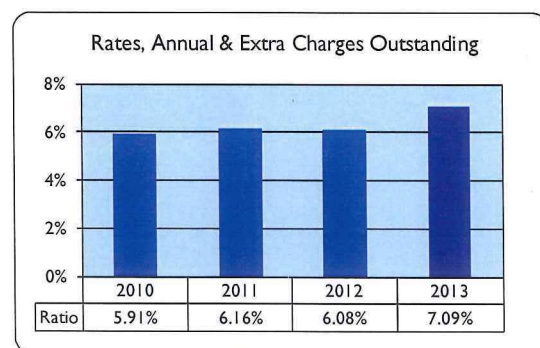
## 4. RECEIVABLES

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

Net rates and annual charges levied during the year totalled \$148.777 million. Including arrears, the total rates and annual charges collectible was \$156.831 million of which \$147.009 million (93.74%) was collected.

### 4.2 Rates, Annual & Extra Charges

Arrears of rates, annual & extra charges stood at \$11.287 million at the end of the year and represented 7.09% of those receivables; an increase of over 1% from the previous year.



#### 4.3 Other Receivables

Receivables (other than rates annual & extra charges) totalled \$14.367 million and included amounts due from other levels of government of \$4.834 million and user charges and fees amounting to \$4.718 million. Those considered to be uncertain of collection have been provided for as doubtful debts and this provision amounted to \$334,000.

### 5. PAYABLES

#### 5.1 Employees Leave Entitlements

Council's provision for its liability towards employees leave entitlements and associated on costs amounted to \$38.527 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.

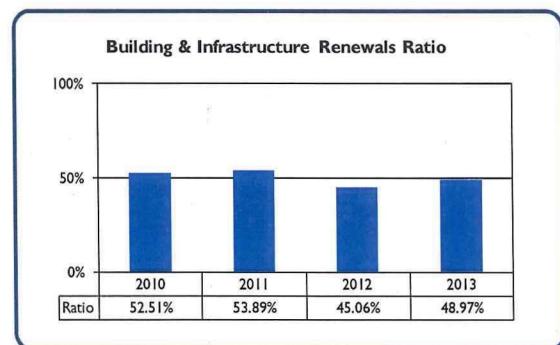
#### 5.2 Self Insurance

Workers Compensation insurance claims have been actuarially assessed at \$6.691 million (2012 - \$7.95 million) and a bank guarantee of \$7.711 million is held to cover these claims as required by the WorkCover Authority of NSW.

### 6. BUILDING AND INFRASTRUCTURE RENEWALS

The Building and Infrastructure Renewals ratio measures the rate at which these assets are renewed against the rate at which they are depreciating.

The ratio indicates that asset renewals for 2013 represented 49% of the depreciation charges for these assets. An industry benchmark is considered to be 100%, measured annually over the long term.



### 7. MANAGEMENT LETTER

Audit management letters in respect of our examination of certain aspects of Council's accounting systems and internal controls were issued on 21 May 2013 and 20 August 2013. These included our recommendations on possible ways to strengthen and/or improve procedures and management's comments and proposed actions.

Hill Rogers  
Spencer Steer

**8. 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





From the mountains to the sea

WOLLONGONG CITY COUNCIL

# ANNUAL REPORT 2012 - 2013

Attachment C:  
Special Purpose Financial Statements

# Wollongong City Council

## Special Schedules

for the financial year ended 30 June 2013

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### Special Schedules<sup>1</sup>

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- 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 - Statement of Financial Position	n/a
- Special Schedule No. 5	Sewerage Service - Income Statement	n/a
- Special Schedule No. 6	Sewerage Service - Statement of Financial Position	n/a
- Notes to Special Schedules No. 3 & 5		n/a
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<sup>1</sup> 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 2013

\$'000

Function or Activity	Expenses from. Continuing. Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
<b>Governance</b>	-	-	-	-
<b>Administration</b>	44,873	6,847	-	(38,026)
<b>Public Order and Safety</b>				
Fire Service Levy, Fire Protection, Emergency Services	4,840	604	348	(3,888)
Beach Control	5,337	5	-	(5,332)
Enforcement of Local Govt. Regulations	2,051	2,261	-	210
Animal Control	1,368	532	-	(836)
Other	52	2	-	(50)
<b>Total Public Order &amp; Safety</b>	<b>13,648</b>	<b>3,404</b>	<b>348</b>	<b>(9,896)</b>
<b>Health</b>	<b>1,688</b>	<b>629</b>	-	<b>(1,059)</b>
<b>Environment</b>				
Noxious Plants and Insect/Vermin Control	-	-	-	-
Other Environmental Protection	6,073	1,218	-	(4,855)
Solid Waste Management	32,692	40,639	-	7,947
Street Cleaning	4,271	-	-	(4,271)
Drainage	11,212	2,069	-	(9,143)
Stormwater Management	-	-	-	-
<b>Total Environment</b>	<b>54,248</b>	<b>43,926</b>	-	<b>(10,322)</b>
<b>Community Services and Education</b>				
Administration & Education	42	3	-	(39)
Social Protection (Welfare)	4,110	2,779	-	(1,331)
Aged Persons and Disabled	1,082	482	-	(600)
Children's Services	2,536	1,084	-	(1,452)
<b>Total Community Services &amp; Education</b>	<b>7,770</b>	<b>4,348</b>	-	<b>(3,422)</b>
<b>Housing and Community Amenities</b>				
Public Cemeteries	2,310	2,247	-	(63)
Public Conveniences	634	-	-	(634)
Street Lighting	3,319	460	-	(2,859)
Town Planning	9,236	13,644	-	4,408
Other Community Amenities	2,312	1,323	-	(989)
<b>Total Housing and Community Amenities</b>	<b>17,811</b>	<b>17,674</b>	-	<b>(137)</b>
<b>Water Supplies</b>	-	-	-	-
<b>Sewerage Services</b>	-	-	-	-



## Wollongong City Council

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

for the financial year ended 30 June 2013

\$'000

Function or Activity	Expenses from. Continuing. Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
<b>Recreation and Culture</b>				
Public Libraries	10,007	807	-	(9,200)
Museums	-	-	-	-
Art Galleries	1,938	163	147	(1,628)
Community Centres and Halls	5,344	463	-	(4,881)
Performing Arts Venues	2,719	-	-	(2,719)
Other Performing Arts	-	-	-	-
Other Cultural Services	597	15	-	(582)
Sporting Grounds and Venues	1,092	567	-	(525)
Swimming Pools	5,989	481	-	(5,508)
Parks & Gardens (Lakes)	19,171	536	-	(18,635)
Other Sport and Recreation	3,043	2,385	-	(658)
<b>Total Recreation and Culture</b>	<b>49,900</b>	<b>5,417</b>	<b>147</b>	<b>(44,336)</b>
<b>Fuel &amp; Energy</b>	-	-	-	-
<b>Agriculture</b>	-	-	-	-
<b>Mining, Manufacturing and Construction</b>				
Building Control	-	-	-	-
Other Mining, Manufacturing & Construction	-	-	-	-
<b>Total Mining, Manufacturing and Const.</b>	-	-	-	-
<b>Transport and Communication</b>				
Urban Roads (UR) - Local	30,524	3,097	25,530	(1,897)
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	1,614	1,246	-	(368)
Footpaths	5,513	806	-	(4,707)
Aerodromes	-	-	-	-
Other Transport & Communication	-	-	-	-
<b>Total Transport and Communication</b>	<b>37,651</b>	<b>5,149</b>	<b>25,530</b>	<b>(6,972)</b>
<b>Economic Affairs</b>				
Camping Areas & Caravan Parks	4,946	5,031	-	85
Other Economic Affairs	5,690	4,700	-	(990)
<b>Total Economic Affairs</b>	<b>10,636</b>	<b>9,731</b>	-	<b>(905)</b>
<b>Totals – Functions</b>	<b>238,225</b>	<b>97,125</b>	<b>26,025</b>	<b>(115,075)</b>
<b>General Purpose Revenues<sup>(2)</sup></b>		<b>139,969</b>		<b>139,969</b>
<b>Share of interests - joint ventures &amp; associates using the equity method</b>	-	<b>244</b>		<b>244</b>
<b>NET OPERATING RESULT<sup>(1)</sup></b>	<b>238,225</b>	<b>237,338</b>	<b>26,025</b>	<b>25,138</b>

(1) As reported in the Income Statement

(2) Includes: Rates &amp; Annual Charges (incl. Ex Gratia, excl. Water &amp; Sewer), Non Capital General Purpose Grants, Interest on Investments (excl. Ext. Restricted Assets) &amp; Interest on overdue Rates &amp; Annual Charges

# Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2013

\$'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
<b>Loans (by Source)</b>											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	2,760	19,880	22,640	20,000	3,178	-	-	336	2,760	36,702	39,462
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Loans</b>	<b>2,760</b>	<b>19,880</b>	<b>22,640</b>	<b>20,000</b>	<b>3,178</b>	<b>-</b>	<b>-</b>	<b>336</b>	<b>2,760</b>	<b>36,702</b>	<b>39,462</b>
<b>Other Long Term Debt</b>											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	140	-	140	-	140	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Long Term Debt</b>	<b>140</b>	<b>-</b>	<b>140</b>	<b>-</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Debt</b>	<b>2,900</b>	<b>19,880</b>	<b>22,780</b>	<b>20,000</b>	<b>3,318</b>	<b>-</b>	<b>-</b>	<b>336</b>	<b>2,760</b>	<b>36,702</b>	<b>39,462</b>

Notes: Excludes (i) Internal Loans &amp; (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).

		Dep'n. Rate (%)	Dep'n Expense (\$)			Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition <sup>#.</sup>	Estimated cost to bring up to a satisfactory condition / standard <sup>(1)</sup>	Required <sup>(2)</sup> Annual Maintenance	Current <sup>(3)</sup> Annual Maintenance
ASSET CLASS	Asset Category			Cost	Valuation						
Buildings		per Note 1	per Note 4	<<<<<<<<<<<<<<<<<<<<>>>>>>>>>>>>>							
	Buildings	1-10%	15,680		598,781	301,743	297,038	3	22,330	5,971	4,200
	sub total		15,680	-	598,781	301,743	297,038		22,330	5,971	4,200
Other Assets & Structures											
	Recreation & Other	1-10%	3,709		127,830	81,468	46,362	3	20,843	1,588	1,495
	sub total		3,709	-	127,830	81,468	46,362		20,843	1,588	1,495
Transport											
	Road & Road Related Assets	1-5%	13,703		765,126	474,367	290,759	3	66,998	5,015	5,428
	Bridges, Boardwalk & Jetties	1-10%	1,089		90,187	38,626	51,561	3	3,660	1,007	73
	Footpaths & Cycleways	1-3%	4,102		225,157	169,014	56,143	3	11,463	2,183	1,002
	Other Transport Assets	1-10%	6,539		474,842	256,802	218,040	3	2,920	722	431
	sub total		25,433	-	1,555,312	938,809	616,503		85,041	8,927	6,934
Stormwater											
	Stormwater	1-5%	8,818		827,019	331,861	495,158	3	32,548	2,769	765
	sub total		8,818	-	827,019	331,861	495,158		32,548	2,769	765
	TOTAL - ALL ASSETS		53,640	-	3,108,942	1,653,881	1,455,061		160,762	19,255	13,394

## Special Schedule No. 7 - Condition of Public Works

as at 30 June 2013

### 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 Ce
  - 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

### 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 an adequate condition and maintenance requirements are increasing to keep the asset fit for current usage.
5	Poor	0-10% of asst life remaining. Asset is in poor condition and due to be replaced. Significant maintenance required to keep the asset fit for current usage.

# Wollongong City Council

## Special Schedule No. 8 - Financial Projections

as at 30 June 2013

\$'000	Actual <sup>(1)</sup> 12/13	Forecast <sup>(3)</sup> 13/14	Forecast <sup>(3)</sup> 14/15	Forecast <sup>(3)</sup> 15/16	Forecast <sup>(3)</sup> 16/17	Forecast <sup>(3)</sup> 17/18	Forecast <sup>(3)</sup> 18/19	Forecast <sup>(3)</sup> 19/20	Forecast <sup>(3)</sup> 20/21	Forecast <sup>(3)</sup> 21/22	Forecast <sup>(3)</sup> 22/23
<b>(i) OPERATING BUDGET</b>											
Income from continuing operations	263,364	239,224	245,967	250,777	261,865	266,330	275,488	284,994	293,562	302,463	311,279
Expenses from continuing operations	238,225	243,581	249,675	256,542	265,632	272,530	280,979	289,200	298,421	306,699	314,706
<b>Operating Result from Continuing Operations</b>	<b>25,139</b>	<b>(4,357)</b>	<b>(3,708)</b>	<b>(5,765)</b>	<b>(3,767)</b>	<b>(6,200)</b>	<b>(5,491)</b>	<b>(4,206)</b>	<b>(4,859)</b>	<b>(4,236)</b>	<b>(3,427)</b>
<b>(ii) CAPITAL BUDGET</b>											
New Capital Works <sup>(2)</sup>	46,181	27,450	28,578	24,946	26,936	18,178	19,648	20,075	20,442	7,538	7,958
Replacement/Refurbishment of Existing Assets	33,809	45,951	49,051	40,312	30,839	37,535	39,055	41,857	44,538	46,527	48,590
<b>Total Capital Budget</b>	<b>79,990</b>	<b>73,401</b>	<b>77,629</b>	<b>65,258</b>	<b>57,775</b>	<b>55,713</b>	<b>58,703</b>	<b>61,932</b>	<b>64,980</b>	<b>54,065</b>	<b>56,548</b>
<b>Funded by:</b>											
– Loans	-	-	-	-	-	-	-	-	-	-	-
– Asset sales	1,631	2,037	2,073	1,808	1,322	572	1,809	1,809	1,809	-	-
– Reserves	7,968	15,859	24,536	13,409	3,468	1,427	1,549	1,639	1,639	-	-
– Grants/Contributions	10,636	15,326	10,690	9,679	11,859	9,832	9,761	9,671	9,671	NO DATA	NO DATA
– Recurrent revenue	33,710	40,179	40,330	40,362	41,126	43,882	45,584	48,813	51,861	-	-
– Other	26,045	-	-	-	-	-	-	-	-	-	-
	<b>79,990</b>	<b>73,401</b>	<b>77,629</b>	<b>65,258</b>	<b>57,775</b>	<b>55,713</b>	<b>58,703</b>	<b>61,932</b>	<b>64,980</b>	<b>-</b>	<b>-</b>

### Notes:

(1) From 12/13 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) Financial projections should be in accordance with Council's Integrated Planning and Reporting framework.





From the mountains to the sea

WOLLONGONG CITY COUNCIL

# ANNUAL REPORT 2012 - 2013

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.

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# STATEMENT OF PROCEDURES

## PART 1 – INTRODUCTION

### Commencement

- This policy commences on 8 April 2013 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 12 November 2012.

### 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<sup>o</sup>s 02/34 of 19/7/02, 05/08 of 9/3/05, 06-57 of 5/9/06, 07/22 of 28/5/07 and 09/36 of 27/10/09.
- Council's Code of Conduct and in particular Clauses 10.12 and 10.13 to 10.17.
- ICAC publication – No Excuse for Misuse.

### **Approval Arrangements**

- Councillor attendance at conferences, seminars, meetings, training and skills development sessions and the like will be considered following submission of a completed Councillor Request to Attend External Event application.
  - Applications requiring air travel and accommodation 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.
  - Applications requiring single overnight accommodation within the ACT or New South Wales, may be determined by the Lord Mayor.
  - Applications relating to the Councillor representative to an external committee or organisation attending a meeting or function of that committee/organisation within the ACT or New South Wales may be determined by the Lord Mayor.
  - All other Applications and where approval at a meeting of Council is not possible or appropriate, 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 –

- \* \$150.00 per day excluding meals or
- \* \$250.00 per day including meals, of which not more than \$150 shall be on meals.

- Other incidental expenses such as refreshments and parking meter fees, up to a value of \$17.85 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 2012/17.

#### **Payment in Advance**

Councillors may request a payment in advance, up to a maximum of \$250 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 30 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.

### **Protection Expenses and Obligations**

- Council may assist in providing protection to Councillors from any adverse security breaches to their person or property. Approval of the General Manager must be sought and gained prior to any expenses being incurred by Councillors.
- The General Manager will determine requests after consultation with the NSW Police as to the risk and history of the matter. These protection measures may take the form of a security assessment, installation of a security system and/or physical monitoring.
- Council will, subject to substantiation, reimburse Councillors for expenses that they may incur up to a limit of \$2,000 per year.
- Should an amount above the \$2,000 per year limit be required by any Councillor, the matter will be referred to Council for determination after taking advice from the General Manager, Independent Chair of the Corporate Governance Committee and/or the Professional Conduct Coordinator.

### **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 the City on Council business.

## **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.

<b>SUMMARY SHEET</b>	
<b>RESPONSIBLE DIVISION</b>	Governance and Information
<b>DATE ADOPTED ON BEHALF OF COUNCIL</b>	8 April 2013
<b>DATE OF PREVIOUS ADOPTION(S)</b>	12 November 2012 28 November 2011 26 July 2011 17 October 1994 19 November 2007
<b>DATE FOR REVIEW</b>	September 2013
<b>PREPARED BY</b>	Corporate Support Services Manager
<b>AUTHORISED BY</b>	Manager Governance and Information