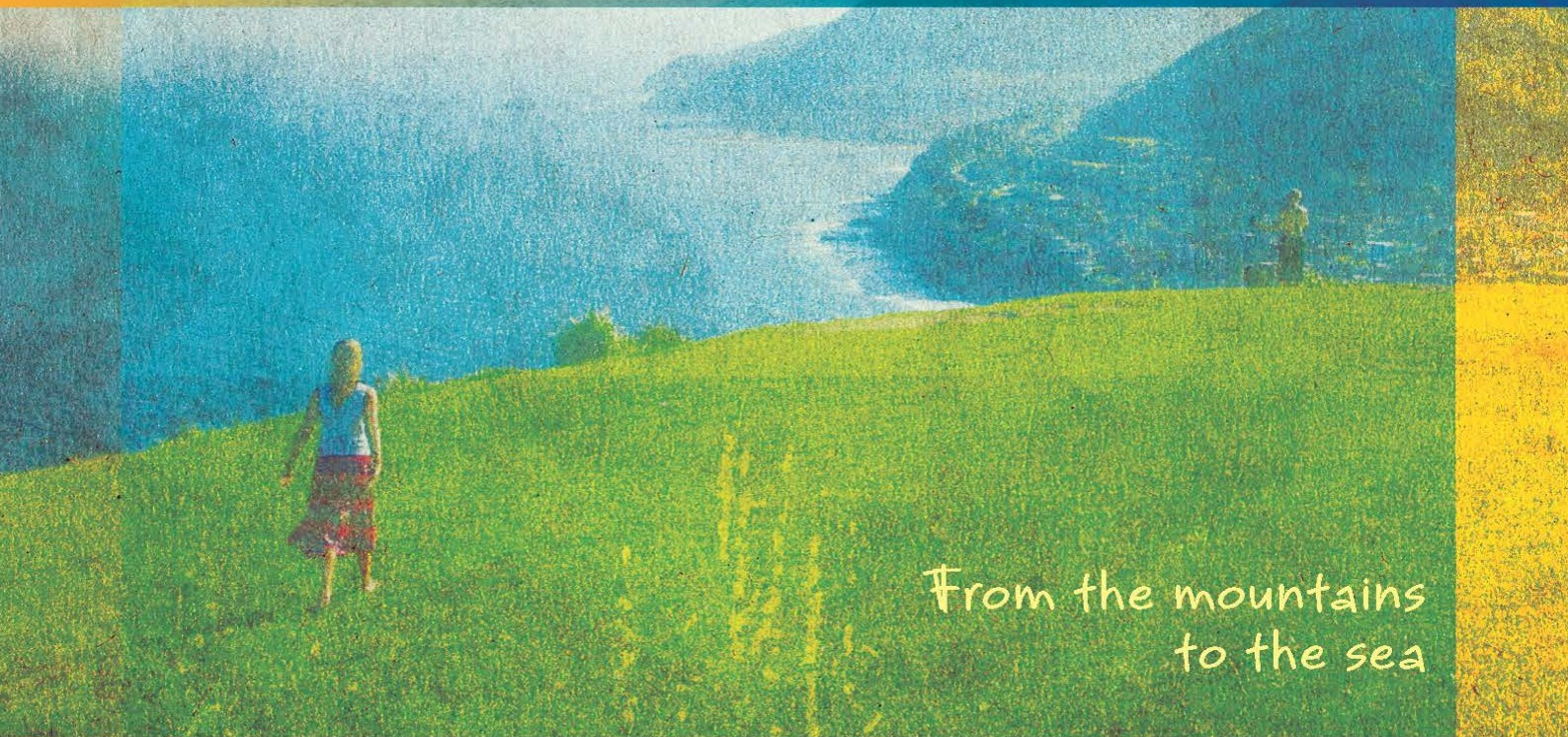


WOLLONGONG CITY COUNCIL

ANNUAL REPORT

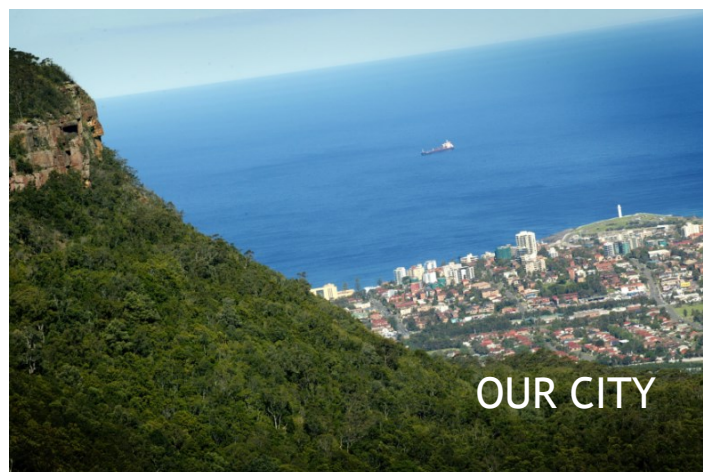
2013 - 2014



From the mountains
to the sea

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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 Local Government Area covers 715km² with a population of approximately 205,000.

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.

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

Distribution

Wollongong City Council's Annual Report 2013/14, past reports and various other Council publications are available on our website (www.wollongong.nsw.gov.au). If you would like a hard copy of this report, contact Executive Strategy Unit by 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 libraries.

Welcome to Wollongong City Council Annual Report 2013-14

WHO ARE WE

Wollongong City Council manages over 30 services and more than \$2.4 billion in assets, including land, roads, footpaths, stormwater drains and pipes, community buildings, libraries, parks, sporting fields, and swimming pools. Our service responsibilities are implemented through the Lord Mayor, 12 Councillors and a workforce of around 1,000 permanent employees (FTE).

During 2013-14 we had a total income of \$256 million, including rates, user fees and charges, and grants and contributions; and spent over \$240 million on services and assets that benefit the community.

WHERE ARE WE GOING

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. Whilst the Wollongong 2022 Community Strategic Plan sets out where the Wollongong community want to be in the future, Council's Resourcing Strategy 2012-2022 identifies matters that are within Council's realm of responsibility and our delivery program and annual plan spell out Council's plan of action for responding to these matters.



OUR VALUES

Wollongong City Council has established values which form the core of our organisational culture. They define the behaviours of all staff in the workplace and strongly influence all interactions with customers ensuring a consistent standard of service for all Council's customers.

We will:

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

COMMUNITY VISION

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.

Through collaborative efforts with other organisations, our community goals are:

- 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.

Lord Mayor's Message

The 2013-14 year has been a big year for progress towards Securing Our Future and a year of transition for Council.

With a growing backlog of ageing assets – we currently have more than \$2.4 billion in assets under our management – we made a significant decision to review our services, financial sustainability, and fees and charges.

Following extensive community engagement and a review of our services, Council applied for a Special Rate Variation to help sustain Council's financial sustainability over the long term. IPART granted Council's request and we adopted a 6.1% increase for 2014-15.

As part of this approach, Council is also undertaking internal efficiencies and service level adjustments as well as increases in fees and charges. These measures will allow Council to renew assets and infrastructure across the local government area.

One example of this renewal is the Crown Street Mall refurbishment. This space, after almost three decades and millions of visitors, not only needed a facelift but significant work under the surface to replace ageing services.

In the past year we have also seen increasing business confidence in the city centre with more than \$750 million in private and government investment taking place. These developments encourage a safer, friendlier and more vibrant city for visitors and our community alike.

Other major infrastructure projects we've been working on this year include the Mt Keira Road stabilisation and Stage 1 of Grand Pacific Walk.

In our major residential growth area we have completed two major projects in the West Dapto Initial Access Strategy with the work on Cleveland Road bridge and connection to Fairwater Drive.

Through the Securing Our Future community engagement process you, the community, sent a strong message about the importance of retaining our ocean rock pools, some of which are more than 100 years old. Council has listened and will continue to invest in renewing and maintaining these facilities.

Lastly, we have received a number of awards recognising our work, everything from cultural events such as Viva la Gong to our magnificent beaches were recognised, winning the State Award for Safety and Services as part of the Keep Australia Beautiful 2013 Clean Beaches Award.

On behalf of Council, I am pleased to present Council's annual report for 2013-14.

**Lord Mayor Councillor
Gordon Bradbery OAM**

General Manager's Message

This year Council has continued to work towards the objectives in the 2012-17 Delivery Program renewing assets and delivering key services.

We have worked strongly throughout 2013-14 allocating \$86.2 million for capital works, with our focus on improving and investing in infrastructure that will help us reach our six community goals.

We have committed more than \$37.5 million towards roads, bridges, footpaths and cycle ways, across the local government area.

Work continued in this financial year on the major refurbishment of the Crown Street Mall. At the same time we have undertaken works on more than 700 projects throughout the city including many small projects such as the mosaics, seating, sculpture and landscaping around the forecourt area in front of Warrawong Legal Centre and Community Centre.

Another significant milestone was the completion of negotiations for a new waste collection service. Part of the contract includes an improved customer education program. The waste services collection is for a seven year period and this service is one of Council's largest expenses. Council also completed the work on a new waste cell at Whytes Gully.

In West Dapto, we completed the first stage of Shone Avenue, including a new realigned two-lane bridge with footpath and cycle way, and realigned roadway constructed to increase flood reliability. Work also began on the new Cordeaux Road bridge, with the funding available under the NSW Government Restart NSW Resources for Regions program and also a contribution from BHP Illawarra Coal.

In other areas we continue to provide nine rock pools and eight swimming pools for all. The swimming pools saw more than 1.0 million visitors in 2013-14. While nearly 970,000 people utilized our library services and more than 99,000 visited the Wollongong Art Gallery. In this introduction I have only touched on a small number of the works, projects and services we provide for our community members and visitors each year.

All these works, services and facilities are made possible through the ongoing hard work and dedication of our staff.

**General Manager
David Farmer**

Five Year Summary of Key Statistics

	2009/10	2010/11	2011/12	2012/13	2013/14
Total number of residents*	197,887	200,468	202,068	203,181	205,231
Total number of ratepayers	76,873	77,192	77,558	78,292	78,985
Rates levied (income)	\$111.4M	\$114.6M	\$118.4M	\$123.3M	\$127.6M
Average general residential rate	\$1,044.86	\$1,071.46	\$1,098.25	\$1,135.62	\$1,174.95
State government rate ceiling	3.5%	2.6%	2.8%	3.6%	3.4%
Increase in average rate	3.95%	2.48%	2.44%	3.29%	3.35%
Specific purpose grants revenue (incl. capital and operating)	\$13.9M	\$13.9M	\$16.0M	\$14.0M	\$22.0M
Available working funds balance	\$15.1M	\$26.4M	\$22.8M	\$31.5M	\$24.5M
Operating performance ratio	-3.93%	-4.61%	-5.87%	-4.43%	-6.53%
Debt service ratio	0.77%	0.77%	1.47%	1.71%	2.68%
Asset maintenance ratio	0.42	0.52	0.69	0.70	0.78
Capital Works Program	\$54.2M	\$57.6M	\$64.7M	\$53.9M	\$86.2M
Number of employee (permanent FTE)	976.8	981.3	982.7	996.3	1,008.2
Population per employee (FTE)	202.5	204.4	205.6	212.3	202.6
Governance + Admin expense per capita	\$251.48 [#]	\$165.82 [#]	\$172.02 [#]	\$221.02 [#]	\$139.14 [#]
Environmental expenditure per capita	\$230.84 [#]	\$233.48 [#]	\$270.07 [#]	\$267.20 [#]	\$272.05
Community services, education, housing, amenities expenditure per capita	\$104.39 [#]	\$107.52 [#]	\$119.83 [#]	\$126.00 [#]	\$132.01
Recreational + Culture expenditure per capita	\$199.61 [#]	\$242.68 [#]	\$238.92 [#]	\$245.78 [#]	\$263.24
Public order, safety + health expenditure per capita	\$61.99 [#]	\$66.58 [#]	\$70.71 [#]	\$75.54 [#]	\$74.03
Library services expenditure per capita	\$45.32 [#]	\$48.67 [#]	\$49.54 [#]	\$49.29 [#]	\$54.22
Roads, bridges and footpath expenditure per capita	\$122.80 [#]	\$213.00 [#]	\$225.09 [#]	\$177.50 [#]	\$229.86
Material diverted from landfill (Domestic waste collection)	48.1%	50.0%	48.4%	46.6%	47.0%
Development applications assessed	1,584	1,566	1,386	1,328	1,363 [^]
Wollongong Botanic Garden visitation	263,546	311,000	312,335	346,517	393,468
Wollongong City Gallery visitation	47,000	48,135	56,144	78,128	99,915
Illawarra Performing Arts Centre visitation	139,430	118,981	124,884	116,120	107,790
Library visitation	911,931	838,165	999,233	931,207	969,207
Pools attendance	1,035,944	995,632	899,622	1,037,083	1,086,412

* Estimated Resident Population figure - Source: Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0). Compiled by .id

[#] Expense per capita was calculated by the Office of Local Government on the estimated resident population figure available at that time. Note, for 2013-14 the current estimated resident population as published by .id of 205,231 was used. Please note: The allocation of costs between the services has varied over the reporting period making direct comparison at this level inaccurate.

[^] 2013-14 figure is preliminary, to be confirmed in Annual Report issued by DoP

Financial Snapshot

Through prudent financial management, Council has continued to meet the ongoing provision of services to residents while delivering a program of capital works of \$86.2million.

Our focus this year was on continuing to meet the community's needs, closing the infrastructure gap and reducing debt. The following information provides a high level summary of how Council has performed financially during 2013-14. Further detail can be found in the financial reporting section of this report, Attachments A to C.

FINANCIAL SNAPSHOT

WHERE DOES THE MONEY COME FROM?

TOTAL \$255.9M

61%

RATES & ANNUAL CHARGES
\$155.8M

17%

USER FEES & CHARGES
& OTHER REVENUE
\$42.6M

12%

GRANTS & CONTRIBUTIONS -
CAPITAL PURPOSES
\$31.4M

8%

GRANTS & CONTRIBUTIONS -
OPERATING PURPOSES
\$20.5M

2% INTEREST & INVESTMENT REVENUE \$5.9M

WHERE DOES THE MONEY GO?

Rates and charges collected by Council help fund more than 117 services and programs. **For every \$100 of expenditure*, Council delivers the following services:**

\$23.82 Transport Services	\$10.18 Parks and Sportsfields	\$6.93 Aquatic Services	\$5.92 Stormwater Services	\$5.61 Infrastructure Planning & Support
\$5.44 Libraries	\$4.01 Human Resources	\$3.74 Cultural Services	\$3.31 Governance and Administration	\$3.26 Community Facilities
\$2.51 Integrated Customer Service	\$2.58 Emergency Management	\$2.99 Financial Services	\$2.11 Waste Management	\$1.96 Development Assessment
\$1.95 Botanic Garden & Annexes	\$1.81 Information Technology	\$1.53 Events, Community Engagement, Public Relations	\$1.39 Natural Area Management	\$1.25 Land Use Planning
\$1.16 Regulatory Control	\$1.01 Community Programs	\$0.89 Economic Development	\$0.87 Youth Services	\$0.81 Environmental Services*
\$0.80 Leisure Centres	\$0.69 Property Services	\$0.57 Corporate Strategy	\$0.45 City Centre Management	\$0.23 Crematorium & Cemeteries
\$0.17 Public Health & Safety	\$0.05 Aged & Disability Services	\$0.00 Tourist Parks	TOTAL \$100	

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:

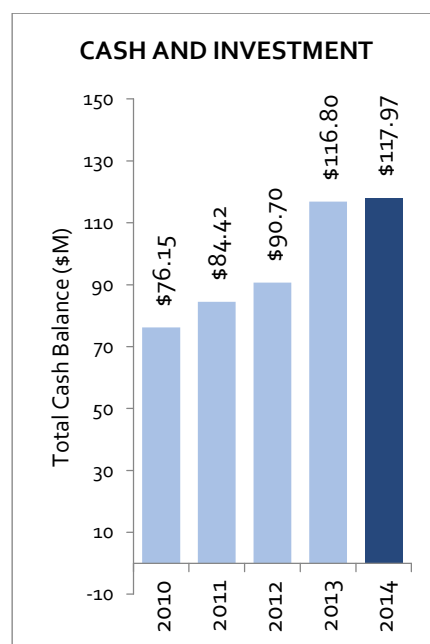
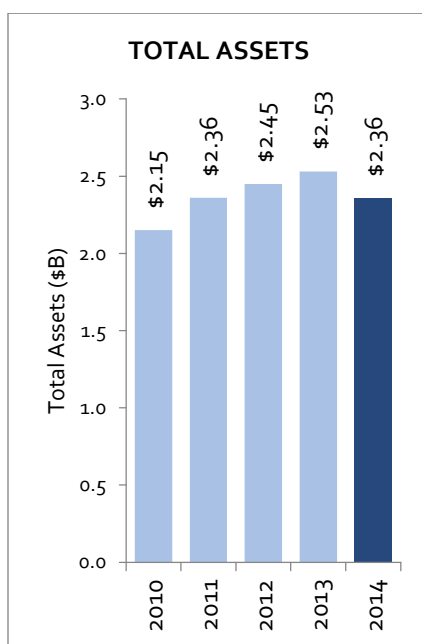
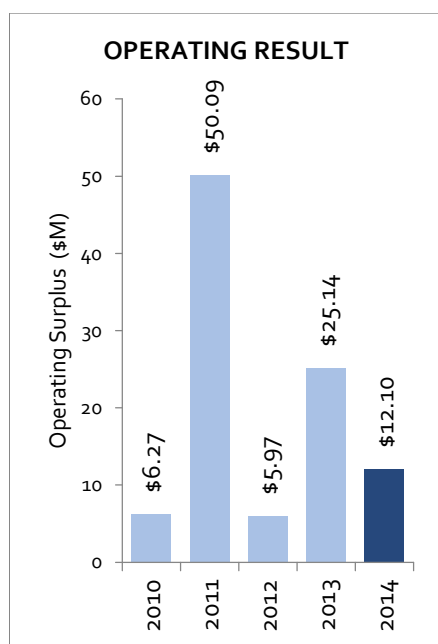
1. Redistributed in 2013-14 of centrally held administrative costs and introduction of an internal asset charge for infrastructure assets
2. Reallocation of staff and some other costs as a result of sustainability exercise

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

5. Environmental Services proportion of net cost reduced compared to 2012-13 due to timing of operational grant income and expenditure, and the distribution of administrative costs.

*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 2013-14. As at June 2014, Council's operating result was \$12.1 million. The operating surplus of \$12.1 million was \$16.5 million higher than original budget, primarily due to \$11.2 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 2014, Council managed \$2.4 billion worth of net assets. The decrease in total assets compared to the previous year is largely due to a downward revaluation of operational land and buildings that reflect current market values.

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 2014 was \$118.0 million. This represents a \$1.2 million increase from the previous year, primarily due to delayed timing of capital works expenditure payments.

EXTERNAL FUNDING

In 2013-14 Wollongong City Council received \$32.3 million in federal and state government funding. This represents a slight decrease compared to 2012-13 when Council received \$32.5 million in federal and state government funding. Some of the funding received this financial year include:

- \$7.9 million received for the West Dapto Home Deposit Assistance Program
- \$3.4 million received for footpaths and cycle ways
- \$1.2 million for roads and bridges
- \$2.2 million for community transport
- \$1.1 million for voluntary purchase of floodplain-affect housing.

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

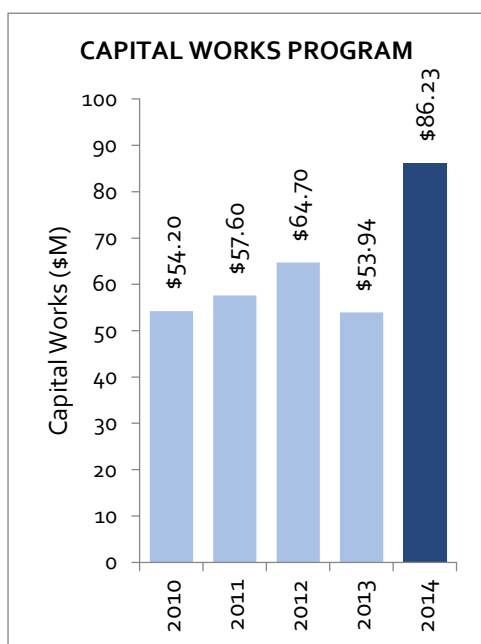
Capital Works Program

Wollongong City Council is the custodian of approximately \$2.4 billion worth of assets, on behalf of the community. During 2013-14 Council completed a capital works program that included:

- Asset renewal works of \$62.5 million
- Construction and purchase of new assets worth \$23.7 million

In addition, Council recognised (ie. adding to the asset register) a further \$8.2 million of contributed assets (eg. roads and drainage in new subdivisions).

A total of \$86.2 million has been expended on programmed works compared to a revised budget of \$81.9 million. The program has included the continuation of such projects as the West Dapto Access Strategy, Crown Street Upgrade, and refurbishment and upgrade of the Corrimal Community Centre and Library, as well as replacement of the roof of the Wollongong Tennis Club building, 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 the costs of creating or acquiring property, infrastructure or equipment assets. Wollongong City Council spent \$86.2 million on capital works in 2013-14.

Asset Class	Expenditure 2013-14 (\$M)
Roads and Related Assets	14.24
West Dapto	12.11
Footpaths and Cycle Ways	20.29
Car Parks	1.78
Stormwater and Floodplain Management	2.73
Buildings	8.81
Commercial Operations	1.16
Parks Gardens and Sport Fields	1.94
Beaches and Pools	1.81
Natural Areas	0.23
Waste Facilities	10.45
Fleet	2.02
Plant and Equipment	1.79
Information Technology	1.26
Library Books	1.27
Public Art	0.30
Emergency Services	0.06
Land Acquisitions	3.94
Non-Project Allocations *	0.05
Total	\$86.23M

* Projects that have started but are not allocated to the most applicable asset class

Some of the major capital projects undertaken during 2013-14	Expenditure 2013-14 \$'000
Stormwater and Floodplain Management	
Robsons Road, West Wollongong - Reconstruction of culvert headwalls and culvert repairs	368
James Road, Mt Kembla - upgrading of pipes system	157
Relining of 12 stormwater lines across the city to extend the life of the pipes	211
Buildings	
Refurbishment and upgrade of Corrimal Community Centre and Library	739
Illawarra Sports Stadium roof replacement	182
Warrawong Community Centre roof replacement	167
North Dalton Park Grandstand roof replacement	141
Coledale lifeguard tower	122
Illawarra Performing Arts Centre dressing rooms and facilities refurbishment	345
Parks and Recreation	
Beaton Park Athletics lighting upgrade	152
Holborn Park play equipment replacement	176
Corrimal Memorial Park – <i>Luke's Place</i> Play facility	125
Roads and Bridges	
Mt Keira Road embankment and cliff stabilisation	1,963
Reconstruction of Margaret Street (Foothills Rd to Chalmers St), Balgownie	448
Reconstruction of Wilga Street (Rothery St to end of street), Corrimal	414
Reconstruction of Grey Street (Murphy's Ave to Rose St), Keiraville	335
Marshall Street (Yallah Rd to North Marshall Mount Rd), Yallah	198
Austinmer Lane (Austinmer St to end), Austinmer	106
Cleveland Road bridge over Mullet Creek and Cleveland Road upgrade, Penrose/Dapto	4,479
Shone Avenue bridge and road upgrade Stage 1, Horsley	5,729
Princes Highway/West Dapto Road intersection upgrade, Kembla Grange	2,122
Road Re-Surfacing	
Berkeley Road (Flagstaff to Earl Crt), Berkeley	344
Dumfries Avenue surface (Bass St to Bellebrae Ave), Mount Ousley	275
Investigator Drive (Nolan St to Berkeley Rd), Unanderra	272
Carters Lane shoulder (Pioneer Rd to Elliots Rd), Fairy Meadow	270
Byamee Street (Bagaroo St to Fowlers Rd), Koonawarra	268
Compton Street (Brown Ave to Cormack Ave), Dapto	220
Princes Highway (Northcliffe Dr, intersection), Kembla Grange	203
Towradgi Road (Memorial Dve to No.74), Towradgi	182
Footpaths and Cycle Ways	
Keira Street, Wollongong (Crown St to Smith St)	1,607
Corrimal Street (Market St to Crown St east side), Wollongong	489
New shared path along Murphy's Avenue and Paulsgrove Street, Keiraville	340
New shared path and footpath along Mt Keira Road (Abercrombie St to Yellagong St), West Wollongong	270
Replacement footpath King Street, Warrawong (at Montgomery St)	169
Old Coast Road, Stanwell Park - replacement of stairs and pathway	143
Replace sections of Southern cycle way along Shellharbour Road	166
Car Parks	
Renew and upgrade Towradgi Beach car park, Towradgi	227
Entry upgrade to Thomas Dalton Park car park and drainage improvements, Fairy Meadow	127
Upgrade/construction of Ocean Park, Woonona	413
Expansion and upgrade Stanwell Park shopping precinct	255
Retaining Walls	
Lakeview Parade (#113 to #121), Primbee	167

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 Agendas 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 2013 to 30 June 2014) is \$489,939 and consists of the following:

Fees - \$417,250

Expenses and Facilities - \$72,689

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

- i. Provision of facilities - \$ 8,048
- ii. Telephone calls - \$ 3,191
- iii. Conferences and seminars - \$ 29,036
*includes interstate conferences and seminars
- iv. Training and skills development - \$ 4,393
- v. Interstate travel - Nil
- vi. Overseas travel - \$ 10,605
*Includes an amount of \$4,811.06 for airfares for the Lord Mayor to attend the Future Cities Program in New York, USA which is being undertaken during the 2014/2015 financial year. The Lord Mayor's attendance at this Program is not recorded in the section of this annual report that reports upon the details associated with overseas visits by Councillors and Council staff and will be reported as a cost associated with that overseas visit in the 2014/2015 annual report
- vii. Partner, spouse or accompanying person - \$ 586
- viii. Care of child or immediate family member - Nil

WOLLONGONG LGA



LORD MAYOR

GORDON BRADBERRY OAM

BA, BD [Psych, Soc and Divinity] GAICD
Minister of the Uniting Church in Australia
First elected 2011
Attended 21 Council meetings during the 2013/2014 reporting period

WARD 1



JANICE KERSHAW

Senior Operations Manager

Mobile: 0407 383 927
Email: cr.jkershaw@wollongong.nsw.gov.au
First elected 1991, re-elected 1995, 1999, 2004, 2011
Attended 20 Council meetings



JILL MERRIN

MSc, BSc

Mobile: 0409 548 418
Email: cr.jmerrin@wollongong.nsw.gov.au
First elected 2011
Attended 15 Council meetings



LEIGH COLACINO

Artist

Mobile: 0417 199 189
Email: cr.lcolacino@wollongong.nsw.gov.au
First elected 2011
Attended 21 Council meetings



GREG PETTY

Company Director

FCCA, GAICD, AGIA, BBS [NSWIT], JP
Mobile: 0417 446 283
Email: cr.gpetty@wollongong.nsw.gov.au
First elected 2011
Audit Committee member
Attended 20 Council meetings

WARD 2



JOHN DORAHY
Director of Business Development
 GAICD
 Mobile: 0450 917 262
 Email: cr.jdoraHy@wollongong.nsw.gov.au
 First elected 2011
 Corporate Governance Committee Member
 Attended 18 Council meetings



DAVID BROWN
Media Consultant
 BSc, JP
 Mobile: 0409 897 597
 Email: cr.dbrown@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: cr.mblicavs@wollongong.nsw.gov.au
 First elected 2011
 Audit Committee member
 Attended 18 Council meetings



GEORGE TAKACS
Physicist
 BSc(Hons), PhD, GAICD
 Mobile: 0419 819 337
 Email: cr.gtakacs@wollongong.nsw.gov.au
 First elected 2011
 Attended 21 Council meetings

WARD 3



DEPUTY LORD MAYOR
CHRIS CONNOR
School Principal
 MEdAdmin, GradDipEdSt [SchoolAdmin], DipT, MAICD
 Mobile: 0419 545 897
 Email: cr.cconnor@wollongong.nsw.gov.au
 First elected 2011
 Corporate Governance Committee Member
 Attended 19 Council meetings



BEDE CRASNICH
Electoral Officer/Student
 Mobile: 0401 516 490
 Email: cr.bcrasnick@wollongong.nsw.gov.au
 First elected 2011
 Attended 20 Council meetings



ANN MARTIN BM
Artist/Planner
 BA [Visual Arts], MFA, MPlan, GAICD
 Mobile: 0419 720 919
 Email: cr.amartin@wollongong.nsw.gov.au
 First elected 2011
 Attended 20 Council meetings



VICKI CURRAN
Juvenile Justice Support + Community Advocate
 GAICD
 Mobile: 0419 691 688
 Email: cr.vcurran@wollongong.nsw.gov.au
 First elected 2011
 Attended 19 Council meetings

About Us

OUR ROLE

Wollongong City Council's statutory role is to:

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

OUR STRUCTURE

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.



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
- total amount of any bonus, performance or other payments that do not form part of the salary package.

Position	Period	Total Value \$
General Manager	1/7/13 to 30/6/14	358,369
Directors: Corporate + Community - Creative, Engaged + Innovative City Infrastructure + Works - Connectivity, Asset and Liveable Cities ¹ Planning + Environment - Future City and Neighbourhoods.	1/7/13 to 30/6/14	711,265
Senior Managers Manager Property + Recreation; Manager City Works; Manager Infrastructure, Strategy + Planning; Manager Project Delivery; Manager Library + Community Services; Manager Governance + Information; Manager Finance; Manager Community, Cultural + Economic Development ³ ; Manager Human Resources ; Manager Environmental Strategy + Planning; Manager Development Assessment and Certification; Manager Regulation + Enforcement; General Counsel.	1/7/13 to 30/6/14	2,343,396

¹ – 26/8/2013 to 30/6/2014

OUR PEOPLE

As of 30 June 2014, Council staff establishment (full time equivalent) included:

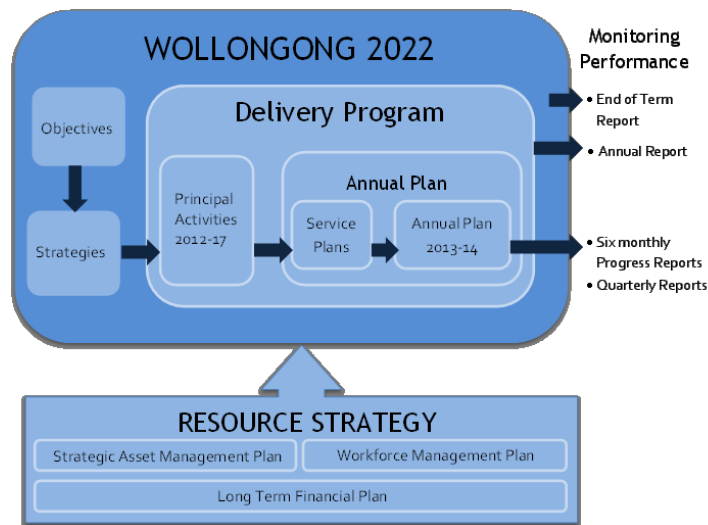
- 1,008.2 FTE permanent staff
- 96.73 FTE temporary staff
- 21.7 FTE fixed term staff, and
- 41.36 FTE provisional, cadet/apprentice/trainee staff.

Our staff are primarily aged between 35 and 54 years (60%), with a gender balance of 25% female and 75% male in management positions, and 47% female and 53% male organisationally.

The majority of our staff are positioned at the operational level (96%), with senior management representing 1.2% of our workforce.

Our Planning and Reporting Framework

Wollongong City Council transitioned to IP&R in June 2012 with the endorsement of its first Community Strategic Plan, Wollongong 2022. This strategic plan is supported by Council's Resourcing Strategy, Delivery Program and Annual Plan.



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 plan assists in shaping the future of the Wollongong Local Government Area (LGA), and enables us to collectively respond to emerging challenges and opportunities. It 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.

Whilst the community strategic plan sets out the community's agenda for the future, the Resourcing Strategy identifies matters that are within Council's realm of responsibility and how these will be achieved through the allocation of our resources (finances, assets and people).

Wollongong City Council's **Resourcing Strategy** is a long term plan spanning ten years, with the exception of the Workforce Strategy, of which is a four year plan. It consists of three components: Long Term Financial Plan, Asset Management Plan, and Workforce Management Strategy.

On 17 February 2014, Council adopted the first revision of the Resourcing Strategy 2012-22, of which was undertaken to progress the community conversation on financial sustainability and identify options to secure our future.

The **Delivery Program** is a fixed term plan that aligns to the Council term (2012-17) and the actions align to the community goals, objectives and strategies. It guides Council's progress in working with the community and other stakeholders toward achieving the Wollongong 2022 Community Strategic Plan. The Delivery Program includes services and projects we will deliver and respond to within our area of responsibility.

Council's **Annual Plan** supports Council's implementation of the Delivery Program. It details funded projects, programs and activities that Council will implement during the financial year. It also includes service plans which outline regular ongoing activities undertaken by Council.

Council reports on progress towards achieving the Delivery Program and Annual Plan in its Quarterly Review Statements, Budget Review Statement and Annual Report. Achievements towards Wollongong 2022 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>

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.

Strategic Programs

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 strategic programs which are outlined in the Wollongong 2022: Revised Delivery Program 2012-17 (Adopted 17 February 2014). Progress towards the strategic programs during 2013-14 are outlined below.

Financial Sustainability

Our Council is committed to improving the standards of community assets over the five-year Council term. This will be achieved by directing 85% of all capital investment into asset renewal, and a strong emphasis of cost effectiveness in service provision

Wollongong was one of 32 Council's to apply to the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation (SRV) for an increase in 'General Revenue'. On the 3 June 2014, IPART approved the application, which included minimum rate amounts of 6.13% in 2014-15, 6.23% in 2015-16 and 6.24% in 2016-17. At its meeting on 23 June Council endorsed its rates and charges for the 2014-15 financial year, including the 6.13% rate increase (inclusive of 2.3% rate peg). This is one element of Council's financial sustainability approach which also includes a minimum \$4.5 million target for efficiencies, \$1.5 million in service level adjustments, and a minimum \$500,000 in increased fees and charges.

Significant work to reach this outcome was undertaken during 2013-14, of which included engaging the community in discussion on levels of service, operational improvement and revenue. A Citizen's Panel made up of 34 randomly selected community members, and facilitated by an independent engagement specialist, deliberated on Council's financial security into the future and produced a report with recommendations which was subsequently exhibited for broader community comment. Over 600 community members made comment on the report. As a result, Council identified three options (scenarios) for achieving financial sustainability.

Throughout the engagement process the community were given a number of opportunities to participate in various ways including online discussion, quick polls and surveys, and kiosks at community locations in each ward. Community members also sent letters, emails and petitions.

At its meeting on the 23 June 2014 Council endorsed the Annual Plan, Budget and Capital Budget and Revenue Policy, Fees and Charges for 2014-15. These plans set out Council's approach to achieve the 2014-15 efficiency targets, service adjustments and additional fees and charges revenue.

West Dapto Urban Release

Council will work in collaboration with key agencies to provide the infrastructure needed to support growth within the West Dapto Urban Release Area. This will include improving access, infrastructure and local services which are needed to support the additional 17,000 future housing lots within the release area

In 2013-14 Council continued with plans to provide improved access to the West Dapto Urban Release Area through upgrades of existing roads and bridges, and design and construction of new infrastructure. Significant works undertaken during 2013-14 include:

- Shone Avenue Stage 1 Bridge replacement and road upgrade
- Cleveland Road Bridge replacement and road upgrade
- West Dapto Road/Princes Highway Intersection upgrade - nearing completion
- Wongawilli Road/West Dapto Road upgrade (design commenced)
- West Dapto Access - Fowlers Road to Fairwater Drive - design and community engagement commenced
- Three current applications under assessment totalling 241 lots.

In addition to the infrastructure works, planning for the future needs of the growing community continued and significant milestones for the period include:

- The Reddalls Road Industrial precinct Neighbourhood Plan was adopted
- The Darkes Road South West Neighbourhood Plan, with an estimated future yield of 451 dwellings was adopted
- The draft Yallah Marshall Mount Precinct Structure Plan and draft Planning Proposal was endorsed and exhibited
- Development applications were assessed for over 300 residential lots.

Waste Management

During Council's term we will work to reduce the environmental impact of waste by improving waste management across the city. We will finalise and deploy Council's Waste Strategy, assess the impacts of the carbon tax, and work toward the development of a new landfill cell at Whytes Gully to increase landfill capacity for the region.

Throughout 2013-14 major construction on the new landfill cell has continued at Whytes Gully, with Cell 1A (the first new landfill cell) reaching physical completion in June 2014. An application for operational approval is currently under review by the NSW Environmental Protection Authority (EPA). Cell 1B has also commenced construction. Together with future staged construction cells, the completed landfill cells development will secure Wollongong's ability to dispose of its waste for many decades.

Council has also installed landfill gas extraction infrastructure at Whytes Gully with pilot gas extraction wells drilled into sections of landfill waste. It is anticipated the landfill gas extraction system will soon cover the entirety of Council's landfill site (excluding the new cell construction area).

Other significant achievements to reduce the environmental impact of waste during 2013-14 include:

- Successfully obtaining \$1 million funding from the NSW EPA under the *Waste Less Recycle More* program.
- Commencement of community engagement for the Helensburgh Waste Disposal Depot rehabilitation project. With construction scheduled to begin in 2015, Council initiated an early engagement process with the residents most impacted to help increase their awareness of how the project will affect them. Additionally, the sites rehabilitation design has significantly progressed and achieved the Environmental Protection Authority's approval.
- Council's Waste Collection Services Contract was awarded to Remondis Australia commencing in July 2014. The contract covers the collection of residual waste (red bins), recycling (yellow bins) and organics (green bins). It also includes on call household clean-ups, education and customer services related to domestic waste management.
- New contract arrangements were also secured for the processing of organics (green top bin) and recyclable (yellow top bin) materials. Soilco (organics) and Visy (recyclables) were awarded the contracts, which commence in July 2014.

City Centre Revitalisation

Council's fourth aspiration in the Delivery Program, is to improve the attractiveness of the Wollongong City Centre to work and visit, reinforcing its role as the region's major hub for investment and jobs growth.

Council has a number of projects and initiatives to support the revitalisation of the Wollongong City Centre, from major infrastructure improvement and economic development through to creating more opportunities for events and activities in the city centre. Progress in 2013-14 included:

- Façade Rejuvenation Program - Round 1 of the program saw 22 applications approved for work on 27 buildings along Crown Street, from the Railway Station down to Corrimal Street.
- City Centre Revitalisation Strategy - In partnership with globally renowned research and design firm, Gehl Architects, Council commenced a review of the strategy. A Public Spaces, Public Life Study was conducted which gives us a clear picture of the quality and character of our city centre's public spaces. The outcomes from the study will be used to inform recommendations that will guide the delivery of a livable and vibrant city centre.
- Street Activity Development Applications (DA) - two blanket DA's were prepared and approved for Crown Street Mall to allow for a more efficient, streamlined process for holding street activities such as events, markets, festivals, kiosks and outdoor dining.
- Evening economy development - Council assisted 16 boutique evening use venues with set-up or ongoing business assistance. Additionally, in May Council endorsed the 2014-2018 City Centre Evening Economy Action Plan as part of the Cultural Plan. The plan recognises the significant role of the evening economy from an economic, social and cultural perspective.
- Crown Street Mall - The refurbishment of the mall has continued with significant work carried out.
- Keira Street improvements - Council commenced work on streetscape improvements along Keira Street, from Crown Street to Smith Street, in accordance with the adopted precinct plan. The work included widened footpaths to promote outdoor dining, new footpath paving, lighting, intersection modifications for improved pedestrian safety and landscaping works.
- Service upgrades - In conjunction with both the Crown Street Mall and Keira Street refurbishment works, Council has worked with service authorities particularly Telstra and NBN to ensure that underground infrastructure has been upgraded to allow for the future rollout of technology within the city.
- Major development - Council's major infrastructure projects combined with the \$200 million GPT Crown Central expansion have been a catalyst for a boom in other large scale development projects. Various commercial and residential developments, totalling \$750 million are also underway or have been completed in the city centre.

Connectivity/Walkability

Council's fifth aspiration is to improve the connectivity of the Local Government Area through the upgrade of our network of footpaths and cycle ways. This focus on our path and cycle network will ensure that necessary works are carried out to achieve an accessible and connected city.

With more than 470 kilometres of footpaths and shared pathways in the Wollongong LGA, Council spent over \$20 million in 2013-14 maintaining and upgrading this infrastructure to support connectivity. This included:

- \$14.4 million on footpath renewals (including Crown Street Mall)
- \$1.95 million on new or upgraded footpaths
- \$1.10 million on cycle way/shared path renewals
- \$2.83 million on new or upgraded cycle ways/shared paths (including Grand Pacific Walk).

Major work undertaken during 2013-14 include:

- Construction of the Stoney Creek footbridge at Coalcliff
- Replacement and/or construction of footpaths and shared pathways in various locations throughout the LGA
- Replacement of non-standard kerb ramps, footpath extension and the construction of a pedestrian facility on Royal Crescent, Woonona to improve pedestrian access to the Woonona East Public School
- Replacement of several paths in the Botanic Garden
- Commencement of reconstruction of Keira Street under the Keira Street Precinct Plan
- Commencement of Flagstaff Hill Heritage Walk Stage 2 along Endeavour Drive
- Commencement of the replacement and widening of the Squires Way cycle and pedestrian path (Elliott's Road to Fairy Creek), Fairy Meadow
- The shared path along Foreshore Road, Port Kembla
- Shared path along the Princes Highway from Abercrombie Street to London Drive, West Wollongong
- New shared path and footpath along Mount Keira Road between Abercrombie and Yellagong streets, Mt Keira
- New shared path at the corner of Gibsons Road and Princes Highway, Figtree
- Major repairs of shared path along Windang Road adjacent to Port Kembla Golf Club
- Shared path along the Princes Highway between Kanahooka Road and West Dapto Road, Kembla Grange
- Shared path through Nyrang Park, Keiraville.

In addition a number of strategies that support this aspiration were also adopted by Council, including:

- Wollongong City Bike Plan - adopted by Council in June 2014
- Grand Pacific Walk Master Plan - adopted by Council in June 2014
- City Centre Access and Movement Strategy - adopted by Council in November 2013.

Goal 1

We Value and Protect Our Environment

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, FiReady 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.



KEY RESULTS • Vegetation mapping for priority sites and communities • Progressed the planning outcomes from the Farmborough Heights to Mount Kembla Precinct Review • Successfully secured grant funding for the conservation and management of biodiversity in Puckey's Estate • Adopted Wollongong Dune Management Strategy for the Patrolled Swimming Areas • Completed the first two stages of a multi-stage gas collection project at Whytes Gully • Rise and Shine Environmental Improvement Campaign reached a milestone in environmental improvements, 28 years of operation.

FUTURE DIRECTIONS 2014-15 • Continue the Contaminated Lands Review • Implement key priorities from Stormwater Management Plans • Continue to review the Illawarra Escarpment Strategic Management Plan in conjunction with the Escarpment Planning Reference Group • Continue to deploy Council's Waste and Resource Recovery Strategy • Explore alternate governance models for the management of the Lake Illawarra • Continue implementation of priority actions from the Dune Management Strategy.

Community Environmental Programs

Council's Myna Bird Action program was named a finalist in the NSW Keep Australia Beautiful awards under the Protection of the Environment category. The program, delivered in partnership with Corrimal Men's Shed, saw 243 participants attending trapping workshops in 2013-14. Participation in all community environmental programs over the year totalled 58,208. This included ongoing environmental programs such as Bushcare, FiReady, Greenplan, Greenhouse Park, community clean-ups and the Botanic Garden Discovery Centre (including the school holiday programs).



58,208 participants in environmental programs

Vegetation Mapping for Priority Sites and Communities

Council is working towards Biodiversity Certification for the West Dapto Release Area, which will protect important vegetation and biodiversity values at West Dapto, and facilitate development in appropriate locations. During 2013-14 several key tasks were completed, including updated vegetation mapping and reporting, and preliminary calculations to determine the area and credits required for Biocertification. The Office of Environment and Heritage (OEH) have given, in principal, support of Council's Biocertification methodology.



394,000 visitors to Botanic Garden

Wollongong Botanic Garden and Natural Area Annexes

A successful events program was delivered during the year with highlights including the Sunset Cinema, Backyard Festival and Christmas Carols, while the Friends of the Botanic Garden delivered two major events and contributed \$17,000 to projects.

Two hundred new rare and endangered palm species were added to the Botanic Garden Palm collection, bringing the number of specimens to 500, many of which are listed as critically endangered. This project is being undertaken in partnership with a private donor.

Enhancement of the natural area annexes continued, with the installation of new collections at the Mt Keira Summit Park. Council has also successfully secured grant funding through the OEH Linking Landscapes program, for the conservation and management of biodiversity in Puckey's

Estate. As part of the funding agreement, Council and OEH will establish a biobank site over part of the estate. Establishment of this biobank site, with regular funding in perpetuity, will ensure ongoing long term conservation of the biodiversity values of the area and benefits to the community.

A resource sharing agreement was also established with the Australian National Botanic Garden Canberra, Booderee National Park Botanic Garden, and Eurobodalla Botanic Garden to coordinate threatened species conservation work in the South East NSW region.

Dune Management Strategy

The Wollongong Dune Management Strategy for the Patrolled Swimming Areas of 17 beaches was adopted by Council on 24 March 2014. Works carried out in 2013-14 as part of the strategy include:

- Vegetation removal and on-ground dune reshaping works at Woonona Beach
- Relocation of lifeguard tower at Corrimal Beach to improve line of sight
- Upgrade of the access pathway for lifeguards and surf lifesavers at Fairy Meadow
- Design and approval for the installation of a new tower at City Beach
- Improved lifeguard tower facilities at Port Kembla to allow shared access with Surf Life Saving volunteers
- Design and approval for the installation of a new lifeguard tower at Windang.

Vegetation management work has also been undertaken at Bulli, Woonona, Bellambi, Corrimal, Towradgi, Fairy Meadow and Wollongong City beaches.

The beach and dune monitoring program involving regular beach and dune profile surveys and photo point monitoring also continued throughout 2013-14.

Water Safety Education

Beach safety information sessions were held at Wollongong TAFE during the latter part of 2013-14, with an estimated 30 students participating in water safety sessions. Over 150 University of Wollongong students also participated in information sessions with a second semester intake session planned for July 2014.

Lake Illawarra Transition Committee

In 2013 the state government made a decision to close the Lake Illawarra Authority (LIA). Since then Council has been working closely with Shellharbour Council, the former LIA and relevant state agencies to transition management and operational responsibilities for former LIA lands and programs. In March 2014, Council resolved to write to the state government seeking dedicated continued financial commitments for the ongoing management of the lake.



180 TAFE and university students participated in water/beach safety sessions

Pilot Gas Wells at Whytes Gully

The first two stages of a multi-stage gas collection project at Whytes Gully were completed during the financial year. Stage 1 involved sourcing landfill gas from a large and readily accessible part of the landfill while Stage 2 involved the expansion of pilot gas wells and interconnected gas lines from the older landfill into the current landfill area, and finally to a combustion flare unit. This has greatly increased the reach and volume of landfill gas able to be captured, resulting in an environmentally beneficial outcome.

Environmental Sustainability Action Plan

Council's draft Environmental Sustainability Strategy was placed on public exhibition from 26 February 2014 to 2 April 2014, before being finalised and endorsed by Council. The five focus areas of the strategy are:

1. Protect our natural assets
2. Reducing our ecological footprint
3. Improving our urban environment
4. Creating a healthy future
5. Showing leadership and sustainable governance.

To enhance the sustainability of our city, Council coordinates and delivers a range of environmental education initiatives. Initiatives held during 2013-14 included:

- Two free Chemical Clean Out days, in collaboration with the NSW Environmental Protection Authority, for the community to dispose of unwanted chemicals. Held at Fred Finch Park Sporting Complex car park, Berkeley, more than 1,600 people participated, resulting in the collection of around 65,000kg of chemicals.
- Participation in the National Garage Sale Trail event for the first time in October 2013. Garage Sale Trail is a national program that's about selling unwanted items from the home for re-use by others. In Wollongong, 273 registered sellers participated, along with Dapto Ribbonwood Centre which had more than 700 people through the doors on the day.
- National Recycling Week, held 11-17 November 2013, focused on reducing the number of lightweight single-use plastic shopping bags used in the local government area. A large display was constructed showing the links between plastic bags and impacts on local marine and animal life. Displays were held at Viva la Gong and in the Wollongong Mall along with three workshops in conjunction with Seabird Rescue to talk about plastic bags and to look at alternatives.
- World Environment Day was celebrated at Greenhouse Park on 5 June 2014, with adult participants learning to make balcony gardens with plant-a-boxes, gutter gardens and vertical gardens.
- Enviro Day at Wollongong Botanic Garden with more than 1,000 school students participating, and 6,500 people attending the Backyard Festival.
- A review of Council's 'Sustainable Wollongong' newsletter format to be web-based rather than paper, and increased distribution to over 1,700 subscribers with monthly updates.



National Garage Sale Trail
273 sellers registered

Rise and Shine Environmental Improvement Campaign and Awards

The Rise and Shine Environmental Improvement Campaign has reached a milestone in environmental improvements in its 28 years of operation.

This year, 103 community groups participated with a total of 1,145 participants. The quality of work was very high with a massive 10.3 tonnes of rubbish collected during the three months of spring by community groups.

The Rise and Shine Awards night was held in December 2013, with more than 500 people attending. Councillor Ann Martin handed out 150 awards for outstanding contribution to environmental initiatives.

The gold award went to Annie Marlow and Renewable Recyclers, Cringila Public School won the School section, while the Basil Ryan Award went to: PERMABLITZ THE GONG.



Rise and Shine Improvement Campaign
103 group, 1,145 participants

Farmborough Heights to Mount Kembla Precinct Review

The Farmborough Heights to Mt Kembla Strategic Plan was endorsed by Council in December 2013 and by the Department of Infrastructure and Planning in March 2014. The plan seeks improved conservation outcomes and will guide the assessment of any future planning proposals in the area. The plan requires proponents to demonstrate how they are achieving the required conservation outcomes in any development proposal.

Yallah-Marshall Mount Planning Proposal

Council endorsed the Yallah-Marshall Mount draft structure plan and draft planning proposal for exhibition at its meeting on 9 December 2013. The proposal, when endorsed, will enable some 4,000 dwellings to be constructed in Stage 5 of the West Dapto Release Area.

Staff Recognised and Awards

During 2013-14 a number of Council staff were recognized, including:

- Botanic Garden Apprentice James Hoyland won Group Training Australia's NSW Horticulture Apprentice of the Year for 2014
- Council Lifeguard Chanan Clark was named Australian Lifeguard of the Year, in recognition of his work patrolling our beaches, and extra-curricular achievements including a kayak paddle from Bellambi to Noosa
- Council Lifeguard, Dillon Ruiz won Royal Lifesaving NSW Commendation Award for Water Safety for his off-duty rescue of a Police Officer
- Wollongong City Beaches received the State Award for 'Safety and Services' as part of the Keep Australia Beautiful 2013 Clean Beaches Awards
- Council received the Preston Rowe Paterson Local Government Award for excellence in property for the North Beach Bathers Pavilion
- Council's Lifeguard Service won the South Coast Lifeguard Challenge against Kiama and Shellharbour councils teams
- 29 Council Ocean Lifeguards took part in a 24 kilometre ocean swim from Stanwell Park to North Wollongong in association with the Australian Professional Lifeguard Association, completing the swim in 6 hours and 24 minutes. One Council lifeguard completed the entire swim alone.

Stormwater Management Charge

Management of stormwater in Wollongong is challenging due to the large number of creeks and estuaries as well as the proximity of the escarpment to the coast which results in rapid stormwater surface flows during rainfall events. This presents particular challenges for managing 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 Stormwater Management Service Charge was introduced in 2006-07, following changes to the Local Government Act, to help fund the stormwater infrastructure and management costs borne by 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.

The city is covered by three stormwater management plans, including some overlap into the Shellharbour LGA, that provide a strategic approach to stormwater management. The plans, along with the Stormwater Asset Management Plan and catchment specific floodplain risk management plans, inform future capital, maintenance and operational works programs to continue to build the capacity and reliability of the city's stormwater infrastructure to manage both the quantity and quality of stormwater run-off. Some tasks and projects identified in these programs are funded, or part funded, by the Stormwater Management Service Charge.

Projected Versus Actual Expenditure on Stormwater Infrastructure

Stormwater Management Service	Expenditure \$'000	Funding * \$'000
Planned - Annual Plan 2013-14	11,654	1,954
Actuals costs 2013-14	10,930	2,115
Difference	-724	+161

* Stormwater Management Service Charge revenue

Allocation of Stormwater Management Service Charge Funds

Income from the Stormwater Management Service Charge is allocated across five categories as follows:

Category	Planned Expenditure 2013-14 \$	Final Expenditure 2013-14 \$	Reasons for change
Stormwater Quantity Management	100,000	236,242	Delivery of some projects/works at a lower cost than estimated. Increased scope of works and project costs as designs finalised.
Stormwater and Watercourse Quality Management	776,969	481,111	Reprogramming of major works to be completed in 2014-15. Delivery of tasks/projects at lower cost.
Stormwater Infrastructure Restoration and Replacement	728,000	923,448	Delivery of some projects and works at a lower cost than estimated. Increased works and project costs as designs finalised. Increased program due to available resources and scopes of work were finalised through the year.
Stormwater Operational Management	328,157	322,169	Increased volume of debris removed and resulting disposal costs.
Stormwater Asset Management System	21,157	152,072	Funding of additional inspections of Prescribed Dams and general inspections.
TOTAL	1,954,417	2,115,042	

STORMWATER MANAGEMENT SERVICE CHARGE FUNDED WORKS**Stormwater Quantity Management**

Construction of new or enhanced stormwater drainage services to address current needs

Project Location	Work Description	Funding \$
Fairy Creek, North Wollongong	Construct new creek bank rock lining	44,126
Stanwell Park Reserve, Stanwell Park	Design of new drainage swale	9,437
Botanic Garden, Gwynneville	Design of new detention basins	20,000
Robert St, Woonona	Commence design for new gross pollutant trap	4,853
James Rd, Mount Kembla	Construct upgraded stormwater drainage pits and pipes	157,826
TOTAL		236,242

Stormwater and Watercourse Quality Management

Construction or renewal of infrastructure for debris and/or pollution control; and creek bank clearing and revegetation with appropriate native species to maintain or improve stormwater flows, improve natural pollution control including siltation reduction and weed propagation as well as reducing flood risks.

Project Location	Work Description	Funding \$
Squires Way GPT Access Track	Construct/upgrade new access road for maintenance vehicles to remove debris	55,680
Nyrang Park GPT Access Track	Construct/upgrade new access road for maintenance vehicles to remove debris	21,478
Andrew Ave GPT Access Track	Construct/upgrade new access road for maintenance vehicles to remove debris	109,115
Koloona Ave, Figtree	Design of new debris control structure in Byarong Creek	5,833
Stormwater - Weed tree removal	Weed removal and replanting of creek banks with native species	28,546
Bellambi Creek - Albert Street	Weed removal and replanting of creek banks with native species	2,000
Budjong Creek - Imperial Drive	Weed removal and replanting of creek banks with native species	5,000
Byarong Creek - Figtree	Weed removal and replanting of creek banks with native species	20,000
Cabbage Tree Creek - Chalmers Rd	Weed removal and replanting of creek banks with native species	5,000
Cabbage Tree Creek - Innovation Campus	Weed removal and replanting of creek banks with native species	10,000
Cabbage Tree Creek - Guest Park	Weed removal and replanting of creek banks with native species	15,000
Cabbage Tree Creek - Alvan St, Helen Brae, Ira Ave	Weed removal and replanting of creek banks with native species	7,000
Cabbage Tree Creek - Foothills Rd	Weed removal and replanting of creek banks with native species	3,000
Cabbage Tree Creek - Cabbage Tree Lane, McMahon St	Weed removal and replanting of creek banks with native species	3,000
Cabbage Tree Creek - Aristo Cres	Weed removal and replanting of creek banks with native species	3,000
Charcoal Ck - Cummins St, Unanderra	Weed removal and replanting of creek banks with native species	4,999
Charcoal Creek - Tallegalla St Unanderra	Weed removal and replanting of creek banks with native species	15,000
Collins Creek - Robert Street Woonona	Weed removal and replanting of creek banks with native species	886
Fairy Creek - Carters Ln	Weed removal and replanting of creek banks with native species	2,742
Fairy Creek - Fraternity Club	Weed removal and replanting of creek banks with native species	5,000
Fairy Creek - North Wollongong	Weed removal and replanting of creek banks with native species	7,500
Fairy Creek - Thomas Dalton Park	Weed removal and replanting of creek banks with native species	8,158
Fairy Creek - Wiseman's Park Basin	Weed removal and replanting of creek banks with native species	4,382
Hospital Creek - Warrawong	Weed removal and replanting of creek banks with native species	2,500
Stanwell Creek - Stanwell Park	Weed removal and replanting of creek banks with native species	2,500
Towradgi Creek - Lemrac Avenue	Weed removal and replanting of creek banks with native species	2,222
Towradgi Creek - Meadow St, Karen Place, Underwood St	Weed removal and replanting of creek banks with native species	2,222

Project Location	Work Description	Funding \$
American Creek - Gibsons Rd, Mt Kembla	Weed removal and replanting of creek banks with native species	2,734
Farahars Creek - Halley Crescent Woonona	Weed removal and replanting of creek banks with native species	1,500
Mullet Creek - Bong Bong Rd, Dapto	Weed removal and replanting of creek banks with native species	2,500
Robins Creek - Horsley	Weed removal and replanting of creek banks with native species	2,500
Semaphore Road/Cherrybush Circuit, Berkeley	Weed removal and replanting of creek banks with native species	5,000
Mullet Creek - Avondale Rd	Weed removal and replanting of creek banks with native species	2,500
Ena Ave, Penrose	Weed removal and replanting of creek banks with native species	1,000
Minegang Creek - Ranchby Ave	Weed removal and replanting of creek banks with native species	7,500
Fairy Creek - Porter St	Weed removal and replanting of creek banks with native species	345
Minegang Creek - Denise St	Weed removal and replanting of creek banks with native species	7,500
Branch Creek - Sid Parrish Park Cleverdon Cres	Weed removal and replanting of creek banks with native species	1,000
Fairy Creek - Gilmore Park	Weed removal and replanting of creek banks with native species	10,000
American Creek - O'Briens Rd	Weed removal and replanting of creek banks with native species	2,500
Camp Creek - Helensburgh - Landcom	Weed removal and replanting of creek banks with native species	7,000
Bellambi Creek - John Parker Reserve	Weed removal and replanting of creek banks with native species	7,500
Towradgi Creek - IRT	Weed removal and replanting of creek banks with native species	3,357
Towradgi Creek - Meadow and Keira sts	Weed removal and replanting of creek banks with native species	1,082
Tramway Creek- North Depot	Weed removal and replanting of creek banks with native species	1,000
Slacky Creek	Weed removal and replanting of creek banks with native species	12,500
Brooks Creek - Kanahooka and Dapto	Weed removal and replanting of creek banks with native species	15,000
Mullet Creek - Dapto High School	Weed removal and replanting of creek banks with native species	1,000
Towradgi Creek East - Railway/Ziems St	Weed removal and replanting of creek banks with native species	17,500
Stormwater Quality Management	Aquatic weed and rubbish removal	16,831
SUBTOTAL: Stormwater Quality Management - Operational		481,111

Stormwater Infrastructure Restoration and Replacement

The replacement and/or upgrading of existing stormwater drainage assets due to the condition of the asset or to address current needs.

Project Location	Work Description	Funding \$
28 Haig St, Wombarra	Reline stormwater pipe	5,881
58 Stephen Pde, Woonona	Reline stormwater pipe	10,686
Cleveland Rd, Dapto	Reline stormwater pipe	24,093
Yates Ave, Figtree	Reline stormwater pipe	36,182
Barnes & Massey sts, Berkeley	Reline stormwater pipe	9,883
Andrew Ave, Keiraville	Reline stormwater pipe	23,927
Gannet Ave, Berkeley	Reline stormwater pipe	36,550
Foothills Estate 1 Dam	Reline stormwater pipe - project deferred	0
Foothills Estate 3 Dam	Reline stormwater pipe	13,800
Barina Park, Lake Heights	Reline stormwater pipe - project deferred	0
Gunyah Park	Reline stormwater pipe	9,460
Keira St, Wollongong	Reline stormwater pipe	31,078
Beach/Point/Southview sts, Bulli	Augmentation of stormwater network	203,734
Minor drainage North - stormwater drainage	Minor stormwater infrastructure renewals	101,222
721 Lawrence Hargrave Dr, Coledale	Design of new channel lining	545

Project Location	Work Description	Funding \$
Robsons Road, Keiraville	Construction of replacement upstream headwall and scour protection to inlet and outlet of existing stormwater culvert	368,028
Farrell Rd, Bulli	Stormwater pipe replacement	28,584
Kelly St, Berkeley	Stormwater pipe replacement	8,854
83 Morrison Ave, Wombarra	Design of replace stormwater pipe and headwalls	180
Second Ave, Warrawong	Stormwater pipe replacement - project deferred	0
116 Farmborough Rd, Unanderra	Stormwater pipe replacement	10,763
TOTAL		923,448

Stormwater Operational Management

Planning and undertaking operational activities including cleaning of debris and pollution control assets.

Project Location	Work Description	Funding \$
Citywide	Cleaning and removal of debris from stormwater pollution control and stormwater drainage infrastructure	322,169
TOTAL		322,169

Stormwater Asset Management System

Collection of asset management data on the stormwater drainage network, the urban drainage (pits and pipes), creeks/waterways, flood attenuation and management structures and pollution/debris control structures. This information is used to refine and update the asset management plan including maintenance, capital renewal and augmentation programs.

Project Location	Work Description	Funding \$
Citywide	Programmed inspections of stormwater assets. Develop maintenance and capital renewal programs	37,470
TOTAL		37,470

Condition of Public Works

Due to changes in the Integrated Planning and Reporting requirements, information on the condition of public works is now reported in the General Purpose Financial Statements through Note 9a - Infrastructure, Property, Plant and Equipment; Note 27 - Fair Value Measurement; and Special Schedule No. 7 - Report on Infrastructure Assets.

Environmental Planning Agreements

Agreement Description	Property Description	Agreement Parties	Agreement Date
Brooks Reach Subdivision The developer has entered into an agreement incorporating the operatives of the Special Infrastructure Contribution - Illawarra (West Lake Illawarra) to ensure satisfactory state infrastructure servicing arrangements; related development consent is DA-2010/693	Lot 601 DP 1054648 Bong Bong Road, Lot 1 DP 1159862 Bong Bong Road, Lot 2 DP 1159862 Bong Bong Road, Horsley	Minister for Planning and Stockland Development Pty Ltd	3/03/2011
Brooks Reach Subdivision The developer has entered into an agreement for the payment of a monetary contribution (\$29,205 per lot, plus indexing), the dedication of land and undertaking works within the road reserve as part of the subdivision proposal; related development consent is DA-2010/693	Lot 601 DP1054648 Bong Bong Road, Lot 60 DP1063539 (Currently Lots 1 and 2 DP1159862) Bong Bong Road, Lot 1 DP549692 and Lot 62 DP751278 Bong Bong Road, Horsley	Wollongong City Council and Stockland Development Pty Ltd	6/05/2011 Amended - 26/10/2012

Agreement Description	Property Description	Agreement Parties	Agreement Date
Calderwood Urban Development Project The developer has sought a change to Schedule 3 of State Environmental Planning Policy (Major Development) 2005 to rezone the land for urban purposes including approximately 4,800 dwellings and 50 hectares of mixed use and/or employment uses. The agreement is to ensure satisfactory state infrastructure servicing arrangements; related approval MP-2009/82	Pt Lot 2 DP 608238 Calderwood Road, Pt Lot 22 DP 809156 453 Marshall Mount Road, Lot 2 DP 158988, Pt Lot 4 DP 976456 Marshall Mount Road, Marshall Mount	Minister for Planning and Delfin Lend Lease Ltd	3/03/2011
Mr William Canavan The developer has entered into an agreement to provide sixteen parallel car parking spaces and a pedestrian footpath within the existing road reserve in Waratah Street, Helensburgh to address the shortfall of on-site car parking associated with the proposed restaurant development; related development consent DA-2011/28.	Existing road reserve in Waratah Street, Helensburgh	Wollongong City Council and Mr William Canavan	18/11/2011
Towradgi Park Bowls and Recreation Club The developer has entered into an agreement to provide payment of a monetary contribution of \$9,000 towards the construction of three public car parking spaces which will be required as a consequence of alterations and additions to the existing registered club; related development consent DA-2012/28.	Lot 167 DP 751301 and Lot 2 DP 1149341 Towradgi Road, Towradgi	Wollongong City Council and Towradgi Park Bowls and Recreation Limited	12/03/2013
Bulli Brickworks The developer has entered into an agreement to provide dedication of land and undertaking of embellishment works to expand and enhance an existing public reserve as part of a subdivision proposal; related development consent DA-2012/405.	Lot 2 DP 582940 Princes Highway, Bulli	Wollongong City Council and Towradgi Park Bowls and Recreation Limited	5/06/2013
Vista Park Subdivision The developer has entered into an agreement to provide payment of a monetary contribution (\$30,000 per lot), the dedication of land and undertaking works within the road reserve as part of a current and future subdivision proposals at Lots 1,2,3, 4 and 5 DP 1169628 Smiths Lane, Wongawilli; related development consent DA-2011/478.	Lots 1, 2, 3, 4 and 5 DP 1169628 Smiths Lane, Wongawilli	Wollongong City Council and RW Sheargold Pty Ltd	25/07/2013
Vista Park Subdivision The planning agreement provides that the developer will make monetary contributions of \$73,538 per hectare of net developable area for any part of the land to which each subdivision certificate application relates, for the purposes of the provision of designated state public infrastructure within the meaning of clause 6.1 of the Wollongong Local Environmental Plan (LEP) (West Dapto) 2010.	Lots 1, 2, 3, 4 and 5 DP 1169628 Smiths Lane, Wongawilli	Minister for Planning and RW Sheargold Pty Ltd	5/08/2013

Goal 2

We have an innovative and sustainable economy

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.



KEY RESULTS • Continue to implement the Mall refurbishment • 22 applications for the Crown Street and Inner City Building Façade Rejuvenation Program • Launched the city's Economic Development Strategy • Destination Wollongong directly funded or supported 33 events - Eastern University Games, resulted in around 2,000 people visiting, reaping an economic impact of \$2.5 million • Council's Library Learning Program ran 38 programs for adults with 570 attendees, and 267 programs for children and young people with 4,500 attendees.

FUTURE DIRECTIONS 2014-15 • Deliver the Economic Development Strategy • Continue to implement the Crown Street and Inner City Building Façade Project • Resolve options for key services including power and water supply to the Mt Keira summit • Contribute to the development of a strategy to resolve access, enhance environment, heritage, recreation and business at Mt Keira • Commence the design of the refurbishment works for the Bald Hill Masterplan • Deliver the Creative Spaces Strategy • Implement the Keira Street, Wollongong Precinct Plan.

Business Attraction and Investment within the Region and LGA

On 23 May 2014, Council and the Minister for the Illawarra hosted a Chinese delegation interested in investment opportunities in the region. The delegation included representatives from the Consulate-General of Peoples Republic of China in Sydney, Chinese banks and investment firms and the People's Daily.

Crown Street and Inner City Building Façade Program

Council's Financial Assistance Policy, Crown Street and Inner City Building Façade Rejuvenation Program commenced with 22 applications approved for assistance with façade rejuvenation projects. Successful applicants can receive a rebate of up to 50% of the cost of work once the project is complete. Six projects have already been completed with several more underway and others scheduled to coincide with

surrounding construction work such as the Crown Street Mall Refurbishment. This program not only helps create a livelier and more coherent streetscape, the economic benefits are also significant with \$2.1 million in modelled total economic output for the City of Wollongong and a 221% return on Council's investment. Planning for the official launch of Round 2 has commenced.



Crown Street and Inner City Building Façade Program
22 applications approved

Economic Development Strategy for the City

Wollongong contributes \$11.8 billion of the total Gross Regional Product of \$14.2 billion generated in the Illawarra region (Wollongong, Shellharbour and Kiama local government areas). In February 2014, Council launched the city's Economic Development Strategy which looks at what Council can do to encourage greater investment in the region and help create local jobs. The strategy was developed by Council with a range of stakeholders including Council's Economic Development Advisory Board.



33 events funded/supported by
Destination Wollongong

Wollongong Major Events Strategy with Destination Wollongong

During 2013-14, a number of new and repeat events were held in Wollongong, supported in accordance with Council's agreement with Destination Wollongong.

Destination Wollongong directly funded or supported 33 events, contributing to direct economic impact of \$21.8 million. Twenty-nine of those 33 events were either created less than three years ago, or new to Wollongong. The Eastern University Games, for instance, was actively pursued and secured for Wollongong, resulting in close to 2,000 people visiting over four days in winter, reaping an economic impact of \$2.5 million.

Creation of a diverse major events portfolio played a significant role in achieving the outstanding growth of 24.4% in the day-tripper market over the same period, which contributes \$344 million annually to the Illawarra.

In order to streamline processes for event organisers eight major event generic development applications have been obtained for MacCabe Park, Arts Precinct, Osborne Park, Wollongong Foreshore, Lang Park, Stuart Park, Botanic Garden and Dalton Park.

Crown Street Mall Refurbishment

As part of a broader strategy to revitalise the city centre, the refurbishment of Crown Street Mall will deliver a brighter, more connected, safer and more attractive space that meets the changing needs of the community. Elements such as free Wi-Fi, and a dynamic program of events to activate the city centre will enhance visitors' experience.

Between November 2013 and February 2014 work in the area west of the David Jones footbridge was scaled back to accommodate the busy summer trading period. However from February onwards works returned to normal, with completion anticipated by November 2014, weather and site conditions permitting.

Annual Program of Activities within the City Centre

The City Centre Retail and Business Awards, held in May 2014, help raise the profile of businesses in Wollongong, and recognise and celebrate excellence in Wollongong's retail and business sectors.

Additional program activities within the city centre included Easter in the City Centre, a Celebrity Performance by Nathaniel from X Factor, and the City Centre Winter Promotional Campaign which included competition giveaways, winter deals and radio promotions.

Outdoor Dining Policy

The draft Outdoor Dining Policy was developed to manage outdoor dining on Council Road Reserve (Footway) as well as Council owned and managed (Crown) land for outdoor dining associated businesses. The policy also helps to regulate smoking within approved outdoor dining locations on Council land, supporting Council's December 2012 resolution to take a phased approach to making alfresco dining areas on its land smoke free by 1 January 2014.

The Wollongong Local Environment Plan currently requires any food business wanting to offer outdoor dining to submit a development application. The same applies to businesses wanting to display goods outside their store. A draft planning proposal to simplify the approval process was exhibited from 18 January to 28 February 2014.

Although businesses will still need to have a license agreement with Council, the proposed change aims to encourage more outdoor dining and retail opportunities in the CBD and beyond.

Creative Spaces Strategy

As part of Council's Creative Spaces Strategy, a number of activities were undertaken, including:

- The Creative Spaces Kit developed for property owners and creative practitioners to support our creative economy, add life to the city and increase the city economy by activating empty shopfronts and turning them into short term creative spaces.
- Several pop up exhibitions were held in the city centre over April-May:
- A digital exhibition, Wollongong Journeys, was held in Wollongong Central from 12-29 April. The exhibition was produced by Cultural Services for NSW Heritage Festival 2014 and provided the opportunity for collections to be shown digitally outside the museum context. By having this exhibition in the retail precinct it provided the opportunity for cultural engagement as well as animating the CBD.
- The Starr Shell Art Museum Pop-Up Exhibition was held 12 April -2 May in Destination Wollongong Visitors Centre, and a Pop-Up exhibition in Wollongong Central - GPT Group 12-29 April. These pop-up exhibitions displayed objects from a Council owned collection which had been in storage since 1988. This exhibition made the collection accessible to residents, promoted Heritage Week and provided interest and cultural opportunities in the CBD.
- The Panel Project included 18 artists selected to produce artworks that have been placed around our city on walls and in laneways. The project fosters creative engagement with the city by the use of exciting and evocative art spaces that embrace the energy of urban life. It provides opportunities for artistic expression for emerging and established artists and engages new audiences and produces a creative engagement with the city. The Art on Crown project involved eight local high schools producing artwork celebrating Wollongong. The artwork was placed on hoardings during the upgrade of Crown Street Mall.

Business Investment and Attraction Program

Advantage Wollongong is a partnership between NSW Trade and Investment, Wollongong City Council and the University of Wollongong that was established in 2008-09 and today represents a best practice approach to regional economic development. It is a long term, strategic approach to creating sustainable new jobs and generating business investment for Wollongong. This is achieved through the facilitation of projects resulting in significant new business establishments, expansion of existing business operations or the relocation of footloose business facilities.

Program of Activities and Services that Support Learning

Wollongong City libraries provided the Tech Savvy Seniors training program which was part-funded by Telstra. This was very popular and successful with 782 trainees attending 102 training sessions. During the year libraries also held 38 other programs and events for adults which attracted 570 attendees including introduction to e-Books all libraries, Helensburgh Historical Society Guest speaker at Helensburgh, database training for HSC students and a Dr Who Trivia Day. A total of 267 programs were run for children and young people including storytime, Wiggle and Jiggle, Born to Read, WOW (What's on Wednesday), school holiday activities, and book clubs, attracting more than

4,500 attendees. Wollongong Art Gallery delivered over 250 education and public programs for children and adults. These included art workshops, free guided tours, enrichment programs, performances, talks and presentations, with over 7,500 participants.



Library Programs

38 programs for adults with 570 attendees
267 programs for children + young people with 4,500 attendees

Goal 3

Wollongong is a creative, vibrant city

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.



KEY RESULTS • Supported local professional and emerging artists through *Lunch time at the Arts Precinct* • Cultural Plan 2014- 2018 endorsed • Delivered Reconciliation Week program and support NAIDOC week programs • Sunset Cinema 2013- 14 season, an outstanding success • Partnering with TAFE NSW and IMB hosted free family cinema screenings at Dapto and Thirroul with over 500 people enjoyed each screening • 19 projects were funded through the Small Cultural Grants program to the value of \$36,150.

FUTURE DIRECTIONS 2014-15: • Deliver the Public Art Program • Deliver strategies from the Cultural Plan • Implement strategies of the Community Safety Plan • Deliver the Men's Spaces and Places Action Plan • Action improvements and strategies identified in the Library Satisfaction Survey • Refurbish Corrimal Library • Investigate the feasibility of establishing a cultural space at the Lower Town Hall Arts Hub.

Public Art

In October 2013, Council launched its first permanent sound art installation. The work, titled Hub, by Brent Williams has been set up in the laneway between Wollongong Town Hall and Wollongong Art Gallery. Hub is motion-activated and the artist has created a range of sounds that are all related to experiences in our city. These include the sound of water, music and theatre performances, nature and conversations in different languages.

Other public art project examples delivered in the year include:

- Art Light Boxes project installed in Ethel Hayton Walk that light up the walkway
- A mosaic bench, mural and art directional sign installed in Warrawong
- Cowper Street Mural as part of the revitalisation of Warrawong Town Centre
- Corrimal Park Art Seat, to enhance and highlight the character of Corrimal Memorial Park.

Community Cultural Development Projects

During 2013-14 Council continued to work in partnership with other organisations to deliver Community Cultural Development projects, including:

- The Intergenerational Mask Making Partnership with Multicultural
- Communities Council of Illawarra (MCCI) which aimed to strengthen relationships between different generations, and provide skills development.
- The Art Therapy Project, with Specialist Mental Health Service for Older People. This project used art as a therapeutic tool for older women with mental health issues.
- The Restoring Hope Panel Art project and MCCI partnership lino print workshop, which formed part of Council's Refugee Week project.
- The Decorative Textile Project developed to engage communities with Wollongong's cultural life. This project involved 49 people from different communities, who produced 60 unique textile.
- Papergirl Wollongong 2013 which engaged over 2,000 people with a launch in a pop up shop in Globe Lane, 12 exhibitions in shops across the CBD and 11 workshops. Two hundred emerging artists were involved and over 300 pieces of art were given away at 2013 Viva la Gong Festival.



Papergirl
2,000 people engaged
200 emerging artists involved

Activation of the Arts Precinct

The live music series *Lunch time at the Arts Precinct* ran between September and April with local professional and emerging artists performing to lunchtime crowds each Wednesday from 12-2pm. The performances support local artists and complement activities at the Wollongong Art Gallery, Illawarra Performing Arts Centre, Wollongong Town Hall, central library and cafes housed within the precinct.

Cultural Plan

The Cultural Plan 2014- 2018 was endorsed by Council on 26 May 2014. The plan incorporates the Cultural Action Plan, Live Music Action Plan and the City Centre Evening Economy Action Plan which set a strategic direction for cultural programs, events and activities in the city.

The plan was developed through extensive consultation and aims to build on the city's cultural strength, identify new options for delivering cultural services and celebrate Wollongong's cultural heritage, public spaces and identity. The plan also recognises the significant contribution that live music and an evening economy in the city centre make to a successful experience.



Over 4,000 people attracted to
Comic Gong 2014

Deliver the Comic Gong Festival

Wollongong City libraries delivered Comic Gong 2014 in May across a number of venues, including the Arts Precinct, Wollongong Town Hall, Wollongong Art Gallery and Central Library. The event was very successful, attracting over 4,000 people which is more than double the attendance of the inaugural event in 2013.

Reconciliation Week and NAIDOC Week

A Reconciliation Week celebration of dance, didgeridoo and art work was held on 6 June 2014, with over 50 people in attendance. NAIDOC week grant applications were received and processed which included recommendations of support from Council's Aboriginal Reference Group. Eight groups received funding worth a total of \$8,000 and with over 2,500 people attending these funded events. Council assisted in planning and conducting the Regional NAIDOC Week Awards Dinner with over 250 people attending.

Community Events and Celebrations (CALD communities)

As part of Refugee Week 2014 Council partnered on a number of initiatives including the *Taste of the Worlds Dinner*, a partnership with SCARF, which officially launched Refugee Week. The dinner was held on 16 June at the Town Hall, with over 200 people in attendance. Council also contributed to the planning and delivery of the World Refugee Day Celebration event which included performances, food and information stalls. A Refugee Awareness and Education Project was also delivered, in partnership with SCARF and Dapto High School, which included activities such as living books, Burmese Noodle workshop, Interactive Education and Hip Hop workshop.

Wollongong Art Gallery in collaboration with community programs presented the exhibitions *Me, the Road and I* and *Restoring Hope* during refugee week which engaged with the personal stories and experiences of former refugees living in the Illawarra. These exhibitions attracted 23,154 visitors in the period May to September.

Men's Shed

Council's Social Support Services team continues to deliver a Men's Shed for frail, older men, supported by funding from the Department of Social Services. A highlight of the year was the donation of toys made by the Men's Shed participants to the Lord Mayor's Giving Tree at Christmas.

Actions from the Men's Shed Strategy delivered during the year include:

- Provision of information and resources to men's shed organisations.
- Development of a partnership between Council's Green team and the Kanahooka Men's Shedders to make Bokashi recycling buckets.
- Working with Corrimal Men's Shed who make and sell the traps and nesting boxes for the Indian Myna Bird program.

Australia Day Awards and Celebrations

Winners of the 2014 Australia Day Awards, including Citizen of the Year were announced at Council's Australia Day Awards dinner. A total of 40 nominations were received across six categories. Neil Preston OAM received the Wollongong Citizen of the Year, in recognition of his contribution and commitment to improving the lives of people with disability. Well known former bus driver Les Dion Senior was the inaugural Senior Citizen of the Year. For the first time, there were two recipients of the Young Citizen of the Year award – siblings Ethan and Macinley Butson, who were recognised for their individual achievements in research and inventions in the fields of medicine and the environment respectively. Bill and Ann Lever were winners of the Cultural Award for their commitment to supporting the arts in the Illawarra, while Carol Herben was Highly Commended for her contribution to recording and conserving Wollongong's Heritage. The 2014 Community Award has been presented to Need-a-Feed, a local charity set up to provide food parcels to struggling families in the Illawarra. Angela Saville received the Sports Award for her dedication to, and promotion of, health and fitness in the Illawarra. The Team UOW (Solar Decathlon China 2013) received a Lord Mayor's Special Award.

Council's Australia Day Program drew crowds of approximately 35,000 people. The program of events included special performances for the children, activities, street stalls and displays across Osborne Park, Flagstaff Hill and Lang Park. The event concluded with the gpm fireworks at the Wollongong Harbour.



Australia Day Program attracted
35,000 people

'Home Grown' at Wollongong Youth Centre

Wollongong Youth Services celebrated local street art and music with 'Home Grown' on the 23 January 2014 with over 200 young people attending. The event organised in partnership with Verb Syndicate aimed to promote local talent and build a sense of community for young people. The day saw established street artists team up with emerging artists for a street art jam on the walls of the Youth Centre and Project Contemporary Artspace. There were also performances by local bands, and a BBQ.

Support Existing and Emerging Arts Workers and their Networks

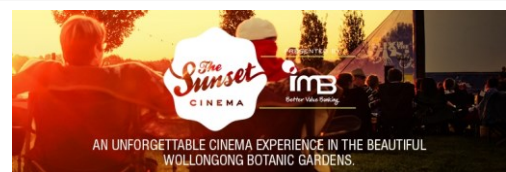
Oil portrait painter Elizabeth Batger, and contemporary artist and fashion designer Lillian Cuda were selected for the 2013 Youth Artists in Residence program, which provides young artists with studio space, mentoring and financial assistance for twelve months to allow them to develop their skills. The program was officially launched in February with the two young artists showcasing their work at Wollongong Art Gallery.

Wollongong Art Gallery supports existing and emerging artists through a number of programs including the Friends Resident Artist Program which supports emerging artists, children and adult art workshops which provide employment for local artists and the exhibition program which showcases the work of local artists.

The Art Gallery developed and delivered 24 art exhibitions in its 2013 artistic program including exhibitions from the collection and by local and national artists. Highlights in 2013 included *Me, the Road and I* focussing on issues surrounding asylum seekers and refugees and *The Green Cathedral* which looked at the surfing heritage of this area. The Art Gallery also presented nine exhibitions in its Community Access Gallery.

Sunset Cinema

The Sunset Cinema 2013-14 season was an outstanding success with approximately 12,200 people visiting the Botanic Garden to watch a total of 21 new release and cult classic films outdoors. The most successful film of the season was *Grease* which saw 1,200 people attending the Botanic Garden. The season drew positive feedback and saw a growth in attendance by families.



Sunset Cinema Season attracted
12,200 people



Over 25,000 people attended
Viva la Gong Festival

Viva la Gong 2013

Viva la Gong is an annual arts and community festival that celebrates the city's creative spirit and cultural diversity. The main festival on 9 November 2013 was preceded by a seven month Community Cultural Development Program, Papergirl Wollongong and six month Creative Dialogue Program. A range of satellite events externally organised by community and cultural organisations in the weeks preceding complemented the festival and built momentum.

On the day there were 85 performances, 78 discrete performances ranging from solo artists to group performances. Of the 78 performances, 71 were by people from the local area. An estimated 25,000+ people attended the festival.

Viva was the winner of the 2014 Local Government Arts and Culture Award for Developing Arts and Culture: Festivals and Events.

Thirroul Street Art Project

Students from St Michael's Catholic Parish Primary School, as well as young people from Thirroul Neighbourhood Centre and Wollongong Youth Services celebrated the official launch of the Thirroul Street Art Project in October 2013. The project saw the students and young people working with seven local artists over four months to create a mural on Council's amenities block on Lawrence Hargrave Drive in the Thirroul Plaza. The project was funded through the Attorney General's Department for graffiti prevention projects.

SongWorld Website (A Harmony Project)

Council launched a new website [www.songworld.com.au] for people interested in learning and teaching multicultural songs, and promoting cross-cultural understanding. The website contains all the teaching resources needed to learn and teach six children's songs in community languages. The website has been developed from the successful SongWorld children's music project held with four local primary schools in 2012.

Happiness Cycle

The Happiness Cycle Project aims to get vulnerable young people (aged 15-16) to make a commitment to becoming more physically active and earn/build a bike through the process. The event was delivered in partnership with The Bicycle Network and Wollongong City Council's Youth Services on 26 June at The Snakepit. Over 300 young people enrolled and 278 built bikes on the day. The program reached all corners of the LGA and engaged high numbers of Indigenous and Culturally and Linguistically Diverse (CALD) young people. This program was one of the most successful in Australia with the highest number of enrolments and participants.



Happiness Cycle Program
over 300 young people enrolled, 278 bikes built

Goal 4

We are a connected and engaged community

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.



KEY RESULTS • Council undertook more than 40 community engagements activities with the community • Youth Services established as a sector leader in social networking • Eight trainees employed through Council's Transitional Employment Program received certificates of completion • Following WorkCover Audit, Council provided with a further three year self-insurance licence.

FUTURE DIRECTIONS 2014-15 • Implement the revised Community Engagement Policy and Framework • Deliver the Council Connect project to enhance Council's online services and increase opportunities to conduct business with Council online • Determine a site for the Warrawong Library and Community Centre • Achieve \$6.5 million in operational savings within three years.

Community Engagement

During the year Council undertook more than 40 community engagements, including:

- Securing our Future - Financial Sustainability Review
- Draft Annual Plan 2014-15
- Gleniffer Brae stakeholder engagement
- Holborn Park Skate Plaza
- Cordeaux Road improvements and Mt Kembla shared pathway
- Grand Pacific Walk - vision and stage 1 concept plans
- Draft City of Wollongong Bike Plan
- Cultural Plan including the Live Music Action Plan and Evening Economy Strategy
- Draft Play Wollongong Strategy
- Draft Strategy for the Future of our Pools
- Waterfall General (Garrawarra) Cemetery Conservation Management Plan
- Yallah-Marshall Mount draft Structure Plan and draft Planning Proposal
- Darkes Road South West Neighbourhood Plan
- Crown Street Façade Improvement proposal
- Draft Economic Development Strategy
- Draft Floodplain Risk Management Plan for the combined catchments of Collins, Whartons, Farrahars creeks Bellambi Gully and Bellambi Lake
- Various draft planning proposals at Otford, Helensburgh, Avondale, West Dapto, Corrimal, Stanwell Park and outdoor dining
- Alcohol Free Zones: re-establishment

Availability and Accessibility of Information

Updates and information, including minutes of Reference Group meetings, are regularly published to Council's website to ensure availability and accessibility of information to the community. Council meeting agendas and Business Papers are made available one week prior to the scheduled meeting.

Government Information (Public Access) Act 2009 and Regulation

The Government Information (Public Access) Act was introduced in 1 July 2010 and facilitates access to information that Council holds in the following ways: Mandatory release of information via Council's website (open access), authorised proactive release via Council's website, informal release subject to an informal access application and release subject to a formal access application. Any person who wishes to obtain access to information held by Council is encouraged to contact our public officer for assistance. There are a number of 'open access' documents available including Wollongong 2022 Community Strategic Plan, management plans, annual reports, annual budgets, plans and policies, meeting agendas and minutes and graffiti and land registers. These, and other documents, are easily accessed via our website.

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

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

Where a Formal Access Application is received, and it is likely to be of interest to members of the public, Council may make the details available by publishing the content to its 'disclosure log'. The disclosure log contains non-personal information only and can be viewed on Council's website via the following link -

<http://www.wollongong.nsw.gov.au/council/gipa/Pages/DisclosureLog.aspx>

National Youth Week 2014

National Youth Week provides an opportunity for young people to celebrate and showcase their talents and have their voices heard. This year's event included a Lord Mayor's debate, Globe Lane Art Markets (GLAM), live music and The Big Day In at Warrawong Community Centre.

For the second consecutive year, Wollongong Youth Services was a finalist in the NSW Local Government Awards for 'Innovation'.

Youth Consultation Strategy

Over the past two years Council's Youth Services have engaged with 2,352 young people in the planning and implementation of the Young Women's Forum, a Young Men's Focus Group, two major youth surveys ('It's My Future'), as well as a broad range of other engagement approaches. The information gathered has provided insight into issues that young people identify as of high importance to them, as well as potential partnerships to enhance existing community strengths. The information gathered is central to Council's Youth Services strategic planning and guides service provision across the city.

Social media proved to be an extremely valuable way to engage and connect with young people. Wollongong Youth Services has established itself as a sector leader in social networking with over 1,600 followers on Facebook. This is significantly higher than other council based Facebook audience sizes (City of Sydney Youth Services 1,207; City of Brisbane Youth Services 887).



Equal Employment Opportunity Management Plan

The Employment, Equity and Diversity (EED) Management Plan includes a number of programs addressing targeted groups. Our EED programs have continued to expand, 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 involving traineeships to disadvantaged youth, new arrivals (with refugee status) and people living with a disability. The program was successfully completed with eight of the original nine trainees presented with certificates of completion by the Lord Mayor. The trainees were employed in the tourist parks, on the Graffiti Crew and at the Botanic Garden, while gaining relevant TAFE qualifications. Council is reviewing the initial program and will consider continuing the program with targeted groups.
- Cadets, Apprentices and Trainees Program currently supports 19 cadets, seven apprentices and 12 trainees who are at various stages of their training program. CATs have been employed in areas such as Community Engagement, Land Use Planning, Community Services, Customer Service and Civil Construction. Included in the program is a targeted position for an ATSI person. For 2015, an intake of two apprentices and one trainee will occur. During 2013-14, Council also completed a whole of process review of our attraction and recruitment function. Following the review, Council endorsed an e-recruitment IT system to support the findings.
- Council has recently taken on six civil labourer traineeships, used as an opportunity to attract youth in to entry level positions. 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.
- 19 employees completed the Certificate III program in Aquatics. This provides the employees with a qualification enabling them to move to other areas of the aquatics function during the later stages of their career. It forms part of Council's strategies for managing our ageing workforce.

Council's Health and Safety Culture and Behaviour

WorkCover completed an audit of Council's Work Health (WHS) and Safety Management System during the year. The audit demonstrated Council's performance above the required standards. This resulted in Council being provided with a further three year self-insurance licence. The key success for this achievement has been our implementation of the WHS Management System across all our businesses.

Our WHS Leadership Program commenced in July 2013 involving over 80 supervisors being trained. Training focused on improving WHS knowledge and skills in the application of the management system across all business areas. This involved defining responsibilities and accountabilities and re-enforcing the application of positive safety behavior. This program will continue to be delivered across all levels of supervisors.

The 'Live Well - Lets Work Together' program continued during the year to support our safety and wellness culture. This Wellness Program delivered a number of initiatives to enable our staff to make healthy lifestyle choices.

Austinmer Beach War Memorial - support of Centenary of ANZACs

Council has worked collaboratively with the local committee to identify and undertake maintenance and improvement works on a number of memorials across the city as part of its commitment to supporting recognition of the centenary of ANZACs. Austinmer is the first of these to be completed with works including installation of granite steps and bollards, re-lettering, cleaning and lighting improvement. These works were funded through a combination of federal and state grant funding as well as a Council contribution.

Warrawong Community Facility

Initial concept planning work was undertaken with stakeholder workshops, interviews and surveys providing input into the process. Feedback was received on considerations such as location, planning and design, characteristics or personality preferred for the new facility, and desired services and activities. Leading practice research work was also undertaken looking at current best practice case studies. The final report provides location and design principles, proposed facility characteristics, spaces and amenity; taking into consideration existing and future community needs and the gap in current offerings. This body of work will inform site selection, which will be undertaken during 2014-15.

CBD Services Map for newly arrived

An 'Information guide to Wollongong' brochure and map was developed to provide key information to newly arrived communities. The map includes important places including government services, multicultural agencies and other useful places like supermarkets, the tourist centre and the Wollongong Library.



Community Transport Service
131,149 passenger trips, 85% satisfaction

Community Transport: Wollongong - Shellharbour

The annual customer service survey was undertaken for Community Transport: Wollongong - Shellharbour with greater than 85% satisfaction across the three main areas; group transport, individual transport and taxi vouchers.

Line of Sight Project

The 'Line of Sight' project was a partnership project between the local office of Spinal Cord Injuries Australia (SCIA) and Council. Clients of SCIA assisted in the development of a series of photos for an exhibition that raised awareness of the barriers wheelchair users face as they move about the built environment. The photo panels were exhibited as part of International Day of People with Disability and displayed in Wollongong Central over a period of two weeks.

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 2013-14 include:	
Number of public officials who made PIDs	7
Number of PIDs received	3
Corrupt Conduct	0
Maladministration	2
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	1
Number of PIDs finalised	2

Note: The number of PIDs finalised only refers to PIDs that have been received since 1 July 2013.

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

- Council's PID program was audited by the NSW Ombudsman's office and many of the strategies implemented hereunder were as a result of the recommendations of that audit.
- Council has nominated eight senior officers and eleven additional Council officers as PID officers.
- To increase PID awareness and improve PID management, the Professional Conduct Coordinator arranged for NSW Ombudsman staff to deliver one 3-hour PID Management training session and two 1-hour PID Awareness training sessions (for general staff) in July 2013.
- Ombudsman Guideline D2: (Information, advice and feedback to internal reporters) contains a table of information to be provided to an internal reporter at the outset, after an assessment decision, during any investigation and at the end of any investigation. This guideline was adopted as standard practice by Council as part of the PID processes.
- The Wollongong City Council Professional Conduct Coordinator, for consistency and best practice management of internal reports, has developed a series of templates for the management of public interest disclosures. This was recognised as best practice by the Ombudsman Audit team.
- To assist Council to manage the risk of reprisal, the NSW Ombudsman has published guidance in Guideline C4: (Managing risk of reprisals and conflict) and Guideline D4: (Preventing and containing reprisals and conflict). These guidelines were adopted by Council as part of the PID processes. Council now prepares a risk assessment for every PID, which assesses the practicality and reasonableness of confidentiality being maintained and how it will manage the risk of reprisal action if it cannot be maintained.
- To ensure that Council properly assesses internal reports to determine whether or not they should be managed as PIDs, Council adopted the Public Interest Disclosure assessment template available on the Ombudsman's website.
- Message from the General Manager to staff on the Hub on the intranet reminding them of the public interest disclosure provisions and Council's internal reporting policy and thanking staff who made PID reports for their contribution to Council.
- Placing the internal reporting policy on the intranet.
- Distributing copies of the internal reporting policy to staff.
- Poster program to promote staff awareness.

Details of Overseas Visits by Councillors and Council Staff

Councillor Gordon Bradbery OAM, Lord Mayor

Economic Development visit to China

Date 22-29 September 2013

Registration	Nil
Accommodation	\$909
Flights	\$4,466
Other costs	\$419
TOTAL COST	\$5,794

Mark Grimson Economic Development Manager

Economic Development visit to China

Date 22-30 September 2013

Registration	Nil
Accommodation	\$463
Travel cost	\$2,951
Other costs	\$617
TOTAL COST	\$4,031

Summary of Legal Proceedings

Particulars	Finalised	Expenses Including GST \$	Receipts Excluding GST \$
Liability litigation against Council			
Breach of contract	No	67,442	Nil
Personal injury	No	34,927	Nil
Personal injury	Yes	292,963	Nil
Professional indemnity	Yes	100,000	Nil
Defective certificate	Yes	100,000	Nil
Council Initiated Litigation			
Unauthorised structure	No	47,723	Nil
Unauthorised use	No	Nil	Nil
Unauthorised structure	Yes	22,946	Nil
Unauthorised use	Yes	6,121	Nil
Lapsed consent	Yes	45,604	Nil
Professional indemnity	Yes	7,057	Nil
Planning Appeals against Council			
Refusal of development application	Yes	25,630	Nil

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 2013 to 30 June 2014 (whether as a result of tender or otherwise):

Tender No.	Name of Contractor	Contract Description	Contract Amount (Excluding GST) \$
T11-11	Thomas & Coffey	Electrical distribution board inspection and testing	\$285,907
T12-10	DECC Pty Ltd	Demolition of existing structures at Flinders Street Car Park	\$505,500
T12-35	Various	Provision of Plant Hire Services	\$4,900,000
T13-03	Insituform Pacific, Interflow, Kembla Watertech, Ken Barnes, Water Infrastructure Group	CCTV and Pipe Repair Services	\$2,000,000
T13-08	Malsave	Beaton Park Tennis Club Roof Replacement Project	\$149,970
E4292	Bevisco	Administration building office partitions and work stations	\$200,000
T13-12	Solo Services Group	Cleaning services at Beaton Park Leisure Centre	\$61169 pa
T13-13	Soilco	Organics Processing	\$3,391,556 pa
T13-14	Thomas & Coffey	Towradgi Park Amenities Renovation	\$765,700
T13-15	Camarda & Cantrill	North Dalton Park Grandstand Roof Replacement Project	\$106,145
T13-16	Bowantz Landscaping & Environmental, Bush It, Ecohort Pty Ltd, Illawarra Bushland Restoration, Illawarra Local Aboriginal Land Council, M Burgess Bushland Restoration, Midge's Bushland Restoration, Native Bushland Restoration, Southern Habitat, Toolijooa and Total Earth Care	Bushland and Bushfire Management	\$3,000,000
T13-17	Web McKeown & Associates	Wollongong City Floodplain Risk Management Study and Plan	\$128,255

Tender No.	Name of Contractor	Contract Description	Contract Amount (Excluding GST) \$
T13-18	Abergeldie Constructions	Construction of Bridge over Mullet Creek, Cleveland Road, Dapto	\$1,774,809
T13-19	Mission Australia	Mattress Recycling	\$237,248 pa
T13-20	SMEC Australia	Review of Brooks Creek Floodplain Risk Management Study and Plan	\$76,517
T13-21	Specialised Geo Pty Ltd	Mt Keira Remediation Works Stage 4A	\$1,086,195
T13-22	Remondis Australia	Waste Collection Services	\$512,614 pa
T13-23	Visy Paper Pty Ltd & Visy Industries Australia P/L	Recyclables Processing	\$805,000 pa
T13-25	GC Group Company Pty Ltd	Construction of a sea wall at Thirroul	\$169,164
T13-27	Abergeldie Constructions	Upgrade to Shone Avenue at Horsley, including a 4 span bridge and Channel works	\$5,290,371
T13-31	Fernandez Constructions	Grand Pacific Walk Stage 1 - Coalcliff/ Stanwell Park - Stoney Creek Shareway Bridge	\$724,986
T13-32	Cardno	Provision of project development services including concept design, detailed design and construction documentation for the proposed West Dapto Access - Fowlers Road to Fairwater Drive	\$999,944
T13-33	Silver Raven	Bushell's Hill Bridge Repairs	\$123,637
T13-35	Azzamac, Lifestyle Pavers, River Sands, United Stone, Sam the Paving Man, Wilmid	Supply of pavers	up to \$1,000,000
T13-36	Musco Lighting Australia	Design, supply and install complete lighting solution to Robert Ziems Park, Corrimall	\$133,000
T13-39	Roadworx Surfacing Pty Ltd	Fred Finch Park Netball Courts Asphalt Surfacing	\$295,315
T13-40	Fernandez Constructions	Renewal of William James Bridge on Cordeaux Road	\$2,888,888
T13-41	Piruse Constructions	Administration building car park Upgrade Project	\$727,323
T14-03	Malsave	Corrimall Community Centre and Library main kitchen renovation	\$139,980
T14-04	North Shore Paving	Bus bay, pedestrian refuge and pathway construction, Lawrence Hargrave Dr, Coalcliff	\$729,342
T14-05	Tony Pollard	Heritage Walk Stage 2 - Electrical Asset Relocation	\$233,805
T14-06	Specialised Marine Services	Austinmer Rock Pool Refurbishment	\$499,405
T14-07	Moduplay Group	Design and construction of Holborn Park Playground	\$175,000
T14-09	Land and Marine Ocean Engineering	Continental Pool seawall reconstruction	\$277,470
T14-11	Rent a Chippy	Construction of Windang Lifeguard Tower	\$135,210

Controlled Entities

There are no controlled entities in the financial statements for 2013-14

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 2013-14 include:

	\$
Community events and activities	127,395
Arts and cultural activities	66,958
Community safety	25,432
Educational and environmental activities	25,189
Sporting activities	54,270
Heritage Grants	28,385
Total	327,628

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

2014 Abandonments	\$
Postponed Rates	45,766.77
Postponed Interest	24,499.56
Council Voluntary Pension Rebate	747,250.16
Pensioner Interest write-offs	36,412.84
Total	853,929.33

Goal 5

We are a healthy community in a liveable city

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.



KEY RESULTS • Refurbished and upgraded Corrimal Community Centre and Library • Replaced the roof of the Wollongong Tennis Club building • Adopted the Play Wollongong Strategy 2014-2024 • All abilities playground, *Lukes Place* was officially opened in March 2014 • Prepared the concept design for Southern Suburbs Skate Park
22 Refurbished amenities at Towradgi Park.

FUTURE DIRECTIONS 2014-15: • Deliver community development activities • Implement the Positive Ageing Strategy • Implement the key principles outlined in the 'Play Wollongong' Strategy • Implement the key recommendations of the Strategic Plan for Council swimming pools in accordance with Council's capital program when adopted • Implement the Wollongong Safety Plan 2012-2016 and Graffiti Management Policy • Develop and implement the Sports Grounds and Sporting Facilities Strategy 2015-2025.

Positive Ageing Strategy

Council continued to provide information and actively participate in networks, partnerships and links across relevant sectors to implement the Positive Ageing strategy.

Some highlights during 2013-14 include:

- Seniors Week 2014 program which included more than 87 events held across the city with in excess of 2,500 local seniors participating. As part of the program Council delivered the Lady Mayoress Afternoon Tea Dance, the Art and Photography competition, activities at Beaton Park and Lakeside leisure centres, an Op Shop Tour, the Mini Expo, the LGBTQI intergenerational playback theatre event, and a range of activities with the libraries and Water Colour Workshops at the gallery.
- In partnership with Smith Family, St Francis of Assisi Primary School and the Illawarra Multicultural Village Council contributed to the 'Me, You and Us' Intergenerational story telling project. This project involved students interviewing residents of the village and documenting (in a video) the stories and wisdoms of older people.
- Council worked in partnership with Illawarra Shoalhaven Local Health District and the Illawarra Forum to provide a series of exercise sessions at Council's Outdoor Fitness Equipment in Nicholson Park, Woonona.



Seniors Week
over 87 events, with 2,500 participants



Paint the Gong REaD
Children encouraged to read to the egg to help it grow

Paint the Gong REaD

In partnership with community stakeholders Council delivered the Paint the Gong REaD Early Literacy Program. In August 2013 the Annual Reading Day was held at Warrawong Westfield with families and children enjoying a range of activities that encourage and promote the importance and joy of reading. The Reading Tent was also included in the St George Illawarra Dragons charity shield day at WIN stadium and at Warrawong Public School on Tuesday afternoons. Highlights in 2014 include the reading egg project where children from schools and preschools were encouraged to read to the egg to help it grow and develop. Journals were kept to capture the children's

experiences. A Mascot design competition was also held with 180 entries from local children, the winning entry inspired the Mascot design 'Bright Spark'. Training on how to use your Mascot in community engagement was also conducted with 30 services represented. Paint the Gong REaD also entered a partnership with Illawarra Combined Rotary clubs and the Imagination Library to regularly distribute children's books to more than 170 families in the Warrawong and Cringila area.

Southern Suburbs Skate Park

Council appointed Convic Skate Parks to design and construct a skate plaza at Holborn Park, Berkeley. A concept design was prepared with construction planned for 2014-15.

Fred Finch Park Berkeley

Work commenced on the renewal of the netball courts at Fred Finch Park Berkeley as part of the \$365,000 project, funded by a contribution of \$235,000 from Illawarra District Netball Association. Works include resurfacing of all 41 courts, new line-marking and installation of new goal posts. The courts are a key sporting facility in the region, used by hundreds of netballers each week for both local and regional netball competitions.

Kerryn McCann Athletics Centre

Kerryn McCann Athletics Centre was upgraded during the year. The \$235,000 of works including hammer cage replacement, lighting installation, high jump mat replacement, pole vault equipment replacement and officials stand replacements.



Kerryn McCann Athletics Centre
\$235,000 upgrade

Playground Strategy

Council adopted the Play Wollongong Strategy 2014-2024 on 23 June, which will guide how Council delivers high quality play spaces across the city from Helensburgh to Windang. With the social, cultural and physical benefits of play spaces for children being at the forefront, the Play Wollongong Strategy has been developed to assist in delivering a strategic approach to play spaces, specifically for children 0-12 years. The strategy outlines six principles that will be used to develop interesting, challenging and safe spaces for children 0 to 12 years.

Celebrating 'Luke's Place'

On Friday 28 March 2014, the Illawarra's newest inclusive playground, *Luke's Place* was officially opened by the Touched By Olivia Foundation, the Rapley Family, local MP Ryan Park, Minister for the Illawarra John Ajaka, Wollongong City Lord Mayor Gordon Bradbery and other key stakeholders.

Luke's Place at Corrimal Memorial Park is a specially designed play area for children of all abilities. It was designed with input from children from local schools and community members, and is named in honour of four-year-old Luke Rapley from Corrimal whose family has been instrumental in making the park a reality.

The playground features the region's first carousel which can be used by children of all abilities. It also offers colour-coded, textured sections for visually impaired children, areas where hearing-impaired children can interact with noise and vibration and different active and quiet zones to provide children with autism or other cognitive disorders, different places to play.

The \$250,000 playground was jointly funded by Council and the Touched by Olivia Foundation, along with support from the state government, community groups and individuals.



Luke's Place

**\$250,000 playground jointly funded by
and Touched by Olivia Foundation**



**Over 390,000 visits to
Beaton Park and Lakeside leisure centres**

Council's Recreation and Leisure Assets

Utilisation of Council's leisure centres has varied throughout the year. Compared to the previous year, overall utilisation of Beaton Park Leisure Centre has increased slightly, whilst at Lakeside it has slightly decreased. Timetables and activities at Lakeside are being reviewed to better meet the needs of users.

A Beat It Program, target at people in low socioeconomic areas living or at risk of developing diabetes and other lifestyle diseases was run at both centres, with over 150 participants. This targeted. Other new programs included the Grey Medallion water safety program and the Veterans Affairs Exercise program, both specifically targeted older adults.

Future of Our Pools Strategy

The city has both tidal rock pools - at Coalcliff, Wombarra, Coledale, Austinmer, Bulli, Woonona, Bellambi, Towradgi, and North Wollongong; and nine supervised pools. A recent survey shows that 63% of the community had not visited a rock pool in the previous twelve months, however more than 1 million people had attended the nine supervised pools in the 2013-14 season.

The Future of Our Pools Strategy, endorsed by Council in June 2014, will enable Council to provide appealing, safe, and sustainable aquatic recreation opportunities for our community.



**Over 1 million attendances at Council's eight
supervised pools**

Towradgi Refurbished Amenities

The amenities at Towradgi Park were refurbished during the year, including the addition of a new self-cleaning Exeloo to provide facilities for people with disabilities, the replacement of the sewage pumping station, the installation of marine-grade stainless steel metalwork, and a new roof. The toilets' flooring, surrounding footpaths and seating between the blocks were also replaced.

The amenities block now offers two toilets, a urinal and three showers in the men's block, with three toilets and three showers in the women's block. All the showers are controlled using a touch flow system, which reduces water wastage.

Warrawong Laneway Fiesta

As part of the Spanish Latin American film festival led by SALCO (Spanish and Latin American Community Organisation) the Warrawong Laneway Fiesta was a great success with approximately 250 people attending. The fiesta component specifically supported key planning directives from the Warrawong Town Centre Master Plan regarding activating public space and also provided an opportunity to celebrate cultural diversity in the local area.

Healthy Communities Initiative Wollongong

The Healthy Communities Initiative Wollongong funded by the Australian Government commenced in September 2011 and is now completed. This project sought to engage adults, who are predominantly not in the paid workforce and at risk of weight related chronic disease, in healthy eating and physical activity programs. More than 3,007 people participated in the project.

Southern Suburbs Capacity Building Project

Council completed the Southern Suburbs Capacity Building project with Coomaditchie United Aboriginal Corporation and the Warrawong Community Kitchen. The project focused on building capacity in both organisations to be able to continue to deliver the community programs they offer. Council established a partnership with BlueScope emerging leadership team to work with both groups to develop self-funding sustainability opportunities.

Corrimal Town Centre Study

A review of the Corrimal Town Centre study commenced during the latter part of 2013-14. Key highlights include the review of the 2010 work, development of an illustrative master plan for the Memorial Park precinct and meeting with relevant stakeholders including Neighbourhood Forum 4. Moving forward, a draft report will be prepared to enable further community consultation, prior to the report being presented to Council.

Community Safety Plan

Activities undertaken throughout 2013-14 to implement the Community Safety Plan include:

- Completion of the Warrawong Safer Spaces project
- An audit of current Alcohol Free Zone areas (seven across the LGA) in conjunction with NSW Police
- Completion of 174 Community Safety assessments on development applications
- Continued partnership with the Wollongong Liquor Accord and NSW Licencing Police to reduce alcohol related assaults in the LGA
- Completion of more than 60 community safety audits
- Data analysis of the 2013 crime statistics and their five year trends completed
- Presentation to and assistance with the facilitation of a NSW Police Multicultural safety forum with over 80 people in attendance
- An information stall at a Responsible Drinking Forum at Wollongong TAFE attended by over 100 students
- Coordination with community partners to conduct a successful White Ribbon Day campaign to highlight awareness of reducing domestic violence in the community.

Regional Illegal Dumping Program

Commencing in May 2014, and remaining for the 2014-15 financial year, Council employed a full time Ranger to progress the Regional Illegal Dumping Program (RID). This position is responsible for coordinating programs for the Southern Council's Group RID. Illegal Dumping program cameras were used during April to June resulting in the issuing of clean-up notices and fines. Council has also modified the process for kerbside non-conforming requests which is now directed to Rangers for more efficient compliance and removal action.

Public Health, Amenity and Safety Educational and Regulatory Programs

A Foodsafe newsletter has been distributed to all food premises across the LGA promoting food safety awareness and general advice for food businesses. The Environmental Health team are also administrators for a state wide public health and food premises web based forum which allows Health officers from across the state to share information.

Ranger Services were also actively involved in promoting and processing the Tosser Squad program, the Regional Illegal Dumping(RID) Program and the Microchipping and Registration Program for companion animals. An education program relating to parking enforcement at school zones as well as a Responsible Dog Ownership education program concerning a variety of topics, such as offleash areas, faeces management and microchipping and registration was also undertaken.

West Dapto Home Deposit Assistance Program

Significant progress has been made towards formalising and establishing the West Dapto Home Deposit Assistance Program, particularly in relation to the finalisation of the formal Deed of Agreement between Council and the IMB which has consolidated IMB's involvement in the program.

The federal government confirmed Council has now met Milestone Five of the Building Better Regional Cities' Funding Agreement and paid the \$300,000 relating to this milestone on the 25 June 2014.

Annual Local Development Performance Monitoring Report

Wollongong City Council was named amongst the top three improvers in its group of Local Government Councils for improvements in development assessment times.

The Annual Development Performance Monitoring Report was released by NSW Planning and Infrastructure in March 2014. The report recognises Council's reduced development assessment times and marks the fifth consecutive year of improvements.

Companion Animal Management

The Annual Pound Data Collection Forms and all data relating to dog attacks have been returned to the Office of Local Government for the 2013-14 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 has also introduced a Pound Hardship Policy that provides an increased opportunity for owners in financial hardship to afford to release their animals from the pound rather than potential euthanasia.

Council encourages the community to de-sex their companion animals through the differential registration rates between desexed and non desexed cats and dogs. The Ranger Services unit also encourages desexing through their discussions with owners about registration after issuing notices to register and extend the time to register where owners want to desex their animal.

All registration income returned to Council from the Companion Animal Fund from the Office of Local Government was expended into animal management. Council expended a total of \$1,463,546 on companion animal management activities during 2013-14.

This year education included the handing out of Council's Dogs on Beaches and Parks Off-Leash Brochure by Rangers (also available at Customer Service areas) and a microchip day was held in August 2013 with poo pouches handed out to those who microchipped their animal. Rangers also continued education by providing media articles in relation to microchipping and registration requirements, information concerning offences and their associated fines and information concerning the requirements to notify changes to details. This information is also available on Council's web page. A brochure is also sent out with microchip and registration letters to educate the community on microchipping and registration laws and changes to ownership details.

Council's Dogs on Beaches and Parks Policy and the brochure is available on Council's web page for additional education opportunity.

This year a major review of the Council's Dogs on Beaches and Parks Policy commenced and is expected to be completed in the following year after community consultation. 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.

External Bodies that Exercise Functions Delegated by Council

During 2013-14 the following external bodies exercised functions delegated by Council under Section 355 of the Local Government Act, 1993.

Body	Function
PLANNING + ENVIRONMENT	
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

Body	Function
PLANNING + ENVIRONMENT	
Stockyard Slope	▪ Riparian restoration
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
INFRASTRUCTURE + WORKS	
Mount Kembla Pathway Project	▪ Undertake management of the memorial track through minor weed control, mowing and waste removal.
CORPORATE + COMMUNITY SERVICES	
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	<ul style="list-style-type: none"> ▪ To occupy, manage, secure, care take and maintain the premises on behalf of Council. ▪ Make the premises available for use by senior groups, community groups and others compatible with guidelines at mutually agreed times.
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 <i>Active from 1 July to 31 December 2013 at which time they handed back to Council their delegated authority to manage this Centre.</i>	<ul style="list-style-type: none"> ▪ To occupy, manage, secure, care take and maintain the premises on behalf of Council. ▪ Make the premises available for use by senior groups, community groups and others compatible with guidelines at mutually agreed times.
Mt Kembla Mining Heritage Inc.	▪ The hosting of the 96 Candles Ceremony at Mt Kembla and operation of the Mt Kembla Heritage Centre.

Goal 6

We have sustainability, affordable and accessible transport

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.



KEY RESULTS • Commence stabilisation works on Mt Keira Road • Stage 1 of the Shone Avenue Upgrade Works was officially opened in May • Council was successful in receiving funding under the Restart NSW Illawarra Infrastructure Fund for West Dapto Access (Fowlers Road to Fairwater Drive) road and bridge construction; Grand Pacific Walk Stage 1 (Coalcliff to Stanwell Park); and Bald Hill Reserve Upgrade.

FUTURE DIRECTIONS 2014-15 • Commence implementation of the revised Wollongong Bicycle Plan • Commence construction of the Heritage Walk Stage 2 • Accelerate the capital program for footpath renewal • Continue to construct stage 1 of the Grand Pacific Walk • Conduct site investigations, prepare concept and detailed design documentation for the road link between Fowlers Road, Dapto to Fairwater Drive, Horsley.

Upgrade and Replacement Works for Footpaths and Cycle Ways

As part of the annual and rolling Capital Works Program, significant footpath and cycle way improvement works has been delivered in 2013-14 with a total of 79 sites either complete or underway with a total estimated value of over 20 million. Around 214 sites with a total budget of \$66 million have been included in the draft 2014-15 to 2017-18 Capital Works Program.



79 footpath/cycle way sites either completed or underway (value over \$20M)

City of Wollongong Bicycle Plan

The City of Wollongong Bike Plan 2014-18 was adopted by Council on 23 June 2014. The delivery of construction projects for the implementation of the Bike Plan has started under the 2013-14 Capital Works Program and will continue until 2017-18. Works so far include

- A new shared path along Murphy's Avenue and Paulsgrove Street, Keiraville
- A new shared path and footpath along Mt Keira Road (Abercrombie St to Yellagong St), West Wollongong
- Construction started on the last missing link of the shared path along the Princes Highway Kembla Grange - West Dapto Road to Northcliffe Drive
- Stage 1 of the reconstruction and widening of the pathway along Squires Way between Cabbage Tree Creek and Elliots Road, North Wollongong.

Bus Stop Facilities for the Gong Shuttle

With the assistance of the Active Transport Reference Group a bus stop facilities hierarchy was developed. This hierarchy has been used to identify works for inclusion in the draft 2014-15 to 2017-18 Capital Works Program to build upon the sites that were upgraded in 2013-14. The site includes the new shelters on Burelli Street on the west bound approach to Church Street, Wollongong.

West Dapto Access - Fowlers Road to Fairwater Drive

Cardno Pty Ltd was awarded the tender to prepare the design documentation for the West Dapto access linking Fowlers Road to Fairwater Drive. Preparation of this design involves considerable investigatory work to collect data and determine site constraints. The design of this access will be complex and is scheduled to take between 18-24 months to complete.

The flood accessible route for West Dapto is significant, with the potential to deliver about 17,000 new dwellings (residential and commercial). It is estimated that the project will deliver 51 direct construction based positions when the project starts, and 270 positions through the economic impact of the capital works.

Under the Restart NSW Illawarra Infrastructure Fund, funding of \$22.5 million has been allocated by the NSW State Government towards this project.

Grand Pacific Walk - Stage 1 Stanwell Park to Coalcliff

The Grand Pacific Walk seeks to build on the existing shared pathway network along our coastline to link the Royal National Park to Lake Illawarra. The proposed path will run parallel to the Grand Pacific Drive route, and will be a great asset for our community, linking suburbs in our north with those in our south.

The draft masterplan and Stage One concept plans were exhibited from 25 November 2013 to 10 February 2014, with the masterplan endorsed by Council in June 2014. It includes the following proposals:

- Provide 'missing links' between existing shareway segments
- Widen where possible the existing shareway where it is inadequate
- Construct viewing and picnic areas in suitable locations
- Develop signage along the route
- Make clear connections with the Wollongong Bike Network
- Include place-making features such as heritage interpretation and art
- Formalise car parks near the shared pathway network.

Construction of the Stoney Creek Footbridge at Coalcliff was completed, improving safety for pedestrians and cyclists in this area. This project forms part of Stage 1 of the Grand Pacific Walk. Council was successful in receiving \$5 million of funding for this project under the Restart NSW Illawarra Infrastructure Fund.

Bald Hill Reserve Upgrade Project

In March 2013 Council adopted an unfunded Masterplan for Bald Hill, which looked at renewing and improving access and facilities at this iconic lookout. Under the Restart NSW Illawarra Infrastructure Fund, Council received \$2.9 million, which has allowed Council to begin concept design, planning and commencement for the works, including:

- Realignment of Lady Wakehurst Drive/Otford Road to allow the construction of a roundabout at the Bald Hill Reserve entry and bus parking bays.
- A lower car park near the intersection of Lady Wakehurst Drive and Lawrence Hargrave Drive.
- An amenity block in the current location and regrading of the upper car park to provide equitable access to the amenities.
- Construction of a pedestrian area around the Lawrence Hargrave Memorial and connection to the lower car park.
- The development of an area to provide a food and beverage service for the estimated 900 daily visitors to the site with a larger pedestrian plaza to connect the new bus parking and allow greater movement around the food and beverage offering.



Shone Avenue Upgrade
Stage 1 Officially opened

Shone Avenue Bridge

Council continued to progress the road and bridge works program for the West Dapto Urban Release Area. In May 2014, stage 1 of the Shone Avenue Upgrade Works was officially opened. Council also awarded the tender for the second stage of construction for Shone Avenue. \$13.92 million was committed from the Federal Government's Building Better Regional Cities program to help fund these works.

Cleveland Road and Mullet Creek Bridge, West Dapto

Work has commenced on the replacement of the bridge and associated road works over Mullet Creek at Cleveland Road Dapto. These works include:

- A higher level bridge with wider footpaths to provide access to the nearby high school
- A safe bus interchange and drop off area
- Direct shared path linkages to the West Dapto Urban Release Area.

Heritage Walk Stage 2

Work has commenced on the Heritage Walk Stage 2 with the relocation of the electricity supply and construction of the footpath and associated retaining wall on the southern side of Endeavour Drive. These works are being programmed to minimise disruption over the summer seasons with work on the northern side commencing in mid-2015 and be completed by mid-2016.

Mt Keira Road Stabilisation Works

During 2013-14, Council commenced the stabilisation works on Mt Keira Road including: geotechnical works on the upper slope, including extensive rock bolting, meshing, shotcreting and building catch fences for rock fall protection; and reconstruction of the road pavement including guardrail signage and linemarking.

Work Carried Out On Private Land

In 2013-2014 there were no Council resolutions made under Section 67 of the Local Government Act 1993 for private works on private property.

Central Business District Parking Strategy

Council offers more than 1,800 parking spaces throughout the city including 428 off-street parking spaces at eight car parks (including two temporary car parks), nearly 620 off-street permanently leased spaces at seven car parks, and 773 on-street metered car parking spaces in the CBD.

In March 2014, Stewart Street East car park changed from four hour free parking to all day metered parking. At a cost of 60c per hour between 8:30am and 4:30pm, Monday to Friday, it now provides workers in the city centre with more parking options. In April 2014, the temporary Council car park on the old Oxford Tavern site was closed due to construction commencing on the privately owned site.

Revenue raised from parking meters is used to create better footpaths, car parks and traffic facilities in the city centre.



Over 1,800 Council offered parking spaces in
the CBD

Cordeaux Road bridge and Pathway Project

Council undertook community engagement for the Cordeaux Road improvement and Mt Kembla shared path project. The project aims to improve safe access when pedestrians, cyclists or motorists use Cordeaux Road. Council received \$4.5 million funding for upgrade under the Restart NSW Resources for Regions Program, which provides funding to relieve infrastructure constraints and support NSW communities affected by mining. The proposed works will include:

- Construction of a new shared pathway linking the existing path network at Booreea Boulevarde, Cordeaux Heights, to the Mount Kembla village including the Mount Kembla Mine Memorial Pathway
- Design and construction of a replacement bridge on Cordeaux Road, west of William James Drive which will provide a wider bridge including a footpath
- Structural repairs to Bushells Hill Bridge, Mt Kembla
- Renewal of two ageing timber retaining walls adjacent to Mt Kembla Public School and 100m west of the school
- Road resurfacing of sections between Booreea Boulevarde and Bushells Hill Bridge.

Construction has commenced on both the repairs to Bushells Hil Bridge and the replacement bridge west of William James drive.

WOLLONGONG CITY COUNCIL

ANNUAL REPORT 2013 - 2014

ATTACHMENT A:
FINANCIAL COMMENTARY



From the mountains
to the sea

EXECUTIVE SUMMARY

As General Manager of Wollongong City Council, I present the Annual Financial Statements for 2013/14. The Income Statement shows a net operating surplus of \$12.1M compared to a surplus of \$25.1M in 2012/13. The decrease in income is attributable to an unusually large amount of contributed assets received in 2012/13 [\$26.1M] compared to \$8.1M in 2013/14.

The net operating result before capital grants and contributions which remains Council's main indicator of long term financial viability was a deficit of \$19.2M compared to a deficit of \$13.9M in 2012/13. This result has been significantly impacted by the Financial Assistance Grant no longer being paid in advance. Regardless, the deficit 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 2014 was \$2.36B. During 2013/14, Council completed a capital works program of \$86.2M including the construction and purchase of \$23.7M of new assets and renewal of existing assets of \$62.5M. The program has included projects such as the West Dapto Access Strategy, City Centre Crown Street Upgrade, Whytes Gully new landfill cell and civil asset renewals including roads, car parks and buildings.

In 2014, Council maintained a strong position in cash and investments, with holdings of \$118.0M at 30 June 2014 (\$116.8M in 2012/13). \$90.0M of Council's cash (\$88.3M in 2012/13) is restricted in its use to specific purposes by external bodies, legislation and Council resolution. The level of available funds decreased from \$31.5M to \$24.4M in 2013/14 but still remains higher than the Financial Strategy target of between \$11.3M and \$17.7M. This result is mainly due to increases in income considered to be one off events or expenditure improvements generated as Council begins to reduce costs to meet efficiency targets.

Council's unrestricted current ratio has decreased slightly from 2.01:1 in 2012/13 to 1.73:1 in 2013/14. This ratio measures Council's liquidity and ability to satisfy obligations in the short term. Although the result is below 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. It is noted that the repeal of the carbon price legislation subsequent to the reporting date will impact on this measure in future year.

Relatively low levels of borrowing are a financial strength of Council and add flexibility in making financial decisions for the future. The 2013/14 debt service ratio increased to 2.68% compared to 1.71% in 2012/13 which reflects a decision to borrow additional funds under the Local Government Infrastructure Renewal Scheme. These funds will be used over a five year period to accelerate infrastructure relating to footpaths and the renewal of Berkeley and Corrimal Community Centres and Thirroul Pavilion and Kiosk. 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. Throughout the reporting period, Council completed a major review (Securing our Future) to address the asset renewal funding gap. The review has involved engagement with internal staff, Councillors and the community to determine scenarios to ensure Council can continue to provide high quality assets and services into the future. Council endorsed a proposal seeking a minimum target of \$4.5M from internal efficiencies, \$1.5M in service level adjustments, a minimum of \$500,000 in increased fees and charges and a Special Rate Variation for an increase in General Revenue of \$14.5M per year. These measures will provide additional revenue to contribute to the maintenance and renewal of Council's assets.

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



David Farmer
General Manager
Wollongong City Council

2013/2014 Financial Statements

This report provides an overview of Council's 2013/2014 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° 22). 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
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows

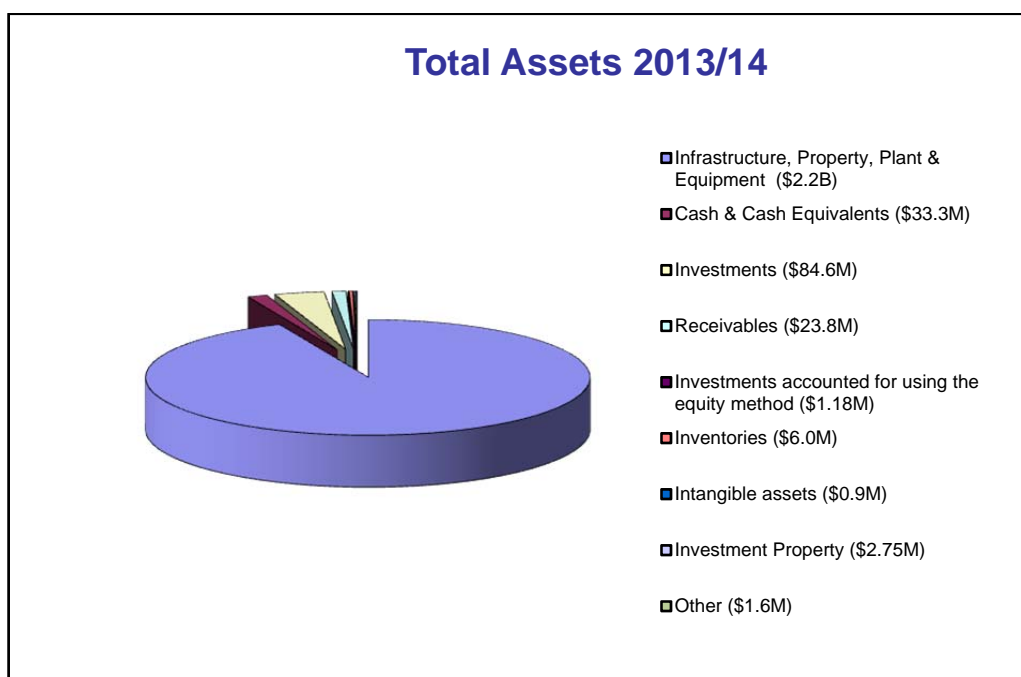
2013/2014 Highlights

- | | |
|--|--|
| • Total Assets \$2.36B - \$2.53B (2013) | • Unrestricted current ratio of 1.73:1 (2013: 2.01:1) |
| • Expenditure on Infrastructure, Property, Plant & Equipment [New/Renewal] \$86.2M (2013: \$53.9M) | • Debt Service Ratio at 2.68% (2013: 1.71%) |
| • Recognition of contributed assets including infrastructure \$8.1M (2013: \$26.1M) | • Net Operating Result \$12.1M Surplus (2013: Surplus \$25.1M) |
| • Cash assets of \$118M | |
| • Secured subsidised loan of \$4.3M under the Local Infrastructure Renewal Scheme | • Net Operating Result before Capital Grants and Contributions \$19.2M Deficit (2013: \$13.9M Deficit) |

2013/2014 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 2014 was \$2.36B. The composition of assets is shown below.



Infrastructure, Property, Plant & Equipment (IPPE)

With a carrying value of \$2.2B, Infrastructure, Property, Plant and Equipment (IPPE) is Council's most significant asset and represents 93% of the total value of assets.

During 2013/2014 Council completed a capital works program of \$86.2M including the construction and purchase of \$23.7M of new assets and renewal of existing assets of \$62.5M.

After accounting for annual depreciation expense, the overall value of IPPE decreased by \$108.2M during 2013/2014. The decrease was primarily due to a significant downward revaluation of operational land [\$212.6M] and buildings [\$46.3M], offset by revaluation increases in infrastructure assets [\$50.7M] and Council's completed capital works program. Further financial details of IPPE are shown in Note 9.

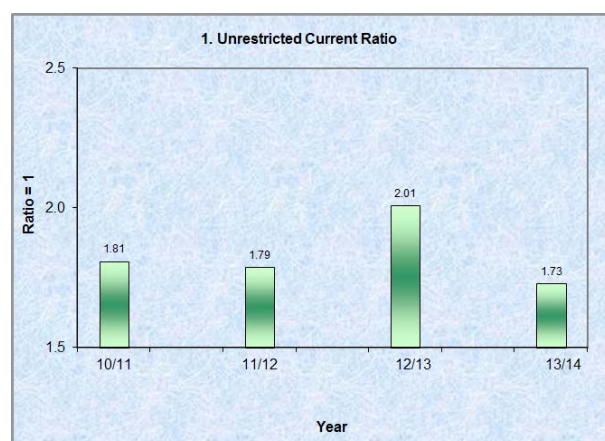
Cash and Investments

In 2013/2014, Council maintained a strong position in cash and investments, with holdings of \$118.8M at 30 June 2014. Council's cash and investment positions over recent years are as follows:

CASH, INVESTMENTS & AVAILABLE FUNDS					
		YTD Actual 30 June 2011	YTD Actual 30 June 2012	YTD Actual 30 June 2013	YTD Actual 30 June 2014
Total Cash and Investments	\$M	84.418	90.695	116.796	118.000
Less Restrictions:					
External	\$M	40.726	42.281	63.961	63.000
Internal	\$M	17.317	18.982	24.383	27.000
Available Cash	\$M	26.375	29.432	28.452	28.000
Adjusted for :					
Current payables	\$M	(21.912)	(25.112)	(23.201)	(29.100)
Receivables	\$M	21.085	18.465	26.205	25.500
Available Funds	\$M	25.548	22.785	31.456	24.400

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 2013/2014 financial year due to a number of factors including the early payment of a number of operational grants (\$0.8M), receipt of Building Better Regional Cities Grant (\$4.3M), timing of payables and receivables (\$2.6M) and a range of operational savings. Further details on the composition of reserves are shown in Note 6.

At 30 June 2014, Council achieved an available funds position of \$24.4M, which was higher than the Financial Strategy target of between \$11.3M and \$17.7M (upper range). The improvements have been mainly achieved through increases in income considered to be one off events or expenditure improvements generated as Council begins to reduce costs to meet efficiency targets.



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.

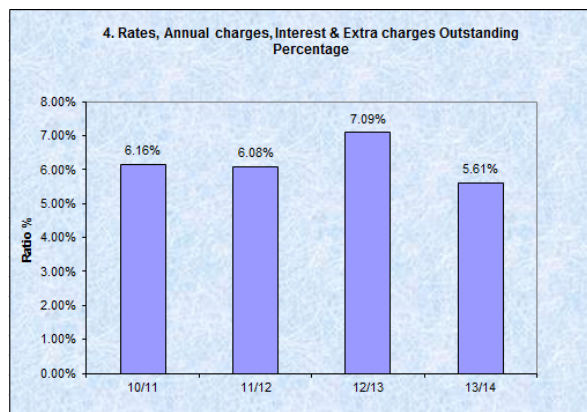
Council's strategy is to maximise the use of available funds and target a lean unrestricted current ratio. Cash assets held for future waste facility requirements and carbon price are held in the unrestricted ratio. As the requirements to hold funds for the waste facility and carbon price is significant the measure is expected to increase until payments are required. It is noted that the repeal of the carbon price legislation subsequent to the reporting date will impact on this measure in future years.

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

Receivables

Receivables are the amount of money owed to Council or funds that Council has paid in advance. At June 2014, receivables totalled \$23.8M, an overall decrease of \$1.5M compared to the 2013 reporting period. This includes \$1.8M reduction in outstanding Rates & Annual Charges as a result of improved debt recovery processes offset by increases in other categories as a result of timing. Full details of receivables are provided in Note 7.

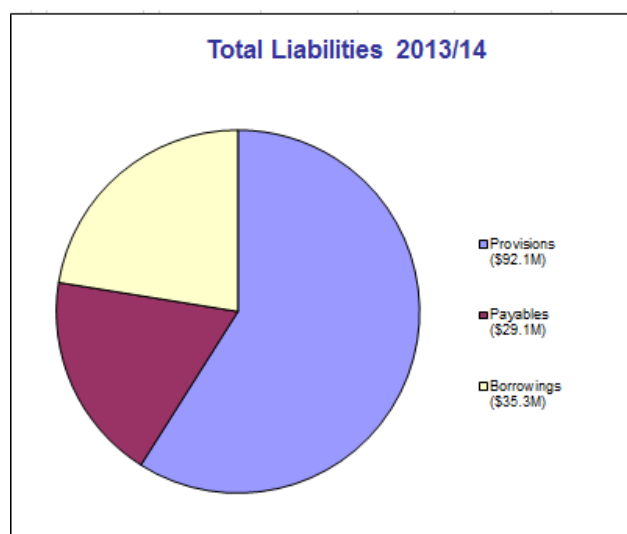
Receivables (continued)



This measure assesses the impact of uncollected rates and other charges on liquidity and the adequacy of recovery efforts. There has been a decrease in the reported outstanding rates and annual charges percentage during the reporting period which represents an improvement in this measure. This improvement is attributable to improved debt recovery processes implemented throughout the year. 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 Council's Policy to exempt pensioners from debt recovery proceedings.

Liabilities

At 30 June 2014 Council's Total Liabilities were \$156.6M. The composition of Council's Total Liabilities is shown below.



Provisions account for 58.9% of Council's Liabilities with the most significant provisions relating to Employee Leave Entitlements [\$41.1M], Waste Depot Remediation Provision [\$39.1M] and Workers' Compensation Provision [\$6.7M].

Payables account for 18.6% 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 22.6% 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 loans (1 and 2) secured at the end of 2012 and 2013 respectively.

Provisions

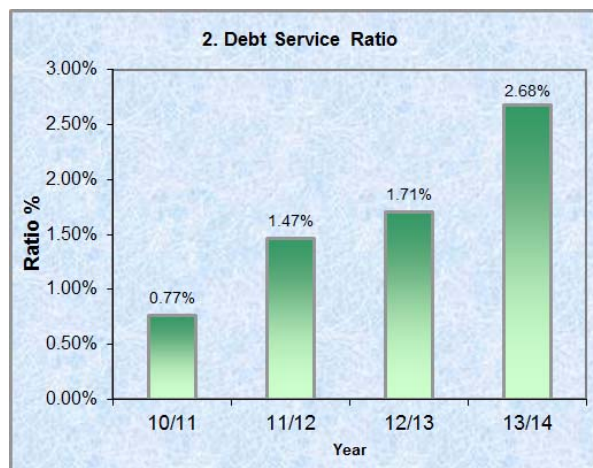
Provisions increased during 2014 by \$5.9M. The increase is largely explained by increases to carbon price provision [\$2.2M], an increase for the future remediation works at Whytes Gully waste facility [\$1.6M] and the net increase in Long Service Leave provision [\$2.2M]. It is noted that although the carbon tax repeal legislation received Royal Assent on 17 July 2014, Council still has a present obligation to meet carbon tax liabilities at the end of the reporting period.

Borrowings

Historically, one of Council's financial strengths has been a relatively low level of borrowing. However, over the past four years Council has utilised advantageous borrowing opportunities to accelerate spending on

Infrastructure, for example, 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 seven 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. Council has continued to take advantage of such opportunities throughout the reporting period, when a \$4.3M subsidised loan was secured under round two of the Local Government Infrastructure Renewal Scheme. This loan is to be repaid over the next nine years at a fixed rate, and is to be used for the renewal and upgrade of the Berkeley and Corrimal Community Centres and Thirroul Pavilion and Kiosk.

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



A low level of debt is reflected in Council's Debt Service Ratio which is 2.68%. This is exceptionally low in comparison to the Local Government benchmark ratio of <10%.

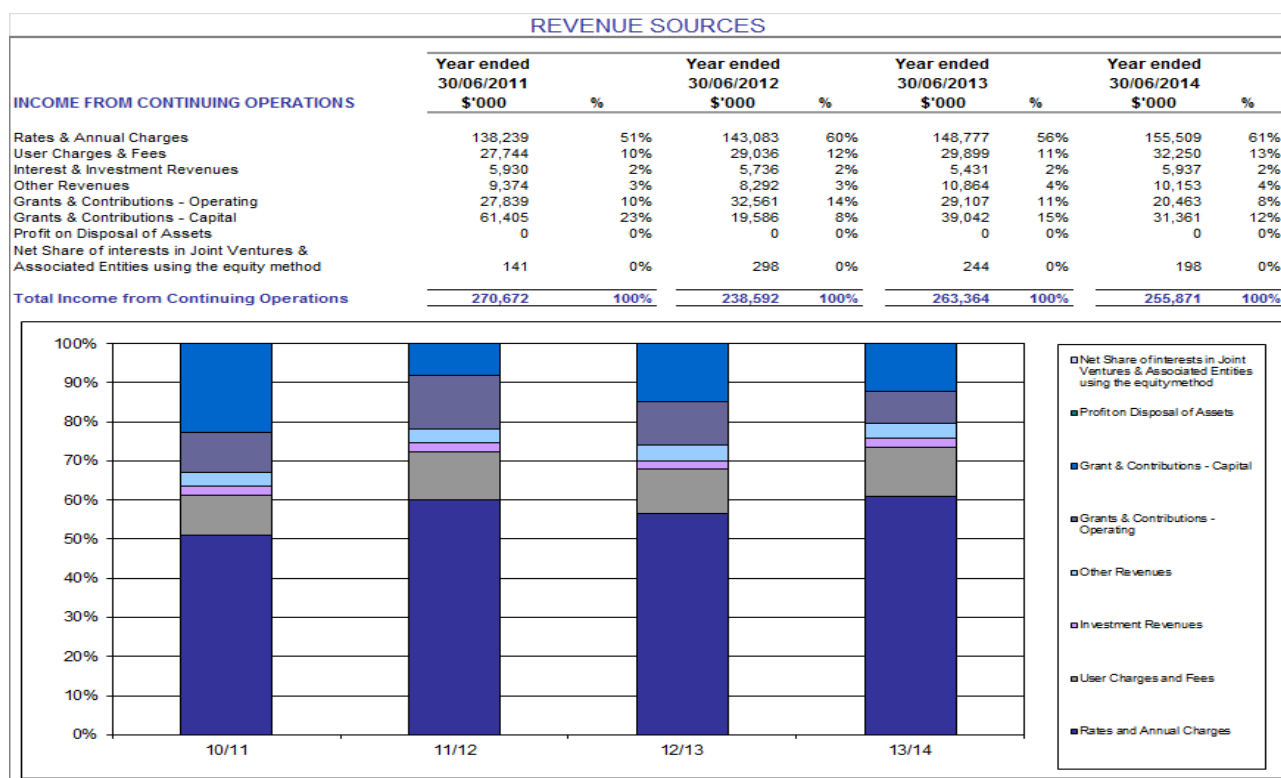
The Debt Service Ratio has increased in 2013/2014 and this reflects a decision to borrow additional funds under the Local Government Infrastructure Scheme round two (LIRS 2), the original LIRS loan and the State Government Infrastructure interest free loan program. Council's financial strategy allows for a ratio of 4% and Council continues to operate within this strategy.

Operational Performance - Income & Expenses

Council's financial performance in 2014 was down in contrast to the prior year, achieving a Net Operating Surplus from Continuing Operations of \$12.1M, compared to a prior year Surplus of \$25.1M. The result is primarily attributed to a decrease in the receipt of contributed assets during the year which were \$8.1M in 2014 compared to \$26.1M in 2013. 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 \$19.2M, compared to a deficit of \$13.9M in 2012/13. This result has been significantly impacted by the timing of the receipt of the Financial Assistance Grant, and does not represent a loss of income. In the prior year the Financial Assistance Grant was paid in advance by up to 50%, however this ceased in 2013/14.

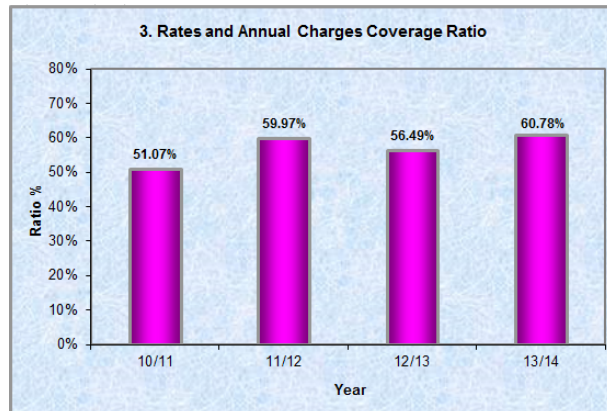
Income

Council's Income from Continuing Operations for 2014 was \$255.9M compared to the prior year result of \$263.3M. The decrease in income is due to the unusually large amount of Capital Grants and Contributions in 2012/2013 of [\$39M] compared to [\$31.3M] in 2013/2014, with the variation being attributable to the impact of contributed assets. The other sources of revenue for Council remained steady based on prior financial years, as shown in the following table.



Income (continued)

Income from Rates and Annual Charges in 2014 totalled \$155.5M, an increase of \$6.7M 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 increase in 2013/2014 is primarily due to the proportion of revenue from contributed assets [2012/13: \$26.1M, 2013/2014: \$8.1M when compared to rating income]

Interest and Investment Income of \$5.9M was recognised, representing a consistent result when compared to the prior year result of \$5.4M. There was a decrease in Operating Grants & Contributions from \$29.1M in 2012/13 to \$20.4M in 2013/2014. This is primarily due to the timing of instalments paid in relation to the Financial Assistance Grant. During 2013/2014, Council received a total of four instalments [\$8.5M] in comparison to six instalments in the prior financial year totalling \$16.8M.

Expenses

Council's Expenses from Continuing Operations for 2013/2014 totalled \$243.7M, compared to prior year expenditure of \$238.2M. The majority of the increase relates to Employee Benefits & On-Costs [\$4.7M]. The variation is mainly attributable to end of year unfavourable non cash adjustments due to the application of revised indexation rates as required by the accounting standards and the use of additional internal labour to complete operational projects. Additionally, Other Expenses increased by \$1.7M which is mainly attributable to an increase in the Waste & Environment Levy.

Material variations from the 2013/2014 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. As the population continues to grow and with a greater number of people over retirement age 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.

Throughout the period, Council completed a major review (Securing our Future) to address the asset renewal funding gap, as required under Council's Delivery Program 2012-17 and Annual Plan 2014-15. The review has involved engagement with internal staff, Councillors and the community to determine scenarios to ensure Council can continue to provide high quality assets and services into the future. At its meeting on 17 February, Council endorsed a proposal seeking a minimum target of \$4.5 million from internal efficiencies, \$1.5 million in service level adjustments, a minimum of \$500,000 in increased fees and charges and a Special Rate Variation for an increase in General Revenue. This rate variation will provide additional revenue of about \$14.5 million per year to contribute to the maintenance and renewal of Council's assets.

Wollongong City Council

Historical Financial Data

Income Statement

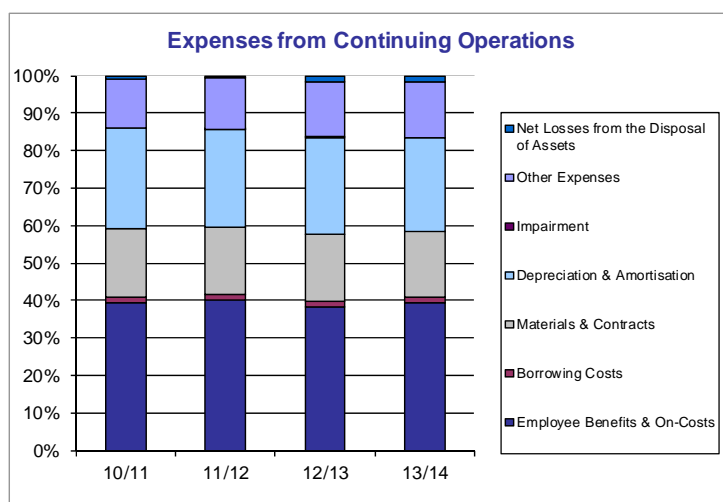
	Actual 2010/11 \$'000	Actual 2011/12 \$'000	Actual 2012/13 \$'000	Actual 2013/14 \$'000
Income from Continuing Operations				
Revenue:				
Rates & Annual Charges	138,239	143,083	148,777	155,509
User Charges & Fees	27,744	29,036	29,899	32,250
Interest and Investment Revenue (1)	5,930	5,736	5,431	5,937
Other Revenues	9,374	8,292	10,864	10,153
Grants & Contributions provided for Operating Purposes	27,839	32,561	29,107	20,463
Grants & Contributions provided for Capital Purposes (2)	61,405	19,586	39,042	31,361
Other Income:				
Net Gains from the Disposal of Assets	-	-	-	-
Profit from interests in Joint Ventures & Associates	141	-	-	-
Entities using the equity method		298	244	198
Total Income from Continuing Operations	270,672	238,592	263,364	255,871
Expenses from Continuing Operations				
Employee Benefits & On-Costs				
Employee Benefits & On-Costs	87,218	93,681	91,043	95,792
Borrowing Costs	3,274	3,236	3,367	3,989
Materials & Contracts	40,073	41,424	43,139	42,685
Depreciation & Amortisation	59,469	60,434	61,240	61,203
Impairment	-	346	990	-
Other Expenses	28,362	32,353	34,135	35,846
Net Losses from the Disposal of Assets	2,183	1,153	4,311	4,245
Total Expenses from Continuing Operations	220,579	232,627	238,225	243,760
Operating Result from Continuing Operations	50,093	5,965	25,139	12,111
NET OPERATING RESULT FOR THE YEAR	50,093	5,965	25,139	12,111
Less:				
Grants & Contributions provided for Capital Purposes	61,405	19,586	39,042	31,361
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	(11,312)	(13,621)	(13,903)	(19,250)

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

	Actual 2010/11 \$'000	Actual 2011/12 \$'000	Actual 2012/13 \$'000	Actual 2013/14 \$'000
ASSETS				
Current assets				
Cash & cash equivalents	75,211	83,506	99,502	33,299
Investments	9,207	7,189	7,294	63,672
Receivables	16,743	14,221	20,481	18,571
Inventories	8,826	8,900	8,940	6,037
Other	1,026	722	885	1,646
Assets held for sale (previously non-current)	-	-	-	1,700
Total current assets	111,013	114,538	137,102	124,925
Non-current assets				
Cash assets	-	-	-	-
Investments	-	-	10,000	21,000
Receivables	3,316	3,522	4,839	5,237
Inventories	-	-	-	-
Infrastructure, property, plant & equipment	2,238,391	2,326,193	2,376,962	2,207,842
Investments accounted for using the equity method	291	739	983	1,181
Investment property	3,725	3,725	3,725	2,750
Intangible assets	-	634	364	930
Non-current assets classified as 'held for sale'	-	-	-	-
Other	-	-	-	-
Total non-current assets	2,245,723	2,334,813	2,396,873	2,238,940
TOTAL ASSETS	2,356,736	2,449,351	2,533,975	2,363,865
LIABILITIES				
Current liabilities				
Payables	21,912	25,112	23,201	29,096
Interest bearing liabilities	1,843	1,659	3,332	3,908
Provisions	33,545	37,900	40,833	42,915
Total current liabilities	57,300	64,671	67,366	75,919
Non-current liabilities				
Payables	-	-	-	-
Interest bearing liabilities	16,504	14,986	31,236	31,459
Provisions	40,289	42,645	45,401	49,217
Total non-current liabilities	56,793	57,631	76,637	80,676
TOTAL LIABILITIES	114,093	122,302	144,003	156,595
NET ASSETS	2,242,643	2,327,049	2,389,972	2,207,270
EQUITY				
Retained earnings	1,054,489	1,103,844	1,163,160	1,193,467
Revaluation reserves	1,188,154	1,223,205	1,226,812	1,013,803
Council Equity Interest	2,242,643	2,327,049	2,389,972	2,207,270
Minority Equity Interest	-	-	-	-
TOTAL EQUITY	2,242,643	2,327,049	2,389,972	2,207,270

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

WOLLONGONG CITY COUNCIL

ANNUAL REPORT 2013 - 2014

ATTACHMENT B:
General Purpose Financial Statements



From the mountains
to the sea

Wollongong City Council

General Purpose Financial Statements for the financial year ended 30 June 2014

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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 14 October 2014. Council has the power to amend and reissue these financial statements.
-

Wollongong City Council

General Purpose Financial Statements for the financial year ended 30 June 2014

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:

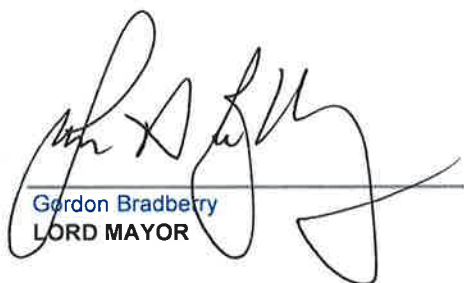
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

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 13 October 2014.



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 2014

Budget 2014	\$ '000	Notes	Actual 2014	Actual 2013
Income from Continuing Operations				
Revenue:				
155,635	Rates & Annual Charges	3a	155,509	148,777
30,723	User Charges & Fees	3b	32,250	29,899
4,891	Interest & Investment Revenue	3c	5,937	5,431
8,706	Other Revenues	3d	10,153	10,864
19,267	Grants & Contributions provided for Operating Purposes	3e,f	20,463 ²	29,107
20,167	Grants & Contributions provided for Capital Purposes	3e,f	31,361	39,042
Other Income:				
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	198	244
239,389	Total Income from Continuing Operations		255,871	263,364
Expenses from Continuing Operations				
93,262	Employee Benefits & On-Costs	4a	95,792	91,043
3,935	Borrowing Costs	4b	3,989	3,367
51,434	Materials & Contracts	4c	42,685	43,139
61,972	Depreciation & Amortisation	4d	61,203	61,240
-	Impairment	4d	-	990
33,143	Other Expenses	4e	35,846	34,135
-	Net Losses from the Disposal of Assets	5	4,245	4,311
243,746	Total Expenses from Continuing Operations		243,760	238,225
(4,357)	Operating Result from Continuing Operations		12,111	25,139
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
(4,357)	Net Operating Result for the Year		12,111	25,139
(4,357)	Net Operating Result attributable to Council		12,111	25,139
-	Net Operating Result attributable to Non-controlling Interests		-	-
(24,524)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(19,250)	(13,903)

¹ Original Budget as approved by Council - refer Note 16

² Financial Assistance Grants for 13/14 are lower, reflecting a timing difference due to a change in how the grant is paid - refer Note 3 (e)

Wollongong City Council

Statement of Comprehensive Income
for the financial year ended 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
Net Operating Result for the year (as per Income statement)		12,111	25,139
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	(205,106)	-
Other Movements in reserves (Revaluation Error - 2012)	20b (ii)	-	1,414
Total Items which will not be reclassified subsequently to the Operating Result		(205,106)	1,414
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
Total Other Comprehensive Income for the year		(205,106)	1,414
Total Comprehensive Income for the Year		(192,995)	26,553
Total Comprehensive Income attributable to Council		(192,995)	26,553
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Wollongong City Council

Statement of Financial Position
as at 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	33,299	99,502
Investments	6b	63,672	7,294
Receivables	7	18,571	20,481
Inventories	8	6,037	8,940
Other	8	1,646	885
Non-current assets classified as "held for sale"	22	1,700	-
Total Current Assets		124,925	137,102
Non-Current Assets			
Investments	6b	21,000	10,000
Receivables	7	5,237	4,839
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	2,207,842	2,376,962
Investments accounted for using the equity method	19	1,181	983
Investment Property	14	2,750	3,725
Intangible Assets	25	930	364
Non-current assets classified as "held for sale"	22	-	-
Other	8	-	-
Total Non-Current Assets		2,238,940	2,396,873
TOTAL ASSETS		2,363,865	2,533,975
LIABILITIES			
Current Liabilities			
Payables	10	29,096	23,201
Borrowings	10	3,908	3,332
Provisions	10	42,915	40,833
Total Current Liabilities		75,919	67,366
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	31,459	31,236
Provisions	10	49,217	45,401
Total Non-Current Liabilities		80,676	76,637
TOTAL LIABILITIES		156,595	144,003
Net Assets		2,207,270	2,389,972
EQUITY			
Retained Earnings	20	1,193,467	1,163,160
Revaluation Reserves	20	1,013,803	1,226,812
Council Equity Interest		2,207,270	2,389,972
Non-controlling Interests		-	-
Total Equity		2,207,270	2,389,972

This Statement should be read in conjunction with the accompanying Notes.

page 5

Wollongong City Council

Statement of Changes in Equity for the financial year ended 30 June 2014

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2014						
Opening Balance (as per Last Year's Audited Accounts)		1,163,160	1,226,812	2,389,972	-	2,389,972
a. Correction of Prior Period Errors	20 (c)	10,293	-	10,293	-	10,293
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/13)		1,173,453	1,226,812	2,400,265	-	2,400,265
c. Net Operating Result for the Year		12,111	-	12,111	-	12,111
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	(205,106)	(205,106)	-	(205,106)
Other Comprehensive Income		-	(205,106)	(205,106)	-	(205,106)
Total Comprehensive Income (c&d)		12,111	(205,106)	(192,995)	-	(192,995)
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		7,903	(7,903)	-	-	-
Equity - Balance at end of the reporting period		1,193,467	1,013,803	2,207,270	-	2,207,270

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

Wollongong City Council

Statement of Cash Flows

for the financial year ended 30 June 2014

Budget 2014	\$ '000	Notes	Actual 2014	Actual 2013
Cash Flows from Operating Activities				
Receipts:				
155,789	Rates & Annual Charges		157,362	147,009
30,723	User Charges & Fees		35,044	30,407
4,891	Investment & Interest Revenue Received		5,147	4,593
39,184	Grants & Contributions		44,520	42,534
-	Bonds, Deposits & Retention amounts received		1,212	1,186
8,388	Other		19,723	15,723
Payments:				
(89,609)	Employee Benefits & On-Costs		(93,305)	(89,235)
(83,155)	Materials & Contracts		(51,846)	(51,290)
(1,049)	Borrowing Costs		(1,104)	(336)
-	Bonds, Deposits & Retention amounts refunded		(1,293)	(610)
-	Other		(34,107)	(34,572)
65,162	Net Cash provided (or used in) Operating Activities	11b	81,352	65,409
Cash Flows from Investing Activities				
Receipts:				
682	Sale of Investment Securities		14,088	29
5,637	Sale of Infrastructure, Property, Plant & Equipment		3,219	1,631
-	Deferred Debtors Receipts		18	18
Payments:				
-	Purchase of Investment Securities		(81,080)	(10,052)
(73,152)	Purchase of Infrastructure, Property, Plant & Equipment		(83,472)	(57,721)
(135)	Deferred Debtors & Advances Made		-	-
(66,968)	Net Cash provided (or used in) Investing Activities		(147,227)	(66,095)
Cash Flows from Financing Activities				
Receipts:				
-	Proceeds from Borrowings & Advances		4,305	20,000
Payments:				
(4,329)	Repayment of Borrowings & Advances		(4,633)	(3,178)
-	Repayment of Finance Lease Liabilities		-	(140)
(4,329)	Net Cash Flow provided (used in) Financing Activities		(328)	16,682
(6,135)	Net Increase/(Decrease) in Cash & Cash Equivalents		(66,203)	15,996
96,773	plus: Cash & Cash Equivalents - beginning of year	11a	99,502	83,506
90,638	Cash & Cash Equivalents - end of the year	11a	33,299	99,502
Additional Information:				
	plus: Investments on hand - end of year	6b	84,672	17,294
Total Cash, Cash Equivalents & Investments			117,971	116,796

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 2014

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n/a - not applicable

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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 (AASBs), 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 Australian Accounting 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 AASBs 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 AASBs.

(iii) New and amended standards adopted by Council

During the current year, the following relevant standards became mandatory for Council and have been adopted:

- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits

AASB 13 Fair Value Measurement has not affected the assets or liabilities which are to be measured at fair value, however it provides detailed guidance on how to measure fair value in accordance with the accounting standards.

It introduces the concept of highest and best use for non-financial assets and has caused the Council to review their valuation methodology.

The level of disclosures regarding fair value have increased significantly and have been included in the financial statements at Note 27.

AASB 119 Employee Benefits introduced revised definitions for short-term employee benefits.

Whilst the Council has reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period, there has been no effect on the amounts disclosed as leave liabilities since Council's existing valuation policy was to discount annual leave payable more than 12 months after the end of the reporting period to present values.

(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 2013.

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

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(v) Basis of Accounting

These financial statements have been prepared under the **historical cost convention** except for:

- (i) financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties which are all valued at fair value,
- (ii) the write down of any Asset on the basis of Impairment (if warranted) and
- (iii) certain classes of. Infrastructure, Property, Plant & Equipment) that are accounted for at fair valuation.

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

(vi) Changes in Accounting Policies

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

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

(vii) Critical Accounting Estimates

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

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 Council 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 remediation provisions.

Critical judgements in applying Council'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

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

charge against the rateable property that will be recovered when the property is next sold.

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

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

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

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

Rental income is accounted for on a straight-line basis over the lease term.

Interest Income from Cash & Investments is accounted for using the effective interest rate at the date that interest is earned.

Dividend Income

Revenue is recognised when the Council's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other Income

Other income is recorded when the payment is due, the value of the payment is notified or the payment is received, whichever occurs first.

(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 June 2014) and **(ii)** all the related operating results (for the financial year ended the 30th June 2014).

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.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(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.

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.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

For Statement of Cash Flows (and Statement of Financial Position) presentation purposes, cash and cash equivalents includes;

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

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

(f) Investments and Other Financial Assets

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

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

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

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

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

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

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

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

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investments

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

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

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

(iv) Available-for-sale financial assets

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

Investments must be designated as available-for-sale if they do not have fixed maturities and fixed or

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

determinable payments and management intends to hold them for the medium to long term.

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

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

Financial Assets – Reclassification

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

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

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

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

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

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

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

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

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

(iii) Types of Investments

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

Investments are placed and managed in accordance with the Policy and having particular regard to 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 mortgage backed securities), 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.

i) Investment Securities

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined 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.

ii) Other Financial Assets and Financial Liabilities

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

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(h) Receivables

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

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

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

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

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

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

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

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

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

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

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

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

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

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

Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

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

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

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

Acquisition of assets

Council's non current assets are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the Office 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: 2014]

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

- **Buildings – Specialised/Non Specialised**
(External and Internal Valuation) [Initial Valuation: 2009, Current Valuation: 2014]
- **Property Plant & Equipment, Office Equipment & Furniture & Fittings.**
(as approximated by depreciated historical cost)
- **Library Books**
(as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths**
(Internal Valuation) [Initial Valuation: 2010, Current Valuation: 2014]
- **Drainage Assets** (Internal Valuation) [Initial Valuation: 2010, Current Valuation: 2014]
- **Community Land** (Internal Valuation) [Initial Valuation: 2011, Current Valuation: 2012]
- **Land Improvements – Non Depreciable** (Internal Valuation) [Initial Valuation: 2011, Current Valuation: 2012]
- **Other Structures** (Internal Valuation) [Initial Valuation: 2011, Current Valuation: 2014]
- **Other Open Space / Recreational Assets**
(Internal Valuation) [Initial Valuation: 2011, Current Valuation: 2014]

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.

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 price that would be received to sell an asset or paid to transfer a liability in an orderly

transaction between market participants at the measurement date.

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 combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve.
- To the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Net decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

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

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

Full revaluations are undertaken for all assets on a 5 year cycle. The next scheduled revaluation by asset class based on this cycle is outlined in the table below. It is noted that although the schedule provides mandatory revaluation dates Council aims to revalue all asset classes on an annual basis.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Asset Class	Due
Roads, Bridges, Footpaths & Drainage	30 June 2015
Community Land, Other Open Space / Recreational Assets, Other Structures, Swimming Pools & Land Improvements	30 June 2016
Buildings – Non Specialised & Specialised	30 June 2019
Operational Land	30 June 2019

Capitalisation Thresholds

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

Land

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

Plant & Equipment

Office Equipment	100% Capitalised
Office Furniture	> \$5,000
Other Plant & Equipment	> \$5,000

Buildings & Land Improvements

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

Stormwater Assets

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

Roads, Bridges & Footpaths

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

Depreciation

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight line method in order to allocate an assets

cost (net of residual values) over its estimated useful life.

Land is not depreciated.

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

Plant & Equipment

- Office Equipment	5 to 10 years
- Furniture & Fittings	10 to 20 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 15 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	40 to 100 years
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Transportation Assets

- Roads - Infrastructure	20 to 80 years
- Bridges - Concrete	30 to 80 years
- Footpaths - Concrete	60 to 80 years
- Shared Path - 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 individual asset residual values and useful lives are reviewed and adjusted (where appropriate), at each reporting 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.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Disposal and De-recognition

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

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

(k) Land

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

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

(l) Land under roads

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

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

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment. Of the 3 methods available Council has used the average unit value of the land contained within Council's area of control to determine the value.

(m) Intangible Assets

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.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset.

(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

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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 Property was dated 30/06/14 and was undertaken by APV Valuers and Asset Management.

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

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

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

Provisions for close down and restoration costs do not include any additional obligations that 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 unwinding 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.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Infrastructure, Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

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

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

A Discontinued Operation is a component of Council 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.

Where an asset is not held principally for cash generating purposes (for example Infrastructure Assets) and would be replaced if the Council was deprived of it then depreciated replacement cost is used as value in use, otherwise value in use is estimated by using a discounted cash flow model.

Non-financial assets (other than goodwill) that suffered a prior period impairment are reviewed for possible reversal of the impairment at each reporting date.

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.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(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 are expensed except to the extent that they are incurred during the construction of qualifying assets.

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.

(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.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(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 4 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 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) Retirement benefit obligations

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

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

Defined Benefit Plans

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

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

However, when this information is not reliably available, Council can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans – i.e. as an expense when they become payable.

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

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

Sufficient information is not available to account for the Scheme as a defined benefit plan (in accordance with AASB 119) because the assets to the scheme are pooled together for all Councils. Accordingly, Council's contributions to the scheme for the current reporting year have been recognised as an expense and disclosed as part of superannuation expenses at Note 4(a).

The Local Government Superannuation Scheme has advised member Council's 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 a 30 June 2014 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

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

arise should the Scheme require immediate payment to correct the deficiency.

Defined Contribution Plans

Contributions to Defined Contribution Plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Employee Benefit On-Costs

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

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/6/14.

(y) Self insurance

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

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

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

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

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

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

Exceptions

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

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

(aa) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

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

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

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

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

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(ab) New accounting standards and interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2014.

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, associated standards, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures and AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2017)

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.

When adopted, the standard will affect in particular 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.

The Council has not yet fully assessed the impact on the reporting financial position and performance on adoption of AASB 9.

Applicable to Local Government but no implications for Council;

AASB 2013-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets (effective for 30 June 2015 Financial Statements)

There are no changes to reported financial position or performance from AASB 2013 – 3, however additional disclosures may be required.

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 for 30 June 2015 Financial Statements for not-for-profit entities)

This suite of five new and amended standards address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

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

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities.

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

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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 2015.

Not applicable to Local Government per se;

None

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

(ac) Rounding of amounts

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

(ad) Comparative Figures

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

(ae) Disclaimer

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

Notes to the Financial Statements

for the financial year ended 30 June 2014

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
	2014	2014	2013	2014	2014	2013	2014	2014	2013	2014	2013	2014	2013
Planning and Engagement	5,709	10,100	7,365	17,452	19,249	15,102	(11,743)	(9,149)	(7,737)	248	13	255,163	-
Environment	45,774	45,885	46,605	54,815	54,698	50,240	(9,041)	(8,813)	(3,635)	2,630	3,027	355,677	11,686
Transport Services/Infrastructure	16,933	16,967	8,052	43,515	44,965	46,762	(26,582)	(27,998)	(38,710)	12,994	5,099	308,927	1,981,518
Community Services/Facilities	7,782	8,523	8,296	32,806	32,561	32,449	(25,024)	(24,038)	(24,153)	4,478	4,403	30,806	18,285
Recreation and Open Space	9,407	10,332	9,140	40,163	42,954	39,803	(30,756)	(32,622)	(30,663)	16	40	84,035	16,778
Regulatory Services and Safety	6,729	7,416	7,107	15,870	16,368	15,640	(9,141)	(8,952)	(8,533)	542	620	1,733	-
Governance & Internal Services	9,603	10,249	9,615	39,125	32,965	38,229	(29,522)	(22,716)	(28,614)	1,122	832	1,326,343	504,725
Contributed Assets	-	8,167	26,141	-	-	-	-	8,167	26,141	-	-	-	-
Total Functions & Activities	101,937	117,639	122,321	243,746	243,760	238,225	(141,809)	(126,121)	(115,904)	22,030	14,034	2,362,684	2,532,992
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	198	244	-	-	-	-	198	244	-	-	1,181	983
General Purpose Income ¹	137,452	138,034	140,799	-	-	-	137,452	138,034	140,799	10,222	18,517	-	-
Operating Result from Continuing Operations	239,389	255,871	263,364	243,746	243,760	238,225	(4,357)	12,111	25,139	32,252	32,551	2,363,865	2,533,975

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

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

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 2014

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2014	Actual 2013
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		83,607	80,035
Farmland		432	395
Mining		903	867
Business		38,062	37,088
Total Ordinary Rates		123,004	118,385
Special Rates			
City Centre		371	283
Mall		946	879
Total Special Rates		1,317	1,162
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		29,452	27,511
Stormwater Management Services		1,736	1,719
Total Annual Charges		31,188	29,230
<u>TOTAL RATES & ANNUAL CHARGES</u>		<u>155,509</u>	<u>148,777</u>

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 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Waste Management Services (non-domestic)		11,348	10,840
Total User Charges		11,348	10,840
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Contestable Building Services		407	421
Inspection Services		465	433
Planning & Building Regulation		2,252	1,972
Registration Fees		209	170
Section 149 Certificates (EPA Act)		608	563
Section 603 Certificates (Rating Certificate)		300	256
Section 611 Charges (Occupation of Land)		159	141
Other		17	11
Total Fees & Charges - Statutory/Regulatory		4,417	3,967
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Additional Waste Services		149	148
Aquatic Services		541	430
Art Gallery		15	22
Botanic Garden & Nursery		202	208
Car Parking		761	714
Credit Card Payment Processing Fee		142	133
Crematorium & Cemeteries		2,384	2,167
Health Inspections		237	222
Hire Charges		505	514
Leaseback Fees - Council Vehicles		669	641
Leisure Centre		3,030	2,886
Library		47	47
Marketing		16	22
Outdoor Dining		48	37
Parking Meters		1,389	1,243
Parks & Sportfields		350	347
Road Opening Permits		172	109
Tourist Parks		5,576	4,949
Tree Management Requests		107	100
Other		145	153
Total Fees & Charges - Other		16,485	15,092
TOTAL USER CHARGES & FEES		32,250	29,899

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		633	755
- Interest earned on Investments (interest & coupon payment income)		4,912	4,588
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		386	82
Amortisation of Premiums & Discounts			
- Interest Free (& Interest Reduced) Loans provided		6	6
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>5,937</u>	<u>5,431</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		633	755
General Council Cash & Investments		4,175	3,142
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		560	502
Infrastructure Loan		478	651
Other Externally Restricted Assets		91	381
Total Interest & Investment Revenue Recognised		<u>5,937</u>	<u>5,431</u>
(d) Other Revenues			
Rental Income - Investment Properties	14	416	442
Rental Income - Other Council Properties		3,770	3,439
Fines		847	665
Fines - Parking		2,123	2,167
Legal Fees Recovery - Rates & Charges (Extra Charges)		329	402
Diesel Rebate		168	171
Energy Saving Certificates		-	53
Insurance Claim Recoveries		682	156
Legal Settlements ⁽¹⁾		61	2,002
Sales - General		423	508
Sponsorship & Promotional Income		257	273
Reimbursements		53	88
Outgoings Reimbursements		143	77
Other		881	419
<u>TOTAL OTHER REVENUE</u>		<u>10,153</u>	<u>10,864</u>

(1) The 2013 comparative includes a \$2M settlement from LawCover which is considered significant

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance	8,542	16,831	-	-
Pensioners' Rates Subsidies - General Component	1,680	1,686	-	-
Total General Purpose	10,222	18,517	-	-
¹ The Financial Assistance Grant for 13/14 reflects a one off reduction due to the fact that this grant is no longer being paid in advance by up to 50% as has occurred in previous years - it does not represent a loss of income but is instead a timing difference.				
Specific Purpose				
Pensioners' Rates Subsidies:				
- Domestic Waste Management	546	536	-	-
Arts & Culture	65	70	-	-
Building Better Regional Cities Program	-	-	7,924	-
Buildings	-	-	258	617
Car Parks	-	-	-	3
Community Development & Support	413	477	-	-
Economic Development	-	5	-	-
Emergency Services	486	570	-	-
Environmental Management & Enhancement	65	59	-	-
Environmental Protection	159	19	-	-
Floodplain & Stormwater Management	-	432	-	-
Footpaths & Cycleways	-	-	3,354	3,062
HACC Community Transport	2,161	1,907	-	-
Healthy Communities	136	161	-	-
Heritage & Cultural	6	15	-	-
Illawarra Dementia Respite Service	409	402	-	-
Infrastructure Renewal	821	195	-	-
Library	461	500	-	-
Local Bus Route Subsidy	70	57	-	-
Natural Area Management	117	89	-	-
People & Learning	12	16	-	-
Strategic City Planning	108	196	-	-
Street Lighting	460	460	-	-
Transport (Roads to Recovery)	-	-	373	731
Transport (Other Roads & Bridges Funding)	-	9	778	610
Voluntary Purchase Scheme	-	-	1,071	699
Waste Performance Improvement	653	1,251	-	-
Wollongong Multi Service Outlet	834	886	-	-
Information Technology	-	-	290	-
Total Specific Purpose	7,982	8,312	14,048	5,722
Total Grants	18,204	26,829	14,048	5,722
Grant Revenue is attributable to:				
- Commonwealth Funding	13,224	21,448	11,073	1,475
- State Funding	4,980	5,381	2,975	4,247
	18,204	26,829	14,048	5,722

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 94A - Fixed Development Consent Levies	-	-	2,500	2,591
S 94 West Dapto	-	-	5,041	4,588
Total Developer Contributions	17 -	-	7,541	7,179
Other Contributions:				
Community Development & Support	40	47	-	-
Community Services & Facilities	678	521	-	-
Contributed Bushfire Assets	-	-	590	348
Contributed Transport Assets (RMS)	-	-	-	4,841
Dedications (other than by S94)	-	-	7,577	20,709
Footpaths & Cycleways	-	-	29	-
Heritage/Cultural	-	-	22	-
Other Councils - Joint Works/Services	-	-	-	-
Parks, Gardens and Sportsfields	89	16	252	-
Pollution Minimisation	-	71	-	-
Roads & Bridges	42	28	1,302	-
RMS Contributions (Regional Roads, Block Grant)	1,410	1,582	-	-
Sandon Point Surf Club	-	-	-	96
Strategic City Planning	-	13	-	-
Wollongong City Gallery Collection	-	-	-	147
Total Other Contributions	2,259	2,278	9,772	26,141
Total Contributions	2,259	2,278	17,313	33,320
TOTAL GRANTS & CONTRIBUTIONS	20,463	29,107	31,361	39,042

\$ '000	Actual 2014	Actual 2013
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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	22,906	18,202
add: Grants & contributions recognised in the current period but not yet spent:	16,489	10,607
less: Grants & contributions recognised in a previous reporting period now spent:	(13,827)	(5,903)
Net Increase (Decrease) in Restricted Assets during the Period	2,662	4,704
Unexpended and held as Restricted Assets	25,568	22,906
Comprising:		
- Specific Purpose Unexpended Grants	11,401	10,910
- Developer Contributions	13,953	11,758
- Other Contributions	214	238
	25,568	22,906

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2014	Actual 2013
(a) Employee Benefits & On-Costs			
Salaries and Wages		80,601	76,912
Employee Leave Entitlements (ELE)		12,928	11,521
Fringe Benefit Tax (FBT)		202	247
Payroll Tax		38	41
Protective Clothing		271	268
Superannuation		10,062	9,525
Workers' Compensation Insurance		48	63
Workers Compensation Provision		(28)	(1,259)
Workers Compensation - Self Insurance		1,942	2,183
Training Costs (other than Salaries & Wages)		728	789
Other		453	399
Total Employee Costs		107,245	100,689
less: Capitalised Costs		(11,453)	(9,646)
TOTAL EMPLOYEE COSTS EXPENSED		95,792	91,043
Number of "Equivalent Full Time" Employees at year end		1,008	996
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		1,104	336
Total Interest Bearing Liability Costs Expensed		1,104	336
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	1,758	1,790
Interest applicable on Interest Free (& favourable) Loans to Council		1,127	1,241
Total Other Borrowing Costs		2,885	3,031
TOTAL BORROWING COSTS EXPENSED		3,989	3,367

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Materials & Contracts			
Raw Materials & Consumables		15,349	15,683
Contractor & Consultancy Costs		93,280	61,400
Auditors Remuneration ⁽¹⁾		256	264
Legal Expenses:			
- Legal Expenses: Planning & Development		94	240
- Legal Expenses: Other		733	1,312
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽²⁾		129	276
Total Materials & Contracts		109,841	79,175
less: Capitalised Costs		(67,156)	(36,036)
TOTAL MATERIALS & CONTRACTS		42,685	43,139
1. Auditor Remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):			
(i) Audit and Other Assurance Services			
- Audit & review of financial statements: Council's Auditor (external)		111	109
Remuneration for audit and other assurance services		111	109
(ii) Other Services			
- Other Services (internal audit)		145	155
Remuneration for other services		145	155
Total Auditor Remuneration		256	264
2. Operating Lease Payments are attributable to:			
Computers		-	148
Other		129	128
		129	276

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2014	Actual 2013	Actual 2014	Actual 2013
Plant and Equipment		-	-	4,129	4,170
Office Equipment		-	-	1,449	1,373
Furniture & Fittings		-	-	193	469
Buildings - Non Specialised		-	-	6,653	7,651
Buildings - Specialised		-	53	6,980	8,029
Other Structures		-	-	1,603	1,291
Infrastructure:					
- Roads		-	937	13,747	13,703
- Bridges		-	-	1,252	1,089
- Footpaths		-	-	3,027	3,072
- Stormwater Drainage		-	-	8,906	8,818
- Kerb & Gutter		-	-	4,880	4,752
- Cycleways		-	-	1,128	1,030
- Carparks		-	-	507	505
- Swimming Pools		-	-	604	572
- Other Open Space/Recreational Assets		-	-	3,191	1,846
- Other Infrastructure		-	-	1,420	1,282
Other Assets					
- Library Books		-	-	1,040	1,004
Asset Reinstatement Costs	9 & 26	-	-	220	221
Intangible Assets	25	-	-	274	363
<u>TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED</u>		-	990	61,203	61,240

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		356	404
Bad & Doubtful Debts		38	(17)
Bank Charges		403	484
Carbon Tax Expense		2,164	2,134
Contributions/Levies to Other Levels of Government			
- Emergency Services Levy (includes FRNSW, SES, and RFS Levies)		273	256
- Lake Illawarra Authority		-	487
- NSW Fire Brigade Levy		2,558	2,504
- NSW Rural Fire Service Levy		476	380
- Waste & Environment Levy		12,091	10,589
Councillor Expenses - Mayoral Fee		76	75
Councillor Expenses - Councillors' Fees		366	354
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		5	1
Donations, Contributions & Assistance to other organisations (Section 356)			
- City Centre Management		624	678
- Sponsorship Fund		79	50
- Illawarra Institute of Sport		35	35
- Illawarra Performing Arts Centre		635	606
- Illawarra Regional Information Service		83	81
- Illawarra Surf Life Saving		52	61
- Neighbourhood Youth Program		228	225
- Southern Councils Group		67	65
- Tourism		938	917
- Other		715	774
Light, Electricity & Heating		2,415	2,472
Insurance		2,606	2,879
Postage		309	274
Provision for Self Insurance Claims		70	200
Revaluation Decrements (Fair Valuation of Investment Properties)	14	975	-
Street Lighting		3,428	3,316
Telephone & Communications		803	703
Valuation Fees		402	379
Water Rates		929	914
Volunteer Reimbursements		224	244
Sewerage Charges		296	353
Other		1,638	1,609
Total Other Expenses		36,357	34,486
less: Capitalised Costs		(511)	(351)
TOTAL OTHER EXPENSES		35,846	34,135

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2014	Actual 2013
Property (excl. Investment Property)			
Proceeds from Disposal - Property		1,773	238
less: Carrying Amount of Property Assets Sold / Written Off		(3,182)	(1,347)
Net Gain/(Loss) on Disposal		(1,409)	(1,109)
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		1,446	1,393
less: Carrying Amount of P&E Assets Sold / Written Off		(1,187)	(1,180)
Net Gain/(Loss) on Disposal		259	213
Infrastructure			
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(3,095)	(3,415)
Net Gain/(Loss) on Disposal		(3,095)	(3,415)
Financial Assets			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		14,088	29
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(14,088)	(29)
Net Gain/(Loss) on Disposal		-	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(4,245)	(4,311)

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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

\$ '000	Notes	2014 Actual Current	2014 Actual Non Current	2013 Actual Current	2013 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		3,003	-	1,391	-
Cash-Equivalent Assets					
- Deposits at Call		30,296	-	22,081	-
- Short Term Deposits		-	-	76,030	-
Total Cash & Cash Equivalents		33,299	-	99,502	-
Investments (Note 6b)					
- Managed Funds		1,526	-	1,344	-
- Long Term Deposits		56,030	21,000	-	10,000
- NCD's, FRN's (with Maturities > 3 months)		1,019	-	1,019	-
- Mortgage Backed Securities		1,765	-	1,871	-
- Other Long Term Financial Assets		3,332	-	3,060	-
Total Investments		63,672	21,000	7,294	10,000
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS					
		96,971	21,000	106,796	10,000

**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"	33,299	-	99,502	-
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Investments

a. "At Fair Value through the Profit & Loss"					
- "Held for Trading"	6(b-i)	7,642	-	7,294	-
b. "Held to Maturity"	6(b-ii)	56,030	21,000	-	10,000
Investments		63,672	21,000	7,294	10,000

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of investments held.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 6b. Investments (continued)

	2014 Actual Current	2014 Actual Non Current	2013 Actual Current	2013 Actual Non Current
\$ '000				
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Balance at the Beginning of the Year	7,294	-	7,189	-
Revaluations (through the Income Statement)	386	-	82	-
Additions	50	-	52	-
Disposals (sales & redemptions)	(88)	-	(29)	-
Balance at End of Year	7,642	-	7,294	-
Comprising:				
- Managed Funds	1,526	-	1,344	-
- NCD's, FRN's (with Maturities > 3 months)	1,019	-	1,019	-
- Mortgage Backed Securities	1,765	-	1,871	-
- Other Long Term Financial Assets	3,332	-	3,060	-
Total	7,642	-	7,294	-
Note 6(b-ii)				
Reconciliation of Investments classified as "Held to Maturity"				
Balance at the Beginning of the Year	-	10,000	-	-
Additions	60,030	21,000	-	10,000
Disposals (sales & redemptions)	(14,000)	-	-	-
Transfers between Current/Non Current	10,000	(10,000)	-	-
Balance at End of Year	56,030	21,000	-	10,000
Comprising:				
- Other Long Term Deposits	56,030	21,000	-	10,000
Total	56,030	21,000	-	10,000
Note 6(b-iii)				
Reconciliation of Investments classified as "Loans & Receivables"				
Nil				
Note 6(b-iv)				
Reconciliation of Investments classified as "Available for Sale"				
Nil				

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

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

	2014 Actual Current	2014 Actual Non Current	2013 Actual Current	2013 Actual Non Current
\$ '000				
Total Cash, Cash Equivalents and Investments	96,971	21,000	106,796	10,000
attributable to:				
External Restrictions (refer below)	41,979	21,000	53,961	10,000
Internal Restrictions (refer below)	26,964	-	24,383	-
Unrestricted	28,028	-	28,452	-
	96,971	21,000	106,796	10,000

2014 \$ '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)	11,758	8,102	(5,907)	13,953
RMS (formerly RTA) Contributions (B)	238	2,162	(2,186)	214
Specific Purpose Unexpended Grants (C)	10,910	18,620	(18,128)	11,401
Domestic Waste Management (D)	6,408	1,673	-	8,081
Stormwater Management (D)	834	1,722	(2,115)	441
Private Subsidies	1,883	2,506	(1,047)	3,342
Unexpended Loan (E)	12,877	478	(4,882)	8,473
Special Rates Levy - Wollongong Mall	251	977	(988)	240
Special Rates Levy - City Centre	11	371	(373)	9
Local Infrastructure Renewal Scheme Round 1 (F)	18,791	-	(5,430)	13,361
Local Infrastructure Renewal Scheme Round 2 (F)	-	4,305	(841)	3,464
External Restrictions - Other	63,961	40,916	(41,897)	62,979
Total External Restrictions	63,961	40,916	(41,897)	62,979

- 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 loans to be administered on infrastructure projects over the local government areas.

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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

2014 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Car Parking Strategy	489	576	(862)	203
Property	(253)	1,736	-	1,483
Darcy Wentworth Park	99	32	-	131
MacCabe Park Development	391	150	-	541
Sports Priority Program	850	352	(425)	777
Telecommunications Reserve	279	-	(192)	87
Waste Disposal Facility	20,281	3,996	(10,503)	13,774
Carbon Price	2,176	2,282	-	4,458
West Dapto Development	71	239	-	310
Future Projects	-	5,200	-	5,200
Total Internal Restrictions	24,383	14,563	(11,982)	26,964
TOTAL RESTRICTIONS	88,344	55,479	(53,879)	89,943

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 7. Receivables

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		3,878	4,091	5,957	3,865
Interest & Extra Charges		298	1,146	491	974
User Charges & Fees		3,465	-	4,718	-
Accrued Revenues					
- Interest on Investments		2,061	-	1,642	-
- Other Income Accruals		1,983	-	3,158	-
Government Grants & Subsidies		4,557	-	2,831	-
Deferred Debtors		3	-	15	-
Net GST Receivable		2,692	-	2,003	-
Total		18,937	5,237	20,815	4,839
less: Provision for Impairment					
User Charges & Fees		(366)	-	(334)	-
Total Provision for Impairment - Receivables		(366)	-	(334)	-
<u>TOTAL NET RECEIVABLES</u>		<u>18,571</u>	<u>5,237</u>	<u>20,481</u>	<u>4,839</u>

Restricted Receivables

There are no external or internal 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.
A critical judgement about whether the debt is recoverable is made on case by case basis prior to impairing a receivable.
- (iii) Interest was charged on overdue rates & charges at 9.00% (2013 10.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 8. Inventories & Other Assets

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		5,734	-	8,611	-
Stores & Materials		303	-	329	-
Total Inventories		6,037	-	8,940	-
Other Assets					
Prepayments		1,646	-	885	-
Total Other Assets		1,646	-	885	-
<u>TOTAL INVENTORIES / OTHER ASSETS</u>		<u>7,683</u>	<u>-</u>	<u>9,825</u>	<u>-</u>

Externally Restricted Assets

There are no restrictions applicable to the above assets.

Other Disclosures**(a) Details for Real Estate Development**

Residential	5,734	-	8,611	-
Total Real Estate for Resale	5,734	-	8,611	-

(Valued at the lower of cost and net realisable value)

Represented by:

Acquisition Costs	5,734	-	8,611	-
Total Costs	5,734	-	8,611	-
Total Real Estate for Resale	5,734	-	8,611	-

Movements:

Real Estate assets at beginning of the year	8,611	-	8,611	-
- Transfers in from (out to) Note 9	(2,877)	-	-	-
Total Real Estate for Resale	5,734	-	8,611	-

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

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

	2014	2013
Real Estate for Resale	5,734	5,734
	5,734	5,734

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

- Stores & Materials	1,361	1,285
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Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2013					Asset Movements during the Reporting Period									as at 30/6/2014				
	At Cost	At Fair Value	Accumulated		Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	WIP Transfers	Adjustments & Transfers	Tfrs from/(to) "Held for Sale" category	Tfrs from/(to) Real Estate Assets (Note 8)	Revaluation Decrements to Equity (ARR)	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumulated		Carrying Value
			Dep'n	Impairment													Dep'n	Impairment	
Capital Work in Progress	16,765	-	-	-	16,765	37,290	-	-	(6,789)	-	-	-	-	-	47,266	-	-	-	47,266
Plant & Equipment	-	36,536	15,867	-	20,669	4,685	(1,185)	(4,129)	-	147	-	-	-	-	-	37,192	17,005	-	20,187
Office Equipment	-	7,016	2,992	-	4,024	503	(2)	(1,449)	-	442	-	-	-	-	-	7,452	3,934	-	3,518
Furniture & Fittings	-	2,949	2,199	-	750	227	-	(193)	-	-	-	-	-	-	-	1,746	962	-	784
Land:																			
- Operational Land	-	391,301	-	-	391,301	3,432	(1,792)	-	-	(309)	(1,700)	2,877	(212,612)	-	-	181,197	-	-	181,197
- Community Land	-	371,352	-	-	371,352	1,076	-	-	-	917	-	-	(224)	-	-	373,121	-	-	373,121
- Land under Roads (post 30/6/08)	-	24,566	-	-	24,566	83	-	-	-	(92)	-	-	-	1,557	-	26,114	-	-	26,114
Land Improvements - non depreciable	-	67,046	-	-	67,046	-	-	-	-	-	-	-	-	-	-	67,046	-	-	67,046
Buildings - Non Specialised	-	244,790	114,936	-	129,854	2,565	(1,192)	(6,653)	748	(9,086)	-	-	(24,923)	-	-	198,040	106,727	-	91,313
Buildings - Specialised	-	353,991	186,807	399	166,785	3,930	(16)	(6,980)	770	(24,251)	-	-	(21,436)	-	-	306,038	186,855	381	118,802
Other Structures	-	23,360	13,717	-	9,643	989	(131)	(1,603)	-	(361)	-	-	(233)	-	-	22,920	14,616	-	8,304
Infrastructure:																			
- Roads	-	1,239,968	731,169	937	507,862	20,176	(1,593)	(21,682)	4,817	(11,678)	-	-	-	33,709	-	1,307,011	774,463	937	531,611
- Bridges	-	90,187	38,626	-	51,561	-	(1,183)	(1,252)	-	13,486	-	-	-	970	-	107,296	43,714	-	63,582
- Footpaths	-	225,157	169,014	-	56,143	7,179	(175)	(3,027)	-	39,580	-	-	-	367	-	235,751	135,684	-	100,067
- Stormwater Drainage	-	827,019	331,861	-	495,158	6,833	(163)	(8,906)	307	744	-	-	-	17,015	-	862,601	351,613	-	510,988
- Swimming Pools	-	30,718	23,575	-	7,143	-	-	(604)	-	(355)	-	-	-	-	-	30,718	24,534	-	6,184
- Other Open Space/Recreational Assets	-	73,752	44,176	-	29,576	2,578	(32)	(3,191)	147	1,043	-	-	-	388	-	78,271	47,762	-	30,509
Other Assets:																			
- Heritage Collections	-	11,410	-	-	11,410	300	-	-	-	62	-	-	-	316	-	12,088	-	-	12,088
- Library Books	-	6,730	3,062	-	3,668	1,064	-	(1,040)	-	-	-	-	-	-	-	6,723	3,031	-	3,692
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26):																			
- Tip Assets	-	19,738	8,052	-	11,686	-	-	(220)	-	3	-	-	-	-	-	19,738	8,269	-	11,469
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	16,765	4,047,586	1,686,053	1,336	2,376,962	92,910	(7,464)	(60,929)	-	10,292	(1,700)	2,877	(259,428)	54,322	47,266	3,881,063	1,719,169	1,318	2,207,842

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$25,737) and New Assets (\$14,929). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of other Infrastructure, Property, Plant & Equipment.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

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

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

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

\$ '000	Notes	Actual 2014	Actual 2013
Impairment Losses recognised in the Income Statement:			
- Mt Keira Summit Park Cafe		-	(14)
- RFS Bushfire Control Centre		-	(5)
- Stream Hill Cottage West Dapto		-	(15)
- Scarborough Cemetery Toilet Block		-	(19)
- Mount Keira Road		-	(937)
Total Impairment Losses		-	(990)
<u>IMPAIRMENT of ASSETS - GAINS/(LOSSES) in P/L</u>	4(d)	<u>-</u>	<u>(990)</u>

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		8,645	-	6,848	-
Goods & Services - capital expenditure		10,149	-	8,039	-
Payments Received In Advance		2,273	-	2,134	-
Accrued Expenses:					
- Other Expenditure Accruals		5,568	-	3,614	-
Security Bonds, Deposits & Retentions		1,982	-	2,063	-
Other		479	-	503	-
Total Payables		29,096	-	23,201	-
Borrowings					
Loans - Secured ¹		3,908	31,459	3,332	31,236
Total Borrowings		3,908	31,459	3,332	31,236
Provisions					
Employee Benefits;					
Annual Leave		8,288	-	8,013	-
Sick Leave		563	-	543	-
Long Service Leave		30,943	491	28,750	417
Other Leave		844	-	804	-
Sub Total - Aggregate Employee Benefits		40,638	491	38,110	417
Self Insurance - Workers Compensation		1,316	5,347	1,611	5,080
Self Insurance - Claims Incurred		295	175	200	200
Asset Remediation/Restoration (Future Works) ²⁶		-	39,170	-	37,570
Carbon Tax		264	4,034	-	2,134
Land Remediation		402	-	912	-
Total Provisions		42,915	49,217	40,833	45,401
Total Payables, Borrowings & Provisions					
		75,919	80,676	67,366	76,637

Liabilities relating to Restricted Assets

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

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

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

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

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

	Actual 2014	Actual 2013
\$ '000		
(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	29,865	27,750
Payables - Security Bonds, Deposits & Retentions	1,463	1,171
	31,328	28,921

Note 10b. Description of and movements in Provisions

Class of Provision	2013	2014				Closing Balance as at 30/6/14
	Opening Balance as at 1/7/13	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	8,013	7,657	(7,357)	(25)	-	8,288
Sick Leave	543	20	-	-	-	563
Long Service Leave	29,167	4,689	(2,781)	359	-	31,434
Other Leave	804	228	(188)	-	-	844
Self Insurance						
- Workers Compensation	6,691	(28)	-	-	-	6,663
- Claims Incurred	400	-	-	-	-	400
Asset Remediation	37,570	1,600	-	-	-	39,170
Carbon Tax	2,134	2,164	-	-	-	4,298
Other	912	(440)	-	-	-	472
TOTAL	86,234	15,890	(10,326)	334	-	92,132

- 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. Estimates are derived through a process of claim assessment undertaken internally by Council's Risk Insurance team.
- 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. The calculation has been prepared by Finance using information provided by Council's Waste Services team. The major assumptions are the life of the tip, estimate of future costs, timing of future costs and the discount rate.
- 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 2014

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2014	Actual 2013
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	33,299	99,502
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		33,299	99,502
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		12,111	25,139
Adjust for non cash items:			
Depreciation & Amortisation		61,203	61,240
Net Losses/(Gains) on Disposal of Assets		4,245	4,311
Non Cash Capital Grants and Contributions		(8,167)	(26,141)
Impairment Losses Recognition - I,PP&E		-	990
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "At Fair Value" or "Held for Trading"		(386)	(82)
- Investment Properties		975	-
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- Interest on all fair value adjusted Interest Free Advances made by Council		(6)	(6)
- Interest Exp. on Interest Free Loans received by Council (previously Fair Valued)		1,127	1,241
Unwinding of Discount Rates on Reinstatement Provisions		1,758	1,790
Share of Net (Profits) or Losses of Associates/Joint Ventures		(198)	(244)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		1,468	(7,572)
Increase/(Decrease) in Provision for Doubtful Debts		32	(17)
Decrease/(Increase) in Inventories		26	(40)
Decrease/(Increase) in Other Assets		(761)	(163)
Increase/(Decrease) in Payables		1,797	(194)
Increase/(Decrease) in other accrued Expenses Payable		1,954	244
Increase/(Decrease) in Other Liabilities		34	1,014
Increase/(Decrease) in Employee Leave Entitlements		2,602	1,931
Increase/(Decrease) in Other Provisions		1,538	1,968
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		81,352	65,409

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

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

\$ '000	Notes	Actual 2014	Actual 2013
(c) Non-Cash Investing & Financing Activities			
Contributed Transport Assets - RMS		-	4,841
Contributed Art Works		-	147
Other Dedications		7,577	20,709
Contributed Bush Fire Assets		590	348
Other Non Cash Items		-	96
Total Non-Cash Investing & Financing Activities		8,167	26,141
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		300	300
Credit Cards / Purchase Cards		735	835
Total Financing Arrangements		1,035	1,135
Amounts utilised as at Balance Date:			
- Credit Cards / Purchase Cards		8	73
Total Financing Arrangements Utilised		8	73

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.
Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

(ii) Secured Loan Liabilities

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

(e) Bank Guarantees

Council has not provided any Bank Guarantees during the year (or at year end).

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2014	Actual 2013
(a) Capital Commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, Plant & Equipment			
Buildings		233	925
Plant & Equipment		-	152
Infrastructure		11,889	26,101
Total Commitments		12,122	27,178
These expenditures are payable as follows:			
Within the next year		12,122	25,401
Later than one year and not later than 5 years		-	1,777
Total Payable		12,122	27,178
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		3,704	8,048
Future Grants & Contributions		-	2,718
Sect 64 & 94 Funds/Reserves		515	178
Unexpended Grants		6,981	373
Externally Restricted Reserves		-	40
Internally Restricted Reserves		-	10,875
Unexpended Loans		922	4,946
Total Sources of Funding		12,122	27,178

Details of Capital Commitments

Buildings include Administration Centre & Corrimal Community Centre

Infrastructure includes Shone Avenue, Fred Finch Netball, Austinmeer Rockpool, Mullet Creek Bridge, West Dapto Roadworks, Windang Lifeguard Tower, Stony Creek Bridge, James Bridge, Administration Building Carpark, Lawrence Hargrave Drive Bus Bay, Heritage Walk, Continental Pool.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(b) Finance Lease Commitments			
Nil			
(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		97	99
Later than one year and not later than 5 years		388	380
Later than 5 years		970	1,041
Total Non Cancellable Operating Lease Commitments		1,455	1,520

b. Non Cancellable Operating Leases include the following assets:

Lease of Land for Dapto Ribbonwood Centre

Conditions relating to Operating Leases:

- All Operating Lease Agreements are secured only against the Leased Asset.
- No Lease Agreements impose any financial restrictions on Council regarding future debt etc.

(d) Investment Property Commitments

Nil

(e) Investment in Associates / Joint Ventures - Commitments

For Capital and Other Commitments relating to Investments in Associates & Joint Ventures, refer to Note 19 (b)

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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

\$ '000	Amounts 2014	Indicator 2014	Prior Periods 20132012	
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. Capital Grants & Contributions) - Operating Expenses	(14,614)	-6.53%	-4.43%	-5.87%
Total continuing operating revenue ⁽¹⁾	223,926			
(excl. Capital Grants & Contributions)				
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue ⁽¹⁾				
(less ALL Grants & Contributions)	203,463	79.70%	74.09%	78.11%
Total continuing operating revenue ⁽¹⁾	255,287			
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽²⁾	77,212	1.73 : 1	2.01	1.79
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	44,591			
4. Debt Service Cover Ratio				
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation (EBITDA)	50,578	5.87	8.33	8.48
Principal Repayments (from the Statement of Cash Flows) + Borrowing Interest Costs (from the Income Statement)	8,622			
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	9,413	5.61%	7.09%	6.08%
Rates, Annual and Extra Charges Collectible	167,758			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents including All Term Deposits	110,329	7.11	7.33	5.74
Payments from cash flow of operating and financing activities	15,524			

Notes

⁽¹⁾ Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and net share of interests in joint ventures.

⁽²⁾ Refer Notes 6-8 inclusive.

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

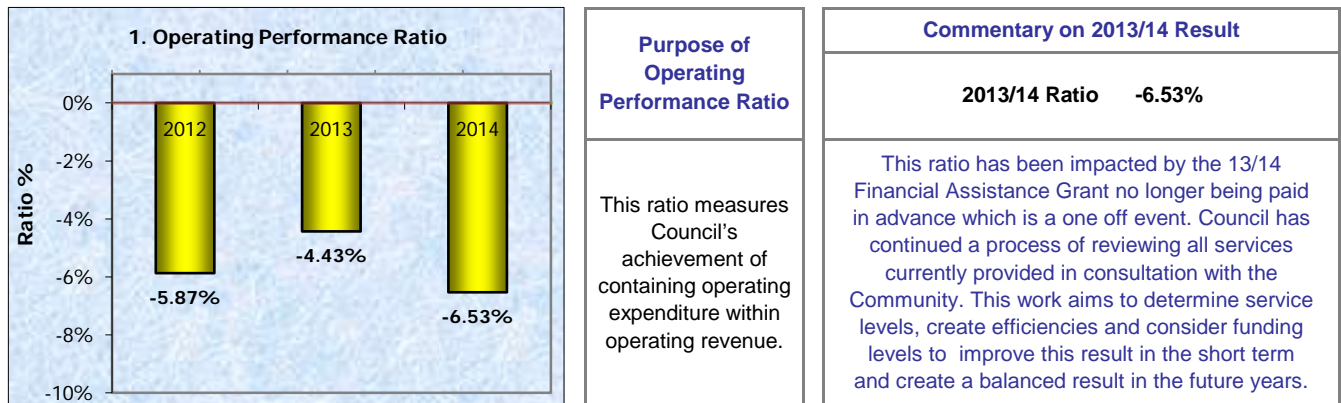
⁽³⁾ Refer to Note 10(a).

⁽⁴⁾ Refer to Note 10(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).

Wollongong City Council

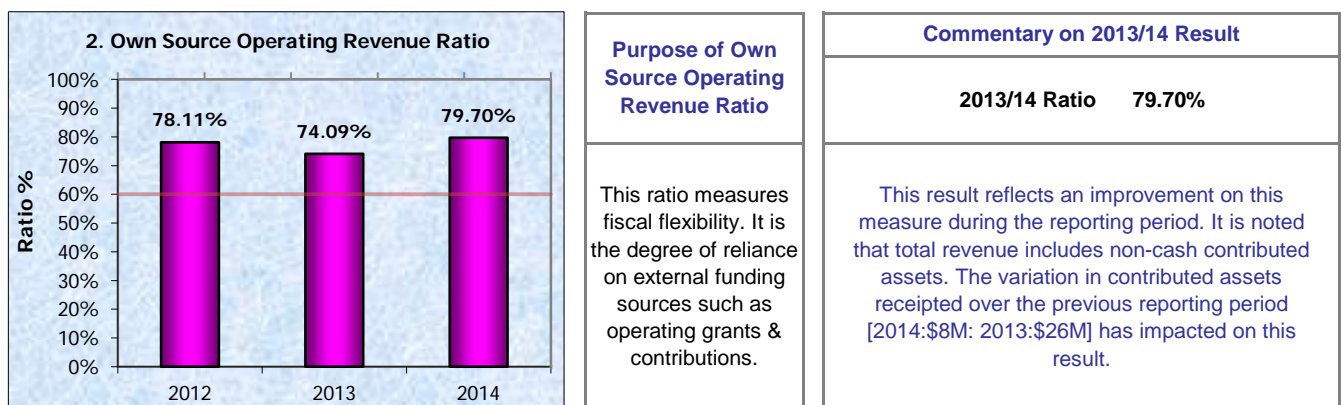
Notes to the Financial Statements for the financial year ended 30 June 2014

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



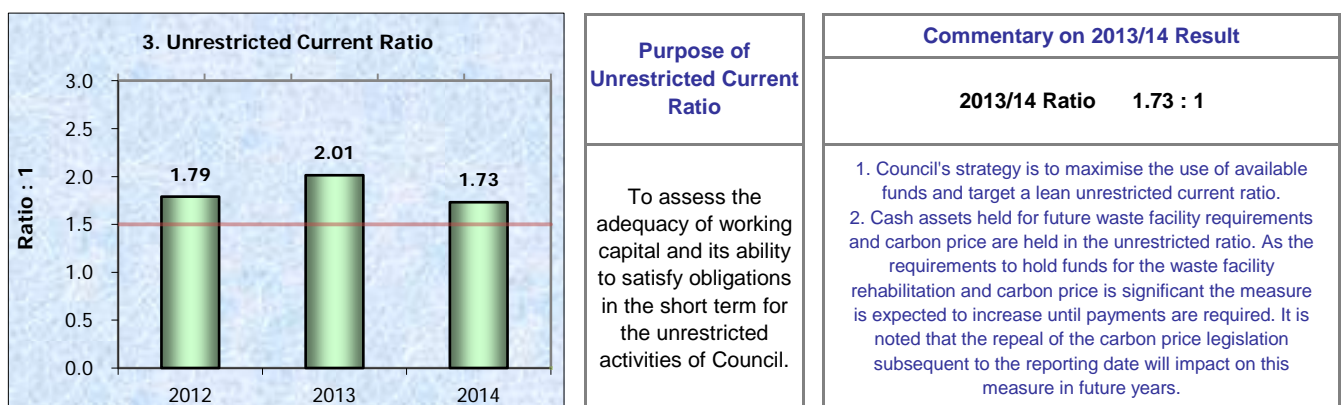
Minimum 0.00%

Source for Benchmark: Code of Accounting Practice and Financial Reporting



Minimum 60.00%

Source for Benchmark: Code of Accounting Practice and Financial Reporting



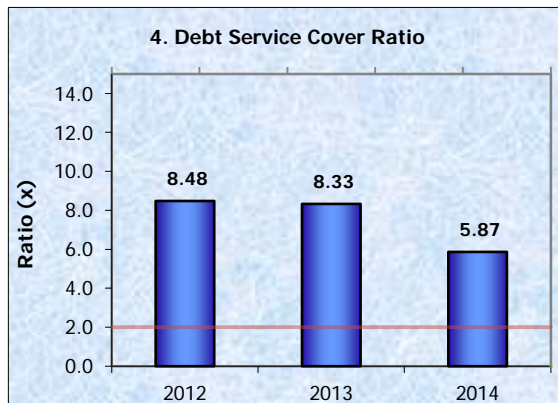
Minimum 1.50

Source for Benchmark: Code of Accounting Practice and Financial Reporting

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

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



— Minimum 2.00

Source for Benchmark: NSW Treasury Corporation

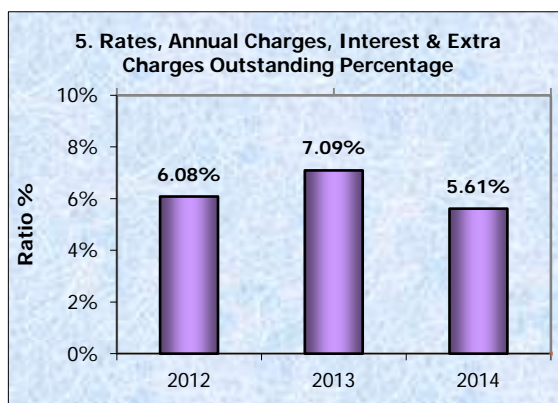
Purpose of Debt Service Cover Ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2013/14 Result

2013/14 Ratio 5.87

The result provides an indication that Council can adequately service its outstanding debt. The decrease in this measure is the result of an increase in principal and interest repayments as a result LIRS 2 and the impact of the financial assistance grant not being paid in advance. It is noted that this performance measure includes non-cash accounting entries relating to the unwinding of the interest free infrastructure loan and tip remediation that impact the result.



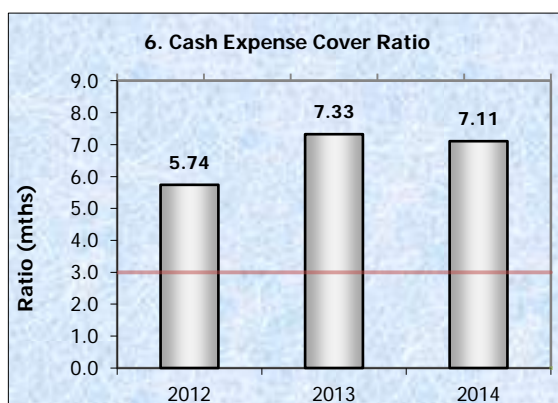
Purpose of Rates & Annual Charges Outstanding Ratio

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2013/14 Result

2013/14 Ratio 5.61%

During the year an improved debt recovery process was implemented. This included reviewing the instalment, reminder and final notice processes. In an effort to reduce the balance outstanding further, business properties were personally contacted to recover the outstanding monies owed. It has been identified that there were a number of accounts with payment arrangements outside our debt recovery policy, which are now being addressed which are aimed at further enhancing future results.



— Minimum 3.00

Source for Benchmark: Code of Accounting Practice and Financial Reporting

Purpose of Cash Expense Cover Ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on Result

2013/14 Ratio 7.11

The result of this measure reflects the short term position of Council's investment portfolio at the end of 2013/14.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 14. Investment Properties

\$ '000	Notes	Actual 2014	Actual 2013
(a) Investment Properties at Fair value			
<u>Investment Properties on Hand</u>		<u>2,750</u>	<u>3,725</u>
Reconciliation of Annual Movement:			
Opening Balance		3,725	3,725
- Net Gain/(Loss) from Fair Value Adjustments		(975)	-
CLOSING BALANCE - INVESTMENT PROPERTIES		<u>2,750</u>	<u>3,725</u>

(b) Valuation Basis

The basis of valuation of Investment Properties is Fair Value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2014 revaluations were based on Independent Assessments made by Lachlan Black, Registered 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 receivable as follows:

Within 1 year	213	272
Later than 1 year but less than 5 years	388	123
Later than 5 years	-	-
Total Minimum Lease Payments Receivable	<u>601</u>	<u>395</u>

(e) Investment Property Income & Expenditure - summary

Rental Income from Investment Properties:		
- Minimum Lease Payments	416	442
Direct Operating Expenses on Investment Properties:		
- that generated rental income	(166)	(104)
Net Revenue Contribution from Investment Properties	<u>250</u>	<u>338</u>
plus:		
Fair Value Movement for year	<u>(975)</u>	<u>-</u>
Total Income attributable to Investment Properties	<u>(725)</u>	<u>338</u>

Refer to Note 27- Fair Value Measurement for information regarding the fair value of investment properties held.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

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	
	2014	2013	2014	2013
Financial Assets				
Cash and Cash Equivalents	33,299	99,502	89,329	99,502
Investments				
- "Held for Trading"	7,642	7,294	7,642	7,294
- "Held to Maturity"	77,030	10,000	21,000	10,000
Receivables	23,808	25,320	23,808	25,320
Total Financial Assets	141,779	142,116	141,779	142,116
Financial Liabilities				
Payables	26,823	21,067	26,823	21,067
Loans / Advances	35,367	34,568	35,367	34,568
Total Financial Liabilities	62,190	55,635	62,190	55,635

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.

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of financial assets & liabilities

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

\$ '000

(a) Cash & Cash Equivalents, Financial assets 'at fair value through the profit & Loss' "Available-for-sale" financial assets & "Held-to-maturity" Investments

Council's objective is to maximise its return on cash & investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's Finance area manages the Cash & Investments portfolio with the assistance of independent advisors.

Council 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 risks associated with the investments held are:

- **Price Risk** - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there 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.

- **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 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.

- **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 and diversifying the portfolio.

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
2014				
Possible impact of a 10% movement in Market Values	764	764	(764)	(764)
Possible impact of a 1% movement in Interest Rates	893	893	(893)	(893)
2013				
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)

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

Council's major receivables comprise **(i)** Rates & Annual charges and **(ii)** User Charges & Fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts - that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates & annual charges at higher than market rates which further encourages the payment of debt.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Council's receivables credit risk at balance date follows:

	2014 Rates & Annual Charges	2014 Other Receivables	2013 Rates & Annual Charges	2013 Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	0%	65%	0%	76%
Overdue	100%	35%	100%	24%
	100%	100%	100%	100%
(ii) Ageing of Receivables - value				
Current (not yet overdue)	7,969	16,205	9,822	15,832
	7,969	16,205	9,822	15,832
(iii) Movement in Provision for Impairment of Receivables			2014	2013
Balance at the beginning of the year			334	351
+ new provisions recognised during the year			39	-
- previous impairment losses reversed			(7)	(17)
Balance at the end of the year			366	334

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

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

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & Borrowings are set out in the maturity table below:

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2014									
Trade/Other Payables	1,982	24,841	-	-	-	-	-	26,823	26,823
Loans & Advances	-	6,023	6,163	6,163	6,163	6,163	11,046	41,721	35,367
Total Financial Liabilities	1,982	30,864	6,163	6,163	6,163	6,163	11,046	68,544	62,190
2013									
Trade/Other Payables	2,063	19,004	-	-	-	-	-	21,067	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	24,439	5,435	5,435	5,575	5,575	17,175	65,697	55,635

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:

	2014		2013	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	26,823	0.0%	21,067	0.0%
Loans & Advances - Fixed Interest Rate	35,367	1.5%	34,568	1.5%
	62,190		55,635	

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 13/14 was adopted by the Council on 24 June 2013.

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	2014 Budget	2014 Actual	2014 ----- Variance* -----		
REVENUES					
Rates & Annual Charges	155,635	155,509	(126)	(0%)	U
User Charges & Fees	30,723	32,250	1,527	5%	F
Interest & Investment Revenue	4,891	5,937	1,046	21%	F
Higher than forecast revenues are due to an increase in fair value of a number of securities held \$0.4M, receipt an unbudgeted dividend on shares \$0.2M and a generally higher level of cash holding held through the year that reflects timing of capital program delivery and early payment of the Federal Assistance and other grants.					
Other Revenues	8,706	10,153	1,447	17%	F
This variation is comprised of an amount recovered from HIH Insurance in relation to claims outstanding and payable to Council at the time the company was placed into liquidation \$0.5M, recognition of a forfeited deposit on a land sale that did not proceed \$0.4M, legal recoveries \$0.2M, and a range of other smaller favourable					
Operating Grants & Contributions	19,267	20,463	1,196	6%	F
Capital Grants & Contributions	20,167	31,361	11,194	56%	F
Higher income level reflects recognition of the value of contributed roads and drainage assets from subdivisions					

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 16. Material Budget Variations (continued)

\$ '000	2014 Budget	2014 Actual	2014 ----- Variance* -----	
EXPENSES				
Employee Benefits & On-Costs	93,262	95,792	(2,530)	(3%) U
Borrowing Costs	3,935	3,989	(54)	(1%) U
Materials & Contracts	51,434	42,685	8,749	17% F
<p>This positive variation is largely the result of the timing of expenditure and changes in the nature of resources used to complete projects and activities. The principle variation areas are:</p> <p>Operational savings target notionally budgeted as Other Expenses, achieved on Materials & Contracts \$3.4M.</p> <p>Use of additional labour, overtime and internal resources to complete projects and programs in place of external contracts \$2.7M.</p> <p>Externally funded projects in progress and to be completed in future periods \$0.7M.</p> <p>Timing of specific projects including IT, Crown St Façade Rejuvenation, Lake Illawarra commenced to be completed in future period \$1.1M.</p> <p>Reduced level of legal expenditure \$0.8M, waste disposal centre operations \$0.3M, and various other operational savings.</p>				
Other Expenses	33,143	35,846	(2,703)	(8%) U
Net Losses from Disposal of Assets	-	4,245	(4,245)	0% U
<p>The unfavourable variance is mainly due to the write off of residual values on assets that were replaced during the year.</p>				

Notes to the Financial Statements

for the financial year ended 30 June 2014

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	
		Cash	Non Cash					
Drainage	1,131	762	-	62	-	-	1,955	
Roads	6,868	3,478	-	327	(2,798)	-	7,875	
Open Space	1,359	549	-	70	-	-	1,978	
Community Facilities	304	91	-	15	-	-	410	
Administration	95	10	-	4	-	-	109	
Public Transport	140	151	-	9	(2)	-	298	
S94 Contributions - under a Plan	9,897	5,041	-	487	(2,800)	-	12,625	
S94A Levies - under a Plan	1,861	2,501	-	73	(3,107)	-	1,328	
Total S94 Revenue Under Plans	11,758	7,542	-	560	(5,907)	-	13,953	
Total Contributions	11,758	7,542	-	560	(5,907)	-	13,953	

Notes to the Financial Statements

for the financial year ended 30 June 2014

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	1,131	762		62			1,955	<p>Figures provided at left relate to the West Dapto S94 Plan. This plan was adopted in 2011 and resulted in the Horsley S94 Plan being repealed and all remaining balances being absorbed into the West Dapto Plan.</p>		
Roads	6,868	3,478		327	(2,798)		7,875			
Open Space	1,359	549		70			1,978			
Community Facilities	304	91		15			410			
Administration	95	10		4			109			
Public Transport	140	151		9	(2)		298			
Total	9,897	5,041	-	487	(2,800)	-	12,625			

S94A LEVIES - UNDER A PLAN

CONTRIBUTION PLAN - 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	7,501	2,453		291	(2,861)		7,384	<p>These are now transferred and applied towards items within the Section 94 A Plan works schedule as the Section 94 A is the replacement for the plans repealed in June 2006.</p>		
City Centre	(5,640)	48		(218)	(246)		(6,056)			
Total	1,861	2,501	-	73	(3,107)	-	1,328			

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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 \$1,077,964 as security over damages for work that may impact a third party.

Council is also Guarantor on a mortgage for a third party of \$200,000.

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, \$1.76M in 2012/13 and \$1.76M in 2013/14.

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 2014

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

\$ '000

5. EPA Levy

Council is currently undertaking capital works at Whytes Gully waste facility. Certain construction materials at this site have the potential for a EPA levy exemption and refund of landfill levy paid. EPA levy paid to date of \$632,019 has been estimated to fit the category of exemption. This amount has not been recognised at balance date. This disclosure is to recognise that the refund may not occur.

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.

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 went into 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 \$3,715,488. At this time, the liquidator is unable to determine how much of Council's claims will be recovered from the remaining assets of Independent, and has not yet established a Scheme of Arrangement.

2. Various Insurance - HIH & CIC

Council placed or was a party to various liability, property and workers compensation insurance policies with HIH & CIC. During 2000/2001 HIH & CIC went into liquidation. Both HIH & CIC remain responsible for payment of their portion of each Council claim incurred which exceeded Council's insurance excess. Council has recovered \$812,681 to date. The total of Council's unrecovered claims is currently \$1,484,820. At this time, the liquidator is unable to determine how much of Council's claims will be recovered from the remaining assets of HIH & CIC.

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 2014

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	Actual	Actual	Actual
	2014	2013	2014	2013
Associated Entities	-	-	-	-
Joint Venture Entities	198	244	1,181	983
Total	198	244	1,181	983

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

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	2014	2013
Westpool	Insurance	269	150
United Independent Pools (UIP)	Insurance	912	833
Total Carrying Amounts - Joint Venture Entities		1,181	983

(b) Relevant Interests

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2014	2013	2014	2013	2014	2013
Westpool	1%	1%	1%	1%	1%	1%
United Independent Pools (UIP)	8%	8%	8%	8%	8%	8%

(c) Movement in Carrying Amounts

	Westpool		United Independent Pools (UIP)	
	2014	2013	2014	2013
Opening Balance	150	228	833	511
Share in Operating Result	119	(78)	79	322
Council's Equity Share in the Joint Venture Entity	269	150	912	833

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

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	
2014					
Westpool	280	217	40	189	268
United Independent Pools (UIP)	1,066	294	152	295	913
Totals	1,346	511	192	484	1,181
2013					
Westpool	297	-	20	127	150
United Independent Pools (UIP)	1,225	-	144	248	833
Totals	1,522	-	164	375	983

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

	2014			2013		
	Revenues	Expenses	Result	Revenues	Expenses	Result
Westpool	1,351	1,232	119	1,537	1,615	(78)
United Independent Pools (UIP)	1,154	1,075	79	1,297	975	322
Totals	2,505	2,307	198	2,834	2,590	244

(f) Share of Joint Venture Entities Expenditure Commitments

	2014	2013
Capital Commitments	-	-
Other Expenditure Commitments	-	-
Lease Commitments	-	-

(g) Contingent Liabilities of Joint Venture Entities

	2014	2013
Share of Contingent Liabilities incurred jointly with other Participants	-	-
Share of Contingent Liabilities for which Council is severally liable	-	-

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

(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 2014

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2014	Actual 2013
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		1,163,160	1,103,844
a. Correction of Prior Period Errors	20 (c)	10,293	36,370
d. Net Operating Result for the Year		12,111	25,139
f. Transfers between Equity ⁽¹⁾		7,903	(2,193)
Balance at End of the Reporting Period		<u>1,193,467</u>	<u>1,163,160</u>

(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	1,013,803	1,226,812
Total	<u>1,013,803</u>	<u>1,226,812</u>

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

- Opening Balance	1,226,812	1,223,205
- Revaluations for the year	9(a) (205,106)	-
- Transfer to Retained Earnings for Asset disposals	(7,903)	2,193
- Correction of Prior Period Errors (revaluation error - 2012)	-	1,414
- Balance at End of Year	<u>1,013,803</u>	<u>1,226,812</u>

TOTAL VALUE OF RESERVES

<u>1,013,803</u>	<u>1,226,812</u>
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(iii) Nature & Purpose of Reserves**Infrastructure, Property, Plant & Equipment Revaluation Reserve**

- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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

\$ '000	Notes	Actual 2014	Actual 2013
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(c) Correction of Error/s relating to a Previous Reporting Period

Correction of errors as 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 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	2,363	30,874
- Artworks not recognised in previous years	63	95
- Buildings not recognised in previous years	3,316	260
- Operating Land not recognised in previous years	516	-
- Transport not recognised in previous years	5,005	885
- Stormwater not recognised in previous years	4,113	4,334
- Transport disposed of in previous years but still recorded	(1,282)	(17)
- Buildings disposed of in previous years but still recorded	(727)	(56)
- Stormwater disposed of in previous years	(3,074)	(5)

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 30/06/13 reporting year end	-	36,370
- Adjustments for the 30/06/14 reporting year end	10,293	-

Total Prior Period Adjustments - Prior Period Errors	10,293	36,370
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(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 2014

Note 21. Financial Result & Financial Position by Fund

Council utilises only a General Fund for its operations.

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

\$ '000	2014	2014	2013	2013
	Current	Non Current	Current	Non Current
(i) Non Current Assets & Disposal Group Assets				
Non Current Assets "Held for Sale"				
Land	1,700	-	-	-
Total Non Current Assets "Held for Sale"	1,700	-	-	-
<u>TOTAL NON CURRENT ASSETS CLASSIFIED AS "HELD FOR SALE"</u>	<u>1,700</u>	<u>-</u>	<u>-</u>	<u>-</u>

(ii) Details of Assets & Disposal Groups

Lots 1 & 2 Mulda Street Dapto.
Sold by auction

\$ '000	Assets "Held for Sale"	
	2014	2013

(iii) Reconciliation of Non Current Assets "Held for Sale"

plus New Transfers in:

- Assets "Held for Sale"	1,700	-
Closing Balance of "Held for Sale"	1,700	-
Non Current Assets & Operations	1,700	-

Refer to Note 27 - Fair Value Measurement for fair value measurement information.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 23. Events occurring after the Reporting Date

\$ '000

Events that occur between the end of the reporting period (ending 30 June 2014) 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 14/10/14.

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 2014.

(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 2014 and which are only indicative of conditions that arose after 30 June 2014.

Council is aware of the following "non-adjusting events" that merit disclosure;

The carbon tax repeal legislation received Royal Assent on 17 July 2014 and the bills as part of that package are law with effect from 1 July 2014. As at 30 June 2014, Council still had a present obligation to meet carbon tax liabilities and therefore no adjusting event has occurred.

Note 24. Discontinued Operations

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

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 25. Intangible Assets

\$ '000	Actual 2014	Actual 2013
Intangible Assets represent identifiable non-monetary asset without physical substance.		
Intangible Assets are as follows:		
Opening Values:		
Gross Book Value (1/7)	1,165	1,669
Accumulated Amortisation (1/7)	(801)	(1,035)
Accumulated Impairment (1/7)	-	-
Net Book Value - Opening Balance	364	634
Movements for the year		
- Purchases	829	93
- Amortisation charges	(274)	(363)
- Gross Book Value written off	(293)	(597)
- Accumulated Amortisation charges written off	304	597
Closing Values:		
Gross Book Value (30/6)	1,701	1,165
Accumulated Amortisation (30/6)	(771)	(801)
Accumulated Impairment (30/6)	-	-
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE ¹</u>	<u>930</u>	<u>364</u>

¹ The Net Book Value of Intangible Assets represent:

- Software	930	364
	930	364

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

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	
		2014	2013
Waste Facility Remediation - Whytes Gully	2054	39,170	37,570
Balance at End of the Reporting Period	10(a)	39,170	37,570

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	37,570	35,799
Amounts capitalised to new or existing assets:		
Amortisation of discount (expensed to borrowing costs)	1,758	1,790
Expenditure incurred attributable to Provisions	(158)	(19)
Total - Reinstatement, rehabilitation and restoration provision	39,170	37,570

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

\$ '000

The Council measures the following asset classes at fair value on a recurring basis:

- Infrastructure, Property, Plant and Equipment
- Investment Property
- Financial Assets

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

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

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

(1) The following table presents all assets and liabilities that have been measured & recognised at fair values:

Fair Value Measurements		Fair Value Measurement Hierarchy			Total
	Date of latest Valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
2014					
Recurring Fair Value Measurements					
Financial Assets					
Investments					
- "Designated At Fair Value on Initial Recognition"	30/06/14	-	-	7,642	7,642
Total Financial Assets		-	-	7,642	7,642
Investment Properties					
Commercial Building	30/06/14	-	-	2,750	2,750
Total Investment Properties		-	-	2,750	2,750
Infrastructure, Property, Plant & Equipment					
Roads	30/06/14	-	-	531,611	531,611
Bridges	30/06/14	-	-	63,582	63,582
Footpaths	30/06/14	-	-	100,067	100,067
Stormwater	30/06/14	-	-	510,988	510,988
Plant & Equipment	30/06/14	-	-	20,187	20,187
Office Equipment	30/06/14	-	-	3,518	3,518
Furniture & Fittings	30/06/14	-	-	784	784
Operational Land	30/06/14	-	-	181,197	181,197
Community Land	30/06/14	-	-	373,121	373,121
Land Under Roads	30/06/14	-	-	26,114	26,114
Buildings	30/06/14	-	-	210,115	210,115
Other Structures	30/06/14	-	-	8,304	8,304
Land Improvements Non Depreciable	30/06/14	-	-	67,046	67,046

continued on next page

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

\$ '000

(1) All assets and liabilities that have been measured & recognised at Fair Value (continued)

2014	Date of latest Valuation	Fair Value Measurement Hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring Fair Value Measurements					
Infrastructure, Property, Plant & Equipment					
Swimming Pools	30/06/14	-	-	6,184	6,184
Library Books	30/06/14	-	-	3,692	3,692
Other Open Space / Recreational Assets	30/06/14	-	-	30,509	30,509
Tip Asset	30/06/14	-	-	11,469	11,469
Works in Progress	30/06/14	-	-	47,266	47,266
Artworks	30/06/14	-	-	12,088	12,088
Total Infrastructure, Property, Plant & Equipment		-	-	2,207,842	2,207,842

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

(2) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Where Council is unable to derive Fair Valuations using quoted market prices of identical assets (i.e. Level 1 inputs), Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

Level 2 inputs include;

- quoted prices for similar assets in active markets,
- quoted prices for identical or similar assets in markets that are not active,
- inputs other than quoted prices that are observable (e.g. interest rates, credit spreads etc.) and
- market corroborated inputs.

Level 3 inputs are unobservable inputs. If an observable input (Level 2) requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement is categorised within Level 3 of the fair value hierarchy. Council uses unobservable inputs to the extent relevant observable inputs are not available. But the objective remains the same; i.e. an exit price from the perspective of market participants. Therefore, unobservable inputs reflect the assumptions market participants would use when pricing, including assumptions about risk. Assumptions about risk include risk inherent in a particular valuation technique and risk inherent in inputs to the technique. Such an adjustment may be necessary if there is a significant measurement uncertainty.

Unobservable inputs have been developed using the best information available, which includes Council's own data. In some cases Council adjusts its own data if reasonable available information indicates other market participants would use different data or if there is an entity specific synergy (i.e. not available to other market participants).

Level 3 inputs include;

- Unit Rates,
- Unit Price,
- Asset Condition,
- Remaining Useful Life,
- Future Demands,
- Borrowing Rates

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Financial Assets

Valuation Technique – A portion of Council's investment portfolio is measured at fair value (i.e. market approach).

Fair Value Hierarchy – the fair value has been derived from the current price in an active market for similar assets. Emerald Reverse Mortgage investment securities form part of this portion of Council's portfolio. The market for Australian mortgage backed securities, regardless of the robustness of the structure, is highly illiquid as a direct consequence of the global financial crisis. This has caused difficulties in valuing the security as there is limited "price discovery" in the market. As such the level of valuation input for Council's fair valued investments was considered a Level 3.

Investment Property

Valuation Technique – Council's Investment Property is measured using sales direct comparison based on a market selling approach (i.e. market approach).

Fair Value Hierarchy - the fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach are rental yields and price per square metre.

The level of evidence to support the critical assumptions of Council's investment property valuation was considered to be significant due to high levels of variability in the market for rental yields and future demands. As such the level of valuation input for these properties was considered level 3.

Infrastructure, Property, Plant & Equipment

Infrastructure – Council's Infrastructure incorporates;

- Roads - Surface and bases, Car Parks, Kerb and Guttering and Traffic Facilities (speed humps, bollards and signs),
- Bridges – Road, Pedestrian and Jetties,
- Footpaths including shared pathways and
- Stormwater Drainage

Valuation Technique – Infrastructure assets are recognised using the cost method, which equates to the current replacement cost of a modern equivalent asset. The cost to replace the asset is to equal the amount that a market participant buyer of that asset would pay to acquire it.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Fair Value Hierarchy - the general valuation approach to determine the fair value of Council's infrastructure inventory is to determine a unit rate based on square metres or an appropriate unit corroborated by market evidence (Level 2 input). A process is then undertaken to compare these rates with internal unit rates derived by Council as a result of specific projects that have been undertaken. Further to this other inputs such as asset condition and useful life require a significant level of professional judgement and can impact significantly on the fair value. As such the level of valuation input for these assets was considered level 3.

Property Plant & Equipment, Office Equipment & Furniture & Fittings incorporate:

- Property, Plant & Equipment - Trucks, Tractors, Graders, Rollers, Buses, Vans, Passenger Vehicles, Mobile Equipment (i.e. generators, hand mowers, tools), Fluid storage units (i.e. septic tanks, water tanks),
- Office Equipment – Electronic Whiteboards, Printing Equipment, Safes and I.T. equipment such as computers, printers, scanners and software,
- Furniture & Fittings - Chairs, Tables, Filing Cabinets, Bookshelves, Compactuses,

Valuation Technique – These assets are recognised at depreciated historical cost as an acceptable substitute for fair value because any difference between fair value and depreciated historical cost is unlikely to be material.

Fair Value Hierarchy – The key unobservable unit to the valuation of this category is asset condition and useful life. The condition of assets is reviewed on an annual basis and an assessment of remaining life undertaken based on these results.

Operational Land

Valuation Technique – Council's Operational Land is measured using a comparative market selling approach (i.e. market approach).

Fair Value Hierarchy - the fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach is price per square metre. The level of evidence to support the critical assumptions of Council's operational land valuation was considered to be significant due to high levels of variability in the market for similar properties and future demands. As such the level of valuation input for these properties was considered level 3.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Community Land

Valuation Technique – Council's Community Land is measured using comparative Land Values (LV) provided by the Valuer General (VG) or an average unit rate based on a comparable LV for similar properties (i.e. market approach).

Fair Value Hierarchy - the fair value has been derived from the LV's provided by the Valuer General or an average unit rate based on the LV for similar properties where the Valuer General did not provide a LV. The most significant input into this valuation approach is price per square metre. Valuations provided by the Valuer General are not in the public domain and the application of an average rate requires a level of professional judgement. As such the level of valuation input for these properties was considered level 3.

Land Under Roads

Valuation Technique – Land is generally valued using comparative Land Values (LV) provided by the Valuer General (VG) or an average unit rate based on a comparable LV for similar properties (i.e. market approach).

Fair Value Hierarchy - The existing use fair value of land under roads is best expressed as undeveloped or en globo land (pre-subdivision). However, as sufficient sales evidence of en globo land with similar features to the land being valued is generally not available, it is appropriate to use a proxy to estimate the en globo value. Community land value is used as a reasonable proxy to value land under roads, as such land generally has no feasible alternative use, and it is undeveloped and is publicly accessible. As such the level of valuation input for these properties was considered level 3.

Buildings – Non Specialised and Specialised

Valuation Technique - Buildings are recognised using the cost method, which equates to the current replacement cost of a modern equivalent asset. The cost to replace the asset is equal to the amount that a market participant buyer of that asset would pay to acquire it.

Fair Value Hierarchy – Specialised and Non Specialised buildings are generally assessed at level 3 of the fair value hierarchy due to lack of market evidence. Key inputs are unit rates and remaining useful life. The exception is non specialised residential properties which have been valued using sale prices of comparable properties (level 2). The most significant input into this valuation approach is price per square metre. The level of evidence to support the critical assumptions of Council's residential property valuation was considered to be significant due to high levels of variability in the market for rental yields and future demands. As such the level of valuation input for all buildings was considered level 3.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Land Improvements - Non Depreciable

Valuation Technique – Land improvements non depreciable include all works carried out to the land prior to making it ready for an identified use, usually as a reserve or playing field. Examples include land formation and turfing. Land improvements non depreciable are recognised using the cost method, which equates to the current replacement cost of a modern equivalent asset. The cost to replace the asset is equal to the amount that a market participant buyer of that asset would pay to acquire it.

Fair Value Hierarchy – it was considered that while unit rates based on square metres or similar capacity may be supported by market evidence (Level 2 input) the lack of direct comparable evidence to support the critical assumptions of Council's valuation was considered to be significant. As such the level of valuation input for all land improvements – non depreciable was considered level 3.

Other Structures

Other Structures incorporates Bus Shelters, Shade Structures, Picnic Shelters and Playgrounds.

Valuation Technique – Other Structures are recognised at depreciated historical cost as an acceptable substitute for fair value because any difference between fair value and depreciated historical cost is unlikely to be material.

Fair Value Hierarchy -- The key unobservable unit to the valuation of this category is asset condition and useful life. The condition of assets is reviewed on an annual basis and an assessment of remaining life undertaken based on these results.

Other Open Space / Recreational Assets

Other Open Space/Recreational Assets incorporate Off-road Footpaths, Park Assets including Furniture and Landscaping and Power Poles.

Valuation Technique - Other Open Space/Recreational Assets are recognised using the cost method (e.g. Off-Road Footpaths).

Fair Value Hierarchy – while some elements of the cost method can be supported by market evidence (Level 2) others factors require professional judgement such as asset condition and useful life. As these inputs can have a significant impact on the fair value the valuation input all Other Open Space / Recreational Assets were considered level 3.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Swimming Pools

Valuation Technique – Swimming Pools and Rock Pools are valued using the cost approach, which equates to the current replacement cost of a modern equivalent asset. The cost to replace the asset is to equal the amount that a market participant buyer of that asset would pay to acquire it. External Valuer Ninnes Fong undertook the original valuation in 2009.

Fair Value Hierarchy - the general valuation approach to determine the fair value of Council's swimming pool inventory is to determine a unit rate based on square metres corroborated by market evidence (Level 2 input). A process is then undertaken to compare these rates with internal unit rates derived by Council as a result of specific work that has been undertaken. Further to this other inputs such as asset condition and useful life require a significant level of professional judgement and can impact significantly on the fair value. As such the level of valuation input for these properties was considered level 3.

Artworks

Valuation Technique – Art Works are valued using the cost approach, which equates to the current replacement cost of a modern equivalent asset. The cost to replace the asset is to equal the amount that a market participant buyer of that asset would pay to acquire it.

Fair Value Hierarchy - the general valuation approach to determine the fair value of Council's Artworks is to use the market price or purchase price of the original transaction or if the work is in the form of a donation an external valuation is undertaken corroborated by market evidence (Level 2 input). It is noted that the valuation process requires a significant level of professional judgement and this can impact significantly on the fair value. As such the level of valuation input for artworks was considered level 3.

Library Books

Valuation Technique – These assets are recognised at depreciated historical cost as an acceptable substitute for fair value because any difference between fair value and depreciated historical cost is unlikely to be material.

Fair Value Hierarchy – The key unobservable unit to the valuation of this category is asset condition and useful life. The condition of assets is reviewed on an annual basis and an assessment of remaining life undertaken based on these results.

Tip Remediation Asset

Valuation Technique – Council's Tip Remediation Asset is measured at fair value (i.e. market approach).

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Fair Value Hierarchy – Whytes Gully Waste Disposal Depot will require remediation works to be carried out during and at the end of its useful life. The cash outflows relating to these remediation works have been modelled and recognised as an asset in Note 9 of Council's statements. Key unobservable inputs are the discount rate, cost escalation rate, timing of costs and future environmental management requirements. As such the level of valuation input for Council's fair valued loan was considered a Level 3.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

\$ '000

(3). Fair value measurements using significant unobservable inputs (Level 3)

a. The following tables present the changes in Level 3 Fair Value Asset Classes.

	Financial Assets	Investment Property	IPP&E	Total
Adoption of AASB 13	7,294	3,725	2,376,962	2,387,981
Opening Balance - 1/7/13	7,294	3,725	2,376,962	2,387,981
Transfers from/(to) another asset class	-	-	1,177	1,177
Purchases (GBV)	50	-	92,910	92,960
Disposals (WDV)	(88)	-	(7,464)	(7,552)
Depreciation & Impairment	-	-	(60,929)	(60,929)
FV Gains - Other Comprehensive Income	-	-	(205,106)	(205,106)
FV Gains - Income Statement	386	-	-	386
FV Loss - Income Statement	-	(975)	-	(975)
Adjustments & Transfers	-	-	10,292	10,292
Closing Balance - 30/6/14	7,642	2,750	2,207,842	2,218,234

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

(3). Fair value measurements using significant unobservable inputs (Level 3)

b. Significant unobservable valuation inputs used (for Level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various Level 3 Asset Class fair values.

Financial Assets

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Investments – At fair value through profit or loss	7,642	<ul style="list-style-type: none"> Market 	<ul style="list-style-type: none"> Unit Price 	\$0.63 – \$1.01	Significant changes in the estimated unit price would result in significant changes to the fair value measurement.

Investment Properties

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Investment Property	2,750	<ul style="list-style-type: none"> Market 	<ul style="list-style-type: none"> Estimated rental value (\$ per sq mtr) Rental Yield 	<ul style="list-style-type: none"> \$190 to \$210 8% to 9% 	Significant changes in the estimated rental value or yield would result in significant changes to fair value measurement.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

I,PP&E

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Infrastructure	1,206,248	<ul style="list-style-type: none"> Cost 	<ul style="list-style-type: none"> Unit Rates Remaining Life 	<ul style="list-style-type: none"> Varies significantly from asset to asset 0 – 80 years 	Significant changes to unit rates and the remaining life will impact on the current replacement cost
Property Plant & Equipment, Office Equipment & Furniture & Fittings	24,489	<ul style="list-style-type: none"> Historical Replacement Cost 	<ul style="list-style-type: none"> Remaining Life 	<ul style="list-style-type: none"> 0 – 20 years 	Significant changes to the remaining life will impact on the historical replacement cost

Operational Land

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Operational Land	181,197	<ul style="list-style-type: none"> Market 	<ul style="list-style-type: none"> Estimated price (\$ per sq mtr) 	Varies significantly from asset to asset	Significant changes in the price per square metre would result in significant changes to fair value measurement

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Community Land

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Community Land	373,121	<ul style="list-style-type: none"> Market 	<ul style="list-style-type: none"> Land Value (price per sq mtr) 	0.27c to \$365	Significant changes in price per square metre based on land values would result in significant changes to the fair value measurement

Land Under Roads

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Land Under Roads	26,114	<ul style="list-style-type: none"> Market 	<ul style="list-style-type: none"> Land Value (price per sq mtr) 	0.27c to \$365	Significant changes in price per square metre based on land values would result in significant changes to the fair value measurement

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Buildings – Non Specialised & Specialised

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Buildings	210,115	<ul style="list-style-type: none"> Cost 	<ul style="list-style-type: none"> Unit Rates Remaining Life 	<ul style="list-style-type: none"> Varies significantly from asset to asset 0– 50 years 	Significant changes to unit rates and the remaining life will impact on the current replacement cost

Land Improvements – Non Depreciable

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Land Improvements – Non Depreciable	67,046	<ul style="list-style-type: none"> Cost 	<ul style="list-style-type: none"> Unit Rates 	<ul style="list-style-type: none"> Varies significantly from asset to asset 	Significant changes to unit rates will impact on the current replacement cost

Other Structures

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Other Structures	8,304	<ul style="list-style-type: none"> Cost 	<ul style="list-style-type: none"> Unit Rates Remaining Life 	<ul style="list-style-type: none"> Varies significantly from asset to asset 0 – 50 years 	Significant changes to unit rates and the remaining life will impact on the current replacement cost

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Other Open Space / Recreational Assets

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Other Open Space / Recreational Assets	30,509	<ul style="list-style-type: none"> Cost 	<ul style="list-style-type: none"> Unit Rates Remaining Life 	<ul style="list-style-type: none"> Varies significantly from asset to asset 0 – 50 years 	Significant changes to unit rates and the remaining life will impact on the current replacement cost

Swimming Pools

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Swimming Pools	6,184	<ul style="list-style-type: none"> Cost 	<ul style="list-style-type: none"> Unit Rates Remaining Life 	<ul style="list-style-type: none"> Varies significantly from asset to asset 0 – 50 years 	Significant changes to unit rates and the remaining life will impact on the current replacement cost

Art Works

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Art Works	12,088	<ul style="list-style-type: none"> Cost 	<ul style="list-style-type: none"> Market price for similar work 	<ul style="list-style-type: none"> Varies significantly from asset to asset 	Significant changes to the market for selected works will impact on the current replacement cost

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Library Books

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Library Books	3,692	<ul style="list-style-type: none"> Historical Replacement Cost 	<ul style="list-style-type: none"> Remaining Life 	<ul style="list-style-type: none"> 0 – 6 years 	Significant changes to the remaining life will impact on the historical replacement cost

Tip Remediation Asset

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Tip Remediation	11,469	<ul style="list-style-type: none"> Market 	<ul style="list-style-type: none"> Discount Rate 	<ul style="list-style-type: none"> 5% 	Significant changes in the discount rate would result in significant changes to the fair value measurement.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

c. The Valuation Process for Level 3 Fair Value Measurements

Asset Category	Valuation Frequency	Description of Process	Valuer	Responsibility
Financial Assets	Monthly	Monthly valuation using the current price in an active market for similar assets	External	Finance Division
Investment Properties	3 Years	Full valuation every 3 years or index applied	External	Property Division
Infrastructure	Annually	Full valuation using current unit rates	Internal	Infrastructure & Strategic Planning Division
Property Plant & Equipment, Office Equipment & Furniture & Fittings	Annually	Assessment of remaining useful life undertaken annually which impacts on the fair value	Internal	Finance Division
Operational Land	5 Years	Full valuation every 5 years or index applied	External	Property Division
Community Land	3 Years	Valuer General Land Values or Average Unit Rate for similar properties if not available	Valuer General / Internal	Property / Finance Division
Land Under Roads	3 Years	Valuer General Land Values or Average Unit Rate used as proxy to derive en globo rate	Valuer General / Internal	Finance Division
Buildings – Non Specialised & Specialised	5 Years	Full valuation every 5 years or index applied	External / Internal	Infrastructure & Strategic Planning Division / Property Division
Land Improvements – Non Depreciable	5 years	Full valuation every 5 years or index applied	Internal	Finance Division
Other Structures	5 years	Full valuation every 5 years or index applied	Internal	Infrastructure & Strategic Planning Division
Other Open Space / Recreational Assets	5 years	Full valuation every 5 years or index applied	Internal	Infrastructure & Strategic Planning Division

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

c. The Valuation Process for Level 3 Fair Value Measurements (continued)

Asset Category	Valuation Frequency	Description of Process	Valuer	Responsibility
Swimming Pools	5 years	Full valuation every 5 years or index applied	External / Internal	Infrastructure & Strategic Planning Division
Library Books	Annually	Assessment of remaining useful life undertaken annually which impacts on the fair value	Internal	Finance Division
Tip Remediation Asset	Annually	Reassessment of discount rate and application to discounted cash flows if material	Internal	Finance Division

(4). Highest and best use

All of Council's non financial assets are considered to being utilised for their highest and best use.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 28. Council Information & Contact Details

Principal Place of Business:

41 Burelli Street
Wollongong NSW 2500

Contact Details
Mailing Address:

Locked Bag 8821
Wollongong NSW 2500

Opening Hours:

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

Telephone: (02) 4227 7111

Facsimile: (02) 4227 7277

Internet: www.wollongong.nsw.gov.au

Email: council@wollongong.nsw.gov.au

Officers
GENERAL MANAGER

David Farmer

RESPONSIBLE ACCOUNTING OFFICER

Brian Jenkins

PUBLIC OFFICER

Lyn Kofod

AUDITORS

Hill Rogers Spencer Steer

Elected Members
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

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 2014, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial statements include the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Statement of Cash Flows, and Note 2(a) or the budget variation explanations disclosed in Note 16. Nor does our responsibility extend to the projected future developer contributions and costs disclosed in Note 17. Accordingly, no opinion is expressed on these matters.

Assurance Partners

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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 14th day of October 2014

14 October 2014

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

Lord Mayor,

Audit Report - Year Ended 30 June 2014

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2014 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 financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations 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

1.1 Operating Result

The operating result for the year was a surplus of \$12.111 million as compared with \$25.139 million in the previous year.

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

	2014 \$000	% of Total	2013 \$000	% of Total	Increase (Decrease) \$000
Revenues before capital items					
Rates & annual charges	155,509	69%	148,777	66%	6,732
User charges, fees & other revenues	42,601	19%	41,007	18%	1,594
Grants & contributions provided for operating purposes	20,463	9%	29,107	13%	(8,644)
Interest & investment revenue	5,937	3%	5,431	2%	506
	224,510	100%	224,322	100%	188
Expenses					
Employee benefits & costs	95,792	39%	91,043	38%	4,749
Materials, contracts & other expenses	82,776	34%	81,585	34%	1,191
Depreciation, amortisation & impairment	61,203	25%	62,230	26%	(1,027)
Borrowing costs	1,104	0%	336	0%	768
Discounting adjustment to remediation provision	1,758	1%	1,790	1%	(32)
Fair Value adjustment to interest free loan	1,127	0%	1,241	1%	(114)
	243,760	100%	238,225	100%	5,535
Surplus (Deficit) before capital items	(19,250)		(13,903)		(5,347)
Grants & contributions provided for capital purposes	31,361		39,042		(7,681)
Net Surplus (Deficit) for the year	12,111		25,139		(13,028)
Performance Measures	2014		2013		
Operating Performance	-6.53%		-4.43%		
Own Source Operating Revenue	79.70%		74.09%		

The table above shows an overall decrease over the previous year of \$13.028 million. The decrease can generally be attributed to reduced grants and contributions received during the year of \$51.824 million, compared to \$68.149 million in the previous year.

Operating Performance measures the ability to contain operating expenditure within operating revenue excluding capital amounts. For 2014, this indicator was -6.53%; below the benchmark of 0%.

Own Source Operating Revenue measures the degree of reliance on external funding sources such as grants and contributions. For 2014, this indicator was 79.7% and exceeded the benchmark of 60%.

1.2 Funding Result

As the operating result only accounts for operating income and expenditure, in reviewing the overall financial performance of Council, it is useful to consider the total source of revenues and how they were applied during the year which is illustrated in the table below.

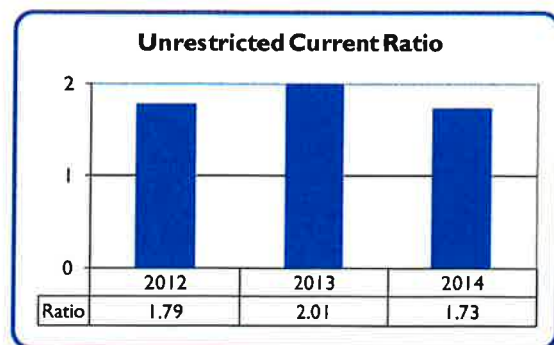
	2014	2013
	\$000	\$000
Funds were provided by:-		
Operating Result (as above)	12,111	25,139
Add back non funding items:-		
- Depreciation, amortisation & impairment	61,203	62,230
- Book value of non-current assets sold	7,464	5,942
- Fair value adjustment to interest free loan	1,127	1,241
- Non-cash contributions of assets acquired	(8,167)	(26,141)
- (Gain)/Loss of fair value to investment properties	975	0
- (Surplus)/Deficit in joint ventures	(198)	(244)
	74,515	68,167
New loan borrowings	4,305	20,000
Transfers from externally restricted assets (net)	11,982	0
Repayments from deferred debtors	18	18
Net Changes in current/non-current assets & liabilities	4,226	4,930
	95,046	93,115
Funds were applied to:-		
Purchase and construction of assets	(85,572)	(54,746)
Increase/Purchase in Non Current Investments	(11,000)	(10,000)
Principal repaid on loans	(4,633)	(3,178)
Finance lease instalments	0	(140)
Transfers to externally restricted assets (net)	0	(11,680)
Transfers to internal reserves (net)	(2,581)	(5,402)
	(103,786)	(85,146)
Increase/(Decrease) in Available Working Capital	(8,740)	7,969

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 \$32.623 million representing a factor of 1.73 to 1.



2.2 Available Working Capital (Working Funds)

At the close of the year the Available Working Capital of Council stood at \$23.131 million as detailed below;

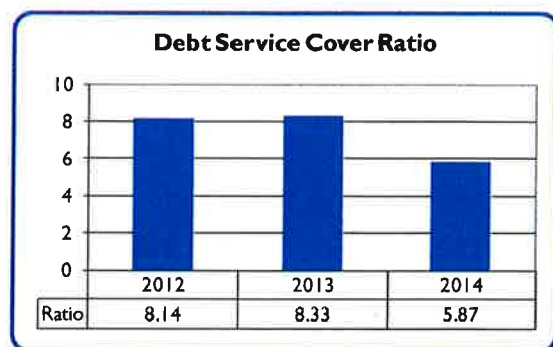
	2014 \$000	2013 \$000	Change \$000
Net Current Assets (Working Capital) as per Accounts	49,006	69,736	(20,730)
Add: Payables & provisions not expected to be realised in the next 12 months included above	25,594	23,187	2,407
Adjusted Net Current Assets	74,600	92,923	(18,323)
Add: Budgeted & expected to pay in the next 12 months			
- Borrowings	3,908	3,332	576
- Employees leave entitlements	10,773	10,360	413
- Self insurance claims	1,611	1,811	(200)
- Other provisions	666	912	(246)
- Deposits & retention moneys	519	892	(373)
- Deferred debtors	(3)	(15)	12
Less: Externally restricted assets	(41,979)	(53,961)	11,982
Less: Internally restricted assets	(26,964)	(24,383)	(2,581)
Available Working Capital as at 30 June	23,131	31,871	(8,740)

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

After repaying principal and interest of \$5.737 million and taking up new borrowings of \$4.305 million, Council's debt as at 30 June 2014 amounted \$35.367 million.

The debt service cover ratio measures the availability of operating cash to service debt repayments. For 2014, the ratio indicated that operating results before capital, interest and depreciation covered payments required to service debt by a factor of 5.87 to 1.



2.4 Summary

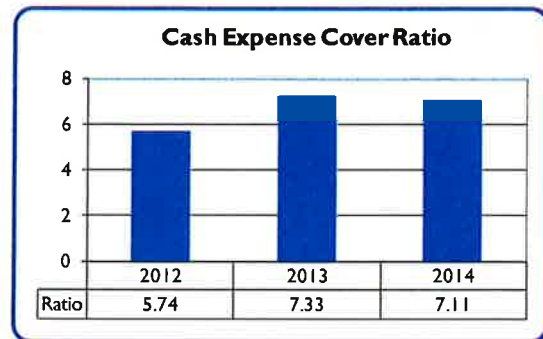
Council's overall financial position, when taking into account the above financial indicators was, in our opinion, sound.

3. CASH ASSETS

3.1 Cash Expense Cover Ratio

This liquidity ratio indicates the number of months of expenditure requirements that can be met with available cash and term deposit balances without the need for additional cash inflow.

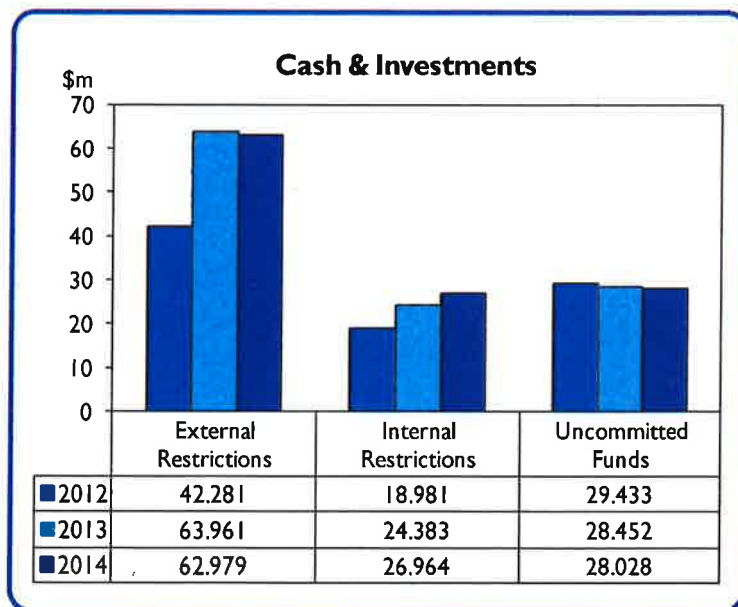
For 2014, this ratio stood at 7.11 months compared to the benchmark of 3.



3.2 Cash & Investment Securities

Cash and investments amounted \$117.971 million at 30 June 2014 as compared with \$116.796 million in 2013 and \$90.695 million in 2012.

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



Externally restricted cash and investments are restricted in their use by externally imposed requirements and consisted of unexpended development contributions under Section 94 (\$13.953 million), domestic waste management charges (\$8.081 million), stormwater management charges (\$441,000), unexpended loans (\$25.298 million) and other specific purpose grants, contributions and levies (\$15.206 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 \$26.964 million and their purposes are more fully disclosed in Notes 6 of the financial statements.

Unrestricted cash and investments amounted to \$28.028 million.

3.3 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 decreased by \$66.203 million to \$33.299 million at the close of the year.

In addition to operating activities which contributed net cash of \$81.352 million were the sale of assets (\$3.219 million), sale of investments (\$14.088 million), receipt of loan funding (\$4.305 million) and receipts from deferred debtors (\$18,000). Cash outflows other than operating activities were used to repay principal on loans (\$4.633 million), purchase and construct assets (\$83.472 million) and purchase investments (\$81.080 million).

4. RECEIVABLES

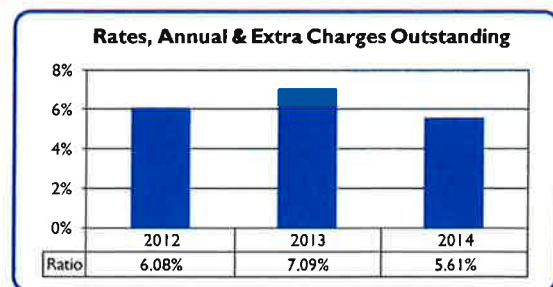
4.1 Rates & Annual Charges (excluding interest & extra charges)

Net rates and annual charges levied during the year totalled \$155.509 million and represented 61% of Council's total revenues.

Including arrears, the total rates and annual charges collectible was \$165.331 million of which \$157.362 million (95%) was collected.

4.2 Rates, Annual & Extra Charges

Arrears of rates, annual & extra charges stood at \$9.413 million at the end of the year and represented 5.61% of those receivables; a reduction of close to 1.5% from the previous year.



4.3 Other Receivables

Receivables (other than rates annual & extra charges) totalled \$14.761 million and included amounts due from other levels of government of \$7.249 million and user charges and fees amounting to \$3.465 million. Those considered to be uncertain of collection have been provided for as doubtful debts and this provision amounted to \$366,000.

5. PAYABLES

5.1 Employees Leave Entitlements

Council's provision for its liability towards employees leave entitlements and associated on costs amounted to \$41.129 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.

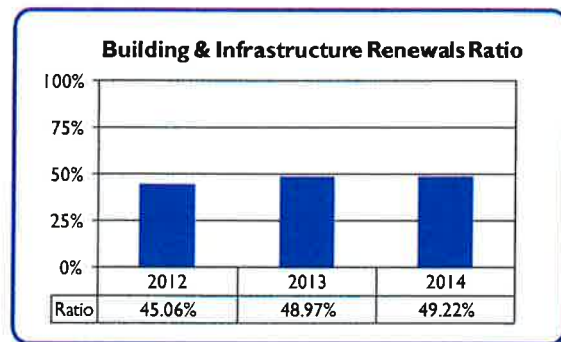
5.2 Self Insurance

Workers Compensation insurance claims have been actuarially assessed at \$6.663 million (2013 - \$6.691 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.

Special Schedule No. 7 discloses that asset renewals for 2014 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

An audit management letter addressing the findings from our interim audit was issued on 20 May 2014. This included our recommendations on possible ways to strengthen and/or improve procedures and management's comments and proposed actions.

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

WOLLONGONG CITY COUNCIL

ANNUAL REPORT 2013 - 2014

ATTACHMENT C:

GdYVWU 'Di fdcgY': JbUbWU' GHUYa Ybhg



From the mountains
to the sea

Wollongong City Council

Special Purpose Financial Statements

for the financial year ended 30 June 2014

Contents	Page
1. Statement by Councillors & Management	2
2. Special Purpose Financial Statements:	
Income Statement - Water Supply Business Activity	n/a
Income Statement - Sewerage Business Activity	n/a
Income Statement - Other Business Activities	3
Statement of Financial Position - Water Supply Business Activity	n/a
Statement of Financial Position - Sewerage Business Activity	n/a
Statement of Financial Position - Other Business Activities	5
3. Notes to the Special Purpose Financial Statements	7
4. Auditor's Report	11

Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division of Local Government in fulfilling their requirements under National Competition Policy.
- (ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- (iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and **(b)** those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).

- (iv) In preparing these financial statements for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).
-

Wollongong City Council

Special Purpose Financial Statements for the financial year ended 30 June 2014

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

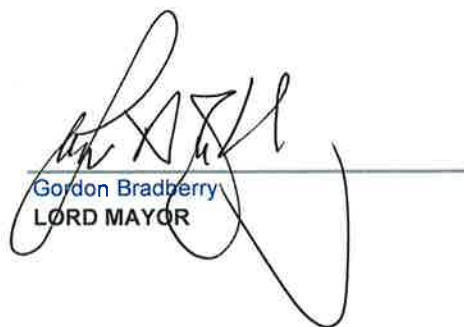
- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines - "Best Practice Management of Water and Sewerage".

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

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 13 October 2014.



Gordon Bradberry
LORD MAYOR



Chris Connor
DEPUTY LORD MAYOR



David Farmer
GENERAL MANAGER



Brian Jenkins
RESPONSIBLE ACCOUNTING OFFICER

Wollongong City Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2014

	Waste Disposal		Tourist Parks	
	Category 1		Category 1	
\$ '000	Actual 2014	Actual 2013	Actual 2014	Actual 2013
Income from continuing operations				
Access charges	-	-	-	-
User charges	27,178	24,361	5,580	4,953
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	11	-
Other income	183	1,490	88	76
Total income from continuing operations	27,361	25,851	5,679	5,029
Expenses from continuing operations				
Employee benefits and on-costs	1,512	1,354	2,389	2,286
Borrowing costs	1,758	1,790	-	-
Materials and contracts	1,297	1,243	765	789
Depreciation and impairment	623	545	877	873
Loss on sale of assets	-	-	-	133
Calculated taxation equivalents	416	428	790	779
EPA Levy	8,832	7,812	-	-
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	7,345	8,322	955	861
Total expenses from continuing operations	21,783	21,494	5,776	5,721
Surplus (deficit) from Continuing Operations before capital amounts	5,578	4,357	(97)	(692)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	5,578	4,357	(97)	(692)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	5,578	4,357	(97)	(692)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(1,673)	(1,307)	-	-
SURPLUS (DEFICIT) AFTER TAX	3,905	3,050	(97)	(692)
plus Opening Retained Profits	29,013	24,228	11,388	11,301
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	416	428	790	779
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	1,673	1,307	-	-
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	35,007	29,013	12,081	11,388
Return on Capital %	13.3%	13.5%	-0.7%	-4.9%
Subsidy from Council	-	-	592	1,222

Wollongong City Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2014

	Health & Fitness		Crematorium & Cemeteries	
	Category 1		Category 1	
\$ '000	Actual 2014	Actual 2013	Actual 2014	Actual 2013
Income from continuing operations				
Access charges	-	-	-	-
User charges	2,521	2,352	2,449	2,246
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	27	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	30	32	-	-
Total income from continuing operations	2,578	2,384	2,449	2,246
Expenses from continuing operations				
Employee benefits and on-costs	2,169	2,009	1,540	1,556
Borrowing costs	-	-	-	-
Materials and contracts	284	278	377	324
Depreciation and impairment	3	9	-	16
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	268	328	108	84
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	1,259	861	621	413
Total expenses from continuing operations	3,983	3,485	2,646	2,393
Surplus (deficit) from Continuing Operations before capital amounts	(1,405)	(1,101)	(197)	(147)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(1,405)	(1,101)	(197)	(147)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	(1,405)	(1,101)	(197)	(147)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	-	-
SURPLUS (DEFICIT) AFTER TAX	(1,405)	(1,101)	(197)	(147)
plus Opening Retained Profits	(8,163)	(7,390)	5,468	5,531
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	268	328	108	84
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	-	-	-
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	(9,300)	(8,163)	5,379	5,468
Return on Capital %	-9.7%	-8.0%	-1.4%	-1.1%
Subsidy from Council	1,920	1,619	700	669

Wollongong City Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2014

	Waste Disposal		Tourist Parks	
	Category 1		Category 1	
\$ '000	Actual 2014	Actual 2013	Actual 2014	Actual 2013
ASSETS				
Current Assets				
Cash and cash equivalents	13,744	20,281	-	-
Investments	-	-	-	-
Receivables	1,421	1,404	39	29
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	15,165	21,685	39	29
Non-Current Assets				
Investments	-	-	-	-
Receivables	11,323	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	55,137	45,464	13,908	14,061
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	66,460	45,464	13,908	14,061
TOTAL ASSETS	81,625	67,149	13,947	14,090
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	812	1,108	304	72
Interest bearing liabilities	-	-	-	-
Provisions	449	652	521	498
Total Current Liabilities	1,261	1,760	825	570
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	39,246	35,891	118	150
Other Liabilities	6,111	485	923	1,982
Total Non-Current Liabilities	45,357	36,376	1,041	2,132
TOTAL LIABILITIES	46,618	38,136	1,866	2,702
NET ASSETS	35,007	29,013	12,081	11,388
EQUITY				
Retained earnings	35,007	29,013	12,081	11,388
Revaluation reserves	-	-	-	-
Council equity interest	35,007	29,013	12,081	11,388
Non-controlling equity interest	-	-	-	-
TOTAL EQUITY	35,007	29,013	12,081	11,388

Wollongong City Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2014

	Health & Fitness		Crematorium & Cemeteries	
	Category 1		Category 1	
\$ '000	Actual 2014	Actual 2013	Actual 2014	Actual 2013
ASSETS				
Current Assets				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables	63	37	-	127
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	63	37	-	127
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	14,465	13,734	14,122	13,852
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	14,465	13,734	14,122	13,852
TOTAL ASSETS	14,528	13,771	14,122	13,979
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	41	33	90	37
Interest bearing liabilities	-	-	-	-
Provisions	396	358	693	243
Total Current Liabilities	437	391	783	280
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	106	131	80	101
Other Liabilities	23,285	21,412	7,880	8,130
Total Non-Current Liabilities	23,391	21,543	7,960	8,231
TOTAL LIABILITIES	23,828	21,934	8,743	8,511
NET ASSETS	(9,300)	(8,163)	5,379	5,468
EQUITY				
Retained earnings	(9,300)	(8,163)	5,379	5,468
Revaluation reserves	-	-	-	-
Council equity interest	(9,300)	(8,163)	5,379	5,468
Non-controlling equity interest	-	-	-	-
TOTAL EQUITY	(9,300)	(8,163)	5,379	5,468

Wollongong City Council

Special Purpose Financial Statements

for the financial year ended 30 June 2014

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	8
2	Water Supply Business Best Practice Management disclosure requirements	n/a
3	Sewerage Business Best Practice Management disclosure requirements	n/a

Wollongong City Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2014

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in these special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) &
- Australian Accounting Interpretations.

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

- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

National Competition Policy

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

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

The "Pricing & Costing for Council Businesses A Guide to Competitive Neutrality" issued by the Office of Local Government in July 1997 has also been adopted.

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

Declared Business Activities

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

Category 1

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

a. Waste Disposal

Manages the disposal of solid waste generated within the city.

b. Tourist Parks

Operation, management & development of tourist parks at Bulli, Corrimal & Windang.

c. Health & Fitness

Responsible for the management and upkeep of Council's Leisure Centres.

d. Crematorium & Cemeteries

Provision of quality crematorium, cemetery & memorial facilities & services

Category 2

(where gross operating turnover is less than \$2 million)

None

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars.

(i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where

Wollongong City Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2014

Note 1. Significant Accounting Policies

this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

Notional Rate Applied %

Corporate Income Tax Rate – 30%

Land Tax – The first **\$412,000** of combined land values attracts **0%**. From \$412,001 to \$2,519,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,519,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$750,000.

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from Water Supply and Sewerage Business activities.

The payment of taxation equivalent charges, referred in the Best Practice Management of Water Supply and Sewerage Guides to as a "Dividend for Taxation equivalent", may be applied for any purpose allowed under the Local Government Act, 1993.

Achievement of substantial compliance against the guidelines for Best Practice Management of Water Supply and Sewerage is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income Tax

An income tax equivalent has been applied on the profits of each reported Business Activity.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income Tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved.

Since this taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations that have occurred during the year.

Local Government Rates & Charges

A calculation of the equivalent rates and charges payable on all Category 1 businesses has been applied to all land assets owned or exclusively used by the Business Activity.

Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face "true" commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed.

Wollongong City Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2014

Note 1. Significant Accounting Policies

Subsidies occur where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations.

Accordingly, Subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported Business Activity.

(iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field".

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

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense

Written Down Value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.56% at 30/6/14.

The actual rate of return achieved by each Business Activity is disclosed at the foot of each respective Income Statement.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Wollongong City Council

Special Purpose Financial Statements for the financial year ended 30 June 2014

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

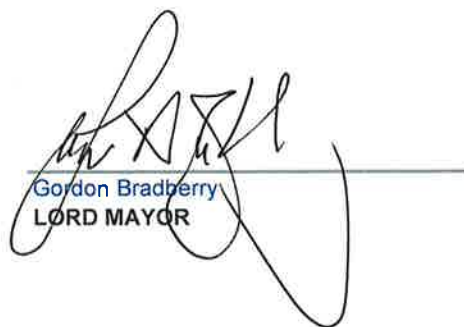
- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines - "Best Practice Management of Water and Sewerage".

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

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 13 October 2014.



Gordon Bradberry
LORD MAYOR



Chris Connor
DEPUTY LORD MAYOR



David Farmer
GENERAL MANAGER



Brian Jenkins
RESPONSIBLE ACCOUNTING OFFICER

WOLLONGONG CITY COUNCIL
SPECIAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying special purpose financial statements of Wollongong City Council, which comprises the Statement of Financial Position as at 30 June 2014, Income Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the financial reporting requirements of the Division of Local Government. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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Hill Rogers
Spencer Steer

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the special purpose financial statements of the Council are presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting

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

HILL ROGERS SPENCER STEER



BRETT HANGER

Partner

Dated at Sydney this 14th day of October 2014

Wollongong City Council

SPECIAL SCHEDULES

for the year ended 30 June 2014



Wollongong City Council

Special Schedules

for the financial year ended 30 June 2014

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- Special Schedule No. 3	Water Supply Operations - incl. Income Statement	n/a
- Special Schedule No. 4	Water Supply - Statement of Financial Position	n/a
- Special Schedule No. 5	Sewerage Service Operations - incl. Income Statement	n/a
- Special Schedule No. 6	Sewerage Service - Statement of Financial Position	n/a
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¹ Special Schedules are not audited (with the exception of Special Schedule 9).

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 (NOW), and
 - the Office of Local Government (OLG).
- (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 2014

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	-	-	-	-
Administration	28,556	4,407	290	(23,859)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	4,846	489	590	(3,767)
Beach Control	5,690	6	21	(5,663)
Enforcement of Local Govt. Regulations	1,947	2,236	-	289
Animal Control	1,431	606	-	(825)
Other	87	5	-	(82)
Total Public Order & Safety	14,001	3,342	611	(10,048)
Health	1,193	683	-	(510)
Environment				
Noxious Plants and Insect/Vermin Control	-	-	-	-
Other Environmental Protection	6,398	571	1,071	(4,756)
Solid Waste Management	34,125	42,538	-	8,413
Street Cleaning	4,380	-	-	(4,380)
Drainage	10,930	1,736	-	(9,194)
Stormwater Management	-	-	-	-
Total Environment	55,833	44,845	1,071	(9,917)
Community Services and Education				
Administration & Education	47	11	-	(36)
Social Protection (Welfare)	4,627	3,008	-	(1,619)
Aged Persons and Disabled	1,238	537	-	(701)
Children's Services	3,290	1,114	-	(2,176)
Total Community Services & Education	9,202	4,670	-	(4,532)
Housing and Community Amenities				
Public Cemeteries	2,538	2,450	-	(88)
Public Conveniences	685	-	-	(685)
Street Lighting	3,429	460	-	(2,969)
Town Planning	9,119	3,829	10,883	5,593
Other Community Amenities	2,119	1,361	-	(758)
Total Housing and Community Amenities	17,890	8,100	10,883	1,093
Water Supplies	-	-	-	-
Sewerage Services	-	-	-	-

Wollongong City Council

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

for the financial year ended 30 June 2014

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	11,128	753	-	(10,375)
Museums	-	-	-	-
Art Galleries	2,205	167	22	(2,016)
Community Centres and Halls	5,876	454	-	(5,422)
Performing Arts Venues	2,793	8	-	(2,785)
Other Performing Arts	-	-	-	-
Other Cultural Services	519	20	-	(499)
Sporting Grounds and Venues	1,981	549	123	(1,309)
Swimming Pools	6,544	589	-	(5,955)
Parks & Gardens (Lakes)	19,504	532	125	(18,847)
Other Sport and Recreation	3,476	2,604	-	(872)
Total Recreation and Culture	54,026	5,676	270	(48,080)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	-	-	-	-
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	-	-	-	-
Transport and Communication				
Urban Roads (UR) - Local	38,809	1,714	17,600	(19,495)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	-	-	-	-
Sealed Rural Roads (SRR) - Regional	-	-	-	-
Unsealed Rural Roads (URR) - Local	-	-	-	-
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	-	-	-	-
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	2,682	1,339	-	(1,343)
Footpaths	8,365	323	636	(7,406)
Aerodromes	-	-	-	-
Other Transport & Communication	1,019	17	-	(1,002)
Total Transport and Communication	50,875	3,393	18,236	(29,246)
Economic Affairs				
Camping Areas & Caravan Parks	4,977	5,668	-	691
Other Economic Affairs	7,207	5,494	-	(1,713)
Total Economic Affairs	12,184	11,162	-	(1,022)
Totals – Functions	243,760	86,278	31,361	(126,121)
General Purpose Revenues ⁽²⁾		138,034		138,034
Share of interests - joint ventures & associates using the equity method	-	198		198
NET OPERATING RESULT ⁽¹⁾	243,760	224,510	31,361	12,111

(1) As reported in the Income Statement

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

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

for the financial year ended 30 June 2014

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	2,760	36,702	39,462	4,305	4,634	-	-	1,104	4,912	34,221	39,133
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	2,760	36,702	39,462	4,305	4,634	-	-	1,104	4,912	34,221	39,133
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	2,760	36,702	39,462	4,305	4,634	-	-	1,104	4,912	34,221	39,133

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

This Schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
as at 30 June 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard ⁽¹⁾	Required Annual Maintenance ⁽²⁾	Actual Maintenance 2013/14 ⁽³⁾	Written Down Value (WDV) ⁽⁴⁾	Assets in Condition as a % of WDV ^{(4), (5)}					Current Replacement Cost (CRC)	Assets in Condition as a % of CRC				
						1	2	3	4	5		1	2	3	4	5
Buildings	Buildings	10,509	5,037	3,947	210,115	5.8%	19.0%	74.7%	0.5%	0.0%	503,684	2.5%	9.1%	86.4%	1.4%	0.6%
	sub total	10,509	5,037	3,947	210,115	5.8%	19.0%	74.7%	0.5%	0.0%	503,684	2.5%	9.1%	86.4%	1.4%	0.6%
Other Structures	Other Structures	9,082	314	420	8,304	6.9%	16.2%	69.6%	6.9%	0.4%	31,400	1.9%	5.0%	64.2%	21.0%	7.9%
	sub total	9,082	314	420	8,304	6.9%	16.2%	69.6%	6.9%	0.4%	31,400	1.9%	5.0%	64.2%	21.0%	7.9%
Transport	Roads & Related Assets	80,270	5,796	4,435	512,283	9.3%	19.3%	69.9%	1.4%	0.1%	1,266,247	3.8%	9.7%	79.0%	6.5%	1.0%
	Footpaths and Shared Paths	12,179	2,411	2,139	93,309	14.7%	25.8%	58.9%	0.6%	0.0%	220,725	6.3%	12.7%	75.9%	2.6%	2.5%
	Bridges, Boardwalks & Jetties	2,119	1,131	225	63,582	34.9%	15.4%	49.5%	0.1%	0.1%	105,686	21.3%	10.5%	66.3%	1.0%	0.9%
	Off Road Foot and Shared Paths	647	160	142	6,758	1.6%	12.6%	85.5%	0.2%	0.1%	14,688	0.8%	7.0%	88.1%	2.3%	1.8%
	Other Transport Assets	1,458	161	408	19,328	10.5%	50.9%	37.7%	1.0%	-0.1%	30,713	6.8%	36.4%	52.2%	3.8%	0.8%
	sub total	96,673	9,659	7,349	695,260	12.3%	20.6%	65.8%	1.2%	0.1%	1,638,059	5.3%	10.6%	77.3%	5.5%	1.2%
Stormwater Drainage	Stormwater Drainage	1,680	2,957	1,747	510,988	5.1%	21.7%	73.2%	0.0%	0.0%	862,525	3.1%	15.3%	81.6%	0.0%	0.0%
	sub total	1,680	2,957	1,747	510,988	5.1%	21.7%	73.2%	0.0%	0.0%	862,525	3.1%	15.3%	81.6%	0.0%	0.0%
Open Space/ Recreational Assets	Open Space/Recreational Assets	11,203	985	1,377	36,693	10.8%	6.1%	75.4%	7.5%	0.2%	98,485	4.1%	2.5%	75.5%	16.1%	1.8%
	sub total	11,203	985	1,377	36,693	10.8%	6.1%	75.4%	7.5%	0.2%	98,485	4.1%	2.5%	75.5%	16.1%	1.8%
	TOTAL - ALL ASSETS	129,147	18,952	14,840	1,461,360	8.8%	20.4%	69.9%	0.8%	0.0%	3,134,153	4.2%	11.4%	79.8%	3.8%	0.9%

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
as at 30 June 2014

Notes:

- (1). Estimated cost to bring to a satisfactory standard: The current replacement cost for assets in Category 4 and 5 which is the works required to bring the asset to at least Category 3 but excluding enhancements. For stormwater assets this also includes the estimated renewal costs for some assets that can be renewed by a non-replacement process e.g. in stormwater, the pipe relining program and specific part reconstruction works.
- (2). Required Annual Maintenance is what should be spent to maintain assets in a satisfactory condition and ensure the estimated residual life will be achieved.
- (3). The current annual maintenance of what has been spent in the current financial year and excludes operational costs (e.g. energy or water supply, cleaning, administration staff etc) or capital replacement costs.
- (4). Written Down Value is in accordance with Note 9 of Council's General Purpose Financial Statements
- (5). 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, St

Roads and Road Related Assets : Road seal, base, sub-base, kerb and gutter, guardrails and traffic facilities (r

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, s

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

(6). **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	Residual life of asset > 95% of expected life
2	Good	Residual life of asset between 75% and 95% of expected life
3	Fair	Residual life of asset between > 4 years and < 75% of expected life
4	Adequate	Residual life of asset between 1 and 4 years (the period of the current capital program)
5	Poor	Residual life of asset 0 or 1 year, including assets impaired beyond use

- (7). Required Maintenance for Roads and Related Assets is based on 1% of the Current Replacement Cost (CRC) of all Roads and Related Assets less the CRC road base and sub-base.
- (8). Additional columns have been included to show Condition of Assets as a percentage of CRC to indicate the source of information for Required Maintenance and the estimated cost to bring all assets to satisfactory standard.

Wollongong City Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2014

\$ '000	Amounts 2014	Indicator 2014	Prior Periods 20132012	
Infrastructure Asset Performance Indicators Consolidated				
1. Building and Infrastructure Renewals Ratio				
Asset Renewals (Building and Infrastructure) ⁽¹⁾	25,737	49.22%	48.97%	45.06%
Depreciation, Amortisation & Impairment	52,295			
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	129,147	0.09	0.11	0.11
Total value ⁽²⁾ of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	1,461,360			
3. Asset Maintenance Ratio				
Actual Asset Maintenance	14,840	0.78	0.70	0.69
Required Asset Maintenance	18,952			
4. Capital Expenditure Ratio				
Annual Capital Expenditure	85,446	1.40	1.22	1.17
Annual Depreciation	61,203			

Notes

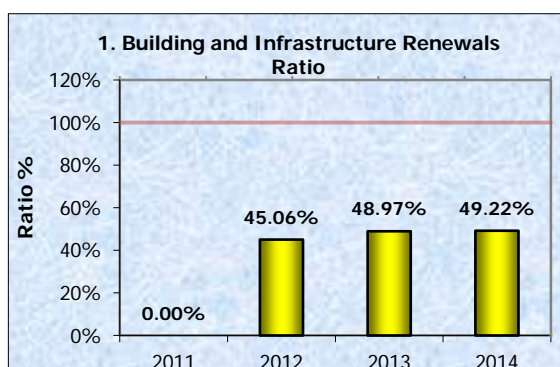
⁽¹⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

⁽²⁾ Written down value

Wollongong City Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2014



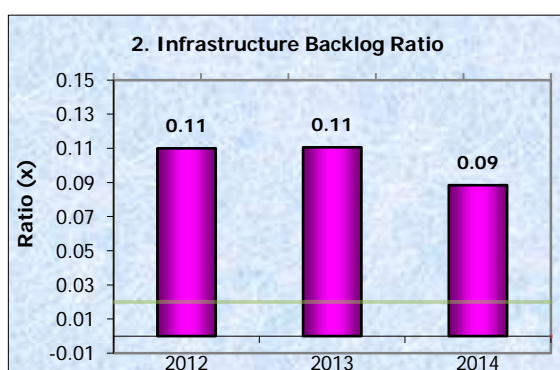
Purpose of Asset Renewals Ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

2013/14 Ratio 49.22%

Minimum 100.00%

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)



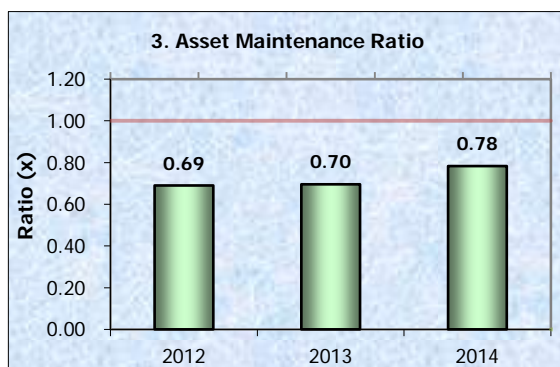
Purpose of Infrastructure Backlog Ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

2013/14 Ratio 0.09 x

Maximum 0.02

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)



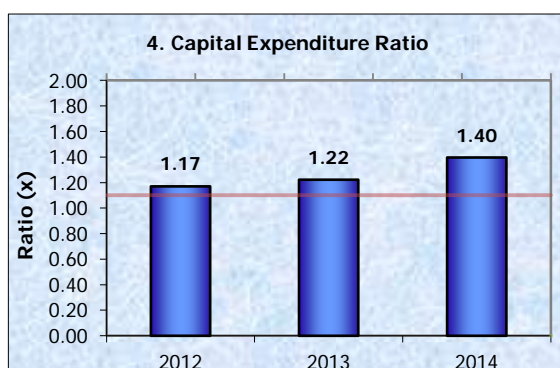
Purpose of Asset Maintenance Ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the Infrastructure Backlog growing.

2013/14 Ratio 0.78 x

Minimum 1.00

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)



Purpose of Capital Expenditure Ratio

To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.

2013/14 Ratio 1.40 x

Minimum 1.10

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

Wollongong City Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2014

\$'000	Actual ⁽¹⁾ 13/14	Forecast ⁽³⁾ 14/15	Forecast ⁽³⁾ 15/16	Forecast ⁽³⁾ 16/17	Forecast ⁽³⁾ 17/18	Forecast ⁽³⁾ 18/19	Forecast ⁽³⁾ 19/20	Forecast ⁽³⁾ 20/21	Forecast ⁽³⁾ 21/22	Forecast ⁽³⁾ 22/23	Forecast ⁽³⁾ 23/24
(i) OPERATING BUDGET											
Income from continuing operations	255,871	274,357	267,989	288,422	290,956	289,299	298,736	306,707	314,583	323,237	329,498
Expenses from continuing operations	243,760	251,092	257,997	264,879	269,026	277,447	287,210	297,655	306,982	316,719	326,423
Operating Result from Continuing Operations	12,111	23,265	9,992	23,543	21,930	11,852	11,526	9,052	7,601	6,518	3,075
(ii) CAPITAL BUDGET											
New Capital Works ⁽²⁾	31,870	30,483	28,283	43,422	42,483	10,739	11,328	10,507	10,853	11,174	11,581
Replacement/Refurbishment of Existing Assets	62,530	53,210	58,524	56,170	55,302	60,857	64,193	59,542	61,499	63,320	65,627
Total Capital Budget	94,400	83,693	86,807	99,592	97,785	71,596	75,521	70,049	72,352	74,494	77,208
Funded by:											
– Loans	11,153	-	-	-	-	-	-	-	-	-	-
– Asset sales	1,446	2,223	2,008	1,522	755	200	1,751	800	900	750	2,300
– Reserves	19,406	15,262	17,821	10,434	10,311	7,466	6,496	3,522	4,251	4,572	4,793
– Grants/Contributions	13,809	21,727	15,427	32,170	28,903	4,790	4,724	1,435	1,791	2,365	2,010
– Recurrent revenue	40,419	44,481	51,551	55,466	57,816	59,140	62,550	64,292	65,410	66,807	68,105
– Other	8,167	-	-	-	-	-	-	-	-	-	-
	94,400	83,693	86,807	99,592	97,785	71,596	75,521	70,049	72,352	74,494	77,208

Notes:

(1) From 13/14 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.

Wollongong City Council

Special Schedule No. 9 - Permissible Income Calculation for the financial year ended 30 June 2015

\$'000		Calculation 2013/14	Calculation 2014/15
Notional General Income Calculation ⁽¹⁾			
Last Year Notional General Income Yield	a	124,347	128,911
Plus or minus Adjustments ⁽²⁾	b	273	956
Notional General Income	c	124,620	129,867
Permissible Income Calculation			
Special variation percentage ⁽³⁾	d		6.13%
or Rate peg percentage	e	3.40%	2.30%
or Crown land adjustment incl. rate peg percentage	f		
less expiring Special variation amount	g		
plus Special variation amount	h = c x d	-	7,961
or plus Rate peg amount	i = c x e	4,237	-
or plus Crown land adjustment and rate peg amount	j = c x f	-	-
sub-total	k = (c+g+h+i+j)	128,857	137,828
plus (or minus) last year's Carry Forward Total	l	57	1
less Valuation Objections claimed in the previous year	m		2
sub-total	n = (l + m)	57	3
Total Permissible income	o = k + n	128,914	137,831
less Notional General Income Yield	p	128,911	137,844
Catch-up or (excess) result	q = o - p	3	(13)
plus Income lost due to valuation objections claimed ⁽⁴⁾	r	(2)	148
less Unused catch-up ⁽⁵⁾	s		
Carry forward to next year	t = q + r - s	1	135

Notes

- ¹ The Notional General Income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- ² Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called "supplementary valuations" as defined in the Valuation of Land Act 1916.
- ³ The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- ⁴ Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- ⁵ Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.

WOLLONGONG CITY COUNCIL

SPECIAL SCHEDULE NO. 9

INDEPENDENT AUDITORS' REPORT

REPORT ON SPECIAL SCHEDULE NO. 9

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 9) of Wollongong City Council for the year ending 30 June 2015.

Responsibility of Council for Special Schedule No. 9

The Council is responsible for the preparation and fair presentation of Special Schedule No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 22. 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 Special Schedule No. 9 that is 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 Special Schedule No. 9 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 Special Schedule No. 9 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 9, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 9.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

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Hill Rogers
Spencer Steer

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 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 entity's internal control.

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.

Audit Opinion

In our opinion, Special Schedule No. 9 of Wollongong City Council for 2014/15 is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Basis of Accounting

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose.

HILL ROGERS SPENCER STEER



BRETT HANGER
Partner

Dated at Sydney this 14th day of October 2014

WOLLONGONG CITY COUNCIL

ANNUAL REPORT 2013 - 2014

ATTACHMENT D:

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From the mountains
to the sea

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^os 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.

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