

WOLLONGONG CITY COUNCIL

ANNUAL REPORT

2014 - 2015

From the
mountains
to the sea

COMMUNITY HIGHLIGHTS 2014-15

Budget

2014-15 has seen Council's biggest spend on footpaths and shared paths across the city with \$23.7m spent reconstructing, upgrading and building new pedestrian and cyclists routes. In 2012-13 this figure was \$8.47m.

Council allocated significant investment into parks, recreation, beaches and pools with \$7.2m spent. This is more than double the 2012-13 figure of \$3.3m.

2014-15 Council invested a total of \$24.1m into roads and bridges citywide, including vital infrastructure supporting the West Dapto Access Strategy.



Capital Works & Infrastructure

Improving pedestrian safety and amenity:

- \$3.9m upgrading Keira Street as part of our City Centre Strategy
- \$4.5m providing shared path and bridge replacement on Cordeaux Road to connect Mount Kembla
- \$635k upgrading the pedestrian crossing on Lawrence Hargrave Drive at Coalcliff railway station
- \$3m constructing 34 new footpaths in suburban streets and parks

Fixing roads and car parks:

- \$3.4m reconstructing failed road pavements of 23 local residential roads
- \$3.2m resurfacing 33 local roads and highway sections
- \$1.7m upgrading, constructing new parking spaces and resurfacing 15 car parks

Buildings:

- 50 projects and programs worth \$8m to upgrade and maintain some of Council's 1,400 buildings and shelters



Parking

276

All day parking spaces in Council metered car parks.

Parking in Council leased car parks are free after 4.30pm weekdays, and all day Saturday, Sunday and public holidays.

754

On-street metered parking spaces.

On-street parking free after 4.30pm weekdays, Saturday (time restrictions apply 8.30am to 12.30pm), Sunday and public holidays.



Economic Development

\$539 million

Approved Development Applications (by Council)

\$1 billion

CBD Construction

20

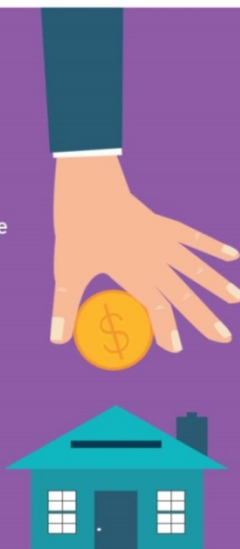
New cafes and small bars opened in the city centre

\$115 million

Approved complying development (by Private Certifier and Council)

26%

Reduction in alcohol related assault in the city centre



Community Survey

90%

Residents are satisfied with Council's overall performance

59%

Agree Wollongong Council is an organisation I can trust

The four areas you have told us we need to improve on are:

- Maintenance of local roads
- Maintenance of footpaths
- Availability of parking in city centre
- Availability of public toilets



Tourism

22% Increase
In domestic overnight
visitor spend

19% Increase
In international
overnight visitor spend

35% Increase
In domestic day trip
visitor spend

Communications

189
Media releases

3,240
Twitter followers

1,644
Number of facebook
and twitter updates

8,799
Facebook likes

3
Community
newsletters



Council Meetings

18
Council meetings
294
Reports

47
Number of public
access forum
speakers

1,138
Viewers logged in
to live webcasting
of council
meetings

2,162
Viewers logged
in to archived
webcast of
council meetings

Waste

Performed:

Over 4 million domestic
waste bin collections

Over 4 million domestic
recyclable bin collections

62,635
On Call Household Clean Ups



Diverted from landfill:

14,050
Mattresses

4,861
Tyres

226
Tonnes of TV's, computers
and other e-waste

56
Tonnes of metal

23,758
Tonnes of garden organics

90,926
Tonnes domestic materials

43,245
Domestic materials
diverted from landfill

Customer Service Transactions

190,116
Telephone calls –
76% answered
within 30 seconds

2,948
Email requests

52,922
Face to face –
92% attended to
within 5 minutes

324
Web chat

2,745
Online requests



Community Facilities & Services

1.24 million
Attendance at beaches
Undertook 837 Rescues,
preventative actions 65,447

1.07 million
Attendance at Council
swimming pools

1.1 million
Library visits

83,727
People attended various exhibitions
at Wollongong Art Gallery

31,072
Participants in programs and
projects for young people

398,743
Visits to our two leisure centres
(Beaton Park and Lakeside)

Environment

1,468
People participated
in Chemical Cleanout
events (59,966kg
collected)

67,623
Plants distributed
by Botanic Garden
Nursery

67.06
Tonnes of rubbish
collected from clean-
up activities in creeks
and open spaces

16,145
Volunteer hours at
Bushcare sites

41,462
People participated
in environmental
programs

440,929
People visited
Wollongong Botanic
Garden

Council Administration
building achieved
a 5 star green
building rating



Major Projects

North Beach Kiosk Refurbishment

The North Beach Kiosk building and its sister building, the historic North Beach Bathers Pavilion, were opened in 1938. Both buildings are listed in the State Heritage Register.

Situated in a popular beachfront location, this historic building is exposed to harsh coastal conditions, and is showing signs of ageing and deterioration.

In order to preserve this much-loved building, Council has refurbished the kiosk starting over the winter of 2015, working for approximately 12 weeks. Work included:

- Replacement of the failing brick parapet to match the original in appearance
- New roof structure, sheeting and guttering across entire building
- Refurbishment of windows and doors on kiosk section (southern end of the building)
- New joinery and ceiling in kiosk interior
- Restoration of kiosk lettering on parapet, and refurbishment of flagpole.



For more information see Council's website: <http://www.wollongong.nsw.gov.au/services/majorprojects/Pages/North-Beach-Kiosk.aspx>



Crown Street Mall Refurbishment

Work has now been completed on this major project, and the community celebrated the end of works with an official ceremony and Summer Party on Saturday 22 November 2014.

After years of planning, construction on the Crown Street Mall refurbishment began in February 2013, pausing briefly for the 2013 Christmas period before resuming in early 2014.

As well as removing all old infrastructure and installing 52,000 new pavers, the project has included the addition of decorative lighting, free

wi-fi, street furniture and a sustainable watering system for the new gum and Flame trees. The \$20.5 million refurbishment of Crown Street Mall has been part-funded by a \$5 million grant from the Australian Government.

For more information see Council's website: <http://www.wollongong.nsw.gov.au/services/majorprojects/Pages/CrownStreetMall.aspx>

Holborn Park Skate Plaza, Berkeley

Holborn Park Skate Plaza is our city's newest skate facility, and was officially opened in February 2015. The plaza was constructed by Convic, a world-renowned company involved in the design and construction of skate parks across the globe.

It has ramps, jumps, quarter pipes, banks, ledges and transitions. The inclusive space has been designed to suit all ages and abilities and is open to skateboarders, scooter riders and roller bladers. Plus, wheelchair users can also use its ramps. A half basketball court, seating and shelter are also included in the plaza.



Photo: Convic

Bald Hill Reserve – Stage 1

Bald Hill is an iconic site, much loved by locals and visitors. It is also a popular hang gliding and para gliding location. Catering for both tourist and aero sport activities at the site is an important consideration in the masterplan design of Bald Hill.

Council engaged the community over a number of years to determine ways in which access and facilities at Bald Hill could be renewed and improved. A number of guiding principles were identified by the community which helped inform the Draft Concept Landscape Master Plan.

The eight guiding principles are noted below:

- Improve traffic safety
- Maintain 'bald' character
- Improve parking layout and function
- Improve amenities and access
- Maintain food offering and improved coffee offering
- Protect gliding activity zones
- Improve site legibility and way finding
- Enhance heritage features.



In March 2013, Council adopted the Bald Hill Reserve Master Plan and secured funding from Restart Illawarra which allowed us to begin designing and planning the works.

The works will include:

- 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 equal access to the amenities
- Construction of a pedestrian area around the Lawrence Hargrave memorial and connection to the lower car park
- The development of a larger pedestrian plaza around the current food and beverage service.

This work will take place in three stages:

- **Stage one** included rebuilding the lower car park. Completed March 2015.
- **Stage two has commenced** and will see the road works, roundabout, and associated walkway constructed. This work will improve traffic safety, provide additional parking, provide walkways and enhance the heritage of this wonderful area.
- **Stage three** will see the amenities building rebuilt between January and late 2016. The development application for the construction of the amenities building was approved in May 2015.

Financial Overview

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. During 2014-15 we had a total income of \$273.2 million, including rates, user fees and charges, and grants and contributions; and spent \$241.6 million on services and assets that benefit the community.

WHERE DOES THE MONEY COME FROM?

TOTAL \$273.2M

61%

RATES &
ANNUAL CHARGES
\$166.9M

18%

USER FEES & CHARGES
& OTHER REVENUE
\$48.3M

11%

GRANTS & CONTRIBUTIONS -
OPERATING PURPOSES
\$30.3M

8%

GRANTS & CONTRIBUTIONS -
CAPITAL PURPOSES
\$22.0M

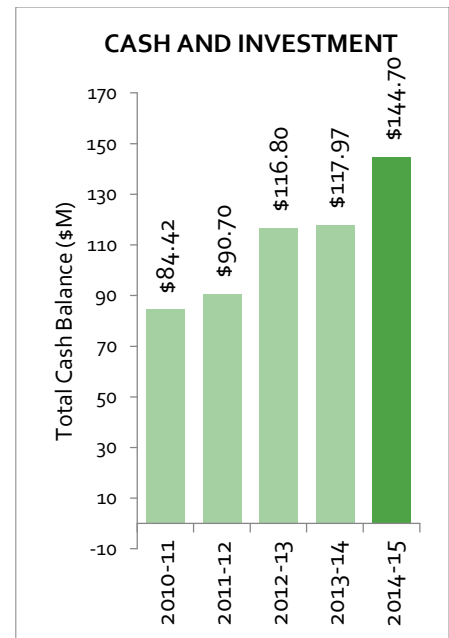
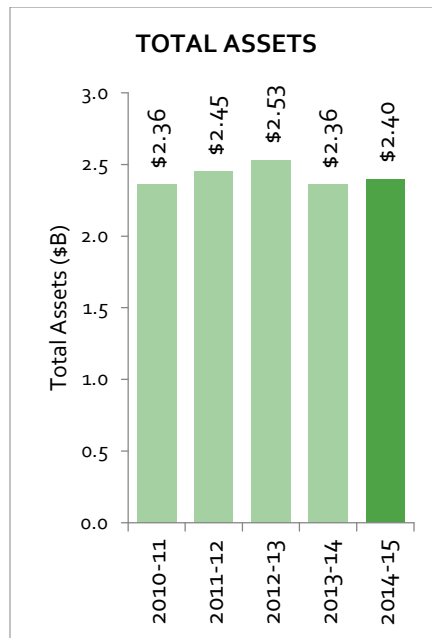
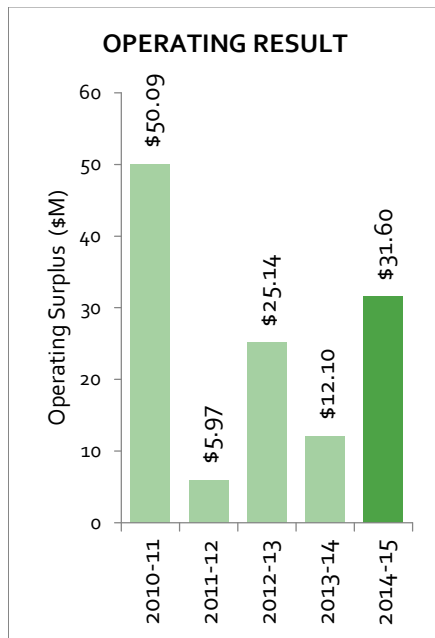
2% INTEREST & INVESTMENT REVENUE \$5.7M

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:**

\$23.22 Transport Services	\$10.33 Parks and Sportsfields	\$6.78 Aquatic Services	\$6.60 Infrastructure Planning & Support	\$6.59 Stormwater Services
\$5.67 Libraries	\$3.39 Cultural Services	\$3.21 Financial Services	\$3.13 Governance and Administration	\$2.80 Human Resources
\$2.76 Integrated Customer Service	\$2.51 Community Facilities	\$2.48 Emergency Management	\$2.26 Waste Management	\$2.23 Information Technology
\$2.03 Development Assessment	\$1.97 Botanic Garden & Annexes	\$1.50 Natural Area Management	\$1.26 Corporate Strategy	\$1.24 Economic Development
\$1.18 Events, Community Engagement, Public Relations	\$1.17 Regulatory Control	\$1.14 Environmental Programs	\$0.89 Community Programs	\$0.87 Youth Services
\$0.81 Land Use Planning	\$0.75 Leisure Centres	\$0.44 Property Services	\$0.42 City Centre Management	\$0.15 Crematorium & Cemeteries
\$0.22 Public Health & Safety	\$0.00 Aged & Disability Services	\$0.00 Tourist Parks	TOTAL \$100	

*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 2014-15. As at June 2015, Council's operating result was \$31.6 million. The operating surplus of \$31.6 million was \$8.3 million higher than original budget, primarily due to \$3.3 million in additional capital grants and contributions and lower expenditure.

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 2015, Council managed \$2.4 billion worth of total assets.

CASH FLOW STATEMENT

This statement provides a summary of Council's cash receipts (inflow) and cash payments (outflows) during the year. The closing cash balance as at 30 June 2015 was \$144.7 million. This represents a \$26.7 million increase from the previous year, primarily due to a favourable operating result and drawdown of an additional Local Infrastructure Renewal Scheme loan.

EXTERNAL FUNDING

In 2014-15 Wollongong City Council received \$35.2 million in federal and state government funding. This represents a slight increase compared to 2013-14 when Council received \$32.3 million in federal and state government funding. Some of the funding received this financial year include:

- \$1.3 million received for footpaths and cycle ways
- \$5.2 million for roads and bridges
- \$2.4 million for community transport
- \$0.6 million for voluntary purchase of floodplain-affect housing.

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

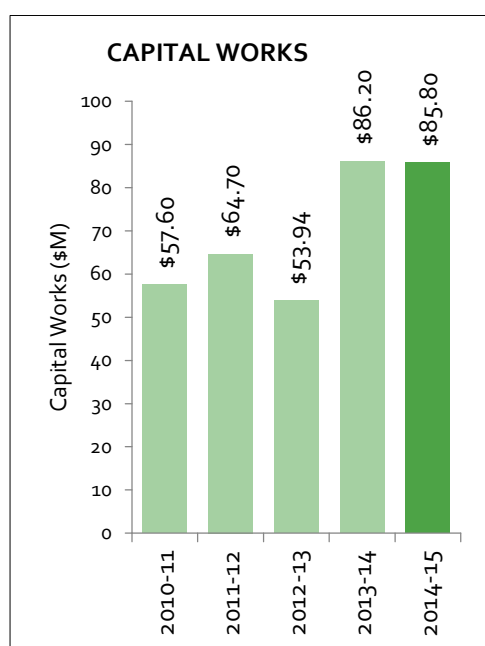
CAPITAL WORKS PROGRAM

Wollongong City Council is the custodian of approximately \$2.4 billion worth of assets, on behalf of the community. During 2014-15 Council completed a capital works program of \$85.8 million that included:

- Asset renewal works of \$59.4 million
- Construction and purchase of new assets worth \$26.4 million

In addition, Council recognised (ie. adding to the asset register) a further \$1.9 million of contributed assets (eg. roads and drainage in new subdivisions).

\$85.8 million has been expended on programmed works compared to a revised budget of \$84.3 million. The program has included such projects as the West Dapto Access Strategy, Keira Street Upgrade, Cordeaux Road bridge replacement and new shared path, Whytes Gully tip cell, stormwater and floodplain management, roads and bridges, parks and recreation facilities, car parks, building renewals and purchase of library books.



CAPITAL WORKS

The capital works statement identifies the costs of creating or acquiring property, infrastructure or equipment assets. Wollongong City Council spent \$85.8 million on capital works in 2014-15.

Asset Class	Expenditure 2014-15 \$
Roads and Related Assets	14,949,124
West Dapto	9,176,056
Footpaths and Cycle ways	23,766,311
Car Parks	1,732,071
Stormwater and Floodplain Management	3,270,707
Buildings	8,711,747
Commercial Operations	1,575,613
Parks Gardens and Sports Fields	4,174,604
Beaches and Pools	3,066,446
Natural Areas	179,001
Waste Facilities	6,905,092
Fleet	1,387,523
Plant and Equipment	2,931,821
Information Technology	846,226
Library Books	1,202,573
Public Art	430,657
Emergency Services	149,383
Land Acquisitions	625,262
Non-Project Allocations *	708,390
Total	85,788,607

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

Five Year Summary of Key Statistics

	2010-11	2011-12	2012-13	2013-14	2014-15
Total number of residents*	200,468	202,068	203,181	205,231	206,794
Total number of ratepayers	77,192	77,558	78,292	78,985	79,316
Rates levied (income)	\$114.6M	\$118.4M	\$123.3M	\$127.6M	\$137.8M
Average general residential rate	\$1,071.46	\$1,098.25	\$1,135.62	\$1,174.95	\$1,249.30
Increase in average residential rate	2.48%	2.50%	3.40%	3.46%	6.33%
State government rate ceiling	2.6%	2.8%	3.6%	3.4%	2.3%
Specific purpose grants revenue (incl. capital and operating)	\$13.9M	\$16.0M	\$14.0M	\$22.0M	\$16.0M
Available working funds balance	\$26.4M	\$22.8M	\$31.5M	\$24.5M	\$17.4M
Operating performance ratio	-4.61%	-5.87%	-4.43%	-6.53%	2.31%
Debt service ratio	0.77%	1.47%	1.71%	2.68%	2.73%
Asset maintenance ratio	0.52	0.69	0.70	0.78	0.97
Capital Works Program	\$57.6M	\$64.7M	\$53.9M	\$86.2M	\$85.8M
Number of employee (permanent FTE)	981.3	982.7	996.3	1,008.2	1029.8
Population per employee (permanent FTE)	204.4	205.6	212.3	203.6	200.8
Governance + Admin expense per capita	\$165.82 [#]	\$172.02 [#]	\$221.02 [#]	\$139.14 [#]	\$143.91
Environmental expenditure per capita	\$233.48 [#]	\$270.07 [#]	\$267.20 [#]	\$272.05	\$281.48
Community services, education, housing, amenities expenditure per capita	\$107.52 [#]	\$119.83 [#]	\$126.00 [#]	\$132.01	\$137.74
Recreational + Culture expenditure per capita	\$242.68 [#]	\$238.92 [#]	\$245.78 [#]	\$263.24	\$249.99
Public order, safety + health expenditure per capita	\$66.58 [#]	\$70.71 [#]	\$75.54 [#]	\$74.03	\$69.96
Roads, bridges and footpath expenditure per capita	\$213.00 [#]	\$225.09 [#]	\$177.50 [#]	\$229.86	\$224.91
Material diverted from landfill (Domestic waste collection)	50.0%	48.4%	46.6%	47.0%	47.6%
Development applications assessed	1,566	1,386	1,328	1,388	1479 [^]
Wollongong Botanic Garden visitation	311,000	312,335	346,517	393,468	440,929
Wollongong City Gallery visitation	48,135	56,144	78,128	99,915	83,727
Illawarra Performing Arts Centre visitation	118,981	124,884	116,120	107,790	103,316
Library visitation	838,165	999,233	931,207	969,207	1,103,454
Pools attendance	995,632	899,622	1,037,083	1,086,412	1,075,193

* 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 and 2014-15 the current estimated resident population as published by .id was used. Please note: The allocation of costs between the services has varied over the reporting period making direct comparison at this level inaccurate.

[^] 2014-15 figure is preliminary, to be confirmed in Annual Report issued by DoP

CONTENTS

City Profile	2
Welcome	3
Lord Mayor's Message	4
General Manager's Message	4
Our Council	5
About Us	7
Our Planning and Reporting Framework	9
Strategic Programs	
Financial Sustainability	10
West Dapto Urban Release	11
Waste Management	12
City Centre Revitalisation	13
Connectivity/Walkability	14
Community Strategic Goals	
Goal 1: We value and protect our environment	15
Goal 2: We have an innovative and sustainable economy	22
Goal 3: Wollongong is a creative, vibrant city	28
Goal 4: We are a connected and engaged community	34
Goal 5: We are a healthy community in a liveable city	41
Goal 6: We have sustainability, affordable and accessible transport	50
 FINANCIAL REPORTS	
Financial Commentary	Attachment A
General Purpose Financial Statements	Attachment B
Special Purpose Financial Statements	Attachment C
 LOCAL GOVERNMENT REQUIREMENTS	
Additional Local Government Requirements	Attachment D
Payment of Expenses and Provision of Facilities to Lord Mayor and Councillors	Attachment E

DISTRIBUTION

Wollongong City Council's Annual Report 2014-15, 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.



City Profile

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 206,794.

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.

Important
Statistics

Population
206,794

Land area
71,544
Hectares (715km²)

Population density
2.89
persons per hectare

Welcome to Wollongong City Council

Annual Report 2014-15

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 2014-15 we had a total income of \$273 million, including rates, user fees and charges, and grants and contributions; and spent over \$241 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

Looking back, 2014-15 has been a challenging and productive year for Council.

We have marked the completion of several major projects, including the Crown Street Mall renewal, the refurbishment of the historic North Beach Kiosk and the construction of a new world class skate park at Holborn Park in Berkeley.

During 2014-15 we spent \$59.4 million on renewing infrastructure. This included a broad range of projects from undertaking vital maintenance on our pools, buildings, footpaths, shared pathways and roadways. We are also in the process of investigating and designing future active pathways, such as stage one of the Grand Pacific Walk and the Smith and Kembla Street cycle ways.

Our commitment to protecting the environment has continued with a revision of the Escarpment Strategic Management Plan, and works commencing on our Dune Management Strategy, informed by our draft Coastal Zone Management Plan.

We've expanded the city's events repertoire with new signature events *Bravo Challenge* and *Blender Festival*. This year also saw an increase in major event applications from external organisers recognising the value of Wollongong as an events city.

The positive growth of our city was reflected in the results of the Wollongong Wellbeing Survey. Wollongong residents scored higher on the personal wellbeing index than the national benchmark, and we're using these results to help us shape an even better city in the years ahead.

These are a small sample of the many works, projects, services and events we've managed and delivered over the last financial year. Further details are outlined in this annual report.

I'd like to thank my fellow Councillors for their dedication and work over the 2014-15 financial year. I also extend a big thank you to all the staff for their efforts towards achieving the ambitious goals set by Council.

Wollongong City Lord Mayor
Councillor Gordon Bradbery OAM

General Manager's Message

In July 2014, Council implemented a three-year strategy to revise our budget and annual plans to improve our community assets and ensure that asset renewal is our major focus.

This focus is already paying dividends with an improvement of about \$7.4 million on our projected Operating Result.

One of Council's biggest priorities over the next five years is the West Dapto Urban Release Area and the West Dapto Access Strategy, a long term project that will make getting to and from West Dapto easier. Already, a lot of work has been done on upgrading existing road links, and improving transport connections in Kembla Grange, Wongawilli, Huntley and Horsley.

Revitalising our city centre has been another priority. We completed the refurbishment of the Crown Street Mall in November 2014, and the Mall has since won the prestigious Lloyd Rees Award and been listed as a finalist in the 2015 Australian Property Institute NSW Excellence in Property Awards. In addition, Council's Crown Street Mall and Inner City Façade Program was shortlisted as a finalist in Keep NSW Beautiful Blue Star Awards' Cultural Heritage category.

We also partnered with internationally recognised consulting firm, Gehl Architects, and prominent urban designers, McGregor Coxall, to undertake a Public Spaces Public Life study. This study will inform future planning for the city.

The city centre continues to evolve with 21 new small bars and cafes opening up during the past 12 months, contributing to the revitalisation of nightlife in the city centre. Early 2015 also saw a new Thursday Eat Street Markets established in the Mall to popular acclaim.

Late in the 2014-15 financial year we started a review into our systems and processes for classification of waste. This work will continue into 2015-16 and bring us up to best practice industry standards.

We also constructed a new landfill cell at Whytes Gully. This is a snapshot of the key initiatives undertaken across this financial year. I'd like to thank our hardworking staff for their dedication to delivering the many projects and services our community expects.

General Manager
David Farmer

OUR COUNCIL

Elected Representatives

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, 18 Council meetings were held and the Agendas and Minutes of these meetings are available on Council's website. In addition, 31 Councillor Briefings / Workshops were held.



**LORD MAYOR
GORDON BRADBERRY OAM**

BA, BD (Psych, Sociology and Divinity), GAICD

Minister of the Uniting Church in Australia

First Elected in 2011. Attended 17 Council meetings and 29 briefings.

14/15

WARD 1

**LEIGH COLACINO
Artist**

Mobile: 0417 199 189

Email: cr.lcolacino@wollongong.nsw.gov.au

First elected in 2011. Attended 16 Council meetings and 26 briefings.



**JILL MERRIN
MSc, BSc**

Mobile: 0409 548 418

Email: cr.jmerrin@wollongong.nsw.gov.au

First elected in 2011. Attended 16 Council meetings and 22 briefings.



**JANICE KERSHAW
Deputy Manager**

Mobile: 0407 383 927

Email: cr.jkershaw@wollongong.nsw.gov.au

First elected in 1991, re-elected 1995, 1999, 2004, 2011. Attended 15 Council meetings and 28 briefings.



**GREG PETTY
FCPA, GAICD, AGIA, BBS (NSWIT), JP
Company Director**

Mobile: 0417 446 283

Email: cr.gpetty@wollongong.nsw.gov.au

First elected in 2011. Attended 18 Council meetings and 25 briefings.



WARD 2

**JOHN DORAHY
GAICD**

Director of Business Development

Mobile: 0450 917 262

Email: cr.jdorahy@wollongong.nsw.gov.au

First elected in 2011. Attended 15 Council meetings and 20 briefings.



**MICHELLE BLICAVS
MMgt, GAICD, FAE
CEO**

Mobile: 0408 693 257

Email: cr.mblicavs@wollongong.nsw.gov.au

First elected 2011. Attended 15 Council meetings and 21 briefings.



**DAVID BROWN
BSc, JP
Media Consultant**

Mobile: 0409 897 597

Email: cr.dbrown@wollongong.nsw.gov.au

First elected in 2002, re-elected 2004, 2011. Attended 18 Council meetings and 31 briefings.



**GEORGE TAKACS
BSc(Hons), PhD, GAICD
Physicist**

Mobile: 0419 819 337

Email: cr.gtakacs@wollongong.nsw.gov.au

First Elected in 2011. Attended 18 Council meetings and 29 briefings.



WARD 3

**DEPUTY LORD MAYOR CHRIS CONNOR
MEdAdmin, GradDipEdSt (School Admin), DipT, MAICD
School Principal**

Mobile: 0419 545 897

Email: cr.cconnor@wollongong.nsw.gov.au

First elected in 2011. Attended 18 Council meetings and 25 briefings.



**ANN MARTIN BM
BA(Visual Arts), MFA, MPlan, GAICD
Artist / Planner**

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Email: cr.amartin@wollongong.nsw.gov.au

First elected in 2011. Attended 17 Council meetings and 29 briefings.



**BEDE CRASNICH
Electoral Officer / Student**

Mobile: 0417 131 035

Email: cr.bcrasnich@wollongong.nsw.gov.au

First elected in 2011. Attended 18 Council meetings and 16 briefings.



**VICKI CURRAN
GAICD**

Juvenile Justice Support + Community Advocate

Mobile: 0419 691 688

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First elected in 2011. Attended 18 Council meetings and 17 briefings.



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 E 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 2014 to 30 June 2015) is \$495,989.70 and consists of the following:

Fees **\$424,994.20**

Expenses and Facilities **\$70,995.50**

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

- i. Provision of facilities - **\$7,647.04**
- ii. Telephone calls - **\$2,987.65**
- iii. Conferences and seminars - **\$25,984.82** * includes interstate conferences and seminars
- iv. Training and skills development - **\$7,035.45**
- v. Interstate travel - **\$Nil** (non-conference related)
- vi. Overseas travel - **\$3,198.73**
- vii. Partner, spouse or accompanying person - **\$190.91**
- viii. Care of child or immediate family member - **\$Nil**



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 direction of operations in accordance with the delivery program and annual plan. Twelve senior managers are responsible for the day to day implementation of Council's delivery program and annual plan, as well as compliance with Council's policies and statutory requirements.



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
- total amount payable by Council by way of fringe benefits tax for any such non-cash benefits, and
- total amount of any bonus, performance or other payments that do not form part of the salary package.

Position	Period	Total Value \$
General Manager	1-7-14 to 30-6-15	367,328
Directors (3) Corporate + Community - Creative, Engaged + Innovative City Infrastructure + Works - Connectivity, Asset and Liveable Cities Planning + Environment - Future City and Neighbourhoods	1-7-14 to 30-6-15	784,125
Senior Managers (13) 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.	1-7-14 to 30-6-15	2,343,573

OUR PEOPLE

As of 30 June 2015, Council position establishment (full time equivalent) included:

- 1,029.80 FTE permanent positions (including provisional positions)
- 129.54 FTE temporary and fixed term positions, and
- 21 FTE cadet/apprentice/trainee positions.

Our staff are primarily aged 50 years and over (50%) (excluding casuals), with a gender balance of 28% female and 72% male in management positions, and 42% female and 58% male organisationally (excluding casuals).

The majority of our staff are positioned at the operational level (90%) with senior management representing 1.3% of our workforce.

Our Planning and Reporting Framework

Wollongong City Council transitioned to Integrated Planning and Reporting 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

Our councillors have made a commitment to support our organisation and the community in making Wollongong a better place to live, work, visit and play. To focus Council's attention to achieve this, councillors have agreed to five strategic programs; these are outlined in the Delivery Program 2012-17. Progress made to date is outlined below:

1 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 operational fund for capital to the renewal of existing assets.

(Revised wording of strategic program to reflect statement in Long Term Financial Plan 2012-2022)

Project Sponsor: General Manager
Project Manager: Executive Manager Strategy

Progress

✓ On Track

Council, at its meeting 23 June 2014, adopted a revised budget and annual plan that included a special rate variation, efficiency targets, minor service adjustments and planned increases in fees and charges. This three year strategy commenced in July and increased income is reflected in the expansion of the capital works program to address asset renewal across the city.

Annual efficiency targets were built into the budget and across Council's service portfolio with the intent that specific improvement opportunities and initiatives would be identified through the year. A strong focus on financial management reviews have meant that the forward targets up to 2017 have been achieved.

The focus on Securing our Future has meant in 2014-15, Council spent \$59.4 million on renewal projects as part of its capital works program with revenue made available to capital from operational funds of \$48.7 million. This equates to a performance of 122% relative to the target of 85%. The 2015-16 program projects \$60.3 million of renewal expenditure with revenue made available to capital of \$48.2 million (equivalent to a forecast of 125% relative to the target).

This significant investment in asset renewal and replacement reflects the outcomes from Council's Securing Our Future program, utilising additional funds sourced from operational savings, efficiency gains and the Special Rate Variation on asset renewal. Council's Fit for the Future review project highlighted a continuing distribution of increasing capital funds to renewal into the future. *[Further information on Fit for the Future Program is provided on page 36]*

The additional revenue from the Special Rate Variation and savings programs have been fully allocated in the 2014-15 capital budget (\$6.07 million in 2014-15) for the delivery of an accelerated asset renewal program, including increased allocations to building renewal projects.

2 WEST DAPTO URBAN RELEASE

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

Project Sponsor: Director Planning and Environment | Future City and Neighbourhoods
Project Manager: Manager Project Delivery

Strategic Program Progress

✓ On Track

A comprehensive review of the vision, structure plan and infrastructure plans for West Dapto has commenced and will continue in 2015-16. The implementation of road and bridge infrastructure continued in 2014-15. The following construction projects were completed or commenced.

Shone Avenue Stage 2 Bridge replacement and roadworks – Complete

These works included the widening of Shone Avenue, construction of shared paths on both sides of the road and replacement of the small culvert with a four span bridge at a higher level to increase flood protection. The construction of the new road and bridge required the closure of Shone Avenue for a period of approximately six months. Construction progressed well enabling the road to be re-opened within the scheduled timeframe.

Cleveland Road Bridge over Mullet Creek and associated roadworks - Complete

The existing narrow bridge was replaced with a wider bridge and shared pathway at a higher level to provide increased flood protection. Cleveland Road was widened from Mullet Creek to the new Fairwater Drive intersection. Additional facilities including a drop off and pick up car park were constructed adjacent to Dapto High School.

Intersection improvements Princes Highway and West Dapto Road Kembla Grange - Complete

These works provided a signalised intersection where West Dapto Road meets the Princes Highway, including a new access road into the Kembla Grange Turf Club facility. This intersection will increase safety while providing for the increased number of users expected through this intersection.

Road improvements West Dapto Road and Wongawilli - Design commenced

The development of concept designs for the proposed upgrade to Wongawilli Road and part of West Dapto Road commenced during 2014-15. The design currently includes for the construction of two bridges, the widening of the road to four lane width and shared pathways. The proposed works will require the relocation of a number of services and staff have been liaising with the relevant authorities to understand and meet their requirements. Community consultation has also been undertaken and the feedback received considered in the designs. Detailed design and construction documentation will be completed in 2015-16.

Design of the road link from Fairwater Drive to Fowlers Road – Underway

The design of the proposed new link road from the Fowlers Road/Princes Highway intersection to the roundabout at Fairwater Drive has been progressing. A community stakeholder workshop was held in August 2014 to establish requirements and work through various options. The feedback from that workshop has been used in the development of the preferred concept option, which once completed will be exhibited to the general community for feedback. Significant challenges impacting the design of this new road, particularly traffic volumes and flood levels, have been worked through and resolved through the design process. Council has obtained funding under the State Government's Restart NSW - Illawarra Infrastructure Fund, the NSW Office of Local Government Local Infrastructure Renewal Scheme Round 3 and design funding from the NSW Department of Planning and Infrastructure.

During the year, Council participated in interagency meetings involving the NSW Department of Planning and Environment, Department of Premier and Cabinet and Roads and Maritime Services concerning West Dapto local and regional infrastructure. This included meetings of the West Dapto Project Control Group.

3 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.

Project Sponsor: Director Infrastructure and Works | Connectivity Assets and Liveable City
Project Manager: Manager City Works and Services

Strategic Program Progress

✓ On Track

The Wollongong Waste and Resource Recovery Strategy 2022 was endorsed by Council on 28 July 2014. The strategy represents a pathway for Council and the community to work towards sustainable waste management. Actions contained within the strategy are now being implemented. Some highlights of this program include:

- Council has been able to use its endorsed Waste and Resource Recovery Strategy to secure contestable grant funding from the EPA to establish a Community Recycling Centre. Once operational, the Community Recycling Centre is intended to be a facility that will accept various recyclables and problem wastes from the community free of charge (where possible). Almost \$200,000 of grant funding was secured for the project in August 2014. Detail design and development approvals are ongoing.
- When waste is placed in landfill and begins to decompose, landfill gas is generated. Much of the landfill gas generated at Whytes Gully is now captured through underground infrastructure that actively draws the landfill gas into a flare that combusts the gas to reduce its global warming potential. This process also reduces odour and helps Council better understand the quality and quantity of gas generated at the landfill site in view of a more beneficial end use.

During the first quarter of 2014-15, additional gas wells were incorporated into the gas investigation and extraction system at Whytes Gully. Throughout the remainder of 2014-15 those wells have experienced a build-up of precipitate. Whilst the gas collection system and flare have returned to operation, investigations are continuing into the cause of the precipitate that is reducing the systems potential for gas collection and combustion. Expert analysis is ongoing.

Other priority waste strategy actions that were commenced during the period include:

- New leachate management system at Whytes Gully
- Design and approval of the environmental rehabilitation of Helensburgh landfill
- Finalisation of the new landfill cell Stage 1 at Whytes Gully

4 CITY CENTRE REVITALISATION

Council's fourth strategic 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.

Project Sponsor: Director Corporate and Community Services | Creative, Engaged and Innovative City
Project Manager: Manager Project Delivery

Strategic Program Progress

✓ On Track

The refurbishment of the Crown Street Mall was officially opened on 22 November 2014, which was a significant milestone in Council's plans to revitalise the city centre. The refurbishment has provided a safe flexible space which allows for a wide range of programs and activities which assist in activating this space. In parallel with the opening of the GPT development, Council also completed the refurbishment of the Keira Street precinct extending from Crown Street north to Smith Street.

The newly designed Crown Street Mall provides new outdoor dining opportunities, and Council has worked closely with a number of cafe operators regarding the opportunity for outdoor dining and leveraging off the blanket development approval that is already in place.

Other activities, programs and works undertaken during 2014-15 include:

- Thursday Night Eat Street in Upper Crown St Mall with strong visitation
- Round 2 of the Façade Rejuvenation program saw 19 projects approved. Nine have been completed, two did not proceed, and the remaining seven projects will be completed in early 2015-16
- November 2014 saw the launch of the new *On Crown* marketing campaign. Key events included Justice Crew Pop Up Performance, Tutti in Piazza and Dean Ray Celebrity Performance.
- Continuation of the Public Spaces, Public Life Study (PSPL) project. The PSPL project has consulted broadly with large amounts of data collected around the city. The information will be used to determine how the city is performing, and inform the development of a set of strategies and actions for key areas in the city centre. At the end of the financial year, a draft city vision and key strategies have been developed with significant community consultation planned for the first half of 2015-16.
- Installation of a new unisex toilet facilities, including artwork, in MacCabe Park
- Installation of a new playground in MacCabe Park
- Successful implementation of the Clear Path of Travel project. This project negotiated the removal of A-frame signage and furniture which often blocked pedestrian access along the mall and surrounding street, particularly for people with visual impairment
- Installation of traffic lights and improved pedestrian access in the intersection of Burelli and Auburn streets and also Burelli and Kenny streets including renewal of adjoining footpaths
- Bus shelter upgrades along Burelli Street
- Introduction of the CelLOPark App for paying for on-street parking in Council-managed metered spaces in the city centre
- 35 lunchtime performances were held in the Arts Precinct between September 2014 and May 2015, with 7,720 people attending.

5 CONNECTIVITY / WALKABILITY

Council's fifth strategic program is to improve the connectivity of the Local Government Area (LGA) 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.

Project Sponsor: Director Infrastructure and Works | Connectivity Assets and Liveable City
Project Manager: Manager Infrastructure Strategy and Planning

Strategic Program Progress

✓ On Track

The Wollongong Bike Plan was completed in 2014, and a similar project to develop a citywide pedestrian, shared path and footpath plan has commenced. The project has been scoped in consultation with the Active Transport Reference Group ahead of its development during 2015-16. Actions identified within the bike plan will and are being incorporated into the capital works and operational programs for progressive implementation.

During 2014-15 the following capital projects supporting this strategic program were delivered, including:

- Twenty four new footpaths constructed:
 - O'Briens Rd, Figtree
 - Murphys Ave and Paulsgrove St, Keiraville
 - Lakelands Dr, Dapto
 - Cirrus Ave, Dapto
 - Dumfries Ave, Mount Ousley
 - Meadow St, Tarrawanna
 - The Avenue, Figtree
 - Woodlawn Ave, Mangerton
 - Nannawilli St, Berkeley
 - Jacaranda Ave, Figtree
 - Pioneer Rd, Fairy Meadow
 - Sea Foam Ave, Thirroul
 - Dumfries Ave, Mount Ousley
 - Huxley Dr, Horsley
 - Berkeley Rd, Gwynneville
 - Eager St, Corrimal
 - Guest Park, Fairy Meadow
 - Mt Keira Rd, Wollongong
 - Horsley Dr, Horsley
 - Kialoa Rd; connection to Memorial Dr, Woonona
 - Lawrence Hargrave, Prince St to High St, Thirroul
 - Paterson Rd, Coalcliff
 - Ralph Black Dr, North Wollongong
 - Station Rd, Otford
- Fifteen footpaths upgraded or reconstructed:
 - Koonawarra Pl, Koonawarra
 - Denise St, Lake Heights
 - Market St to Keira St, Wollongong
 - Princes Hwy; Popes Rd to Nicholson Rd, Woonona
 - Alcoomie Cres, Koonawarra
 - Balgownie Rd, Balgownie
 - Bangaroo Ave, Koonawarra
 - Cowper St, Warrawong
 - Culgoa Cres, Koonawarra
 - Marshall St, Dapto
 - Leeder Park, footpath to rock pool, Coalcliff
 - O'Donnell Dr, off road footpath to Princes Hwy, Figtree
 - Princes Hwy, Norman St to Woolworths Supermarket, Fairy Meadow
 - Baker Cres, Reserve footpath, Figtree
 - Kembla St, Bourke St to Corrimal St, east side, Wollongong
- Seven new shared paths:
 - Wollongong Harbour Heritage Walk, Endeavour Dr, Wollongong
 - Princes Hwy, Point St to Black Diamond Pl, Bulli
 - Lakeside Dr, Dapto
 - Princes Hwy, Kembla Grange Racecourse, Kembla Grange
 - Gloucester Blvd, adjacent to Darcy Rd, Port Kembla
 - Stoney Creek Bridge, Coalcliff
 - Springhill Rd, Five Island to 21 Dump Access
- Five shared paths were upgraded or reconstructed:
 - Cliff Road Promenade, North Wollongong
 - Princes Hwy, Figtree
 - Squires Way, Fairy Meadow
 - Cordeaux Rd, Cordeaux Heights
 - Southern Cycleway, Springhill Rd at JJ Matthews bridge

Significant work has also been carried out on investigation and design of future active transport projects, as identified in forward capital works programs, such as the Grand Pacific Walk - Stage 1 and Smith and Kembla streets cycle ways.



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.



*** Additional highlights relating to this Goal are also included under the Strategic Programs – West Dapto Urban Release (page 11) and Waste Management (page 12).*

Environmental Programs

Community environmental programs are conducted to improve the awareness of our local environment through bush regeneration, tree planting, waste education as well as the removal of waste and litter from various locations across the city. Some of the highlights from these programs include:

- The Wollongong City Bushcare program has continued to support the efforts of 400 volunteers who contributed a total of 16,145 hours of volunteer labour during 2014-15. Staff conducted a total of 15 events/workshops during the year and groups were supported with their safety and action plans with 23 visits from support staff. The Bushcare web page has been updated to include each group's site and action plan details as well as maps and flora and fauna information.
- The Clean Up Australia campaign involved 57 groups working at 48 sites, collecting 9.7 tonnes of rubbish.
- Waste promotion and education was also conducted through 106 workshops with 963 participants. There were 13 events such as car boot sales, market displays and bus tours, which attracted 3,635 people.
- Council's Rise & Shine program conducted 151 clean ups, collecting 67 tonnes of rubbish through the participation of 1,902 volunteers.

In addition, to reduce Wollongong's ecological footprint, \$80,000 was allocated for Waste Wise Events through funding allocated by the EPA. This allows for keynote city events such as Viva la Gong, Australia Day, New Year's Eve and Breakfast on the Beach to divert recyclables and organics from going to landfill.

Review Council historical documents containing contaminated lands information

During 2014-15 Council updated its land information system to include information from contaminated lands historical documents. The procedures and responsibilities for dealing with contamination issues are being reviewed and finalised. Council is also reviewing opportunities to deter illegal dumping.

Managing vegetation to reduce bushfire risk in Asset Protection Zones

Four meetings of the Illawarra Bushfire Management Committee were held during 2014-15. Staff contribute reports and information relating to works programs and BRIMS (Bushfire Risk Information management System).

Council has a total of 362 Asset Protection Zone (APZ) sites within the LGA that it is responsible for maintaining. These sites are on a rolling program, with work undertaken on 128 sites during 2014-15. Council funding allocated to maintain APZ sites was supplemented in 2014-15 with a \$98,000 grant from the Rural Fire Service.

Floodplain and stormwater management

Implementation of the Floodplain Risk management plans continue through the capital works and maintenance programs. During 2014-15, a new Collins Creek Floodplain Risk Management Study and Plan was adopted by Council along with the review of the Towradgi Creek Flood Study. The Brooks Creek Flood Study review also commenced.

Floodplain management works undertaken during the year include:

- culvert upgrade in Swan Street, Wollongong
- finalisation of the swale in Charles Harper Park, Helensburgh
- completed drainage culvert works at Coledale
- Refurbishment of Cedar Park Basin including construction of a new debris control structure and low flow channel
- Upgrade of two drainage structures in Squires Way, Fairy Meadow making maintenance easier.

Under the NSW Government Coastal Management Program, Council was awarded \$20,000 financial assistance to contribute to the preparation of an Entrance Management Study and Plan for Whartons Creek. Monthly beach profile surveys and fortnightly photo-monitoring have been undertaken, along with on-site meetings with stakeholders. The draft study report, prepared by the engaged consultant, will be reviewed by the Wollongong Estuary and Coastal Zone Management Committee before submission to Council for endorsement for public exhibition.

Illawarra Escarpment Strategic Management Plan

The Illawarra Escarpment is an iconic feature of the Illawarra region. It spans across public and private tenures and has a complex history of use spanning tens of thousands of years; from Aboriginal occupation through to more recent history of agriculture, forestry, mining and residential use. The Illawarra Escarpment Strategic Management Plan was reviewed in 2014-15 in order to maintain the conservation focus of the 2006 plan whilst reflecting results of additional studies and changes to planning instruments since 2006.

The draft Illawarra Escarpment Strategic Management Plan 2014 was revised following public exhibition in November-December 2014 and further consultation with the Escarpment Planning Reference Group, relevant government agencies and Council. The Illawarra Escarpment Strategic Management Plan 2015 was endorsed by Council in July 2015.

Priority actions from the Dune Management Strategy

During the year, a number of priority actions from the Dune Management Strategy were implemented. These include:

- Council was awarded three grants under the OEH Coastal Management Program; \$20,000 for the Whartons Creek entrance management study and policy, \$100,000 for Wollongong dune vegetation management, and \$40,000 for Wollongong beach and dune monitoring.
- Dune vegetation work plans for the next 18 months were prepared for Bulli, Woonona, Bellambi, Corrimal, Towradgi, Fairy Meadow and Wollongong City beaches. These plans will guide on ground works such as weed control and installation of appropriate plants for bush restoration contractors, Green Army participants and Dunecare volunteers. Bush restoration contractors have commenced work at these beaches.
- Council was awarded a Federal Government Green Army project, run in conjunction with Campbell Page. Two groups of participants will work over 12 months at seven priority beaches. A team supervisor and nine participants are working to remove litter and weeds and install appropriate species from Council's adopted planting list.
- A consultant prepared a design, coastal hazard assessment and review of environmental factors to reshape an area of dunes at Towradgi Beach to restore line of sight for lifeguards and lifesavers. Vegetation was removed from the seaward side of the dune and higher elevation areas reduced, with sand moved seaward.
- The lifeguard tower at Corrimal Beach was moved seaward to facilitate a clear line of sight to the patrolled beach area.
- A lifeguard tower was constructed at Windang and Wollongong City Beach.

Council's emissions profile

Council's total emissions profile for the 2013-14 financial year (excluding waste related emissions) was 21,200T of CO₂-e. Data suggested that overall organisational consumption at high use sites and fuel consumption has decreased by 4% in the last year and by 21% over the last five years. The 2014-15 results will be made available once all relevant billing information is analysed.

Lake Illawarra Estuary Management Committee

Council resolved to form the Lake Illawarra Estuary Management Committee. A Memorandum of Understanding (MOU) has been established with Shellharbour City Council for the joint management of the committee and delivery of strategies and programs to improve the health of Lake Illawarra. Membership of the committee has been finalised and the first meeting will be held in early 2015-16.

Heritage Assistance Grant Program

The Heritage Assistance Grant Program assists with the maintenance and conservation of heritage items within the city. Seven Heritage Assistance Grants were endorsed, to a combined value of \$93,000. The Heritage Grants contributed \$30,000 towards these projects, including \$10,000 for restoration works at Keera Vale in West Wollongong, \$4,300 for conservation works at Berkeley Pioneer Cemetery and \$4,000 towards building repair works at the Uniting Church, Austinmer.

Illawarra Remembers

Launched in September 2014, the Illawarra Remembers project saw Wollongong City libraries partner with community to collect and digitise memorabilia relating to Wollongong's participation in World War I. The items have been uploaded to a website which now features 332 soldier profiles, 250 images and 183 soldier portrait images. An additional 171 soldier profiles are currently being processed and will be uploaded in the near future.

Along with Wollongong City, Kiama and Shellharbour libraries, 11 community partners are contributing to the project. One particular community group has added 180 items to the website, with 142 still to be published.

The library also collaborated with Council's Community Cultural Development unit and the Illawarra Family History Group to produce the Illawarra Remembers public art project in Bonacina Walk which is a high pedestrian traffic area.

Managing Indigenous heritage

Sandon Point is a declared Aboriginal Place of high significance. In February 2015, Council endorsed the Sandon Point and McCauleys Beach Plan of Management resulting in the study component of this project being completed. Council also supported the progression of the development of a Joint Management Agreement with five Aboriginal Partner organisations. The development of the Joint Management Agreement is ongoing.

Access to healthy food for those who are most vulnerable

In November 2014, Council convened the 'Stop Good Food Going to Waste' multi-stakeholder showcase event to share information, and identify opportunities, for a collaborative response to food waste and food access. Following this event, a food rescue charity successfully applied for funding from OEH which will see expanded services in the Illawarra in collaboration with our largest redistribution outlet.

Achievements during the year include:

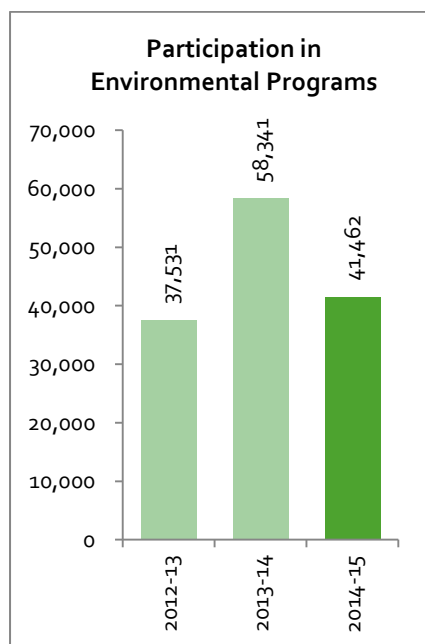
- a revised Low Cost and Free Meals Directory, including a database of service providers developed to facilitate future updates
- improved collaboration and resource sharing between services
- linking food waste education with food aid provision
- a NSW Health-sponsored UOW student project to survey providers to understand the rescued food supply chain in the Illawarra
- a project led by Illawarra Pilot Joint Organisation to undertake a feasibility study to understand the opportunities in achieving food waste avoidance, increased food security and better service provision through food recovery. The feasibility study will be used to inform future opportunities, and Council will continue to act in accordance with the adopted Food Strategy to support and facilitate these networks.

Neighbourhood Plans

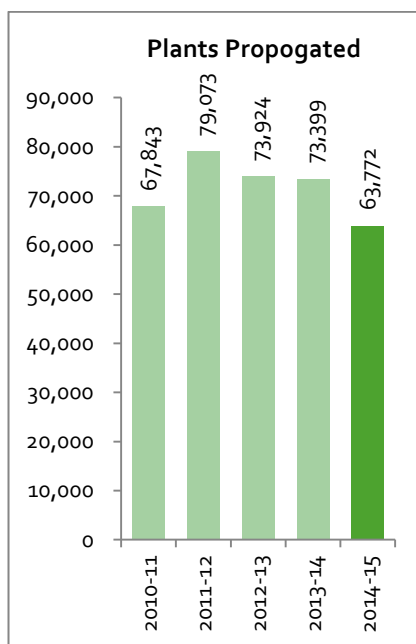
During 2014-15, three draft neighbourhood plans for the Huntley North, Sheaffes Road and South Shone Avenue / West Dapto Road precincts within the West Dapto Release Area were exhibited and endorsed. Neighbourhood plans assist with the development of land in the West Dapto Release Area by providing a more detailed master plan, addressing access and drainage issues. To date, Council has adopted seven neighbourhood plans in West Dapto, which has made 2,253 lots available for development application considerations.

MEASURING OUR PERFORMANCE

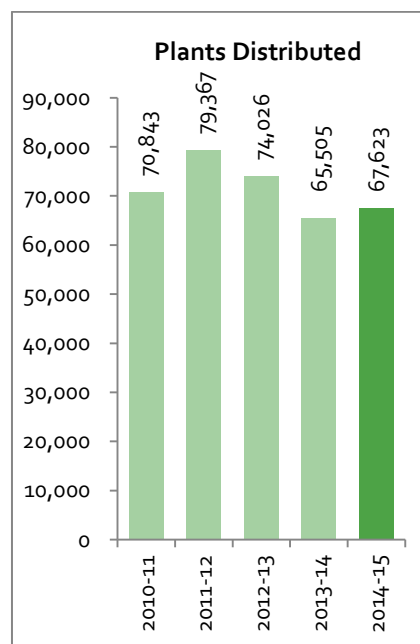
The effectiveness of the Delivery Program will be assessed through a number of performance indicators. These include:



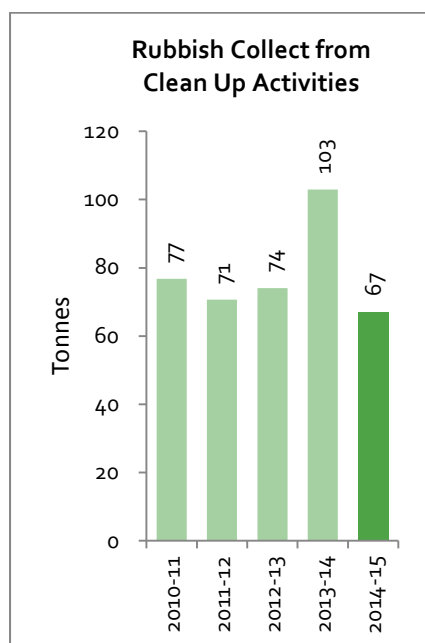
This measure shows the number of people who participated in any of Council's environmental programs during the year. Numbers dropped during 2014-15 due to a reduction in grant funding for events (withdrawal of WaSIP funding).



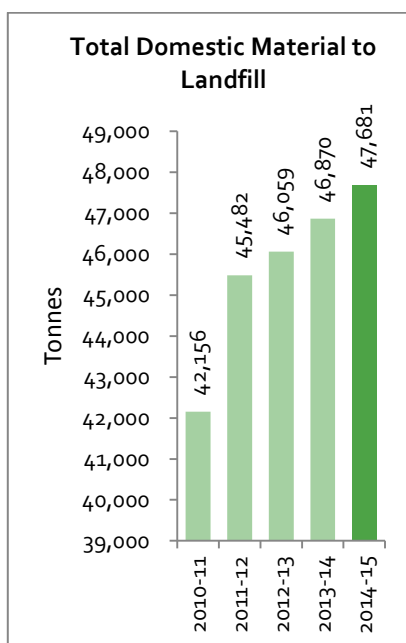
This measure shows the total number of plants produced from local seed or cuttings for city conservation and landscape projects by the Wollongong Botanic Garden Nursery



This measure shows the total number of plants distributed to Greenplan, external sales, landscape sales, Bushcare, FiReady, Dunecare and Botanic Garden collection.



This measure shows the tonnage collected from Environment Strategy & Planning Community Service Program, Rise & Shine and Clean Up Australia Day. A significantly higher amount of material was collected in 2013-14 as a result of concentration on removing large items from bushland ie. cars, concrete, engine blocks, etc.



This measure shows the amount of domestic material to landfill. The growth over the last five years is associated with increased service numbers derived from population growth.

STATUS OF ANNUAL PLAN 2014-15

Delivery Program 2012-2017 5 Year Action	Status of Annual Deliverables 2014-15	Responsibility
Implement programs and events which facilitate community participation	All annual deliverables ongoing	Director Planning + Environment
Impacts from development on the environment are assessed, monitored and mitigated	All annual deliverables on track/ongoing	Director Planning + Environment
Establish effective urban stormwater management programs	All annual deliverables on track	Director Infrastructure + Works
Manage vegetation to reduce bushfire risk in Asset Protection Zones on natural areas under Council care and control	All annual deliverables on track/ongoing	Director Planning + Environment/ Director Infrastructure + Works
Implement a coordinated approach to floodplain and stormwater management	All annual deliverables on track/ongoing	Director Corporate + Community Services/ Director Infrastructure + Works/ Director Planning + Environment
Implement priority actions from the Illawarra Biodiversity Strategy	2 annual deliverables on track/ongoing, 1 delayed. <i>Delayed: Continue to pursue biodiversity certification of the West Dapto Urban Release Area including offsetting provisions</i> Meetings held with NSW Planning and Environment to progress proposed levy to support implementation of Biocertification. Project cannot proceed until a response is received from NSW Planning and Environment regarding a proposed levy.	Director Planning + Environment
Implement priority actions from the Illawarra Escarpment Strategic Management Plan	All annual deliverables ongoing	Director Planning + Environment
Finalise and implement the Coastal Zone Management Plan	All annual deliverables on track/ongoing	Director Planning + Environment
Assess the impact of day visitors on service levels	All annual deliverables ongoing	Director Corporate + Community Services
Coordinate a range of Water Safety Education programs to enhance safe community access to our beaches	All annual deliverables ongoing	Director Corporate + Community Services
Develop and implement programs that encourage community participation in reducing Wollongong's ecological footprint	All annual deliverables on track/ongoing	Director Planning + Environment
Finalise and deploy Council's Waste & Resource Recovery Strategy in consultation with industry leaders	All annual deliverables on track	Director Infrastructure + Work
Implement water and energy saving strategies	All annual deliverables ongoing	Director Infrastructure + Work
Emissions are monitored and reduction methods are investigated and utilised	All annual deliverables ongoing	Director Planning + Environment/ Director Infrastructure + Works
Investigate a landfill gas management system for Whytes Gully	All annual deliverables on track	Director Infrastructure + Work

Delivery Program 2012-2017 5 Year Action	Status of Annual Deliverables 2014-15	Responsibility
Develop and implement an Environmental Sustainability Policy and Strategy	1 annual deliverables on track, 1 delayed. <i>Delayed: Commence development of community recycling centre in conjunction with grant funding</i> Almost \$200,000 of grant funding was secured for the project. Initial site analysis has indicated Plan A site at 115 Reddalls Road, Kembla Grange is not suitable. Alternatives have been investigated and a new location prior to the weighbridge near the Revolve Centre has been identified and a concept design has been completed. Detail design and development approvals are ongoing.	Director Infrastructure + Work/ Director Planning + Environment
Seek external funds to support programs for Lake Illawarra, following the closure of the Lake Illawarra Authority	All annual deliverables on track	General Manager
Establish and maintain an Estuary Management Committee to protect the health of Lake Illawarra	All annual deliverables ongoing	Director Infrastructure + Work
Work in partnership with others to promote a diverse range of heritage education and promotion programs	All annual deliverables ongoing	Director Corporate + Community Services/ Director Planning + Environment
Implement priority actions of the Heritage Strategy	2 annual deliverables on track/ongoing, 1 delayed. <i>Delayed: Determine a future use for the Bulli Miners Cottage which conserves the heritage values of the building.</i> Designs for the proposed initial stabilisation works have been finalised and an application is being prepared. The stabilisation works will occur in 2015-16, following which the Request for Proposals will occur to enable Council to determine a future use and tenant.	Director Corporate + Community Services/ Director Planning + Environment
Implement community and cultural promotions program	All annual deliverables on track/ongoing	Director Corporate + Community Services
Work with the local Aboriginal community in the management of Indigenous heritage	All annual deliverables ongoing	Director Planning + Environment
Facilitate a range of programs and activities which improve food security and local food production	All annual deliverables on track/ongoing	Director Planning + Environment
Review planning controls for environmentally sensitive locations	All annual deliverables on track/ongoing	Director Planning + Environment
Implement the West Dapto Release Area Masterplan	All annual deliverables on track/ongoing	Director Planning + Environment
Provide high quality development assessment and certification based on QBL principles (note: QBL or the Quadruple Bottom Line takes consideration of environmental, economic, social and governance factors)	All annual deliverables ongoing	Director Planning + Environment
Maximise sustainability principles in the design and construction of Wollongong's built form	All annual deliverables ongoing	Director Planning + Environment
Prepare for the introduction and implementation of the NSW State Government Planning Reforms	All annual deliverables ongoing	General Manager



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.



*** Additional highlights relating to this Goal are also included under the Strategic Programs – West Dapto Urban Release (page 11) and City Centre Revitalisation (page 13).*

Deliver the Economic Development Strategy

In collaboration with the Economic Development Advisory Board, a number of key activities from the Economic Development Strategy were implemented during 2014-15, including:

- lobbying state and federal governments, advocating for jobs and employment opportunities for the Illawarra, particularly around the relocation of government agencies to Wollongong, the new SES headquarters, infrastructure priorities and the Navy relocation to Port Kembla.
- increasing awareness of Wollongong as a place to invest and do business through the Business Investment and Attraction Program, including the participation in business events attended by industry representatives in key growth sectors
- providing assistance to around 170 businesses looking to invest and do business in Wollongong, and provided updates to stakeholders on Wollongong's business and economic environment through its e-newsletter and webpage.
- preparation of submissions to state/federal governments on a range of infrastructure issues, including a joint regional submission in response to NSW Government's Rebuilding NSW plan advocating for better roads/rail and the Maldon to Dombarton rail link.
- working with stakeholders on a range of important projects, including the City Centre Revitalisation Strategy, the Façade Rejuvenation Program, the Evening Economy Strategy, the Small Business Friendly Council's program and free city centre Wi-Fi. Council also ran the Annual Investor Survey to identify and implement improvements in Council processes.
- Council also continued to provide support and participate in network events and activities for iznet, ICT Illawarra, iAccelerate and the Wollongong Small Business Club. Wollongong businesses also participated in the Economic Gardening Program.

Crown Street Façade Project

The Façade Rejuvenation Program is nearing completion. Of the 22 projects approved under Round 1 of the Program, 21 have been completed and one did not proceed. Of the 19 projects approved under Round 2, nine have been completed and two are not proceeding. The other seven have been impacted by wet weather, construction complications and personal issues, however they will be fully completed by end of September 2015.

This successful program has resulted in a total investment of \$1.5 million - \$900,000 by the private sector and \$600,000 by Council. As well as delivering broad streetscape improvements, positive social outcomes, increased community safety and positive economic outcomes, the program has also fostered pride in our local heritage and identity. This program has been entered into the Blue Star Sustainability Awards Cultural Heritage Category, and has been successful in attaining a finalist position.

City Centre Marketing Plan

Destination Wollongong delivered the 2014-15 City Centre Marketing Plan on behalf of Council. During November 2014, the launch of the new *On Crown* marketing campaign for the Crown Street Mall took place in conjunction with the Mall Opening Celebration events. Other key initiatives included *What's for Lunch Promotion* voucher booklet promoting the CBD food offering and encouraging CBD workers to try new places for lunch. Key events included the Justice Crew Pop Up Performance, Tutti in Piazza, and Dean Ray Celebrity Performance. February also saw the commencement of the Thursday Night Eat Street Markets. This initiative has seen a huge number of people come to the Crown Street Mall and enjoy food and music with the retail offer. A pedestrian count carried out on one Thursday Eat Street found 8,000 people coming into the Mall specifically for the activity.

Development of social enterprises

Council has worked in partnership with the School for Social Entrepreneurs, iAccelerate and Wild Rumpus to conduct the Social Change 101 course for social entrepreneurs. The course was run over a three month period and 12 participants graduated in June 2015.

As part of the pre-work to conducting the Social Change 101 course, 100 people attended a forum called *The Big Conversation – fostering social innovation in the Illawarra* to both raise awareness of existing social enterprises and opportunities/supports to develop new social enterprises in the Illawarra.

Development of a strategy for Mt Keira

A strategy to resolve access, enhance environment, heritage, recreation and business opportunities for Mt Keira is being implemented, with a Project Steering Committee overseeing available options. The design of a power line to supply electricity to Mt Keira Summit Park is being investigated in consultation with relevant authorities. Council has been working closely with the National Parks and Wildlife Service (NPWS) to resolve outstanding issues to minimise environmental impacts as far as practicable. Consultation with the community will occur as soon as all investigations have been finalised.

In relation to water supply to Mt Keira summit, Council has been undertaking an investigation of options to provide potable water and water for firefighting to Mt Keira Summit Park. Currently, Council is considering the options to determine the best value approach.

Implement capital works within the city centre

Council has completed a number of major capital refurbishment projects within the city centre over the last year including:

- Completion of the Keira Street precinct from Crown Street to Smith Street
- Improvements to the Keira Lane shared zone
- Installation of traffic signals at Keira Street/Victoria Street to improve traffic and pedestrian safety
- Reconstruction of the kerb and road pavement in Burelli Street in conjunction with a major redevelopment of the Woolworths site.
- Increased parking capacity in the Stewart Street car park.
- Commenced reconstruction of the Market Street footpath from Keira Lane to Young Street
- Installation of traffic signals at the intersection of Burelli Street with both Auburn and Kenny streets including reconstruction of adjacent footpaths
- Commenced the preparation of a precinct plan for the Crown Street west zone from Keira Street to Gladstone Avenue.

Wollongong Major Events Strategy

Destination Wollongong continued to deliver the Major Events Strategy in 2014-15, sponsoring or supporting 27 events, which contributed an estimated \$21 million to the local economy. Five of these events were new events, representing new money and additional exposure for the local economy. Some of the events included the Australian Judo Championships, the BRAVO Team Challenge, the 3x3 basketball challenge, Comic Gong, Cross Fit Games, Jack Newton Junior Gold, Hockey NSW over 40s championships, Ride around the Lake, the Blue Mile Dash and the South Coast Food Road Trip.

Inner city parking

The construction of a new car park at 17 Stewart Street was completed this year along with additional 14 spaces being provided in the established Stewart Street East Car Park; bringing the total spaces in this car park to 177. A three yearly traffic survey was also conducted to provide details on the availability of parking around the city.

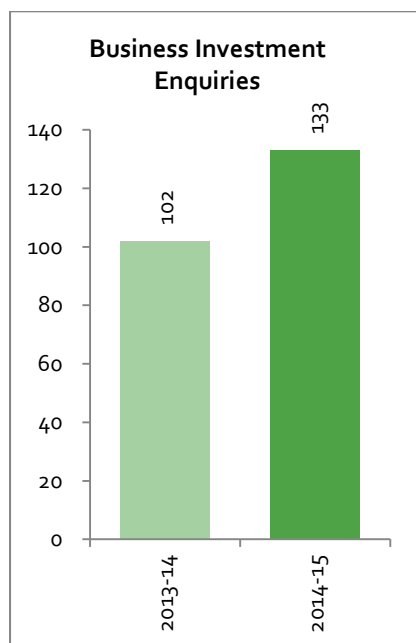
Occupancy throughout the city has been slightly below the target of 75% due to ongoing development within the city. All meters have been upgraded to ensure compliance with new credit card information requirements. This also led to the introduction of a pay by phone option for motorists bringing more convenience and options to people parking in the city.

Promotion of tourist parks

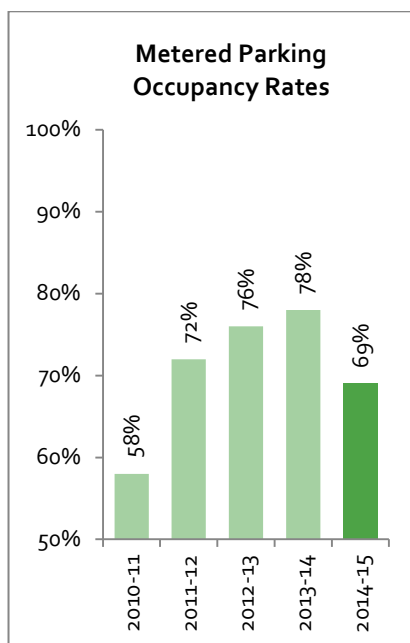
The effective management and ongoing development of Council's three tourist parks has resulted in an improved financial position. This has been enhanced with the employment of a full time Operations Manager in the final quarter of this financial year. The new role brings extensive experience in building and expanding current and new business initiatives incorporating research and market analysis, brand creation and management, and developing and delivering responsive business development proposals, plans and strategies. A marketing officer has been established and will commence in 2015-16 to further drive the parks performance.

MEASURING OUR PERFORMANCE

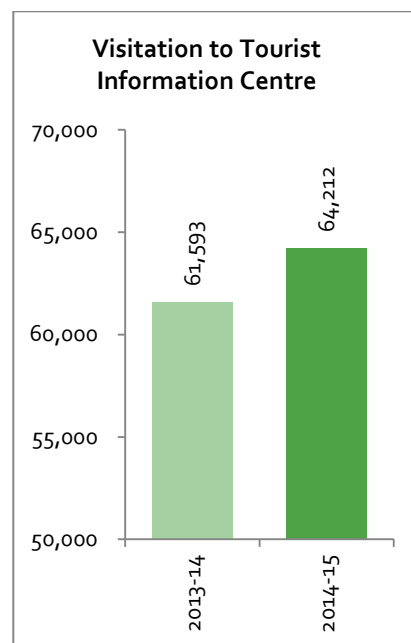
The effectiveness of the Delivery Program will be assessed through a number of performance indicators. These include:



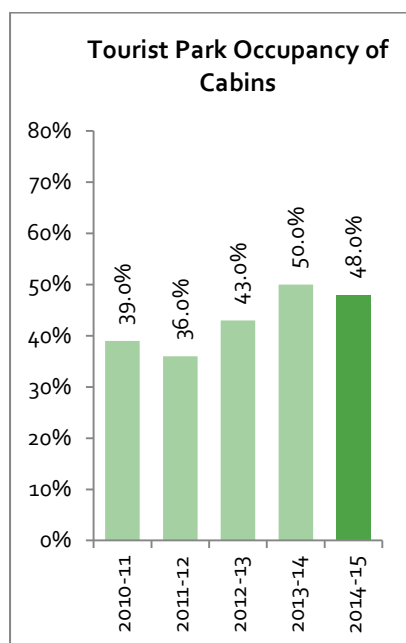
Council experienced a 30% increase in the number of business investment enquiries over the 2014-15. Enquiries ranged from small business owners requiring assistance on Council procedures to larger developments in the city centre.



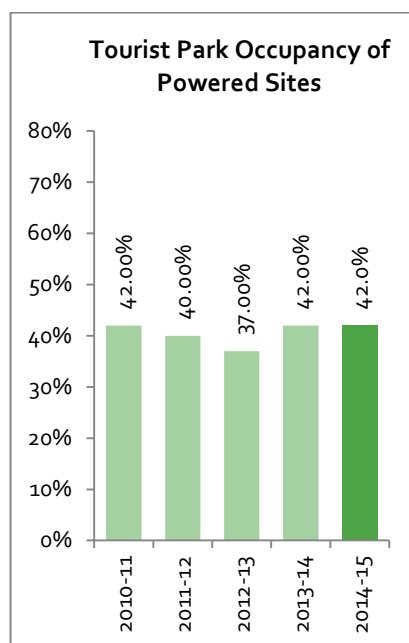
The occupancy of metered parking remains strong even though the overall percentage shows a decline. This is attributed to a number of parking zones being block or isolated as a result of construction zones within the city making those parking areas inaccessible.



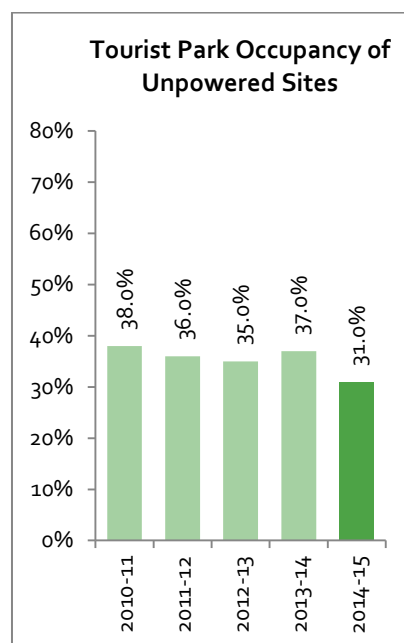
While total visitation rose by 4% in 2014-15, this was mainly attributed to an increase in visitors to the Southern Gateway Centre (up 12.6%), which partially offsets the reduction in visitors to 93 Crown Street (down 11.5%).



Occupancies for 2014-15 shows a slight decline, however overall income for the period exceeds previous years and is at a five year high. This result attributed to an increase in average daily rate, compared to the previous two periods, and maintaining total room night sales/occupancy consistent with the previous reporting period.



After experiencing a downturn in demand for the 2011-12 and 2012-13 FY occupancies have returned to previous levels which, coupled with a correction to the average daily rates, has resulted in overall revenue reaching a five year high.



Whilst occupancies for the most recent FY show a marked decline, overall income for the period is only 4.6% less than the best performing FY, being 2010-11. For the period under review 2014-15, despite declining occupancies, was the second best revenue generating period.

STATUS OF ANNUAL PLAN 2014-15

Delivery Program 2012-2017 5 Year Action	Status of Annual Deliverables 2014-15	Responsibility
Support regional activities and partnerships that result in increased business investment and jobs growth	All annual deliverables on track/ongoing	Director Corporate + Community Services
Ensure that Wollongong is attractive to diverse companies for business expansion, establishment and relocation	1 annual deliverables on track, 1 delayed. <i>Delayed: Implement the Crown Street Façade Project.</i> The Façade Rejuvenation Program is nearing completion. Seven projects under Round 2 have been impacted by wet weather, construction complications and personal issues. All will be fully completed by end of September 2015.	Director Corporate + Community Services
Progress implementation of the CBD Action Plan	1 annual deliverables on track, 1 deferred. <i>Deferred: Establish and deliver an integrated management plan for the City Centre.</i> Significant work progressed during 2014-15 towards developing Public Places Public Life to provide strategic and visionary direction to the City Centre.	Director Infrastructure + Works
Build on partnerships which enable the retention of local talent	All annual deliverables on track/ongoing	Director Corporate + Community Services
Establish Wollongong City Council as an employer of choice	All annual deliverables on track/ongoing	Director Corporate + Community Services
Develop and maintain partnerships with the business sector to fund and contribute to a broader range of community projects and activities	All annual deliverables on track/ongoing	Director Corporate + Community Services
Work with community, government and business partners to support development of local employment opportunity for people who are disadvantaged within the labour market	All annual deliverables ongoing	Director Corporate + Community Services
In collaboration with key agencies, facilitate the West Dapto Taskforce to deliver the first stages of the West Dapto Urban Release area	All annual deliverables on track/ongoing	General Manager/ Director Infrastructure + Works
Facilitate the delivery of business and tourism information services	All annual deliverables on track	Director Corporate + Community Services
Support projects that investigate opportunities for the provision of tourism infrastructure	All annual deliverables ongoing	Director Corporate + Community Services
Facilitate the delivery of business and tourism information services	1 annual deliverable on track, 1 delayed, 1 not commenced. <i>Delayed: Resolve options for key services including power and water supply to the Mt Keira summit.</i> Council working closely with NPWS to resolve outstanding issues to minimise environmental impacts as far as practicable. Currently, Council is considering the options to determine the best value approach in the provision of water to the park. <i>Not commenced: Plan for the renewal of the Stanwell Park Beach Kiosk.</i> A 3 year lease was awarded to a new tenant in February. Planning continues to replace the building in 2017-18	Director Infrastructure + Works Director Corporate + Community Services

Delivery Program 2012-2017 5 Year Action	Status of Annual Deliverables 2014-15	Responsibility
Use funds obtained from Restart NSW Illawarra to commence concept designs and planning for the Bald Hill Improvement Program	All annual deliverables on track	Director Infrastructure + Works
Review the current investment to deliver a more efficient and targeted destination marketing program	All annual deliverables ongoing	Director Corporate + Community Services
Undertake major refurbishment works in the City Centre	All annual deliverables ongoing	Director Corporate + Community Services/ Director Infrastructure + Works
Manage and deliver improved marketing and promotion of the City Centre	All annual deliverables ongoing	Director Corporate + Community Services
Provide a diverse range of activities in the City Centre that target and engage a broad community	All annual deliverables ongoing	Director Corporate + Community Services
Improve policies and systems to support the revitalisation of the City Centre	All annual deliverables ongoing	Director Corporate + Community Services
Deliver the Access and Movement Strategy for the City Centre	Annual deliverable completed. <i>Completed: Implement the Keira Street Precinct Plan</i>	Director Infrastructure + Works
Review the current investment to deliver a more efficient and targeted destination marketing program	All annual deliverables ongoing	Director Corporate + Community Services
Deliver Visitor Information Services to the city and our visitors	All annual deliverables ongoing	Director Corporate + Community Services
Pursue initiatives that promote the region as place to holiday to both the domestic and international markets	All annual deliverables ongoing	Director Corporate + Community Services/ Director Infrastructure + Works
Support the creation & expansion of green industries	All annual deliverables ongoing	Director Corporate + Community Services
Ensure that Wollongong is attractive to research & development based companies & organisations	All annual deliverables ongoing	Director Corporate + Community Services
Implement a range of programs that incorporates learning and development	All annual deliverables ongoing	Director Corporate + Community Services



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.



**** Additional highlights relating to this Goal are also included under the Strategic Programs – City Centre Revitalisation (page 13).**

Refurbish Corrimal Library

Corrimal District Library and Community Centre was refurbished in mid-2014. Positive feedback has been received from customers on the new layout of the library, new colour scheme and furnishings. The inclusion of shade umbrellas in the courtyard has made this area suitable for a greater variety of activities. Upgrading of the main kitchen has enhanced the functionality of this space for the many groups that provide respite services and other activities.

Support existing and emerging arts workers and their networks

Council received 39 applications for small cultural grants seeking \$ 92,327. Seventeen submissions were successful in receiving funding to a total value of \$39,500; including: Category 1 the installation of a mural on the tools and equipment container for the Mt Kembla Pathway Group, Category 2 (a) funding for the South Coast Writers Centre to support a new website to cater for the growing demand for an interactive social media platform; Category 2 (b) Marketing support for Wild Rumpus.

During 2014-15 a number of Public Art projects were developed and delivered, including:

- Migration Project Public Art installed in George Dodd Reserve
- Central Business District (CBD) Panel Project
- Art light boxes project in Ethel Hayton Walk
- Digital Art Installation Project in the City Centre Mall
- Youth Centre panel project
- Exeloo Artwork in MacCabe Park
- Illawarra Remembers Panels on Council Administration building
- Pig Alley Mural
- Corrimal Coles Wall Mural
- Berkeley Art Boat Seats and Mural

Wollongong Town Hall

During 2014-15, IPAC continued to manage the Wollongong Town Hall. The venue hosted a variety of key events, including the first 2015 concert from the Australian Chamber Orchestra, the Melbourne International Comedy Festival's *Raw Comedy National Open Mic Comedy Competition*, a screening of the locally produced documentary *The Dalfram Dispute 1938: Pig Iron Bob*, the Lady Mayoress' Seniors Week Afternoon Tea Dance, the inaugural Sydney Writers Festival – *Live & Local*; Wollongong City Libraries Comic Gong convention; the fourth concert from the Australian Chamber Orchestra's 2015 National Concert Season; internationally-acclaimed UK comedian, Ross Noble; and the City of Wollongong Eisteddfod.

Music in the Morning continued to grow in popularity with mature audiences. Performances included TV stars Frankie J. Holden and Michelle Pettigrove, musical theatre performer and former star of *Young Talent Time*, John Bowles, pianist and raconteur David Scheel, and musical theatre star Silvie Paladino.

IPAC/Merrigong Theatre production program

During 2014-15, the Merrigong 2015 program opened with the international circus show, *SOAP*, followed by the production of the musical *Sweet Charity* by the Hayes Theatre Co, Luckiest Productions, Neil Gooding Productions and Tinderbox Productions. IPAC was the only regional venue on the national tour of this award winning musical. Other program highlights included the urban circus, *360 ALLSTARS*, *Bravo Figaro!*, *Storm Boy*, *Head Full of Love*, and an award-winning drama about bushranger *Ned Kelly* by Matthew Ryan. *Home Truths*, a new theatre work by a local artist, was presented as part of Merrigong Studio Sessions. Also *The Importance of Being Miriam* by internationally-renowned actor Miriam Margolyes and the popular family show *The Listies Make You LOL* was featured.

As a venue for hire, IPAC welcomed a varied selection of shows, including the 2015 Melbourne International Comedy Festival Roadshow; *Sleeping Beauty* by the Moscow Ballet La Classique; *The Parting Glass: An Irish Journey* by Australian Idol winner, Damien Leith; and the Flame Dance Challenge competition.

Attendance figures at both Town Hall and IPAC for the 2014 calendar year was 139,929.

Wollongong Art Gallery education program

Wollongong Art Gallery delivered over 200 education and public programs in 2014-15. Programs were designed to engage and provide access to children from preschool to high school age as well as TAFE, UoW students, and adults including people with disabilities. All programs had excellent participation and included the School Holiday Program, the Junior Art Trail, ARTsmart After School Program, Art2Express, Art Enrichment Programs, Gallery Guided Tours, Artist and Curator Talks, and Art Workshops for children, students and adults.

A range of exhibitions were held at the gallery, including 24 new exhibitions. Visitor attendance was 81,851, although lower than last year, which saw an outstanding increase in attendance, it's a forty percent increase on visitor numbers from two years previous.

The gallery acquired 52 artworks valued at \$375,800 for the collection with:

- 42 artwork purchases with a combined value \$140,000 - including works by Jan Senberg, Bert Flugelman, William Yang, Jacky Redgate, Alfred Coffey, Stephen Bird
- 10 artwork gifts with a combined value of \$235,800 - including works by Ian Fairweather, George Gittoes, Bobby Nganjira

Community cultural development projects

Community cultural development projects aim to build community capacity to improve the quality of life and sense of belonging for individuals and the wider community through arts based activity. Projects can provide skill building and social and cultural engagement. Examples include: a ceramic based project in partnership with Multicultural Communities Council Illawarra, working with 25 recently arrived Syrian refugees; a partnership project with Vision Australia which culminated in the development of four tactile panels that are to be exhibited at Viva la Gong 2015 and will then be on permanent display at Vision Australia premises; professional development workshop with the Flame Tree Dance Group bringing a professional dancer/choreographer to work with nine indigenous dancers from the group to develop a unique dance and increase dance skills.

Creative Dialogues Program

The Creative Dialogue Program is a curated series of public talks, presentations, forums and workshops delivered across the city to engage the community in topics that raise awareness, develop skills and provide the opportunity to participate. These have included Honk Oz, Spell of the Shell, Live Music in the City, Mindfulness and Education, Local Identity – the role of museums, Public Art Information Session, Connecting to the Chinese Market through Social Media, Artist trails and Stories: Who says Shorter is Better, Artist Career Development (National Association of Visual Arts), Social Media and Museums- Managing your Online presence.

Promotion of heritage sites and museums

Destination Wollongong have a heritage page on their website (<http://visitwollongong.com.au/things-to-do/heritage>). Wollongong City Centre Heritage Trail Map, Mt Kembla Mine, and Illawarra Museum have been listed on the site. Local museums are actively encouraged to promote on the What's On Calendar.

Projects and programs which build harmony and understanding

Refugee Week 2015 was held in June 2015. Council actively participated in the local Refugee Week committee which guided the development and delivery of a calendar of events with a strong focus on grass roots initiatives. The NSW State Launch of Refugee Week was also held in Wollongong for the first time. Other events included, screening of *Mary meets Mohommad* and *The Good Lie*, *Boundless Plains 2* a variety concert and the *Relief Concert* for Adjumani Refugee Camp. Council contributed to the design and printing of the promotional flyer, event management, media and general promotion. Council is also working in partnership with Keira High, Wollongong High School of Performing Arts and Multicultural Communities Council of the Illawarra (MCCI) to deliver the Refugee Challenge project with Year 9 and 10 students.

The Flash Mob event for Reconciliation Week was held in the Crown Street Mall. Three local schools, a number of Aboriginal organisations and community members attended the function. The Illawarra Flame Trees dance troupe led the flash mob dance with over 200 people in attendance. NADIOC Week small grants were allocated with five community groups receiving grants: Bellambi Neighbourhood Centre, Illawarra Koori Men's group, Korewal Elouera Jerrungarugh, Illawarra Aboriginal Corporation, and Noogaleek Children's Centre who shared \$6,000 of funding.

The Living Books Program which is in its 7th year continues to challenge stereotypes and build understanding through the sharing of diverse stories that create meaningful connections with readers. During the year, a total of 12 reading events were held with 527 (predominately young) readers participating. Workshops were also held for the *books* and for New Outlook where readers were encouraged to workshop their own stories. The program was also presented to the Regional School Counsellors Meeting. During the year, new partnerships were forged and new books recruited. A comprehensive evaluation of the entire program will be undertaken during 2015-16.

Commemoration of 200 years of European settlement in Wollongong

Wollongong City Council in partnership with Shellharbour City Council and the Bicentenary Committee have created a program called Illawarra 200 to commemorate 200 years of European settlement in the Illawarra. Expressions of interest were opened in February 2015 to give community organisations and individuals the opportunity to badge their events as part of the Illawarra 200 calendar. The calendar was launched in May 2015 on the shores of Lake Illawarra. The first event took place during Reconciliation Week in May 2015 to acknowledge the area's Aboriginal history and culture. The program will conclude in December 2016.

Wollongong City libraries has partnered with the Illawarra Historical Museum to prepare and exhibit a display on the First Land Grants in the Illawarra which were made in 1816. This display will be presented in the Central Library throughout 2016.

Arts Precinct in the city

Within the Arts Precinct, 35 lunchtime performances were held between September 2014 and May 2015, with 7,720 people engaged. Public Art projects such as the Arts Precinct Panels and Art Light Boxes in Ethel Hayton Walk, provided revitalisation and animation to the Arts Precinct.

The launch of the Creative Spaces Strategy has seen the development of a database of artists and creatives interested in using vacant spaces as a strategy for revitalisation. As part of the strategy the three artist, from 15 applications, have set up in a section of the Lower Town Hall Basement space. Planning continues to develop options to utilise the whole space in the Lower Town Hall.

Collaborate with Culturally and Linguistically Diverse (CALD) community to support community events and celebrations

A highlight of the activities held throughout the year include:

- The Lord Mayor and the Affinity Intercultural Foundation Wollongong hosted an Iftar dinner in July as part of Ramadan to build and strengthen relationships
- The Ready Arrive Work (RAW) partnership program with Department of Education and Communities saw 49 young people learn about vocational pathways
- The Civic Welcome which introduces TAFE Adult Migrant English Program (AMEP) students to local government and includes a tour of the library, Illawarra Performing Arts Centre (IPAC) and Art Gallery
- 400 people attended the Illawarra Standing Together event to demonstrate solidarity and cohesion against racism
- The Spanish and Latin American Film Festival and Lane way Fiesta and Refugee Week 2015 were also key community celebrations.

Men's Spaces and Places Action Plan

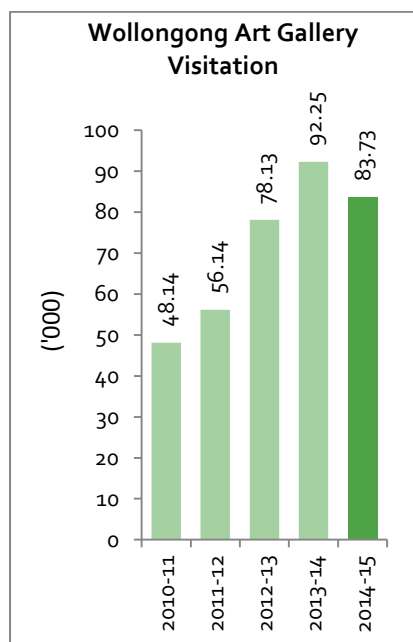
A range of initiatives identified in the Men's Spaces and Places Action Plan were implemented including:

- Recycled Building Materials Bus Tour in August 2014 for local men's shedders where 19 shedders visited nine sites and shared a wood fire pizza lunch at the Port Kembla Men's Group.
- Coniston Men's Shed engaged in the *When Life gives you Lemons* project by making boxes from recycled packing pallets to store excess lemons and the designing and building of parklet furniture for the Unanderra Town Centre Activation Project.
- Men's Shed contact list was also updated and funding opportunities promoted to local sheds. Council has also provided resources and support to a number of services as required.

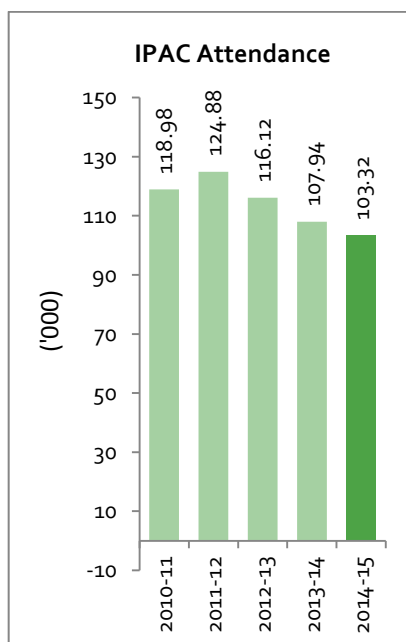
Council operates a Men's Shed for frail older people, people with a disability and their carers on a weekly basis, providing an opportunity for members of this target group to remain active in the community.

MEASURING OUR PERFORMANCE

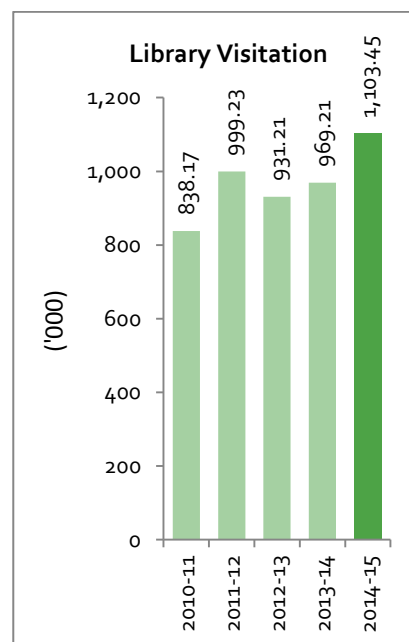
The effectiveness of the Delivery Program will be assessed through a number of performance indicators. These include:



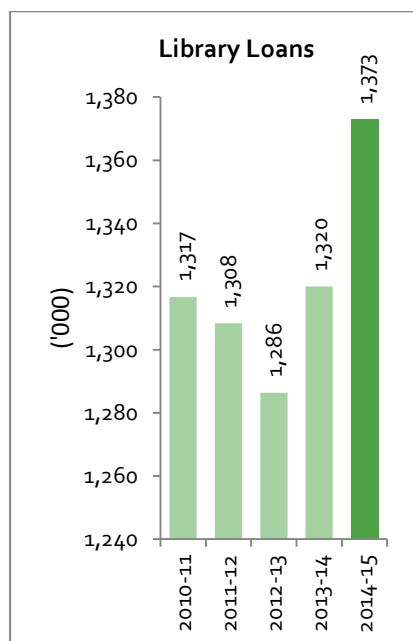
The significant increase in visitor numbers from 2010 to 2015 has been due to a change and growing focus on more Gallery program projects that have a strong and direct link to community stories and history. 2013 also saw a significant increase in associated education and public programs as well as external space for hire facility usage, all of which contributed to the Gallery's increased attendance figures



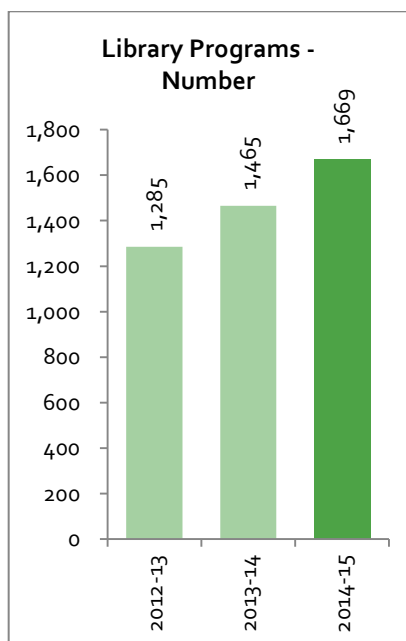
Visitation at IPAC remains reasonably stable, although there has been some impact from the new combined management model of Merrigong Theatre Company operating both IPAC and Wollongong Town Hall. In 2014-15 the Town Hall saw visitation grow by 29%, from approx. 31,000 in 2013-14 (under the previous management) to 39,853 in 2014-15 (under Merrigong's management).



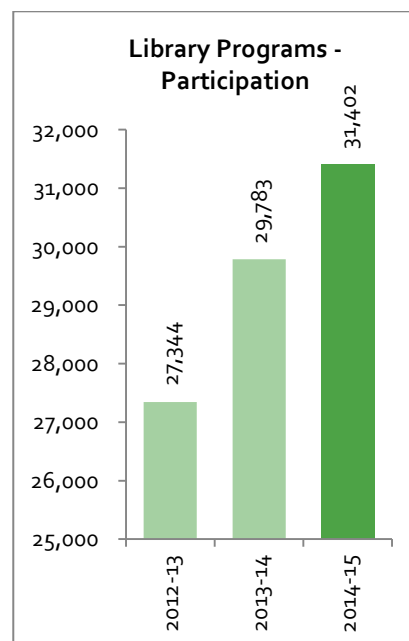
Library visitation is at its highest level in over 5 years. This 2014-15 visitation figure is an increase of 13% on 2013-14. The number of programs and attendees has increased during this period, resulting in the visitation growth for the Library service overall.



Library loans have increased 4% over the total figure for 2013-14. While loan of physical materials has remained steady, loan of e-Resources has increased by 71%, giving rise to an overall loan increase of 4%.



The number of library programs have increased 15% in 2014-15 compared with 2013-14, as a result of concerted effort across all libraries to plan and deliver a wide range of programs targeted at the diverse demographics of the community.



Attendance at library programs has increased by 5% over the last 12 months.

STATUS OF ANNUAL PLAN 2014-15

Delivery Program 2012-2017 5 Year Action	Status of Annual Deliverables 2014-15	Responsibility
Promote Made in Wollongong through a variety of locally produced events, productions and programs	All annual deliverables ongoing	Director Corporate + Community Services
Provide support to existing and emerging arts workers & their networks	All annual deliverables ongoing	Director Corporate + Community Services
Provide opportunities for local artists and performers to exhibit, promote and perform at Council venues and events	All annual deliverables on track/ongoing	Director Corporate + Community Services
Successful collaborations with other organisations and agencies are established	All annual deliverables ongoing	Director Corporate + Community Services
Seek funding for the promotion of heritage sites and museums to the community and visitors	All annual deliverables ongoing	Director Corporate + Community Services
Encourage the integration of urban design & public art	All annual deliverables ongoing	Director Corporate + Community Services
Deliver and support a range of projects and programs which build harmony and understanding	All annual deliverables ongoing	Director Corporate + Community Services
Implement a coordinated approach to event acquisition & provision in Wollongong via the delivery of the Events Strategy	All annual deliverables on track/ongoing	Director Corporate + Community Services
Encourage Sports Associations to conduct regional, state and national events in the city	All annual deliverables ongoing	Director Corporate + Community Services
Implement a sustainable program of local events via the Events Strategy	All annual deliverables ongoing	Director Corporate + Community Services
Plan for, and host, culturally sensitive events and programs celebrating the Bi-Centenary of European Settlement in Wollongong across 2015-2016	All annual deliverables ongoing	Director Corporate + Community Services
Coordinate Council's support and investment in events and festivals	All annual deliverables ongoing	Director Corporate + Community Services
Coordinate an integrated approach to infrastructure improvement and service delivery in the Civic Plaza and through the re-establishment of an Arts Precinct in the city	All annual deliverables on track/ongoing	Director Corporate + Community Services
Support the coordination of an externally funded delivered calendar of activities across the City	All annual deliverables ongoing	Director Corporate + Community Services
Develop a new Cultural Plan	2 annual deliverables delayed. <i>Delayed: Seek funding to conduct noise mapping study of the City Centre and suburban evening economy areas to identify areas with higher background noise levels and plan accordingly.</i> The delay for this deliverable was subject to external resources and funding which is becoming available in the 2015-16 financial year. <i>Delayed: Develop a Crown Street Mall Street Activity Policy to encourage and provide guidelines for increased activation of the Crown Street Mall</i> This is being developed in conjunction with the findings of the Public Space, Public Life Study.	Director Corporate + Community Services
Deliver a program of activities in local communities	3 annual deliverables on track, 1 completed. <i>Completed: Refurbish Corrimal Library</i>	Director Corporate + Community Services



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.

*** Additional highlights relating to this Goal are also included under the Strategic Programs – Financial Sustainability (page 10)*

Biennial community survey

Wollongong City Council undertook their biennial community survey in November 2014. Overall results were good with 90% of residents satisfied to some extent with Council's overall performance, the highest satisfaction score recorded since commencing the community survey in 1997.

Customer service centre

During 2014-15 the customer service team have provided a face to face service to 52,922 customers and a phone service to 190,116 customers. Highlights include the fast response to the storm green clean-up, where the team handled approximately 550 contacts from residents needing assistance after a severe storm over a period of a week.

Council continues to work on the development of the new customer service system which will consolidate Customer Interactions into one system. This will enable accurate case management and effective reporting.

Council has continued to work on the development of the new customer service system which will provide additional means of contact for customers such as an enhanced online experience and a smart phone app for the lodgement of requests to Council. A staged implementation is under way. In the past 12 months, 10 processes have been reviewed for implementation in the new system. This work has focussed on efficient work practices with a focus on customer value. The project will not only provide more ways to contact Council, but will also enable field staff to work on customer requests digitally. The new web self-service has been released which allows customers to log into a portal and track progress on cases lodged. There is also interactive scripting which provides information and directs customer to case lodgement if required.

Council's language support services

Council provided 248 interpreter sessions during 2014-15, with 46 organisations utilising the service. The top five languages requested were Arabic, Auslan, Farsi/Persian, Vietnamese and Serbian. There were also 30 language aide sessions provided as part of Council's language aide program.

A coordinated approach to communication is developed and implemented

Council actively uses social media channels to provide information to the community. The format allows us to make timely updates, answer community enquiries, engage the community in decision making and provide links to further detail on our web pages. The three main channels we use are Facebook, Twitter and Instagram. Over 2014-15, Council's Facebook likes increased from 6,100 to 8,799; an increase of 44.2%. Our Twitter following grew by 38.5% from 2,340 at the beginning of the year to 3,240 by 30 June. Instagram also saw a growth of 127.5% from 459 to 1,044 followers.

Council's webpage provide the community with access to a wide variety of information and services. Our social media channels and the website are used in partnership to keep the community informed. From 1 July 2014 to 30 June 2015, there were 2,960,222 page views on Council's website. The five most visited pages in descending order were the home page, library, sportsgrounds, jobs and development applications.

Information updates via quarterly community newsletter and Council's website

Council delivered newsletters to the community in October, December 2014 and April 2015. Highlighted stories across the year included the opening of the surf season, the completion of Crown Street Mall works, the launch of Holborn Skate Plaza, major West Dapto road works and Illawarra 200. The April newsletter was a special edition with three versions being produced, tailored to highlight specific reinvestment works taking place in each ward. There were some common stories in these newsletters including a broad overview of the capital works program, the results of the Community Survey and programs such as Comic Gong.

Work with Friends of Wollongong Library

The Friends have supported Wollongong City Library through funding for Comic Gong 2015. The Friends have also approved funding support for an annual Local History Prize for original research on a topic relating to Wollongong. This prize will be launched in 2015 History Week and will be judged and the winner announced in 2016 History Week. The Friends continue to hold author talks as fund raising opportunities to support the library.

Programs and projects that support intergenerational interaction and integration

Programs and events, which provide opportunities for intergenerational interaction, continue to be held across all library branches. *Dads and Grandads Storytime* sessions were hosted at Dapto Library during 2015 and the *Tech Savvy for You* program continues to attract people from a range of ages who are keen to develop their IT skills.

Remember When open days were held at Dapto and Warrawong libraries, to celebrate the era in which each of these branches first opened and the place of libraries in their local community. These events featured activities for people of all ages and attracted a mix of generations. This program will continue to roll out across every library branch during 2015-16.

Wollongong City libraries also hosted the *Golden Oldies* exhibition across all locations providing a very popular talking point for library visitors and reflecting positive images and role definitions of older people.

Contribute to activities and programs that enhance civic pride in Wollongong

Council held Australia Day awards as part of our annual celebrations. 2013 Australian Citizen of the Year, Neil Preston handed the reins to Janine Cullen, the 2014 recipient at a reception dinner in January 2015. Awards were given in the categories of Senior Citizen, Young Citizen, Community Award, Sports Award, Arts and Cultural Achievement and Outstanding Achievement or Innovation.

Council held 11 citizenship ceremonies throughout the year, welcoming close to 120 new citizens. Other receptions were held to honour our emerging and accomplished sporting stars, as well as recipients of Australian and Queen's Birthday honour recipients.

Council created and adopted a new Style Guide for suburb and park signage to create a streamlined and visually appealing standard for replacing old signage. The new style provides an opportunity to reduce the clutter of directional and regulatory signage that can accumulate over time. Park signage is replaced on a needs basis. Suburb signage will be replaced as need and budget allows. In partnership with the Corrimal Chamber of Commerce, Council installed the first new suburb entry signs in Corrimal in June 2015.

Fit for the Future program

2014-15 saw the introduction of Fit for the Future - the NSW Government's response to the Local Government Independent Review Panel's recommendations on NSW Local Government Reform. The Fit for the Future program recommends a number of changes to the sector to enable councils to have strategic capacity and be financially sustainable into the future. A number of Council mergers were recommended as part of the reforms, although these did not apply to the Wollongong LGA. Instead a Joint Organisation model is proposed for the Illawarra region, and Wollongong commenced participation in a pilot program with Shellharbour, Kiama and Shoalhaven councils. The Illawarra Pilot Joint Organisation has drafted its Strategic Plan 2015-18, which included three core functions (set by the State government) and two option functions: regional strategic planning, inter-governmental collaboration, regional leadership and advocacy, enhancing regional strategic capacity, and regional service delivery. The pilot is expected to be completed by December 2015.

The Fit for the Future program also requires councils to prepare proposals for how they will improve their performance against a set of seven financial and infrastructure benchmarks. Council was well positioned in preparing their improvement proposal having undertaken the Securing our Future program in 2013-14. Council submitted its Fit for the Future Improvement Plan on 30 June 2015, which reflects a number of our annual delivery planning actions towards achieving financial sustainability. It is anticipated by 2020, Council will meet six of the seven benchmarks, and is working well towards achieving the 7th benchmark. The NSW Independent Pricing and Regulatory Tribunal will assess these proposals in the first half of 2015-16 and provide recommendations to the Minister for Local Government.

Lead continuous improvement in Council's health and safety culture and behaviour

The implementation of the WHS Management System continued to be a focus for the organisation to ensure ongoing improvement in safety culture, behaviour and compliance with legislative and organisational standards. Key objectives of the WHS Management System included the continuation of WHS Leadership Training for management and supervisors (over 150 completed to date), compliance assessments through audits of thirteen Council's businesses, implementation of the noise management program, development of the plant and equipment training and competency program and commencement of the Mentally Healthy Workplace Program. Other significant projects included asbestos management and contractor management which will continue in the 2015-16 WHS Management Plan.

The WHS Management System is supported by our injury management services to effectively manage work and non-work related injuries/illnesses to return employees to work as soon as practicable. The success of the program is evidenced by our reduction in Workers Compensation costs and the results of the 2014 internal survey whereby 88% of staff feel they are supported with illness and injury at work.

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. The success of this program is demonstrated by the 2014 internal survey results whereby 72% of staff responded *moderately or to a great extent* that they believed the Wellness Program provided valuable information and activities of value to staff.

Corporate Governance Health Checklist

The Corporate Governance Health Checklist has been reported to Corporate Governance Committee each quarter. The checklist rates Council's performance against 58 indicators of good corporate governance. The most recent checklist as reported to the Corporate Governance Committee on 12 May, showed an achievement rating of either 3 or 4 (4 being the highest) for all reported items.

Streamline reporting across the organisation and provide user friendly, plain English reports

A new performance planning software system was successfully rolled out in 2014 with quarterly reviews and monthly performance indicators now being completed within the system. The new system was also utilised as a tool to build Council's new annual plan.

This year also saw Council build its prototype for Supporting Document (plans and strategies) integration within the system. This project seeks to better integrate the large number of Council strategies and plans into the organisational planning framework. It is based on the premise of One Plan, One Program to reflect the importance of the Community Strategic Plan and Delivery Program. The organisational planning framework provides the avenue for resource allocation and prioritisation and the system will be further developed to support this approach.

Core community infrastructure projects

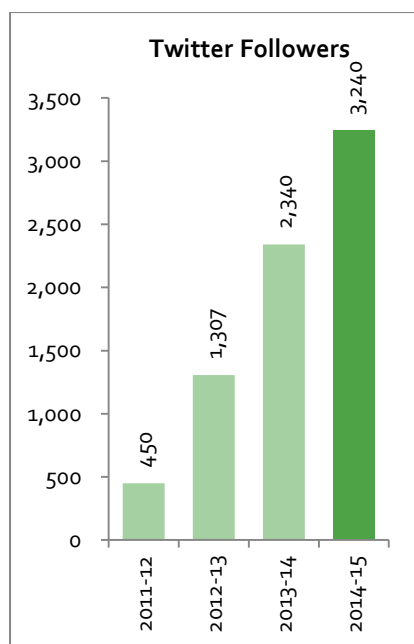
Work continues on three major community infrastructure projects funded under the Restart NSW Program - Cordeaux Road Bridge and shared path, Bald Hill Reserve Upgrade and the Grand Pacific Walk.

Eight applications submitted under the NSW Community Building Partnerships program were successful with a total grants funds offered of \$99,479.

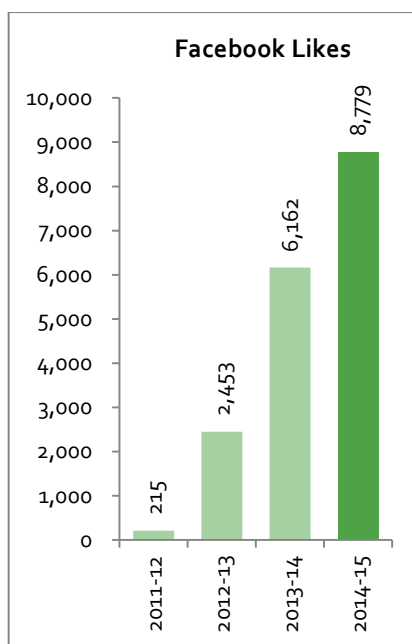
Council was unsuccessful in Round One of the National Stronger Regions Fund, however we are preparing a revised application for Round Two. The two projects submitted will be Fowlers Road extension (including preliminary earthworks for the Home of Football) and Tramway shared path upgrade.

MEASURING OUR PERFORMANCE

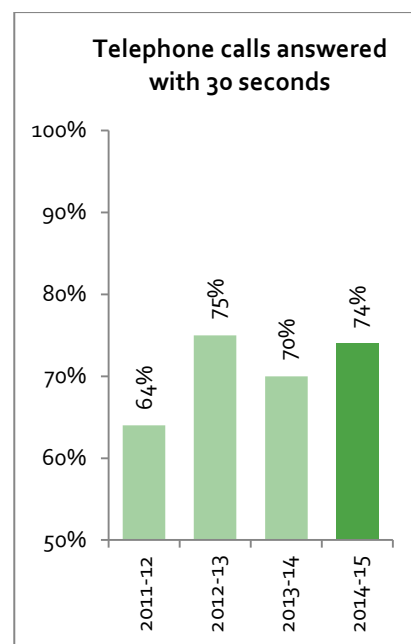
The effectiveness of the Delivery Program will be assessed through a number of performance indicators. These include:



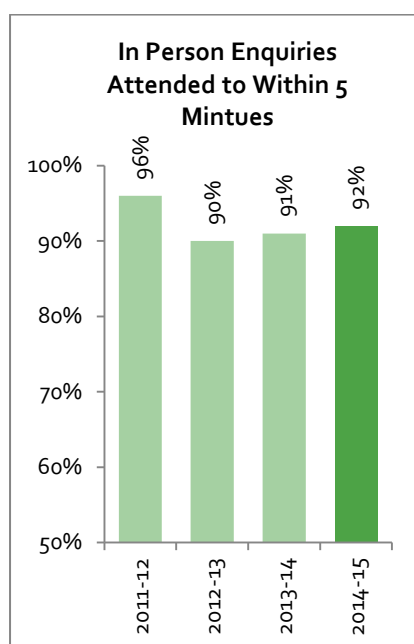
Twitter page was established in September 2011, therefore 2011-12 figure does not represent a full 12 months' worth of activity.



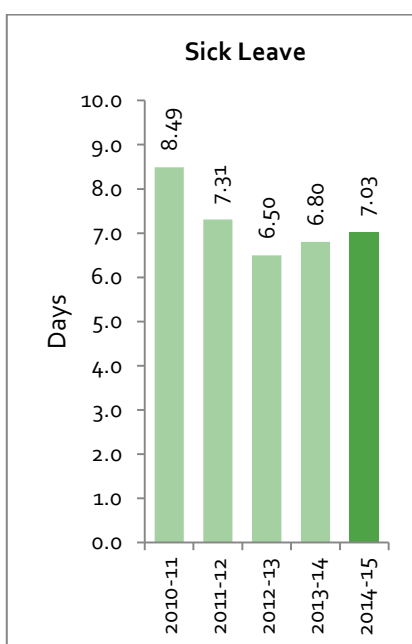
Facebook page was established in September 2011, therefore 2011-12 figure does not represent a full 12 months' worth of activity.



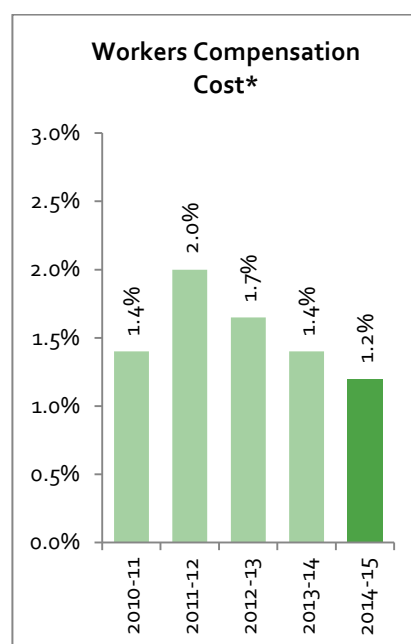
The variance in wait-times is related to the numbers of calls received. The years showing less calls answered within 30 seconds have higher call numbers. The range in calls is from 180,866pa to 190,116pa during this 5 year period.



In Person enquiries have increased slightly over the last 5 years however the customer service team strive to meet this target and performance is consistently high.



This measure shows the 12 month rolling average number of sick days per employee.



Whilst the 2014-15 is above our target of 1% the reduction in costs can be demonstrated over the 5 year period.

* cost as a percentage of payroll

STATUS OF ANNUAL PLAN 2014-15

Delivery Program 2012-2017 5 Year Action	Status of Annual Deliverables 2014-15	Responsibility
Ensure an effective community engagement framework connects the community to Council decision making	All annual deliverables ongoing	Director Corporate + Community Services
Expand Council's use of social media and online options for communication and engagement A coordinated approach to communication is developed and implemented	All annual deliverables ongoing 1 annual deliverable ongoing, 1 delayed <i>Delayed: Deliver and evaluate the Place Management approach to enhance coordination and communication of Council services, plans and projects.</i> The review process is delayed, but continuing and will be complete during the first quarter 2015-16	Director Corporate + Community Services Director Corporate + Community Services
Re-establish Council's commitment to partnering with our local Aboriginal community	All annual deliverables on track	Director Corporate + Community Services
Continue to provide regular information updates to the community about Council's Financial Sustainability Review	All annual deliverables ongoing	Director Corporate + Community Services
Increase opportunities for the community to connect with volunteering organisations	All annual deliverables on track/ongoing	Director Corporate + Community Services
Support community participation in non-profit activities	All annual deliverables on track/ongoing	Director Corporate + Community Services / Director Planning + Environment
Build the capability of community based organisations in managing, developing and sustaining their volunteers	All annual deliverables ongoing	Director Corporate + Community Services
Support a range of projects and programs in the city	All annual deliverables ongoing	Director Corporate + Community Services
Contribute to activities and programs that enhance civic pride in Wollongong	1 annual deliverable ongoing, 1 completed: <i>Completed: Investigate opportunities for welcome to suburb signs</i>	Director Corporate + Community Services
Lobby for the expansion of NBN to all suburbs within the LGA within the next five years	All annual deliverables on track	Director Infrastructure + Work
Investigate the provision of a district level community and library centre for the southern suburbs	All annual deliverables on track	Director Corporate + Community Services
Review and implement a revised library service model for Unanderra and surrounding suburbs	All annual deliverables on track	Director Corporate + Community Services
Continue to participate and contribute to an integrated community service network	All annual deliverables ongoing	Director Corporate + Community Services
Improve community understanding and awareness of Council decisions	All annual deliverables ongoing	Director Corporate + Community Services
Ensure appropriate strategies and systems are in place, monitored and reviewed	4 annual deliverables ongoing, 1 completed <i>Completed: Determine Council's response to local government reform proposals and coordinate any resulting change</i>	General Manager / Director Corporate + Community Services
Continue to build a professional, customer focussed quality organisation	All annual deliverables on track/ongoing	Director Corporate + Community Services
Lead continuous improvement in Council's health and safety culture and behaviour	All annual deliverables on track/ongoing	Director Corporate + Community Services
Coordinate a service review program with a focus on business development and improvement	All annual deliverables on track/ongoing	Director Corporate + Community Services

Delivery Program 2012-2017 5 Year Action	Status of Annual Deliverables 2014-15	Responsibility
Deliver the Asset Management Strategy and Improvement Plan 2012-17	All annual deliverables ongoing	Director Infrastructure + Work
Investigate provision of cremation services across the region and determine Council's role in the market	All annual deliverables on track	Director Corporate + Community Services
Improve systems for recording community & staff ideas	All annual deliverables ongoing	Director Corporate + Community Services
Ensure policies and procedures are regularly reviewed, updated and promoted	All annual deliverables ongoing	Director Corporate + Community Services
Streamline reporting across the organisation and provide user friendly, plain English reports	1 annual deliverable ongoing, 1 completed. <i>Completed: Implement a software system to support the new integrated planning and reporting framework</i>	
Effective and transparent financial management systems are in place	All annual deliverables on track/ongoing	Director Corporate + Community Services
Explore innovative options to increase revenue at Council facilities	All annual deliverables on track	General Manager
Improve the efficiency of supply management in order to achieve operational efficiencies	All annual deliverables on track	Director Corporate + Community Services
Pursue alternative funding options to deliver Council services and facilities	1 annual deliverable completed. <i>Completed: Implement approved rating structures</i>	Director Corporate + Community Services
Achieve an operational savings as a part of Council's financial sustainability Review with savings to be directed to asset renewal	All annual deliverables on track	
Reduce Council's discretionary spend (excluding assets) by 2.75% with savings to be directed to asset renewal	All annual deliverables on track	
Undertake a review of Council's employment conditions including the consideration of more flexible employment conditions and Enterprise Agreement	All annual deliverables on track	Director Corporate + Community Services
Continue to pursue alternative funding option to deliver financially sustainable services and facilities	All annual deliverables on track/ongoing	General Manager
Apply for a special rate variation of 6.13% in 2014-15, 6.23% in 2015-16 and 6.24% in 2016-17 with additional funds to be directed to asset renewal	All annual deliverables on track	
Review and increase fees and charges to achieve a minimum of \$500,000 to ensure the financial sustainability of service provision	1 annual deliverable completed <i>Completed: Review and increase fees and charges by \$120,000 in 2014-15</i>	Director Corporate + Community Services
Investigate removing the pensioner and charitable waste exemptions	All annual deliverables on track	Director Corporate + Community Services
Continue to actively seek grants and contributions to deliver core community infrastructure and services	All annual deliverables ongoing	Director Infrastructure + Work
Deliver a consistent and effective integrated frontline customer service centre	All annual deliverables ongoing	Director Corporate + Community Services



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.



Partner with community based organisations in the provision of services

Council has undertaken significant work within the Berkeley community during 2015 focusing on two key projects:

- A community development project of engagement for the launch and ongoing involvement of the community in the Berkeley Skate Plaza. A skate park etiquette guide for respectful and safe use of the skate park has been developed with well-respected local skaters employed as project workers to encourage and support activity demonstrated in the etiquette guide. This has been very successful and the park continues to meet the needs of the local and skate community.
- A cultural community development project to engage the community to develop new public art works in the Berkeley shopping centre area at Winnima Way. 240 people participated in design ideas which have been included in the new public art works of Boat seats and a Fish Tails mural on a shop wall.

Council also provided \$240,000 funding through the Neighbourhood Youth Work Program (NYWP) to Community Management committees to develop and deliver services for young people in their local areas. NYWP projects are currently delivered in Bellambi, Berkeley, Cringila, Dapto, Helensburgh and Port Kembla. These projects are also supported by the Department of Family and Community Services NSW.

Engage children and young people in planning and design processes

Children were engaged in a number of key projects throughout the year including the:

- Stuart Park play space design and art inclusions
- MacCabe Park design and official opening
- Harry Bagot Reserve, Happy Valley Reserve, Diamond Bros Park and William Beach Reserve play space designs
- community celebration and official opening of Holborn Park Skate Plaza.

In September, Council received a national award from the National Association for the Prevention of Child Abuse and Neglect for the Child Friendly Cities initiative. This award recognised Council's commitment to engaging children in planning for the future. Children from Warrawong Public School and Warrawong High School attended the ceremony hosted by the Governor-General Sir Peter Cosgrove.

Programs for Children

A range of community development initiatives were delivered for children with Paint the Gong REaD, a community partnership project, being a key focus. The annual reading day was held in August with 290 children and 170 families participating. The program's mascot *Bright Spark* attended a range of community events including the annual reading day, the launch of the 2nd phase of the Imagination Library, The National Child Protection Week event, Lifeline Book Fair, Viva la Gong and various libraries and child care centres. The reading tent was also part of a range of community events and book boxes were distributed to various doctor surgeries and local businesses.

The Paint the Town REaD national literacy conference was also held in Wollongong in March with 205 delegates from across the country participating. In June *Bright Spark* also celebrated her first birthday with 100 local children.

Council partnered with Big Fat Smile to host the annual *Transition to School Picnic* which recognises this significant time in the lives of children, families and the community.

Wollongong City libraries collaborated with the Children's Book Council to host the Kids Day Out event in January 2015 at Dapto Ribbonwood Centre. The event included literacy activities, writing workshops and story presentations, as well as author talks. Libraries also continue to deliver a range of programs on a weekly basis, to enhance children's literacy and development, as well as special events for Book Week and school holidays.

Programs for young people

Wollongong Youth Services delivered a range of programs and projects for young people, with 31,072 participants. Highlights included a partnership with Swell Café which resulted in over 50 young people completing the Master Barista workshop.

Cultural Creations, delivered a series of interactive theatre workshops supporting 270 young Culturally and Linguistically Diverse people to explore mental health and wellness in a supported environment. The group works towards an interactive theatre event which is performed to groups of peers and aimed at increasing awareness of mental health in Culturally and Linguistically Diverse communities and newly arrived Refugee young people.

Wollongong City libraries delivered a range of programs for young people, including themed trivia nights (Harry Potter at Thirroul; Dr Who at Central Library), weekly Book Clubs for *tweens* and young adults and HSC Workshops, to assist Year 12 students prepare for their final exams.

Deliver a range of programs for older people

A newly elected Seniors Week Committee helped to guide the development of Senior Week 2015 which was held in March 2015. More than 80 diverse activities were conducted across the city with approximately 4,380 older people participating, which is an increase of around 1,880 people from 2014. Council contributed to the delivery of a range of events including: the Lady Mayoress Tea Dance; the *Expand the Mind and Improve the Body* mini Expo; fitness classes at Beaton Park and Lakeside leisure centres; library activities including Grandparents Story time, workshops on using tablets and smart phones, library tours, a Medications and Alcohol Workshop; the Wollongong Art Gallery held a Water Colour Workshop and the Green Team conducted a Vintage Trail. 42 people reported via the feedback form that they had taken up an ongoing membership as a result of attending an event or activity. 47 event holders and committee members attended a presentation hosted by the Lord Mayor and received certificates of appreciation.

Throughout the year the leisure centres have continued to conduct their successful seniors program with over 20 classes being conducted each week. Specialist classes were implemented following funding allocations from a variety of sources that targeted those seniors at risk of chronic diseases such as obesity and diabetes, as well as programs specifically designed for veteran's affairs. All classes continued to be patronised extremely well with occupancy above 50%.

Council's Social Support Services delivered a weekly program of social and recreational activities for frail older people through day respite and neighbour aide services. People with dementia and their carers were supported through the popular Twilight Tours program, which provides an evening *time out* bus trip for people with dementia. The Carers Coffee Morning program provided an opportunity for carers to interact and share their experience with others and to take a break from their caring role.

Future provision of aquatic services and implementation of improvements

Austinmer rock pools are low level rock pools which are heavily impacted by tides and ocean swells. These conditions have had a significant impact on the ability to carry out the required improvement works and completing them within a scheduled period. The original contractor was replaced by Council after the firm went into liquidation.

The new contractor has made steady progress on the construction works which include repairing various sections of the existing concrete walls of both the northern and southern rock pools. The construction works have been broken down into phases and each phase will be completed when tide, sea and swell conditions are favourable. Works have been planned, where possible, to ensure that a least one of the two pools is open to the public during the construction period. Works are scheduled to be completed over the 2015 summer period pending favourable conditions.

During the past year, solar heated showers, push button, timed and water saving showering devices at Port Kembla pool have been well received by the community and are currently not deriving any significant additional energy expenditure.

Enhance Botanic Garden visitor experience via programs, interpretation and events

There were a number of events and programs conducted at the Botanic Garden to enhance visitor experience throughout the year, including Sunset Cinema (14,100 attendees) National Tree Day activities at six schools, the Outdoor Reading Room launch and story sessions (4 events), monthly bird spotting walks and twilight garden experiences trials. The Discovery Centre also contributed towards an enhanced visitor experience through a series of events, holiday programs, tours and workshops which were attended by 9,378 participants who registered a 93% satisfaction rating.

Town centre studies

Work undertaken during 2014-15 on town centre priority locations include:

- Cowper Street Renewal Project – a concept design for the widening of the footpath along Cowper Street has been prepared.
- Draft Figtree Oval master plan was prepared with stakeholder input. The draft master plan will be exhibited in 2015-16 for broader community input.
- Draft Unanderra Access and Movement Strategy that identifies a range of traffic and transport initiatives and infrastructure was completed by consultants. The draft strategy will be publicly exhibited during 2015-16. In the meantime, a detailed streetscape design has commenced for identified projects.
- Draft Corrimal Town Centre master plan was completed for exhibition. Exhibition occurred during July-August 2015 to enable community input. The assistance of the Corrimal Revitalisation Action Group in preparing the master plan is acknowledged. The master plan will guide future development and public space improvements in the Corrimal Town Centre.
- In April 2014, Council endorsed the community led Keiraville Gwynneville vision and the development of an implementation plan with the assistance of the Keiraville Gwynneville Group. During 2014-15 workshops were held to prepare a draft implementation plan. The draft plan is scheduled to be reported to Council in early 2015-16 for endorsement, with the Keiraville Gwynneville Group taking the lead on this community-led project.

Provide advice on access related matters

Council has begun the development of the Disability Access and Inclusion Plan in line with the NSW Disability Access and Inclusion Act 2014. The first phase of engagement has been undertaken with 165 people completing a survey. The results of this survey will inform the priorities of the plan which will be ready for implementation from July 2016.

A range of initiatives were undertaken throughout the year in relation to increasing access. Some of the highlights were:

- *Keep it Clear* poster campaign, a partnership project with Vision Australia and TAFE Illawarra Institute which aimed to raise awareness within the community of access issues facing people who are blind or have low vision. Disability Access Guide produced, listing Council's accessible services and facilities. The guide was distributed via expos, Destination Wollongong, libraries and community centres. Council also attended the Illawarra Disability Options Expo in August 2014 to further promote access to Council services.
- Working with Spinal Cord Injuries Australia to update the National Toilet Map and incorporate up to date information on accessible toilets across the city.

Council also contributed to International Day of People with a Disability through the printing and distribution of a calendar to promote local activities and delivering a ceramic jewellery making workshop for people with low vision and blindness.

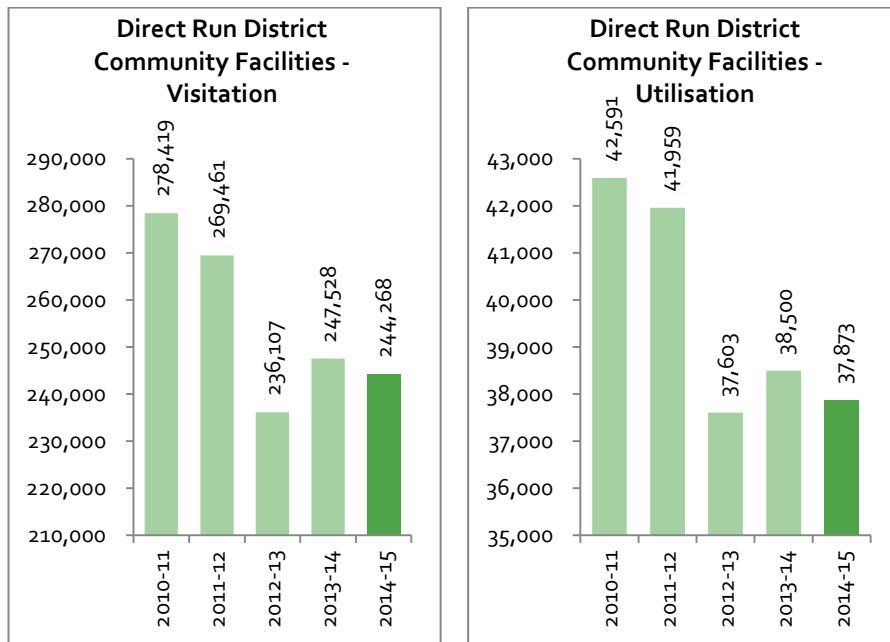
Diversity awareness training continued to be provided to new Council staff as part of their induction program. This training gives Council officers a greater understanding of their community, strategies to support access for people and links staff to resources and supports.

Play Wollongong Strategy

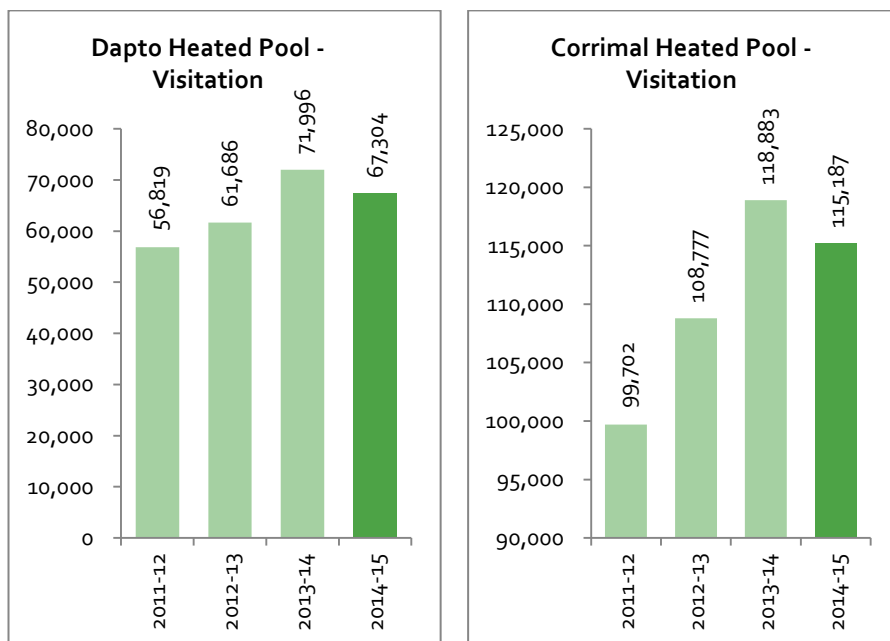
Key Play Wollongong Strategy principles such as equitable distribution, inclusive play, accessibility, consultation and designs have been implemented through the 2014-15 renewal program. Key playground renewals included Stuart Park, North Wollongong and MacCabe Park, Wollongong. MacCabe Park Playground in Wollongong was reopened in June 2015 following a \$200,000 overhaul. The new playground boasts a climbing frame, mini trampoline and swings. Happy Valley Reserve, East Corrimal; King George V, Port Kembla; Harry Baggot, Port Kembla; Gorrell Park, Mangerton; Mangerton Park, Mangerton have also been renewed.

MEASURING OUR PERFORMANCE

The effectiveness of the Delivery Program will be assessed through a number of performance indicators. These include:



Variations in visitation were due to areas of Dapto Ribbonwood Centre and Corrimal Library & Community Centre being closed for refurbishment for periods of time.



Attendance patterns are seasonal and weather dependant.

STATUS OF ANNUAL PLAN 2014-15

Delivery Program 2012-2017 5 Year Action	Status of Annual Deliverables 2014-15	Responsibility
Partner with community based organisations in the provision of services	All annual deliverables ongoing	Director Corporate + Community Services
Actively engage children and young people in planning and design processes	All annual deliverables ongoing	Director Corporate + Community Services
Partner with agencies and health authorities to support improvements to the region's medical services	All annual deliverables ongoing	
Assess the changing profile of the community and reprioritise services appropriately	1 annual deliverable ongoing, 1 completed, 1 delayed <i>Completed: Undertake the biennial community survey</i> <i>Delayed: Establish baseline data for the Wollongong 2022 Community Wellbeing Indicators.</i> A draft baseline report has been prepared; however project has had a slight delay, and is now expected to be reported to the community in 2015-16.	Director Corporate + Community Services
Investigate provision of Leisure Services in the greater Dapto area, taking into account expansion of West Dapto, and determine Council's role in the market	All annual deliverables ongoing	Director Corporate + Community Services
Investigate the future provision of Aquatic Services across the local government area and implement improvements	All annual deliverables ongoing	Director Corporate + Community Services Director Infrastructure + Work
Continue to undertake social, land use and environmental planning activities that assists in service planning	All annual deliverables on track/ongoing	Director Corporate + Community Services Director Planning + Environment
Carry out commercial business management of Council's operational lands	All annual deliverables on track/ongoing	Director Corporate + Community Services
Develop a sustainable financial model and strategy for the maintenance and management in perpetuity for Council cemeteries, in response to the Cemeteries Act and establishment of 'Cemeteries NSW'	All annual deliverables on track	Director Corporate + Community Services
Review planning controls for priority locations	4 annual deliverables on track, 1 deferred <i>Deferred: Continue implementation of priority recommendations from the Warrawong Town Centre Studies - undertake the Cowper Street Renewal Project, subject to support from RMS (Roads & Maritime Service)</i> The project is being reviewed to consider discussions on the location of the Warrawong Community Centre and Library. In the meantime, the opportunity for temporary pilot projects (eg. parklets) for Cowper Street are being investigated.	Director Planning + Environment
Provide an appropriate and sustainable range of quality passive and active open spaces and facilities	All annual deliverables ongoing	Director Corporate + Community Services
Policies and plans are developed, reviewed and implemented to encourage physical activity	All annual deliverables ongoing	Director Corporate + Community Services

Delivery Program 2012-2017 5 Year Action	Status of Annual Deliverables 2014-15	Responsibility
Prepare a Housing Study and Strategy incorporating Affordable Housing Issues	<p>1 annual deliverable delayed, 1 deferred. <i>Delayed: Manage the Home Deposit Assistance Program</i> Since the launch on 24 October 2014, there have been 11 applications and 10 approvals. To date, property purchases have not occurred to trigger the placement of security deposits. This is due to the significant increase in prices that has created a lack of properties under the program cap of \$415,000. While it is envisaged more varied and moderate housing choice may naturally be available in the future, Council has been actively promoting the program and its value to the housing industry to assist in accelerating this. In addition, Council has proposed changes to West Dapto Section 94 Contributions Plan to lower the cost of smaller, multi-dwelling type developments that may assist in making these more attractive to developers and achieving a suitably priced housing stock attainable under the program</p> <p><i>Deferred: Continue to prepare the Housing Study Review incorporating affordable housing issues.</i> During 2014-15 the Housing Study Review project was put on hold due to the need for resources to progress other priority planning projects and planning proposals. The project will recommence in 2015-16.</p>	Director Planning + Environment
Integrated services are provided to residents in need of urgent shelter	All annual deliverables ongoing	
Promote and enforce compliance with litter reduction	All annual deliverables on track/ongoing	Director Infrastructure + Work Director / Planning + Environment
Manage and maintain public facilities	All annual deliverables ongoing	Director Infrastructure + Work
Use additional funds achieved through the financial sustainability review for renewal of major building projects as per capital program	All annual deliverables ongoing	Director Infrastructure + Work
Manage and maintain community infrastructure portfolio with a focus on asset renewal	<p>3 annual deliverable on track/ongoing, 1 not commenced. <i>Not Commenced: Review Council's Asset Management Plans: Buildings, Recreation, Stormwater, Plant and Vehicles, Transport.</i> Asset Management Plan Review Project is planned to commence in 2015-16 and progress over a two year duration.</p>	Director Corporate + Community Services / Director Infrastructure + Work
Facilitate a range of partnerships and networks to develop community safety initiatives	All annual deliverables on track/ongoing	Director Corporate + Community Services
Provide lifeguarding services at beaches (in partnership with Surf Life Saving Illawarra) and Council pools	All annual deliverables on track	Director Corporate + Community Services
Continue to liaise with Local Area Commands on key initiatives and crime reduction strategies.	All annual deliverables ongoing	Director Corporate + Community Services
Deliver projects and programs to reduce crime in the Wollongong Local Government Area	All annual deliverables on track/ongoing	Director Corporate + Community Services
Safety is considered in the planning and design of any development	All annual deliverables ongoing	Director Corporate + Community Services / Director Planning + Environment

Delivery Program 2012-2017 5 Year Action	Status of Annual Deliverables 2014-15	Responsibility
Maintain and establish corridors and parks that strengthen open space connections and people movement.	All annual deliverables ongoing	Director Corporate + Community Services
Coordinate an access improvement program through pre-planning and renewal activities	1 annual deliverable deferred. <i>Deferred: Establish a program to ensure Disability Discrimination Act compliance is integrated with Council asset management plans.</i> Program to be developed as part of Disability Inclusion Action Plan and will be incorporated into future asset management plan reviews. Council's current quality certified design process ensures Disability Discrimination Act compliance requirements are appropriately addressed in all Council designs.	Director Infrastructure + Work
Use data to assess the current community infrastructure available, community demand and develop a strategic framework and policies to either rationalise, enhance or expand to meet hanging community needs	All annual deliverables on track/ongoing	Director Corporate + Community Services
Implement Council's Planning, People, Places Strategy	3 annual deliverable on track, 1 completed. <i>Completed: Complete the construction of the Southern Suburbs Skate Plaza</i>	Director Corporate + Community Services Director Infrastructure + Work
Develop a Regional Botanic Garden of Excellence	All annual deliverables ongoing	Director Planning + Environment
Provide statutory services to appropriately manage and maintain our public spaces	2 annual deliverables on track/ongoing, 1 deferred. <i>Deferred: Undertake a minor review of the Beaton Park and Botanic Garden Plans of Management.</i> The review of the Beaton Park and Botanic Garden Plans of Management are on hold pending the preparation of informing documentation. A new master plan for Beaton Park is to be developed which will inform the revision of the Beaton Park Plan of Management. The Call for Proposals process for the future use of Gleniffer Brae has occurred and is to be reported to Council in early 2015-16. This process will inform the Botanic Garden Plan of Management review.	Director Corporate + Community Services Director Planning + Environment
Develop a play strategy to support the planning of high quality centralised and integrated park facilities	All annual deliverables ongoing	Director Corporate + Community Services
Use additional achieved through the Financial Sustainability Review to replace below standard playground facilities informed by the Play Strategy	All annual deliverables ongoing	Director Corporate + Community Services
Deliver a range of programs for older people	All annual deliverables ongoing	Director Corporate + Community Services
Deliver a range of recreational pursuits for older people	All annual deliverables ongoing	Director Corporate + Community Services
Deliver a diverse suite of projects to the community that foster and enhance community strengths	All annual deliverables ongoing	Director Corporate + Community Services



Goal 6

WE HAVE SUSTAINABILITY, AFFORDABLE AND ACCESSIBLE TRANSPORT



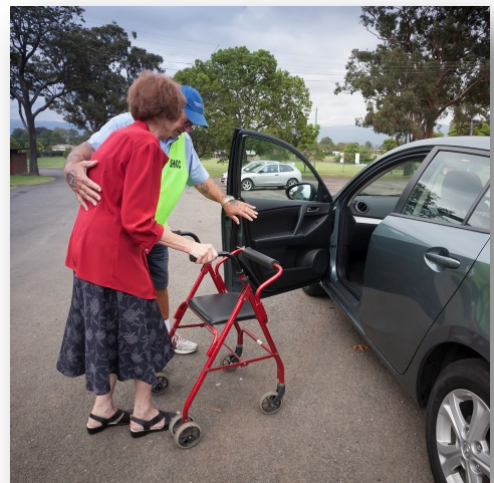
We will have access to an integrated transport network from north to south and east to west.

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.



**** Additional highlights relating to this Goal are also included under the Strategic Programs – Connectivity / Walkability (page 14).**

Community transport

Council's Community Transport service delivers a Travel Training Project to provide opportunities for people to develop the knowledge, skills and confidence to access public transport independently. This includes people with disability, people from culturally and linguistically diverse background and people who have recently become ineligible to hold a drivers licence due to age or health status. The service has developed a step by step guide to access public transport, which is available via the community transport website.

In cooperation with other key stakeholders (eg. Illawarra Forum, Area Health Service, Shellharbour Council) the Aboriginal Community Transport Officer continues to work closely with Aboriginal agencies and individual community members to promote the community transport service.

Shellharbour City Council decided to withdraw from service delivery from 31 October 2015 and Wollongong City Council will take on responsibility for delivery of community transport services across both local government areas from that date. A transition project team has been formed, with representatives from both councils, to organise the transition of service delivery

Council has accepted the Transport for NSW offer of variation to the existing funding agreement until June 2016, with the option for a new contract for a further two years until June 2018.

Expand the Gong Shuttle service

The state government have advised that they will not consider extending the Gong Shuttle, and logistically it is not possible to extend the exiting service as service frequencies would be increased and possibly decrease utilisation. Therefore a new service rather than an expanded existing service is being assessed.

Council is currently undertaking a feasibility assessment of an additional service for the southern city area to determine the preferred route and infrastructure needs. The feasibility assessment is due to be completed in early 2015-16.

'Park n Ride' commuter bus network

The Park n Ride initiative is identified in the adopted Access and Movement Strategy for Wollongong City Centre and is based on the principle of providing parking locations on the outskirts of the city and providing connecting bus or shuttle services to the CBD.

Existing facilities supporting this intent are located at various locations around the Free Gong Shuttle route, for example at Stuart Park and the Innovation Campus in the north.

The feasibility assessment of a southern city centre shuttle bus route to support *Park n Ride* is progressing and will be completed early in 2015-16.

Integrated regional transport network

Council is liaising with key state government agencies on a number of regionally significant transport projects. These include city centre projects relating to bus operations and facilities, traffic signal installations and operations and sustainable transport projects relating to bicycle and pedestrian facilities. West Dapto transport projects have required liaison with RMS, State Rail and TfNSW. Council has also worked closely with RMS on the design and staging of the Albion Park Rail Bypass interchanges in Wollongong LGA to ensure that they are integrated with our future transport and land release strategies.

Asset renewal program for active transport

Council continues to invest strongly in the renewal of assets supporting active transport uses including bicycle and pedestrian facilities. Major projects include:

- Reconstruction of the shared path in Squires Way, Fairy Meadow between Cabbage Tree Creek and Elliots Road, completed in December 2014. The renewed facility is four metres wide and 1.3 km long and provides separate designated areas for cyclists and pedestrians. The facility is an important link within Council's bicycle network and provides a crucial connection between Wollongong Foreshore/City Centre and coastal suburbs to the north. Utilisation of the path has been found to be amongst the highest in the city.
- Completion of the shared path along Cordeaux Road near the Gibson Road intersection. The increase in width will improve amenity for the range of users who use this busy section of path.

In addition, four other shared path assets were renewed during the financial year including paths at North Wollongong and Figtree. Fifteen footpaths were also upgraded or reconstructed including paths at Koonawarra, Lake Heights, Wollongong, Woonona, Balgownie, Dapto, Coalcliff, Fairy Meadow and Warrawong.

Specific locations of these and other active transport projects are provided in the report for Strategic Program - Connectivity/ Walkability.

Cordeaux Road shared way construction

Works commenced on the Mt Kembla Shared Path in early 2015. Since then progress works include:

- significant work on the retaining walls that makes up the project; including adjacent to Boorea Boulevard and also in Mt Kembla village near the public school.
- The original bridge west of William James Drive was demolished and replaced with a wider and safer road bridge that also includes a shared path.
- American Creek temporarily diverted in order to allow stormwater works and bulk earthworks in the existing creek bed, ahead of path and road construction works.

This project is funded by both Council, the Restart NSW Illawarra Infrastructure Fund and Illawarra Coal. Works on the shared path are expected to be completed in early 2016.

Extending the average lives of footpaths

Extending the average lives (depreciation rate) of footpaths to 80 years will result in footpaths being maintained for a longer period prior to replacement, and hence create about \$1 million savings in depreciation annually. The impact of this will be monitored periodically through condition audits (five yearly) and ongoing review of customer requests to determine if there is an impact on the level of service for footpaths.

The footpath condition audit was last assessed in 2013 and this will form the baseline level of service to enable the assessment of any changes.

Wollongong has an 82km shared path network. Much of the core Northern and Southern coastline cycleway, as well as the lake cycle way to Berkeley, was initially constructed in the early to mid-eighties using employment scheme labour, and the paths were of inconsistent quality. Over the past decade many kilometres of these paths have been replaced to current standards by Council Cityworks staff, thus it is reasonable to increase the 'expected life' of the asset stock to the industry standard of 80 years.

Stage 1 of the Grand Pacific Walk

Through funds obtained from Restart NSW Illawarra, significant progress has been achieved during the year on Grand Pacific Walk - Stage 1, including:

- Completion of Stoney Creek shared path bridge at Coalcliff
- Completion of the pedestrian refuge and bus bay near Coalcliff Railway Station.

Works have also commenced on some missing sections of the path adjacent to the Coalcliff Railway Station and the Tom and Norma Rest Area.

Detailed design of the next section of the Grand Pacific Walk Stage 1 between Coalcliff and Stanwell Park is nearing completion and expected to commence construction during 2015-16.

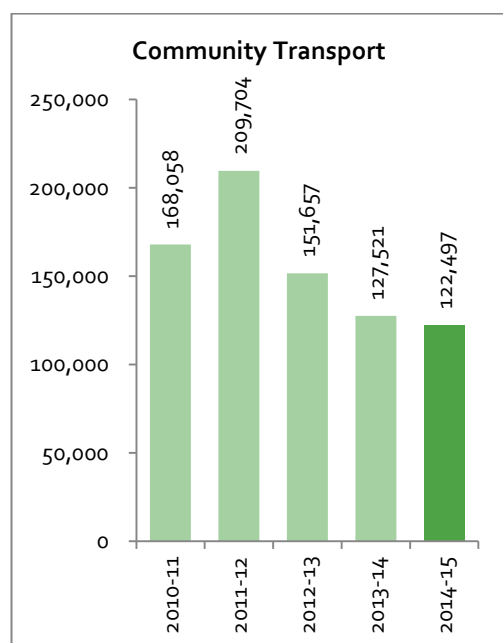
Road resurfacing and reconstruction

Over \$7 million was spent on more than 100 road reconstruction and resurfacing projects across the city throughout the year. The major projects completed included works on:

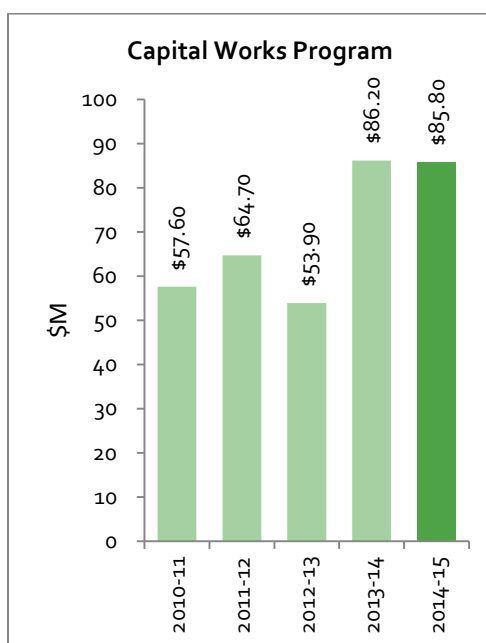
- Burelli Street, Wollongong
- Mt Keira Road, Mt Keira
- Princes Highway, Dapto
- Blackman Parade, Unanderra
- Thirroul Road, Kanahooka
- Berkeley Road, Berkeley
- Gray Street, Woonona
- Church Street, Wollongong
- Virginia Street, North Wollongong
- Woodlawn Avenue, Mangerton
- Bruce Street, Unanderra
- Hyde lane, Coledale
- Parkes Street, Helensburgh
- Rowland Avenue, West Wollongong
- Parsons Street, West Wollongong
- Acacia Avenue, Gwynneville
- The Drive, Stanwell Park
- Chellow Dene Avenue, Stanwell Park
- Rickard Road, Unanderra
- Cardiff Street, Berkeley

MEASURING OUR PERFORMANCE

The effectiveness of the Delivery Program will be assessed through a number of performance indicators. These include:



Although the data indicates that in the last three years the number of trips have decreased, Community Transport continues to deliver outputs above the target number of trips required by the funding agreement (an average of 50,000 trips greater than the target).



The capital works statement identifies the costs of creating or acquiring property, infrastructure or equipment assets. Wollongong City Council spent \$85.8 million on capital works in 2014-15.

STATUS OF ANNUAL PLAN 2014-15

Delivery Program 2012-2017 5 Year Action	Status of Annual Deliverables 2014-15	Responsibility
Establish a strategic framework and a plan for cycle ways and bicycle facilities within Wollongong	1 annual deliverable completed. <i>Completed: Commence implementation of the revised Wollongong Bicycle Plan when adopted by Council</i>	Director Infrastructure + Work
Assess the feasibility to expand the Gong Shuttle service to outer suburbs	1 annual deliverable completed, 2 delayed. <i>Completed: Finalise the review of bus stop facilities for the Gong Shuttle to provide better integration to walking and cycling</i> <i>Delayed: Establish costs and infrastructure requirements for the expansion of the Gong Shuttle</i> Council is undertaking a feasibility assessment of an additional service for the southern city area to determine the preferred route and infrastructure needs. The feasibility assessment is due to be completed in early 2015/16. A new service rather than an expanded existing service is being assessed as the State Government have previously advised that they will not consider extending the Gong Shuttle. Logistically it is not possible to extend the exiting service as service frequencies would be increased and possibly decrease utilisation of the service. <i>Delayed: Advocate for the implementation of a shuttle route for the South of Wollongong City Centre</i> The feasibility assessment of a southern city centre shuttle bus route to support Park n Ride is progressing well and due for completion in early 2015-16.	Director Infrastructure + Work
Improve the connectivity of the local government area through the upgrade in our network of footpaths and cycle ways	All annual deliverables on track/ongoing	Director Infrastructure + Work
Use additional funds achieved through the Financial Sustainability Review to accelerate the footpath renewal program by about \$4M	All annual deliverables on track	Director Infrastructure + Work
Extend the average lives of footpaths to 80 years to create about \$1M saving in depreciation annually	All annual deliverables on track	Director Infrastructure + Work
Use funds obtained from Restart NSW Illawarra to design and construct the Grand Pacific Walk - Stage one	1 annual deliverable delayed. <i>Delayed Continue to construct Stage 1 of the Grand Pacific Walk</i> Significant progress has been achieved during the year including completion of Stoney Creek shared path bridge at Coalcliff, completion of the pedestrian refuge and bus bay near Coalcliff Railway Station. Works have also commenced on some missing sections of the path adjacent to the Coalcliff Railway Station and the Tom and Norma Rest Area. Detailed design of the next section of the Grand Pacific Walk Stage 1 between Coalcliff and Stanwell Park is also nearing completion and expected to commence construction during 2015-16.	Director Infrastructure + Work

Delivery Program 2012-2017 5 Year Action	Status of Annual Deliverables 2014-15	Responsibility
Work in partnership with key stakeholders to consider the establishment of a Park n Ride commuter bus network	1 annual deliverable delayed. <i>Delayed Undertake a 'Park n Ride' feasibility study</i> The Park n Ride initiative is identified in the adopted Access and Movement Strategy for Wollongong City Centre and is based on the principle of providing parking locations on the outskirts of the city and providing connecting bus or shuttle services to the CBD. Existing facilities supporting this intent are located at various locations around the Free Gong Shuttle route. The feasibility assessment of a southern city centre shuttle bus route to support Park n Ride is progressing and will be completed early in 2015-16.	Director Infrastructure + Work
Develop an integrated Transport Strategy	All annual deliverables on track	Director Infrastructure + Work
Deliver sustainable transport asset renewal programs	All annual deliverables on track	Director Infrastructure + Work
Allocate approximately \$6M of additional funds achieved through the Financial Sustainability Review to road resurfacing and reconstruction	All annual deliverables on track	Director Infrastructure + Work
In collaboration with agencies deliver the infrastructure required to support the first stage of the West Dapto Release Area	All annual deliverables ongoing	General Manager
Use funds obtained from Restart NSW Illawarra and funds contributed by Council to construct the road link between Fowlers Road Dapto to Fairwater Drive Horsley	1 annual deliverable delayed. <i>Delayed: Conduct site investigations, prepare concept and detailed design documentation for the road link</i> Council worked closely with key stakeholders to establish the preferred option for creating a link between Fowlers Road and Fairwater Drive. The concept design is currently being progressed and the community will be invited to provide feedback when the draft plan has been prepared. The preparation of a cost estimate is currently being undertaken for the proposed works. Council has obtained initial funding of \$22.5M from Restart NSW - Illawarra Infrastructure Fund, \$600,000 from Planning and Environment and a \$15M interest subsidised loan from the NSW Government and will continue to investigate additional funding sources.	Director Infrastructure + Work
Work with State and Government agencies and lobby improve rail services and stations across the LGA.	1 annual deliverable completed. <i>Completed: Work with Department of Transport on the establishment of an Illawarra Transport Strategy</i>	Director Infrastructure + Work
Work with State and Government agencies to lobby and promote opportunities for transport to reduce travel time between Sydney and Wollongong	1 annual deliverable completed. <i>Completed: Work with Department of Transport on the establishment of an Illawarra Transport Strategy</i>	Director Infrastructure + Work
Work with key agencies and partners to continue and improve late night transport options	All annual deliverables ongoing	Director Infrastructure + Work
Develop an alternative service delivery, governance model and auspice for Community Transport in response to the Federal Governments Aged Care reform legislation	All annual deliverables on track	Director Corporate + Community Services

WOLLONGONG CITY COUNCIL

ANNUAL REPORT 2014 - 2015

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 2014/15. Council is well positioned financially in the short to medium term and is advancing along a path towards achieving long term sustainability. Council has previously identified that sufficient funding is not available to provide for the renewal and maintenance of long-lived assets such as roads, bridges, buildings and recreation facilities over the longer term. During the 2013/14 financial year, Council completed a major review (Securing our Future) to address these long term sustainability issues. From this review 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 of \$14.5M. The positive result Council has achieved for the 2014/15 financial year shows the impact of these improvements during the first year of the process. In future years, Council faces the challenge of continually meeting its efficiency and improvement targets.

In 2014/15 the Income Statement shows a net operating surplus of \$31.6M compared to a surplus of \$12.1M 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 surplus of \$9.6M compared to a deficit of \$19.2M in 2013/14. As discussed, Council has been working to develop actions in consultation with the community to move towards a surplus. However, this result represents a significant improvement compared to 2013/14 and was mainly attributable to a number of one off events. These include net profit on the sale of assets (\$4.2M), a legal settlement (\$1.8M), a reduction in the workers compensation provision (\$2.3M) and the timing of the receipt of the Financial Assistance Grant (\$8.9M).

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 2015 was \$2.43B. During 2014/15, Council completed a capital works program of \$85.8M including the construction and purchase of \$27.4M of new assets and renewal of existing assets of \$59.4M. The program has included projects such as the West Dapto Access Strategy, City Centre Crown Street Upgrade, Keira Street Footpath Upgrade and civil asset renewals including roads, car parks and buildings.

In 2015, Council maintained a strong position in cash and investments, with holdings of \$144.7M at 30 June 2015 (\$118M in 2013/14). \$119.6M of Council's cash (\$90M in 2013/14) is restricted in its use to specific purposes by external bodies, legislation and Council resolution. This increased in 2014/15 primarily as a result of additional external funds relating to the subsidised \$15M loan under the Local Infrastructure Renewal Scheme.

Council's unrestricted current ratio has increased slightly from 1.93:1 in 2013/14 to 2.19:1 in 2014/15. This ratio measures Council's liquidity and ability to satisfy obligations in the short term. Although the result is on par with the Local Government Benchmark of >2:1, Council's strategy is to better utilise cash and target a lean unrestricted cash ratio. Cash assets held for future waste facility requirements are significant, and included in this ratio, so the measure is expected to increase until payments are required.

Relatively low levels of borrowing are a financial strength of Council and add flexibility in making financial decisions for the future. The 2014/15 debt service ratio increased to 2.73% compared to 2.68% in 2013/14 which reflects a decision to borrow an additional \$15M under the Local Government Infrastructure Renewal Scheme. These funds will be used for the West Dapto Access Project to construct Fowlers Road to Fairwater Drive. The financial strategy allows for a ratio of 4% and Council continues to operate within this strategy.

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



David Farmer
General Manager
Wollongong City Council

2014/2015 Financial Statements

This report provides an overview of Council's 2014/2015 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° 23). The Statements are independently audited by PricewaterhouseCoopers, reported to Council, placed on public exhibition and lodged with the Office 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

2014/2015 Highlights

- Total Assets \$2.43B from \$2.36B (2014)
- Expenditure on Infrastructure, Property, Plant & Equipment [New/Renewal] \$85.8M (2014: \$85.7M)
- Renewal expenditure on Infrastructure, Property, Plant & Equipment \$59.4M (2014: \$62.5M)
- Recognition of contributed assets including infrastructure \$1.9M (2014: \$8.1M)
- Cash assets of \$144.7M
- Debt Service Ratio at 2.73% (2014: 2.68%)
- Net Operating Result \$31.6M Surplus (2014: Surplus \$12.1M)
- Net Operating Result before Capital Grants and Contributions \$9.6M Surplus (2014: \$19.2M Deficit)
- Secured subsidised loan of \$15M under the Local Infrastructure Renewal Scheme (round three) Unrestricted current ratio of 2.19:1 (2014: 1.93:1)

2014/2015 Financial Overview

Council is well positioned financially in the short to medium term and is in the process of working towards achieving long term sustainability. Council had identified that it did not have sufficient funding to provide for the renewal and maintenance of long-lived assets such as roads, bridges, buildings and recreation facilities over the longer term.

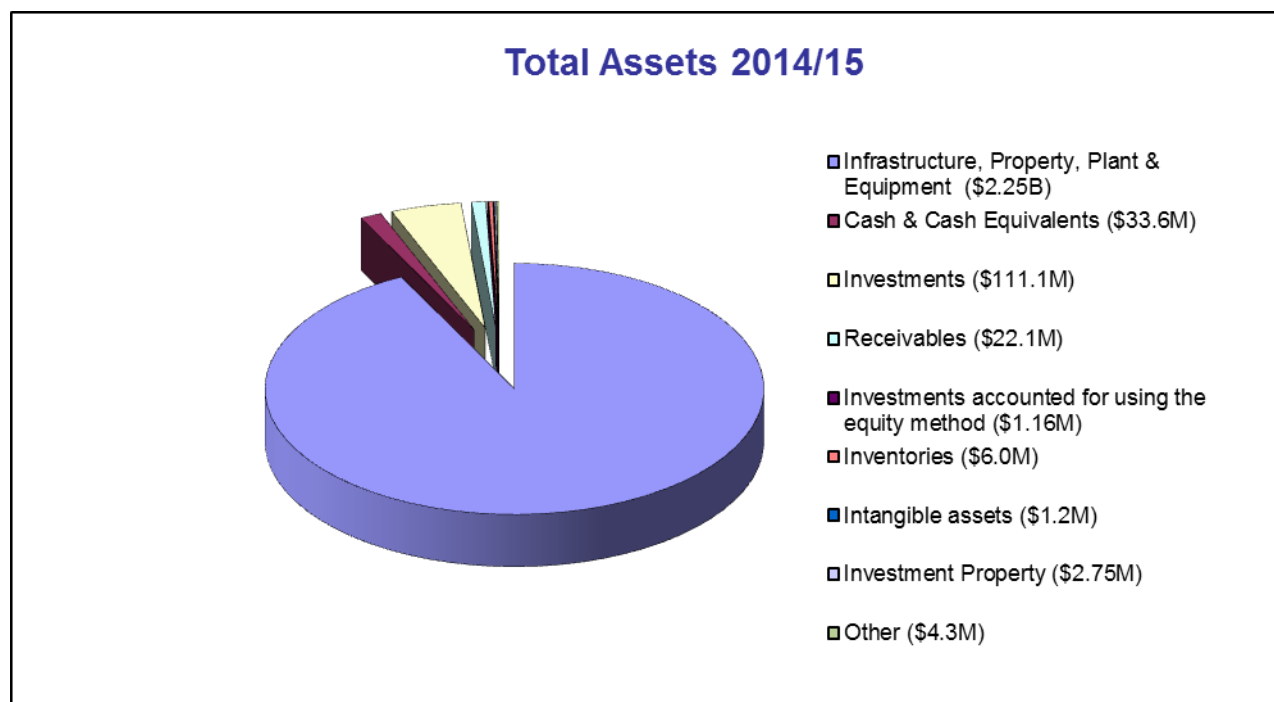
During the 2013/14 financial year, Council completed a major review (Securing our Future) to address these long term sustainability issues. From this review Council endorsed a proposal seeking a minimum target of \$4.5 million from internal efficiencies, \$1.5 million in service level adjustments, a minimum of \$500,000 in increased fees and charges and a Special Rate Variation for an increase in General Revenue of \$14.5M. The positive result Council has achieved for the 2014/15 financial year shows the impact of these improvements during the first year of the process.

The improvements proposed from the Securing our Future review were reinforced in Council's Fit for the Future submission to the Office of Local Government in June 2015. This submission builds upon the Local Government Review Panel's position that Council has enough scale and capacity to maintain its operations as an independent Council. While implementing the Securing our Future improvements Council will seek to strengthen its relationships with other Councils in the Illawarra region.

In future years, Council faces the challenge of continually meeting their efficiency and improvement targets.

Assets

Council's Statement of Financial Position shows the vast extent of assets managed by Council for the Community. The total value of Council's assets at 30 June 2015 was \$2.43B. The composition of assets is shown below.



Infrastructure, Property, Plant & Equipment (IPPE)

With a carrying value of \$2.25B, Infrastructure, Property, Plant and Equipment (IPPE) is Council's most significant asset and represents 93% of the total value of assets.

During 2014/2015 Council completed a capital works program of \$85.8M including the construction and purchase of \$27.4M of new assets and renewal of existing assets of \$59.4M.

After accounting for annual depreciation expense, the overall value of IPPE increased by \$103.9M during 2014/2015. The increase was primarily due to asset additions of \$86.8M and a further \$17.9M as a result of assets transferred in and adjustments to the useful lives of assets. Further financial details of IPPE are shown in Note 9.

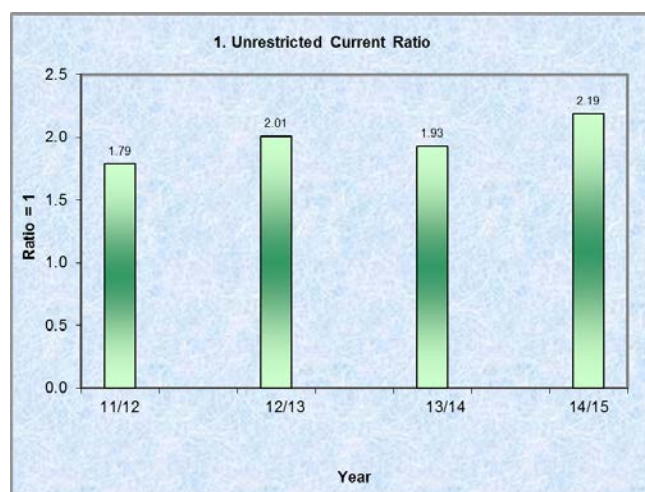
Cash and Investments

In 2014/2015, Council maintained a strong position in cash and investments, with holdings of \$144.7M at 30 June 2015. Council's cash and investment positions over recent years are as follows:

CASH, INVESTMENTS & AVAILABLE FUNDS					
		YTD Actual 30 June 2012	YTD Actual 30 June 2013	YTD Actual 30 June 2014	YTD Actual 30 June 2015
Total Cash and Investments	\$M	90.695	116.796	117.971	144.656
Less Restrictions:					
External	\$M	42.281	63.961	62.979	77.693
Internal	\$M	18.982	24.383	26.964	41.960
Available Cash	\$M	29.432	28.452	28.028	25.003
Adjusted for :					
Current payables	\$M	(25.112)	(23.201)	(29.360)	(34.039)
Receivables	\$M	18.465	26.205	25.454	26.422
Available Funds	\$M	22.785	31.456	24.122	17.386

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 2014/2015 financial year as a result of additional external funds including the \$15M Local Infrastructure Renewal Scheme loan. Further details on the composition of reserves are shown in Note 6.

At 30 June 2015, Council achieved an available funds position of \$21.6M, which was higher than the Financial Strategy target of between \$8.7M and \$13.7M. This is primarily due to the impact of the settlement of legal claims [\$1.8M] and the sale of land holdings.



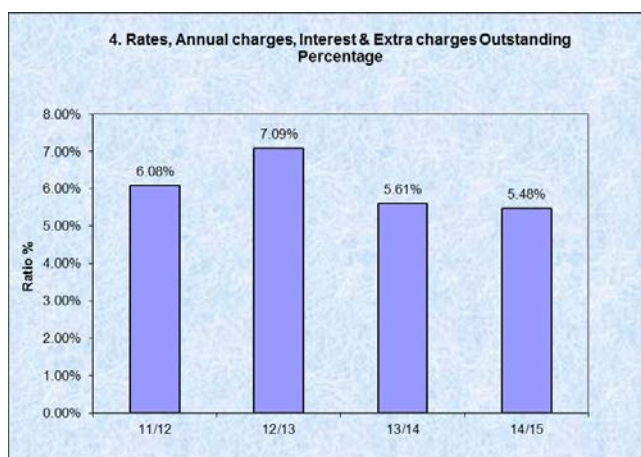
The Unrestricted Current Ratio measures Council's Cash/Liquidity Position or its ability to satisfy obligations in the short term from the unrestricted activities of Council.

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 are held in the unrestricted ratio. As the requirement to hold funds for the waste facility is significant the measure is expected to increase until payments are required.

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

Receivables

Receivables are the amount of money owed to Council or funds that Council has paid in advance. At June 2015, receivables totalled \$22.1M, a decrease of \$1.7M compared to the 2014 reporting period. This decrease is mainly due to a reduction in Government Grants and Subsidies. Full details of receivables are provided in Note 7.

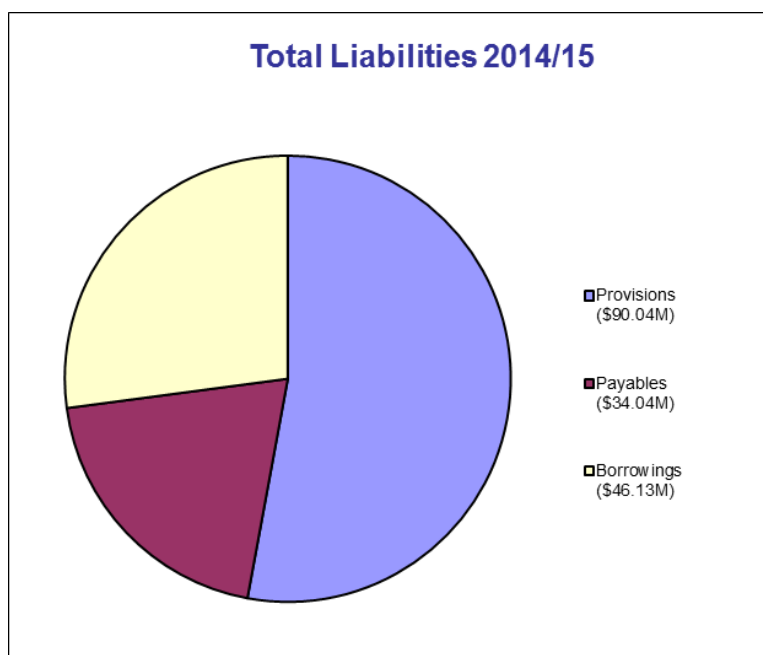


This measure assesses the impact of uncollected rates and other charges on liquidity and the adequacy of recovery efforts.

An improved debt recovery process was implemented in 2013/2014. The process has continued to generate positive implications on the 2014/2015 results. Council's Debt Recovery Policy aims to bring Council in line with the industry standard of <5%.

Liabilities

At 30 June 2015 Council's Total Liabilities were \$170.2M. The composition of Council's Total Liabilities is shown below.



Provisions account for 52.9% of Council's Liabilities with the most significant provisions relating to Employee Leave Entitlements [\$43.9M], Waste Depot Remediation Provision [\$40.7M] and Workers' Compensation Provision [\$4.5M].

Payables account for 20% 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 27.1% 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, 2 and 3) secured during 2012/2013, 2013/2014 and 2014/2015 respectively.

Provisions

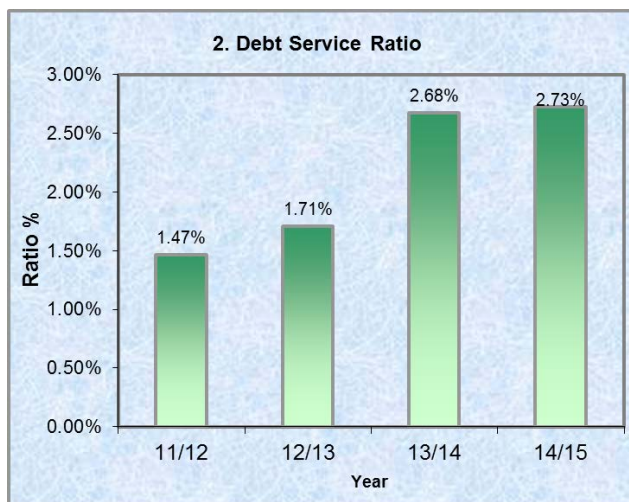
Provisions increased during 2015 by \$2.2M. The increase is primarily attributable to an increase for the future remediation works at Whytes Gully waste facility [\$1.4M], an increase in Long Service Leave provision [\$2.7M] and a decrease in the Workers' Compensation provision [\$2.1M].

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 the next financial year and paid back over the next six years. During 2012/2013 Council also secured a \$20M subsidised loan under the 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. Within the 2013/2014 financial year Council secured a \$4.3M subsidised loan under round two of the Local Government

Infrastructure Renewal Scheme that will be used for the renewal and upgrade of the Berkeley and Corrimal Community Centres and Thirroul Pavilion and Kiosk.

Council has continued to take advantage of such opportunities throughout the reporting period, when a \$15M subsidised loan was secured under round three 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 West Dapto Access Project to construct Fowlers Road to Fairwater Drive.



The Debt Service Ratio measures the proportion of revenues that is required to meet Council's annual loan repayments. A low level of debt is reflected in Council's Debt Service Ratio which is 2.73%. This is exceptionally low in comparison to the Local Government benchmark ratio of <10%.

The Debt Service Ratio has increased in 2014/2015 and this reflects a decision to borrow additional funds under the Local Government Infrastructure Scheme round three (LIRS 3). 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 2015 was up in contrast to the prior year, achieving a Net Operating Surplus from Continuing Operations of \$31.6M, compared to a prior year Surplus of \$12.1M. Council's underlying measure of longer term operational performance, the Operational Result before Capital Grants and Contributions shows a surplus of \$9.6M, compared to a deficit of \$19.2M in 2013/14. This result can be attributed to a number of one-off events including net profit on the sale of assets [\$4.2M], a legal settlement [\$1.8M], a reduction in the workers compensation provision [\$2.3M] and the timing of the receipt of the Financial Assistance Grant [\$8.9M].

Income

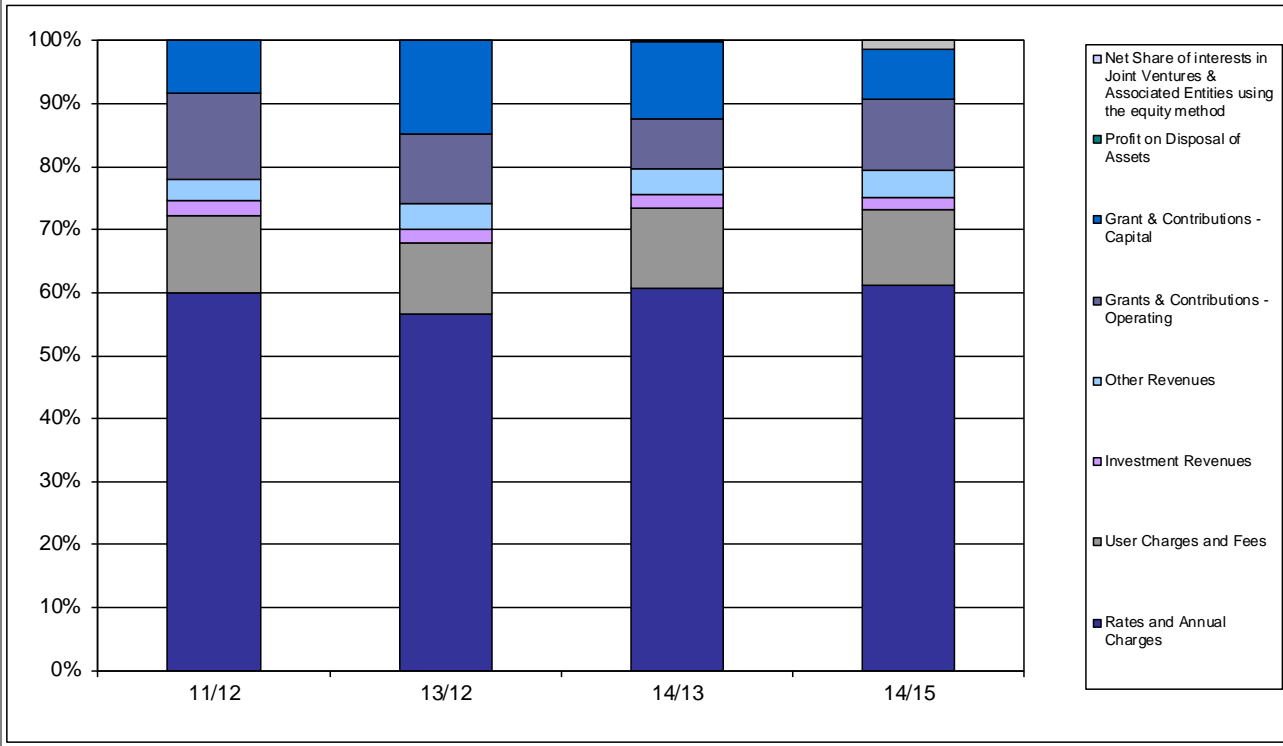
Council's Income from Continuing Operations for 2015 was \$273.2M compared to a prior year result of \$255.9M. The increase in income is due to proceeds on a legal settlement [\$1.8M], additional capital contribution revenue largely composed of developer contributions and higher than expected fees and charges. The positive impacts of the Special Rate Variation have also contributed to the increase in income during 2015.

The other sources of revenue for Council remained steady based on prior financial years, as shown in the following table.

REVENUE SOURCES

INCOME FROM CONTINUING OPERATIONS

	Year ended 30/06/2012		Year ended 30/06/2013		Year ended 30/06/2014		Year ended 30/06/2015	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Rates & Annual Charges	143,083	60%	148,777	56%	155,509	61%	166,849	61%
User Charges & Fees	29,036	12%	29,899	11%	32,250	13%	32,851	12%
Interest & Investment Revenues	5,736	2%	5,431	2%	5,937	2%	5,689	2%
Other Revenues	8,292	3%	10,864	4%	10,153	4%	11,965	4%
Grants & Contributions - Operating	32,561	14%	29,107	11%	20,463	8%	30,319	11%
Grants & Contributions - Capital	19,586	8%	39,042	15%	31,361	12%	22,033	8%
Profit on Disposal of Assets	0	0%	0	0%	0	0%	3,533	1%
Net Share of interests in Joint Ventures & Associated Entities using the equity method	298	0%	244	0%	198	0%	0	0%
Total Income from Continuing Operations	238,592	100%	263,364	100%	255,871	100%	273,239	100%



Income from Rates and Annual Charges in 2015 totalled \$166.8M, an increase of \$11.3M 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 2014/2015 is primarily due to the Special Rates Variation.

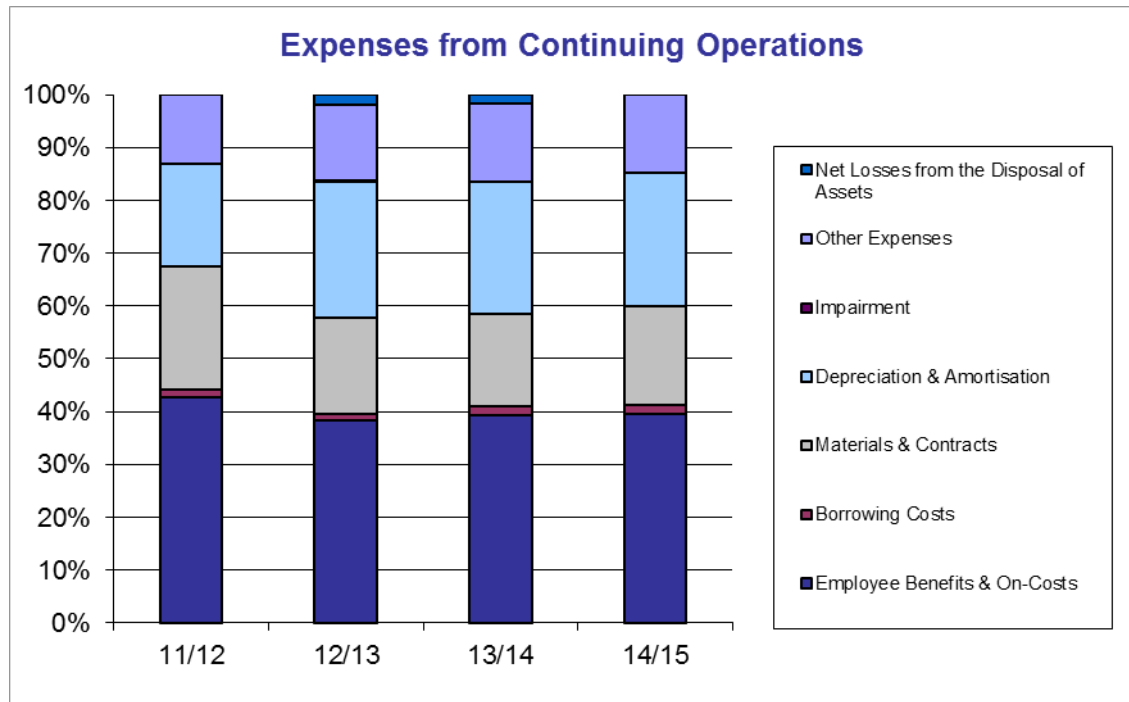
Interest and Investment Income of \$5.7M was recognised, representing a consistent result when compared to the prior year result of \$5.9M. There was an increase in Operating Grants & Contributions from \$20.5M in 2013/2014 to \$30.3M in 2014/2015 while there was a decrease in Capital Grants & Contributions from \$31.3M in 2013/2014 to \$22M in 2014/2015. The reduction in Capital Grant & Contribution income is the

result of one-off grant funding received in the 2013/2014 financial year for Building Better Regional Cities.

Expenses

Council's Expenses from Continuing Operations for 2015 totalled \$241.6M, compared to prior year expenditure of \$243.7M. The majority of the decrease relates to a reduction in Council's Workers Compensation provision by \$2.3M. During the 2014/2015 financial year Council has been able to keep its costs below expectations through restraint on expenditure growth.

Material variations from the 2014/2015 for both income and expenditure items are detailed in Note 16 of the statements.



Wollongong City Council

Historical Financial Data

Income Statement

	Notes	Actual 2011/12 \$'000	Actual 2012/13 \$'000	Actual 2013/14 \$'000	Actual 2014/15 \$'000
Income from Continuing Operations					
Revenue:					
Rates & Annual Charges	3a	143,083	148,777	155,509	166,849
User Charges & Fees	3b	29,036	29,899	32,250	32,851
Interest and Investment Revenue (1)	3c	5,736	5,431	5,937	5,689
Other Revenues	3d	8,292	10,864	10,153	11,965
Grants & Contributions provided for Operating Purposes	3e,f	32,561	29,107	20,463	30,319
Grants & Contributions provided for Capital Purposes (2)	3e,f	19,586	39,042	31,361	22,033
Other Income:					
Net Gains from the Disposal of Assets	5	-	-	-	3,533
Profit from interests in Joint Ventures & Associates	19	-	-	-	-
Entities using the equity method		298	244	198	-
Total Income from Continuing Operations		238,592	263,364	255,871	273,239
Expenses from Continuing Operations					
Employee Benefits & On-Costs					
Employee Benefits & On-Costs	4a	93,681	91,043	95,792	95,399
Borrowing Costs	4b	3,236	3,367	3,989	4,037
Materials & Contracts	4c	41,424	43,139	42,685	45,647
Depreciation & Amortisation	4d	60,434	61,240	61,203	60,763
Impairment	4d	346	990	-	-
Other Expenses	4e	32,353	34,135	35,846	35,777
Net Losses from the Disposal of Assets	5	1,153	4,311	4,245	-
Loss from interests in Joint Ventures & Associates	19	-	-	-	22
Total Expenses from Continuing Operations		232,627	238,225	243,760	241,645
Operating Result from Continuing Operations		5,965	25,139	12,111	31,594
NET OPERATING RESULT FOR THE YEAR		5,965	25,139	12,111	31,594
Less:					
Grants & Contributions provided for Capital Purposes	3e,f	19,586	39,042	31,361	22,033
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(13,621)	(13,903)	(19,250)	9,561

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

Statement of Financial Position

	Notes	Actual 2011/12 \$'000	Actual 2012/13 \$'000	Actual 2013/14 \$'000	Actual 2014/15 \$'000
ASSETS					
Current assets					
Cash & cash equivalents	6a	83,506	99,502	33,299	33,580
Investments	6b	7,189	7,294	63,672	102,076
Receivables	7	14,221	20,481	23,808	22,109
Inventories	8	8,900	8,940	6,037	6,040
Other	8	722	885	1,646	4,313
Assets held for sale (previously non-current)	22	-	-	1,700	-
Total current assets		114,538	137,102	130,162	168,118
Non-current assets					
Cash assets	6a	-	-	-	-
Investments	6b	-	10,000	21,000	9,000
Receivables	7	3,522	4,839	-	-
Inventories	8	-	-	-	-
Infrastructure, property, plant & equipment	9	2,326,193	2,376,962	2,207,842	2,251,343
Investments accounted for using the equity method	19	739	983	1,181	1,160
Investment property	14	3,725	3,725	2,750	2,750
Intangible assets	25	634	364	930	1,220
Non-current assets classified as 'held for sale'	22	-	-	-	-
Other	8	-	-	-	-
Total non-current assets		2,334,813	2,396,873	2,233,703	2,265,473
TOTAL ASSETS		2,449,351	2,533,975	2,363,865	2,433,591
LIABILITIES					
Current liabilities					
Payables	10	25,112	23,201	29,360	34,039
Interest bearing liabilities	10	1,659	3,332	3,908	6,369
Provisions	10	37,900	40,833	42,651	47,487
Total current liabilities		64,671	67,366	75,919	87,895
Non-current liabilities					
Payables	10	-	-	4,034	-
Interest bearing liabilities	10	14,986	31,236	31,459	39,758
Provisions	10	42,645	45,401	45,183	42,554
Total non-current liabilities		57,631	76,637	80,676	82,312
TOTAL LIABILITIES		122,302	144,003	156,595	170,207
NET ASSETS		\$ 2,327,049	2,389,972	2,207,270	2,263,384
EQUITY					
Retained earnings	20	1,103,844	1,163,160	1,193,467	1,252,318
Revaluation reserves	20	1,223,205	1,226,812	1,013,803	1,011,066
Council Equity Interest		2,327,049	2,389,972	2,207,270	2,263,384
Minority Equity Interest	19	-	-	-	-
TOTAL EQUITY		\$ 2,327,049	2,389,972	2,207,270	2,263,384

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

WOLLONGONG CITY COUNCIL

ANNUAL REPORT 2014 - 2015

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 2015

Contents	Page
1. Understanding Council's Financial Statements	2
2. Statement by Councillors & Management	3
3. Primary Financial Statements:	
- Income Statement	4
- Statement of Comprehensive Income	5
- Statement of Financial Position	6
- Statement of Changes in Equity	7
- Statement of Cash Flows	8
4. Notes to the Financial Statements	9
5. Independent Auditor's Reports:	
- On the Financial Statements (Sect 417 [2])	93
- On the Conduct of the Audit (Sect 417 [3])	95

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 20 October 2015. Council has the power to amend and reissue these financial statements.
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Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

The financial statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2015.

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income & expenses.

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities & "Net Wealth".

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

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

About the Notes to the Financial Statements

The Notes to the financial statements provide greater detail and additional information on the 5 primary financial statements.

About the Auditor's Reports

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

In NSW, the Auditor provides 2 audit reports:

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

Who uses the Financial Statements ?

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

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

Council is required to forward an audited set of financial statements to the Office of Local Government.

Wollongong City Council

General Purpose Financial Statements for the financial year ended 30 June 2015

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:

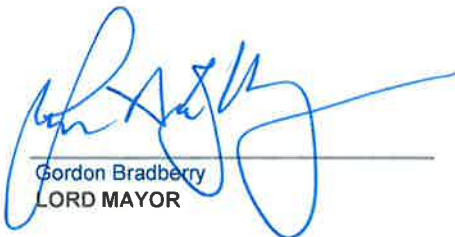
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

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 19 October 2015.




Gordon Bradberry
LORD MAYOR



John Dorahy
DEPUTY LORD MAYOR



David Farmer
GENERAL MANAGER



Brian Jenkins
RESPONSIBLE ACCOUNTING OFFICER

Wollongong City Council

Income Statement

for the financial year ended 30 June 2015

Budget 2015	¹ \$ '000	Notes	Actual 2015	Actual 2014
Income from Continuing Operations				
Revenue:				
165,699	Rates & Annual Charges	3a	166,849	155,509
32,487	User Charges & Fees	3b	32,851	32,250
5,238	Interest & Investment Revenue	3c	5,689	5,937
9,143	Other Revenues	3d	11,965	10,153
28,146	Grants & Contributions provided for Operating Purposes	3e,f	30,319	20,463 ²
32,604	Grants & Contributions provided for Capital Purposes	3e,f	22,033	31,361
Other Income:				
1,040	Net gains from the disposal of assets	5	3,533	-
-	Net Share of interests in Joint Ventures & Associates using the equity method	19	-	198
274,357	Total Income from Continuing Operations		273,239	255,871
Expenses from Continuing Operations				
96,607	Employee Benefits & On-Costs	4a	95,399	95,792
3,830	Borrowing Costs	4b	4,037	3,989
49,396	Materials & Contracts	4c	45,647	42,685
61,767	Depreciation & Amortisation	4d	60,763	61,203
-	Impairment	4d	-	-
39,492	Other Expenses	4e	35,777	35,846
-	Net Losses from the Disposal of Assets	5	-	4,245
-	Net Share of interests in Joint Ventures & Associates using the equity method	19	22	-
251,092	Total Expenses from Continuing Operations		241,645	243,760
23,265	Operating Result from Continuing Operations		31,594	12,111
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
23,265	Net Operating Result for the Year		31,594	12,111
23,265	Net Operating Result attributable to Council		31,594	12,111
-	Net Operating Result attributable to Non-controlling Interests		-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes				
(9,339)			9,561	(19,250)

¹ Original Budget as approved by Council - refer Note 16

² Financial Assistance Grants for 13/14 were lower reflecting one off timing differences due to a change in how the grant was paid in prior years - refer Note 3 (e)

Wollongong City Council

Statement of Comprehensive Income for the financial year ended 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
Net Operating Result for the year (as per Income statement)		31,594	12,111
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	4,039	(205,106)
Adjustment to correct prior period errors	20a	19,544	10,293
Impairment (loss) reversal relating to I,PP&E	20b (ii)	937	-
Total Items which will not be reclassified subsequently to the Operating Result		24,520	(194,813)
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil		-	-
Total Other Comprehensive Income for the year		24,520	(194,813)
Total Comprehensive Income for the Year		56,114	(182,702)
Total Comprehensive Income attributable to Council		56,114	(182,702)
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Wollongong City Council

Statement of Financial Position as at 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	33,580	33,299
Investments	6b	102,076	63,672
Receivables	7	22,109	23,808
Inventories	8	6,040	6,037
Other	8	4,313	1,646
Non-current assets classified as "held for sale"	22	-	1,700
Total Current Assets		168,118	130,162
Non-Current Assets			
Investments	6b	9,000	21,000
Receivables	7	-	-
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	2,251,343	2,207,842
Investments accounted for using the equity method	19	1,160	1,181
Investment Property	14	2,750	2,750
Intangible Assets	25	1,220	930
Total Non-Current Assets		2,265,473	2,233,703
TOTAL ASSETS		2,433,591	2,363,865
LIABILITIES			
Current Liabilities			
Payables	10	34,039	29,360
Borrowings	10	6,369	3,908
Provisions	10	47,487	42,651
Total Current Liabilities		87,895	75,919
Non-Current Liabilities			
Payables	10	-	4,034
Borrowings	10	39,758	31,459
Provisions	10	42,554	45,183
Total Non-Current Liabilities		82,312	80,676
TOTAL LIABILITIES		170,207	156,595
Net Assets		2,263,384	2,207,270
EQUITY			
Retained Earnings	20	1,252,318	1,193,467
Revaluation Reserves	20	1,011,066	1,013,803
Council Equity Interest		2,263,384	2,207,270
Non-controlling Equity Interests		-	-
Total Equity		2,263,384	2,207,270

Wollongong City Council

Statement of Changes in Equity
for the financial year ended 30 June 2015

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2015						
Opening Balance (as per Last Year's Audited Accounts)		1,193,467	1,013,803	2,207,270	-	2,207,270
a. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/14)		1,193,467	1,013,803	2,207,270	-	2,207,270
b. Net Operating Result for the Year		31,594	-	31,594	-	31,594
c. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	4,039	4,039	-	4,039
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	937	937	-	937
- Reserves Movements (Revaluation Error - 2012)	20b (ii)	-	-	-	-	-
- Adjustment to correct prior period errors	20 (c)	19,544	-	19,544	-	19,544
Other Comprehensive Income		19,544	4,976	24,520	-	24,520
Total Comprehensive Income (b&c)		51,138	4,976	56,114	-	56,114
d. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
e. Transfers between Equity		7,713	(7,713)	-	-	-
Equity - Balance at end of the reporting period		1,252,318	1,011,066	2,263,384	-	2,263,384

\$ '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. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/13)		1,163,160	1,226,812	2,389,972	-	2,389,972
b. Net Operating Result for the Year		12,111	-	12,111	-	12,111
c. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	(205,106)	(205,106)	-	(205,106)
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Adjustment to correct prior period errors	20 (c)	10,293	-	10,293	-	10,293
Other Comprehensive Income		10,293	(205,106)	(194,813)	-	(194,813)
Total Comprehensive Income (b&c)		22,404	(205,106)	(182,702)	-	(182,702)
d. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
e. 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

Wollongong City Council

Statement of Cash Flows

for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
Cash Flows from Operating Activities				
Receipts:				
162,977	Rates & Annual Charges		166,562	157,362
32,487	User Charges & Fees		33,505	35,044
5,238	Investment & Interest Revenue Received		5,789	5,147
60,750	Grants & Contributions		54,189	44,520
-	Bonds, Deposits & Retention amounts received		1,381	1,212
8,960	Other		22,527	19,723
Payments:				
(94,429)	Employee Benefits & On-Costs		(92,705)	(93,305)
(86,241)	Materials & Contracts		(58,051)	(51,846)
(1,104)	Borrowing Costs		(1,311)	(1,104)
-	Bonds, Deposits & Retention amounts refunded		(797)	(1,293)
-	Other		(41,998)	(34,107)
88,638	Net Cash provided (or used in) Operating Activities	11b	89,091	81,352
Cash Flows from Investing Activities				
Receipts:				
(316)	Sale of Investment Securities		57,074	14,088
3,263	Sale of Investment Property		-	-
-	Sale of Infrastructure, Property, Plant & Equipment		12,570	3,219
-	Deferred Debtors Receipts		10	18
Payments:				
-	Purchase of Investment Securities		(83,147)	(81,080)
(83,693)	Purchase of Infrastructure, Property, Plant & Equipment		(85,072)	(83,472)
(135)	Deferred Debtors & Advances Made		-	-
(80,881)	Net Cash provided (or used in) Investing Activities		(98,566)	(147,227)
Cash Flows from Financing Activities				
Receipts:				
-	Proceeds from Borrowings & Advances		15,000	4,305
Payments:				
(4,914)	Repayment of Borrowings & Advances		(5,244)	(4,633)
(4,914)	Net Cash Flow provided (used in) Financing Activities		9,756	(328)
2,843	Net Increase/(Decrease) in Cash & Cash Equivalents		281	(66,203)
95,691	plus: Cash & Cash Equivalents - beginning of year	11a	33,299	99,502
98,534	Cash & Cash Equivalents - end of the year	11a	33,580	33,299
Additional Information:				
	plus: Investments on hand - end of year	6b	111,076	84,672
	Total Cash, Cash Equivalents & Investments		144,656	117,971

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 2015

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	10
2(a)	Council Functions / Activities - Financial Information	27
2(b)	Council Functions / Activities - Component Descriptions	28
3	Income from Continuing Operations	29
4	Expenses from Continuing Operations	34
5	Gains or Losses from the Disposal of Assets	38
6(a)	Cash & Cash Equivalent Assets	39
6(b)	Investments	39
6(c)	Restricted Cash, Cash Equivalents & Investments - Details	41
7	Receivables	43
8	Inventories and Other Assets	44
9(a)	Infrastructure, Property, Plant & Equipment	45
9(b)	Externally Restricted Infrastructure, Property, Plant and Equipment	46 n/a
9(c)	Infrastructure, Property, Plant and Equipment - Current Year Impairments	46 n/a
10(a)	Payables, Borrowings and Provisions	47
10(b)	Description of (and movements in) Provisions	48
11	Statement of Cash Flows - Additional Information	49
12	Commitments for Expenditure	51
13	Statement of Performance Measures:	
13a (i)	Local Government Industry Indicators (Consolidated)	52
13a (ii)	Local Government Industry Graphs (Consolidated)	53
14	Investment Properties	56
15	Financial Risk Management	57
16	Material Budget Variations	61
17	Statement of Developer Contributions	63
18	Contingencies and Other Liabilities/Assets not recognised	66
19	Interests in Other Entities	68
20	Equity - Retained Earnings and Revaluation Reserves	73
21	Financial Result & Financial Position by Fund	75 n/a
22	"Held for Sale" Non Current Assets & Disposal Groups	75
23	Events occurring after the Reporting Date	76 n/a
24	Discontinued Operations	76 n/a
25	Intangible Assets	77
26	Reinstatement, Rehabilitation and Restoration Liabilities	78
27	Fair Value Measurement	80

Additional Council Disclosures

28	Council Information and Contact Details	92
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n/a - not applicable

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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 accounting standards became mandatory and have been adopted by Council:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosures of Interests in Other Entities

AASB 10 introduced a new definition of control based on the substance of the relationship and required Councils to consider their involvement with other entities regardless of whether there was a financial interest.

AASB 11 classified joint arrangements into either joint ventures (equity accounting) or joint operations (accounting for share of assets and liabilities).

AASB 12 has increased the level of disclosures required where Council has any interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities.

As Council applies equity accounting to joint ventures there are no significant impacts on joint venture disclosures within these financial statements. However these amendments have required further disclosures relating to unconsolidated structured entities.

(iv) Early adoption of Accounting Standards

Council has elected to apply amendments to AASB 13 under AASB 2015-7 Amendments to Australian Accounting Standards for Fair Value Disclosures of Not-for-Profit Public Sector Entities in the preparation of these financial statements. This standard will apply to annual reporting periods beginning on or after 1 July 2016.

Paragraph (ab) discusses further amendments to Accounting Standards which have not been adopted by Council before their future operative date.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets 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 non current assets (eg. Infrastructure, Property, Plant & Equipment and Investment Property) 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.

Significant 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.

Significant 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.
- (ii) Projected Section 94 Commitments - Council has used significant judgement in determining future Section 94 income and expenditure in Note 17.

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to it 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.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

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

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

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

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

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

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 reporting 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 2015) and **(ii)** all the related operating results (for the financial year ended the 30th June 2015).

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Detailed information relating to the entities that Council Controls can be found at Note 19 (a).

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

(i) The Consolidated Fund

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

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

(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 Arrangements

AASB 11 *Joint Arrangements* defines a joint arrangement as an arrangement of which two or more parties have joint control and classifies these arrangements as either joint ventures or joint operations.

Joint Operations (controlled assets & operations)

Councils has no interest in any joint operations.

Joint Ventures

Joint Ventures represent operational arrangements where the parties joint control parties have rights to the net assets of the arrangement.

Any interests in Joint Ventures are accounted for using the equity method and are carried at cost.

Under the equity method, Council's share of the operation's profits/(losses) are recognised in the income statement, and its share of movements in retained earnings & reserves are recognised in the Statement of Financial Position.

Detailed information relating to Council's Joint Ventures can be found at Note 19 (b).

(iv) Associates

Council has no interest in any associates.

(v) County Councils

Council is not a member of any County Councils.

(d) Leases

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

Finance Leases

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

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

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

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

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

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

Operating Leases

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

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

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

(e) Cash and Cash Equivalents

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 Statement of Financial Position 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. Loans and receivables are included in receivables (note 7) in the statement of financial position.

(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.

If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

(iv) Available-for-sale financial assets

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

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

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

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

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

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

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

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

(ii) Subsequent Measurement

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

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

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

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

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

Impairment

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

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

(iii) Investment Policy

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.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations. Certain investments that Council holds are no longer prescribed (eg. managed funds, CDOs, and equity linked notes), however they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

(g) Fair value estimation

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

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

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

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

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

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

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

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

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

(h) Receivables

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

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

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

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

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired.

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

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

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

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

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

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

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

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

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

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

Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

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

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

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

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]
- **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: 2015]
- **Drainage Assets** (Internal Valuation) [Initial Valuation: 2010, Current Valuation: 2015]
- **Community Land** (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]

Initial Recognition

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

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

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

Subsequent costs

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

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

Asset Revaluations (including Indexation)

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

- Increases in the 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.

Asset Class	Due
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
Roads, Bridges, Footpaths & Drainage	30 June 2020

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

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Stormwater Assets

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

Other Assets

- Swimming Pools	50 years
- Library Books	6 years

Roads, Bridges & Footpaths

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

All asset residual values and useful lives are reviewed and adjusted (if appropriate), at each reporting date.

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

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

Disposal and De-recognition

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

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

Other Equipment

- Playground equipment	10 to 15 years
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(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).

Buildings

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

(l) Land under roads

Stormwater Drainage

- Stormwater Drainage Infrastructure	75 to 100 years
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Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

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

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

Other Infrastructure Assets

- Land Improvements	10 to 50 years
- Bulk earthworks	Infinite
- Land – Council owned	Infinite
- Land – Council controlled	Infinite

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

(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 to the reserves are recognised within Council's Income Statement.

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

(o) Rural Fire Service assets

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

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

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

(p) Investment property

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

Investment property is carried at fair value, representing an open-market value determined annually by external valuers.

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

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

The last full revaluation for Council's Investment Properties was dated 30/06/2014.

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

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

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

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

Costs are estimated on the basis of a closure plan.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date. These costs are charged to the income statement.

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

Remediation procedures generally commence soon after the time the damage, remediation process and

estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

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

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

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

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

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

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

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

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".

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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.

(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.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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 wholly 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.

All other short-term employee benefit obligations are presented as payables.

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

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

(ii) Other Long Term Obligations

The liability for all long service and annual leave in respect of services provided by employees up to the reporting date (which is not expected to be wholly 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.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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.

The Local Government Superannuation Scheme has advised member Councils that, as a result of the global financial crisis, it has a deficiency of assets over liabilities. The position has been monitored during the reporting period and the Actuary has estimated that at 30 June 2015 a deficit still exists.

As a result, Local Government Superannuation have asked for higher contributions to recover that deficiency.

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

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

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

Defined Contribution Plans

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

(iv) Employee Benefit On-Costs

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

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/06/15.

(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

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

liability is classified as current even if not expected to be settled within the next 12 months.

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

(aa) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

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

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

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

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

(ab) New accounting standards and interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2015.

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.

Apart from the AASB disclosures below, there are no other standards that are “not yet effective” which are expected to have a material impact on Council in the current or future reporting periods and on foreseeable future transactions.

Applicable to Local Government:

AASB 9 - Financial Instruments (and associated amending standards)

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- fair value and
- amortised cost (where financial assets will only be able to be measured at amortised cost where very specific conditions are met).

AASB 15 - Revenue from contracts with customers and associated amending standards

AASB 15 will introduce a five step process for revenue recognition with the core principle of the new Standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The full impact of AASB 15 has not yet been ascertained or quantified.

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2017.

AASB 124 - Related Party Disclosures

From 1 July 2016, AASB 124 Related Party Disclosures will apply to Council.

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

AASB 2014 - 10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not).

A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

This standard will only impact Council where there has been a sale or contribution of assets between the entity and the associate/joint venture.

Not applicable to Local Government per se;

None

(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.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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 2015	Actual 2015	Actual 2014	Original Budget 2015	Actual 2015	Actual 2014	Original Budget 2015	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Planning and Engagement	8,989	14,927	10,100	24,240	22,035	19,249	(15,251)	(7,108)	(9,149)	521	248	257,630	255,163
Environment	45,935	45,843	45,885	60,707	57,255	54,698	(14,772)	(11,412)	(8,813)	1,925	2,630	343,524	355,677
Transport Services/Infrastructure	27,081	9,675	16,967	39,103	42,361	44,965	(12,022)	(32,686)	(27,998)	7,271	12,994	366,169	308,927
Community Services/Facilities	7,572	8,752	8,523	32,099	29,788	32,561	(24,527)	(21,036)	(24,038)	4,575	4,478	30,747	30,806
Recreation and Open Space	9,742	10,468	10,332	43,104	41,945	42,954	(33,362)	(31,477)	(32,622)	88	16	85,287	84,035
Regulatory Services and Safety	7,049	8,001	7,416	16,856	16,764	16,368	(9,807)	(8,763)	(8,952)	529	542	1,732	1,733
Governance & Internal Services	10,475	17,109	10,249	34,983	31,476	32,965	(24,508)	(14,367)	(22,716)	1,136	1,122	1,347,342	1,326,343
Contributed Assets	-	1,909	8,167	-	-	-	-	1,909	8,167	-	-	-	-
Total Functions & Activities	116,843	116,684	117,639	251,092	241,624	243,760	(134,249)	(124,940)	(126,121)	16,045	22,030	2,432,431	2,362,684
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	198	-	22	-	-	(22)	198	-	-	1,160	1,181
General Purpose Income ¹	157,514	156,555	138,034	-	-	-	157,514	156,555	138,034	19,142	10,222	-	-
Operating Result from Continuing Operations	274,357	273,239	255,871	251,092	241,646	243,760	23,265	31,593	12,111	35,187	32,252	2,433,591	2,363,865

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

2. Amount for joint ventures will be included when available.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

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 2015

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
(a) Rates & Annual Charges			
Ordinary Rates			
Business		41,020	38,376
Farmland		422	432
Mining		945	904
Residential		90,623	83,798
Abandonments ⁽¹⁾		(32)	(506)
Total Ordinary Rates		132,978	123,004
Special Rates			
City Centre		402	371
Mall		968	946
Total Special Rates		1,370	1,317
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		30,753	29,469
Stormwater Management Services		1,750	1,736
Abandonments - Annual Charges ⁽¹⁾		(2)	(17)
Total Annual Charges		32,501	31,188
TOTAL RATES & ANNUAL CHARGES		166,849	155,509

Council has used 2013 year valuations provided by the NSW Valuer General in calculating its rates.

- (1) Abandonments refer to amounts owed to Council that have been written off due to the property being exempted of rates, pensioner interest being waived, voluntary Council rebates, postponed rates and voluntary conservation agreements as per the OLG Rating and Revenue Raising Manual 2007.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Waste Management Services (non-domestic)		10,993	11,348
Total User Charges		10,993	11,348
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Contestable Building Services		297	407
Inspection Services		536	465
Planning & Building Regulation		2,687	2,252
Registration Fees		230	209
Section 149 Certificates (EPA Act)		611	608
Section 603 Certificates (Rating Certificate)		323	300
Section 611 Charges (Occupation of Land)		168	159
Other		29	17
Total Fees & Charges - Statutory/Regulatory		4,881	4,417
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Additional Waste Services		75	149
Aquatic Services		546	541
Art Gallery		12	15
Botanic Garden & Nursery		219	202
Car Parking		785	761
Credit Card Payment Processing Fee		156	142
Crematorium & Cemeteries		2,535	2,384
Health Inspections		265	237
Hire Charges		537	505
Leaseback Fees - Council Vehicles		726	669
Leisure Centre		2,963	3,030
Library		55	47
Marketing		33	16
Outdoor Dining		86	48
Parking Meters		1,360	1,389
Parks & Sportfields		431	350
Pre-lodgement Meeting Fees		80	49
Road Opening Permits		242	172
Tourist Parks		5,684	5,576
Tree Management Requests		93	107
Other		94	96
Total Fees & Charges - Other		16,977	16,485
TOTAL USER CHARGES & FEES		32,851	32,250

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		608	633
- Interest earned on Investments (interest & coupon payment income)		4,743	4,912
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		331	386
Amortisation of Premiums & Discounts			
- Interest Free (& Interest Reduced) Loans provided		7	6
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>5,689</u>	<u>5,937</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		608	633
General Council Cash & Investments		3,827	4,175
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		619	560
Unexpended Infrastructure Loan		287	478
Other Externally Restricted Assets		348	91
<u>Total Interest & Investment Revenue Recognised</u>		<u>5,689</u>	<u>5,937</u>
(d) Other Revenues			
Diesel Rebate		167	168
Fines		767	847
Fines - Parking		2,368	2,123
Insurance Claim Recoveries		480	682
Legal Fees Recovery - Rates & Charges (Extra Charges)		216	329
Legal Settlements		1,843	61
Outgoings Reimbursements		114	143
Reimbursements		141	53
Rental Income - Investment Properties	14	406	416
Rental Income - Other Council Properties		4,353	3,770
Sales - General		402	423
Sponsorship & Promotional Income		57	257
Other		651	881
<u>TOTAL OTHER REVENUE</u>		<u>11,965</u>	<u>10,153</u>

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance	17,485	8,542	-	-
Pensioners' Rates Subsidies - General Component	1,657	1,680	-	-
Total General Purpose	19,142	10,222	-	-
¹ The Financial Assistance Grant for the comparative 13/14 year reflects a one off timing difference (reduction). This grant ceased being paid in advance in the 13/14 year by up to 50% as had occurred in previous years.				
Specific Purpose				
Arts & Culture	73	65	-	-
Building Better Regional Cities Program	-	-	-	7,924
Buildings	-	-	62	258
Community Development & Support	326	413	-	-
Emergency Services	484	486	-	-
Environmental Management & Enhancement	91	65	-	-
Environmental Protection	54	159	-	-
Floodplain & Stormwater Management	23	-	-	-
Footpaths & Cycleways	-	-	1,275	3,354
HACC Community Transport	2,413	2,161	-	-
Healthy Communities	-	136	-	-
Heritage & Cultural	9	6	-	-
Illawarra Dementia Respite Service	429	409	-	-
Information Technology	-	-	85	290
Infrastructure Renewal	456	-	-	-
Library	465	461	-	-
LIRS Subsidy	979	821	-	-
Local Bus Route Subsidy	82	70	-	-
Natural Area Management	208	117	-	-
Pensioners' Rates Subsidies:				
- Domestic Waste Management	552	546	-	-
People & Learning	66	12	-	-
Playgrounds	-	-	25	-
Recreation & Culture	63	-	-	-
Strategic City Planning	42	108	-	-
Street Lighting	645	460	-	-
Transport (Roads to Recovery)	-	-	679	373
Transport (Other Roads & Bridges Funding)	-	-	4,544	778
Voluntary Purchase Scheme	-	-	615	1,071
Waste Performance Improvement	433	653	-	-
Wollongong Multi Service Outlet	867	834	-	-
Total Specific Purpose	8,760	7,982	7,285	14,048
Total Grants	27,902	18,204	7,285	14,048
Grant Revenue is attributable to:				
- Commonwealth Funding	20,994	13,224	749	11,073
- State Funding	6,908	4,980	6,536	2,975
	27,902	18,204	7,285	14,048

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000		2015 Operating	2014 Operating	2015 Capital	2014 Capital
(f) Contributions					
Developer Contributions:					
(s93 & s94 - EP&A Act, s64 of the LGA):					
S 94A - Fixed Development Consent Levies		-	-	8,512	2,500
S 94 West Dapto		-	-	3,021	5,041
Total Developer Contributions	17	-	-	11,533	7,541
Other Contributions:					
Animal Control		14	-	-	-
Community Development & Support		90	40	-	-
Community Services & Facilities		575	678	-	-
Contributed Bushfire Assets		-	-	-	590
Dedications (other than by S94)		-	-	1,906	7,577
Footpaths & Cycleways		2	-	-	29
Heritage/Cultural		-	-	-	22
Parks, Gardens and Sportsfields		46	89	270	252
Pollution Minimisation		37	-	-	-
Roads & Bridges		27	42	1,039	1,302
RMS Contributions (Regional Roads, Block Grant)		1,459	1,410	-	-
Rural Fire Service Operations		149	-	-	-
Strategic City Planning		17	-	-	-
Surf Life Saving NSW		1	-	-	-
Total Other Contributions		2,417	2,259	3,215	9,772
Total Contributions		2,417	2,259	14,748	17,313
TOTAL GRANTS & CONTRIBUTIONS		30,319	20,463	22,033	31,361

(g) Restrictions relating to Grants and Contributions

Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:	2015	2014
Unexpended at the Close of the Previous Reporting Period	25,568	22,906
add: Grants & contributions recognised in the current period but not yet spent:	13,584	16,489
less: Grants & contributions recognised in a previous reporting period now spent:	(19,063)	(13,827)
Net Increase (Decrease) in Restricted Assets during the Period	(5,479)	2,662
Unexpended and held as Restricted Assets	20,089	25,568
Comprising:		
- Specific Purpose Unexpended Grants	4,855	11,401
- Developer Contributions	15,094	13,953
- Other Contributions	140	214
	20,089	25,568

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
(a) Employee Benefits & On-Costs			
Employee Leave Entitlements (ELE)		13,728	12,928
Fringe Benefit Tax (FBT)		213	202
Payroll Tax		35	38
Protective Clothing		280	271
Salaries and Wages		82,120	80,601
Superannuation		10,421	10,062
Training Costs (other than Salaries & Wages)		668	728
Workers' Compensation Insurance		33	48
Workers Compensation Provision		(2,159)	(28)
Workers Compensation - Self Insurance		2,024	1,942
Other		555	453
Total Employee Costs		107,918	107,245
less: Capitalised Costs		(12,519)	(11,453)
TOTAL EMPLOYEE COSTS EXPENSED		95,399	95,792
Number of "Equivalent Full Time" Employees at year end		1,009	1,008
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		1,311	1,104
Total Interest Bearing Liability Costs Expensed		1,311	1,104
(ii) Other Borrowing Costs			
Amortisation of Discount on Interest Free (& favourable) Loans to Council		1,004	1,127
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	1,722	1,758
Total Other Borrowing Costs		2,726	2,885
TOTAL BORROWING COSTS EXPENSED		4,037	3,989

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Materials & Contracts			
Auditors Remuneration ⁽¹⁾		105	111
Contractor & Consultancy Costs		93,579	93,280
- Internal Audit		145	145
Legal Expenses:			
- Legal Expenses: Planning & Development		27	94
- Legal Expenses: Other		1,079	733
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽²⁾		100	129
Raw Materials & Consumables		15,780	15,349
Total Materials & Contracts		110,815	109,841
less: Capitalised Costs		(65,168)	(67,156)
<u>TOTAL MATERIALS & CONTRACTS</u>		<u>45,647</u>	<u>42,685</u>

1. Auditor Remuneration

During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):

Audit and Other Assurance Services

Audit & review of financial statements: Council's Auditor (external)

Remuneration for audit and other assurance services**Total Auditor Remuneration**

105	111
105	111
105	111

2. Operating Lease Payments are attributable to:

Other

100	129
100	129

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2015	Actual 2014	Actual 2015	Actual 2014

(d) Depreciation, Amortisation & Impairment

Asset Reinstatement Costs	9 & 26	-	-	220	220
Buildings - Non Specialised		-	-	6,068	6,653
Buildings - Specialised		-	-	6,396	6,980
Furniture & Fittings		-	-	145	193
Infrastructure:					
- Roads		-	-	20,994	21,682
- Bridges		-	-	1,635	1,252
- Footpaths		-	-	3,709	3,027
- Stormwater Drainage		-	-	9,436	8,906
- Swimming Pools		-	-	597	604
- Other Open Space/Recreational Assets		-	-	3,303	3,328
Intangible Assets	25	-	-	327	274
Office Equipment		-	-	1,421	1,449
Other Structures		-	-	585	651
Plant and Equipment		-	-	4,119	4,129
Other Assets					
- Library Books		-	-	1,031	1,040
- Other		-	-	777	815
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	60,763	61,203

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(e) Other Expenses			
Advertising		314	356
Bad & Doubtful Debts		(16)	38
Bank Charges		447	403
Carbon Tax Expense		140	2,164
Contributions/Levies to Other Levels of Government			
- Emergency Services Levy (includes FRNSW, SES, and RFS Levies)		295	273
- NSW Fire Brigade Levy		2,552	2,558
- NSW Rural Fire Service Levy		310	476
- Waste & Environment Levy		14,662	12,091
Council Rates		311	322
Councillor Expenses - Mayoral Fee		78	76
Councillor Expenses - Councillors' Fees		380	366
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		6	5
Donations, Contributions & Assistance to other organisations (Section 356)			
- City Centre Management		724	624
- Crown St Façade Rejuvenation		424	-
- Illawarra Institute of Sport		35	35
- Illawarra Performing Arts Centre		646	635
- Sponsorship Fund		59	79
- Illawarra Regional Information Service		86	83
- Illawarra Surf Life Saving		52	52
- Neighbourhood Youth Program		199	228
- Southern Councils Group		74	67
- Tourism		960	938
- Other		639	715
Insurance		3,217	2,606
Light, Electricity & Heating		2,114	2,415
Membership Fees		174	131
Postage		331	309
Provision for Self Insurance Claims		180	70
Rental Agreements		245	248
Revaluation Decrements (Fair Valuation of Investment Properties)	14	-	975
Sewerage Charges		230	296
Street Lighting		3,145	3,428
Telephone & Communications		740	803
Valuation Fees		396	402
Volunteer Reimbursements		213	224
Water Rates		868	929
Other		1,340	937
Total Other Expenses		36,569	36,357
less: Capitalised Costs		(792)	(511)
TOTAL OTHER EXPENSES		35,777	35,846

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2015	Actual 2014
Property (excl. Investment Property)			
Proceeds from Disposal - Property		9,535	1,773
less: Carrying Amount of Property Assets Sold / Written Off		(4,297)	(3,182)
Net Gain/(Loss) on Disposal		5,238	(1,409)
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		1,490	1,446
less: Carrying Amount of P&E Assets Sold / Written Off		(1,069)	(1,187)
Net Gain/(Loss) on Disposal		421	259
Infrastructure			
Proceeds from Disposal - Infrastructure		-	-
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(1,971)	(3,095)
Net Gain/(Loss) on Disposal		(1,971)	(3,095)
Financial Assets			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		57,074	14,088
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(57,074)	(14,088)
Net Gain/(Loss) on Disposal		-	-
Non Current Assets Classified as "Held for Sale"			
Proceeds from Disposal - Non Current Assets "Held for Sale"		1,545	-
less: Carrying Amount of 'Held for Sale' Assets Sold / Written Off		(1,700)	-
Net Gain/(Loss) on Disposal		(155)	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		3,533	(4,245)

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

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

	Notes	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		1,175	-	3,003	-
Cash-Equivalent Assets ¹					
- Deposits at Call		32,405	-	30,296	-
Total Cash & Cash Equivalents		33,580	-	33,299	-
Investments (Note 6b)					
- Managed Funds		1,719	-	1,526	-
- Long Term Deposits		91,030	9,000	56,030	21,000
- NCD's, FRN's (with Maturities > 3 months)		4,013	-	1,019	-
- Mortgage Backed Securities		1,736	-	1,765	-
- Other Long Term Financial Assets		3,578	-	3,332	-
Total Investments		102,076	9,000	63,672	21,000
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		135,656	9,000	96,971	21,000

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

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

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"		33,580	-	33,299	-
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Investments

a. "At Fair Value through the Profit & Loss"					
- "Held for Trading"	6(b-i)	11,046	-	7,642	-
b. "Held to Maturity"	6(b-ii)	91,030	9,000	56,030	21,000
Investments		102,076	9,000	63,672	21,000

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 2015

Note 6b. Investments (continued)

	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 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	7,642	-	7,294	-
Revaluations (through the Income Statement)	331	-	386	-
Additions	3,147	-	50	-
Disposals (sales & redemptions)	(74)	-	(88)	-
Balance at End of Year	11,046	-	7,642	-
Comprising:				
- Managed Funds	1,719	-	1,526	-
- NCD's, FRN's (with Maturities > 3 months)	4,013	-	1,019	-
- Mortgage Backed Securities	1,736	-	1,765	-
- Other Long Term Financial Assets	3,578	-	3,332	-
Total	11,046	-	7,642	-
Note 6(b-ii)				
Reconciliation of Investments classified as "Held to Maturity"				
Balance at the Beginning of the Year	56,030	21,000	-	10,000
Additions	76,000	4,000	60,030	21,000
Disposals (sales & redemptions)	(57,000)	-	(14,000)	-
Transfers between Current/Non Current	16,000	(16,000)	10,000	(10,000)
Balance at End of Year	91,030	9,000	56,030	21,000
Comprising:				
- Other Long Term Financial Deposits	91,030	9,000	56,030	21,000
Total	91,030	9,000	56,030	21,000
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 2015

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

	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
\$ '000				
Total Cash, Cash Equivalents and Investments	135,656	9,000	96,971	21,000
attributable to:				
External Restrictions (refer below)	68,693	9,000	46,436	21,000
Internal Restrictions (refer below)	41,960	-	22,506	-
Unrestricted	25,003	-	28,029	-
	135,656	9,000	96,971	21,000

2015 \$ '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)	13,953	12,152	(11,011)	15,094
RMS (formerly RTA) Contributions (B)	214	3,252	(3,326)	140
Specific Purpose Unexpended Grants (C)	11,401	11,202	(17,748)	4,855
Domestic Waste Management (D)	8,081	2,661	(45)	10,697
Stormwater Management (D)	441	1,749	(1,819)	371
Private Contributions	3,342	2,357	(878)	4,821
Unexpended Loan (E)	8,473	287	(1,740)	7,020
Special Rates Levy - Wollongong Mall	240	999	(1,038)	201
Special Rates Levy - City Centre	8	372	(376)	4
Carbon Price	4,458	184	(264)	4,378
Local Infrastructure Renewal Scheme Round 1 (F)	13,361	-	(6,756)	6,605
Local Infrastructure Renewal Scheme Round 2 (F)	3,464	-	(773)	2,691
Local Infrastructure Renewal Scheme Round 3 (F)	-	15,000	-	15,000
West Dapto Home Deposit Assistance Program	-	5,816	-	5,816
External Restrictions - Other	67,436	56,031	(45,774)	77,693
Total External Restrictions	67,436	56,031	(45,774)	77,693

- 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 area.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

- G** Following repeal of the carbon price, future year carbon price liabilities associated with waste deposited during 2012-13 and 2013-14 were extinguished. In negotiation with ACCC and the Federal Government a Voluntary Waste Industry Protocol is being developed that looks likely to require early charges collected by Council to be acquitted by way of refund to customers in some circumstances, or by investing in abatement projects, or by purchasing carbon abatement credits and voluntarily transferring them to the Government. All carbon charges collected by Council in anticipation of future liabilities will remain as a Restricted Asset until they are acquitted.

2015 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Car Parking Strategy	203	510	(460)	253
Darcy Wentworth Park	131	33	-	164
Future Projects	5,200	6,008	-	11,208
MacCabe Park Development	541	150	-	691
Property	1,483	2,638	-	4,121
Sports Priority Program	777	279	(541)	515
Telecommunications Reserve	87	35	(4)	118
Waste Disposal Facility	13,774	3,464	(7,705)	9,533
West Dapto Development	310	450	(678)	82
Property Investment Fund	-	7,845	-	7,845
Southern Phone Natural Areas	-	519	(30)	489
Future Programs	-	6,941	-	6,941
Total Internal Restrictions	22,506	28,872	(9,418)	41,960
TOTAL RESTRICTIONS	89,942	84,903	(55,192)	119,653

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 7. Receivables

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		8,256	-	7,969	-
Interest & Extra Charges		1,455	-	1,444	-
User Charges & Fees		5,044	-	3,465	-
Accrued Revenues					
- Interest on Investments		1,612	-	2,061	-
- Other Income Accruals		2,186	-	1,983	-
Government Grants & Subsidies		2,791	-	4,557	-
Deferred Debtors		-	-	3	-
Net GST Receivable		1,311	-	2,692	-
Total		22,655	-	24,174	-
less: Provision for Impairment					
User Charges & Fees		(546)	-	(366)	-
Total Provision for Impairment - Receivables		(546)	-	(366)	-
<u>TOTAL NET RECEIVABLES</u>		<u>22,109</u>	<u>-</u>	<u>23,808</u>	<u>-</u>
Externally Restricted Receivables					
Nil					
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		22,109	-	23,808	-
TOTAL NET RECEIVABLES		22,109	-	23,808	-

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates & charges at 8.50% (2014 9.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 8. Inventories & Other Assets

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		5,734	-	5,734	-
Stores & Materials		306	-	303	-
Total Inventories		6,040	-	6,037	-
Other Assets					
Prepayments		4,313	-	1,646	-
Total Other Assets		4,313	-	1,646	-
TOTAL INVENTORIES / OTHER ASSETS		10,353	-	7,683	-

Externally Restricted Assets

There are no restrictions applicable to the above assets.

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

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

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

Represented by:

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

Movements:

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

(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;

	2015	2014
Real Estate for Resale	5,734	5,734
	5,734	5,734

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

- Stores & Materials	1,300	1,361
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Refer to Note 27 - Fair Value Measurement for information regarding the fair value of other assets held.

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2014					Asset Movements during the Reporting Period									as at 30/6/2015				
	At	At	Accumulated		Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Impairment Reversal (via Equity)	WIP Transfers	Adjustments & Transfers	Other Movements Change of Life	Revaluation Decrements to Equity (ARR)	Revaluation Increments to Equity (ARR)	At	At	Accumulated		Carrying
	Cost	Fair Value	Dep'n	Impairment	Value												Cost	Fair Value	
Capital Work in Progress	47,266	-	-	-	47,266	26,495	-	-	-	(36,950)	-	-	-	-	36,811	-	-	-	36,811
Plant & Equipment	-	37,192	17,005	-	20,187	4,588	(1,065)	(4,119)	-	193	12	211	-	-	-	37,403	17,396	-	20,007
Office Equipment	-	7,452	3,934	-	3,518	258	-	(1,421)	-	-	-	-	-	-	-	7,036	4,681	-	2,355
Furniture & Fittings	-	1,746	962	-	784	158	(4)	(145)	-	-	6	-	-	-	-	1,513	714	-	799
Land:																			
- Operational Land	-	181,197	-	-	181,197	194	(4,206)	-	-	-	-	-	-	-	-	177,185	-	-	177,185
- Community Land	-	373,121	-	-	373,121	1,218	-	-	-	-	-	-	-	-	-	374,339	-	-	374,339
- Land under Roads (post 30/6/08)	-	26,114	-	-	26,114	675	-	-	-	-	-	-	-	-	-	26,789	-	-	26,789
Land Improvements - non depreciable	-	67,046	-	-	67,046	-	-	-	-	-	(67,046)	-	-	-	-	-	-	-	-
Buildings - Non Specialised	-	198,040	106,727	-	91,313	2,940	(7)	(6,068)	-	186	749	-	-	-	-	201,132	112,019	-	89,113
Buildings - Specialised	-	306,038	186,855	381	118,802	1,963	(39)	(6,396)	-	1,015	(3,147)	-	-	4	-	304,043	191,464	377	112,202
Other Structures	-	22,920	14,616	-	8,304	168	(45)	(585)	-	-	(1,600)	-	-	-	-	14,061	7,819	-	6,242
Infrastructure:																			
- Roads	-	1,307,011	774,463	937	531,611	8,585	(1,109)	(20,994)	937	6,209	974	(105)	-	5,094	-	1,330,838	799,636	-	531,202
- Bridges	-	107,296	43,714	-	63,582	1,188	-	(1,635)	-	86	12,989	(21)	-	2,116	-	124,977	46,672	-	78,305
- Footpaths	-	235,751	135,684	-	100,067	10,182	(490)	(3,709)	-	15,486	465	(832)	(833)	-	-	255,062	134,726	-	120,336
- Stormwater Drainage	-	862,601	351,613	-	510,988	5,770	(248)	(9,436)	-	663	2,774	6	(2,342)	-	-	872,896	364,721	-	508,175
- Swimming Pools	-	30,718	24,534	-	6,184	69	-	(597)	-	-	(392)	-	-	-	-	30,385	25,121	-	5,264
- Other Open Space/Recreational Assets	-	78,271	47,762	-	30,509	11,396	(124)	(3,303)	-	132	61,844	2,422	-	-	-	152,579	49,703	-	102,876
Other Assets:																			
- Heritage Collections	-	12,088	-	-	12,088	138	-	-	-	-	(265)	-	-	-	-	11,961	-	-	11,961
- Library Books	-	6,723	3,031	-	3,692	1,203	-	(1,031)	-	-	-	-	-	-	-	6,832	2,968	-	3,864
- Other	-	-	-	-	-	9,567	-	(777)	-	12,980	10,499	-	-	-	-	41,342	9,073	-	32,269
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26):																			
- Tip Assets	-	19,738	8,269	-	11,469	-	-	(220)	-	-	-	-	-	-	-	19,738	8,489	-	11,249
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	47,266	3,881,063	1,719,169	1,318	2,207,842	86,755	(7,337)	(60,436)	937	-	17,862	1,681	(3,175)	7,214	36,811	3,990,111	1,775,202	377	2,251,343

Asset Additions include Asset Renewals (\$59,357) and New Assets (\$27,398).

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 2015

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

\$ '000

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

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

	Notes	2015	2014
Council has reversed prior period losses relating to the previous impairment of Mt.Keira Road and RFS Bush Fire			
Reversals of Impairment Losses previously recognised direct to Equity (ARR):			
RFS Bushfire Control Centre		5	-
Mount Keira Road		937	-
Total Impairment Reversals		942	-
<u>IMPAIRMENT of ASSETS - DIRECT to EQUITY (ARR)</u>	20 (ii)	<u>942</u>	<u>-</u>

Council has repaired these assets and they are now in use.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		7,325	-	8,645	-
Goods & Services - capital expenditure		10,542	-	10,149	-
Payments Received In Advance		2,872	-	2,273	-
Accrued Expenses:					
- Other Expenditure Accruals		5,374	-	5,568	-
Security Bonds, Deposits & Retentions		2,566	-	1,982	-
Carbon Price		4,174	-	264	4,034
Other		1,186	-	479	-
Total Payables		34,039	-	29,360	4,034
Borrowings					
Loans - Secured ¹		6,369	39,758	3,908	31,459
Total Borrowings		6,369	39,758	3,908	31,459
Provisions					
Employee Benefits;					
Annual Leave		8,599	-	8,288	-
Sick Leave		301	-	563	-
Long Service Leave		33,600	537	30,943	491
Other Leave		884	-	844	-
Sub Total - Aggregate Employee Benefits		43,384	537	40,638	491
Self Insurance - Workers Compensation		1,222	3,282	1,316	5,347
Self Insurance - Claims Incurred		325	325	295	175
Asset Remediation/Restoration (Future Works)	26	2,556	38,410	402	39,170
Total Provisions		47,487	42,554	42,651	45,183
Total Payables, Borrowings & Provisions					
		87,895	82,312	75,919	80,676

(i) Liabilities relating to Restricted Assets

	2015		2014	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Loans	6,369	39,758	3,908	31,459
Carbon Price	4,174	-	264	4,034
Liabilities relating to externally restricted assets	10,543	39,758	4,172	35,493

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 2015

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

	Actual 2015	Actual 2014
\$ '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	32,458	29,865
Payables - Security Bonds, Deposits & Retentions	2,028	1,463
	34,486	31,328

Note 10b. Description of and movements in Provisions

Class of Provision	2014	2015				Closing Balance as at 30/6/15
	Opening Balance as at 1/7/14	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	8,288	7,776	(7,457)	(8)	-	8,599
Sick Leave	563	17	(287)	8	-	301
Long Service Leave	31,434	4,692	(2,992)	1,003	-	34,137
Other Leave	844	203	(198)	35	-	884
Self Insurance						
- Workers Compensation	6,663	(2,159)	-	-	-	4,504
- Claims Incurred	470	180	-	-	-	650
Asset Remediation	39,572	1,394	-	-	-	40,966
TOTAL	87,834	12,103	(10,934)	1,038	-	90,041

- 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 2015. Accrual estimates were provided by David A Zaman Pty Ltd. Council is a licenced self-insurer under the Workers' Compensation Act in NSW. The licence commenced with effect from June 1983.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2015	Actual 2014
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	33,580	33,299
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		33,580	33,299
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		31,594	12,111
Adjust for non cash items:			
Depreciation & Amortisation		60,763	61,203
Net Losses/(Gains) on Disposal of Assets		(3,533)	4,245
Non Cash Capital Grants and Contributions		(1,906)	(8,167)
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "At Fair Value" or "Held for Trading"		(331)	(386)
- Investment Properties		-	975
Amortisation of Premiums & Discounts			
- Interest Free Advances made by Council		(7)	(6)
- Interest Free Loans received by Council (previously Fair Valued)		1,004	1,127
Unwinding of Discount Rates on Reinstatement Provisions		1,722	1,758
Share of Net (Profits) or Losses of Associates/Joint Ventures		22	(198)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		1,516	1,468
Increase/(Decrease) in Provision for Doubtful Debts		180	32
Decrease/(Increase) in Inventories		(3)	26
Decrease/(Increase) in Other Assets		(2,667)	(761)
Increase/(Decrease) in Payables		(1,320)	1,797
Increase/(Decrease) in other accrued Expenses Payable		(194)	1,954
Increase/(Decrease) in Other Liabilities		1,766	34
Increase/(Decrease) in Employee Leave Entitlements		2,792	2,602
Increase/(Decrease) in Other Provisions		(2,307)	1,538
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		89,091	81,352

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

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

\$ '000	Notes	Actual 2015	Actual 2014
(c) Non-Cash Investing & Financing Activities			
Other Dedications		1,906	7,577
Contributed Bush Fire Assets		-	590
Total Non-Cash Investing & Financing Activities		1,906	8,167
(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		835	835
Total Financing Arrangements		1,135	1,135
Amounts utilised as at Balance Date:			
- Credit Cards / Purchase Cards		60	57
Total Financing Arrangements Utilised		60	57

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 provided security to Work Cover for outstanding workers compensation claims liability in the form of a bank guarantee to the sum of \$8,646,464.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2015	Actual 2014
(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		3,599	223
Plant & Equipment		317	-
Infrastructure		1,479	11,889
Total Commitments		5,395	12,112
These expenditures are payable as follows:			
Within the next year		5,395	12,112
Total Payable		5,395	12,112
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		4,074	3,694
Sect 64 & 94 Funds/Reserves		220	515
Unexpended Grants		-	6,981
Unexpended Loans		1,101	922
Total Sources of Funding		5,395	12,112

Details of Capital Commitments

Buildings include Thomas Dalton Park Amenities, Nicholson Park Amenities, North Beach Kiosk, Berkeley Community Centre, Wollongong Youth Centre & Corrimal Surf Life Saving Club. Infrastructure includes Blue Mile Walk, Kenny Street Traffic Signals, Grand Pacific Walk, Auburn Street Traffic Signals & Wombara Rock Pool Sea Wall Plant includes Port Kembla Pool Intake Pipe & Beaton Park Pool Air Management System.

(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	97
Later than one year and not later than 5 years	388	388
Later than 5 years	872	970
Total Non Cancellable Operating Lease Commitments	1,357	1,455

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.

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

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

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 20142013	
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. Capital Grants & Contributions) - Operating Expenses	5,719	2.31%	-6.53%	-4.43%
Total continuing operating revenue ⁽¹⁾	247,342			
(excl. Capital Grants & Contributions)				
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. ALL Grants & Contributions)	217,023	80.57%	79.70%	74.09%
Total continuing operating revenue ⁽¹⁾	269,375			
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽²⁾	93,691	2.19x	1.93	2.01
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	42,866			
4. Debt Service Cover Ratio				
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation	70,519	7.60x	5.87	8.33
Principal Repayments (from the Statement of Cash Flows) + Borrowing Costs (from the Income Statement)	9,281			
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	9,711	5.48%	5.61%	7.09%
Rates, Annual and Extra Charges Collectible	177,086			
5a. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage (excl. Pensioner arrears)				
Rates, Annual and Extra Charges Outstanding	6,980	3.94%	4.21%	5.72%
Rates, Annual and Extra Charges Collectible	177,086			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents + All Term Deposits	133,610	8.01 mths	7.11	7.33
Payments from cash flow of operating and financing activities	16,675			

Notes

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

⁽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 2015

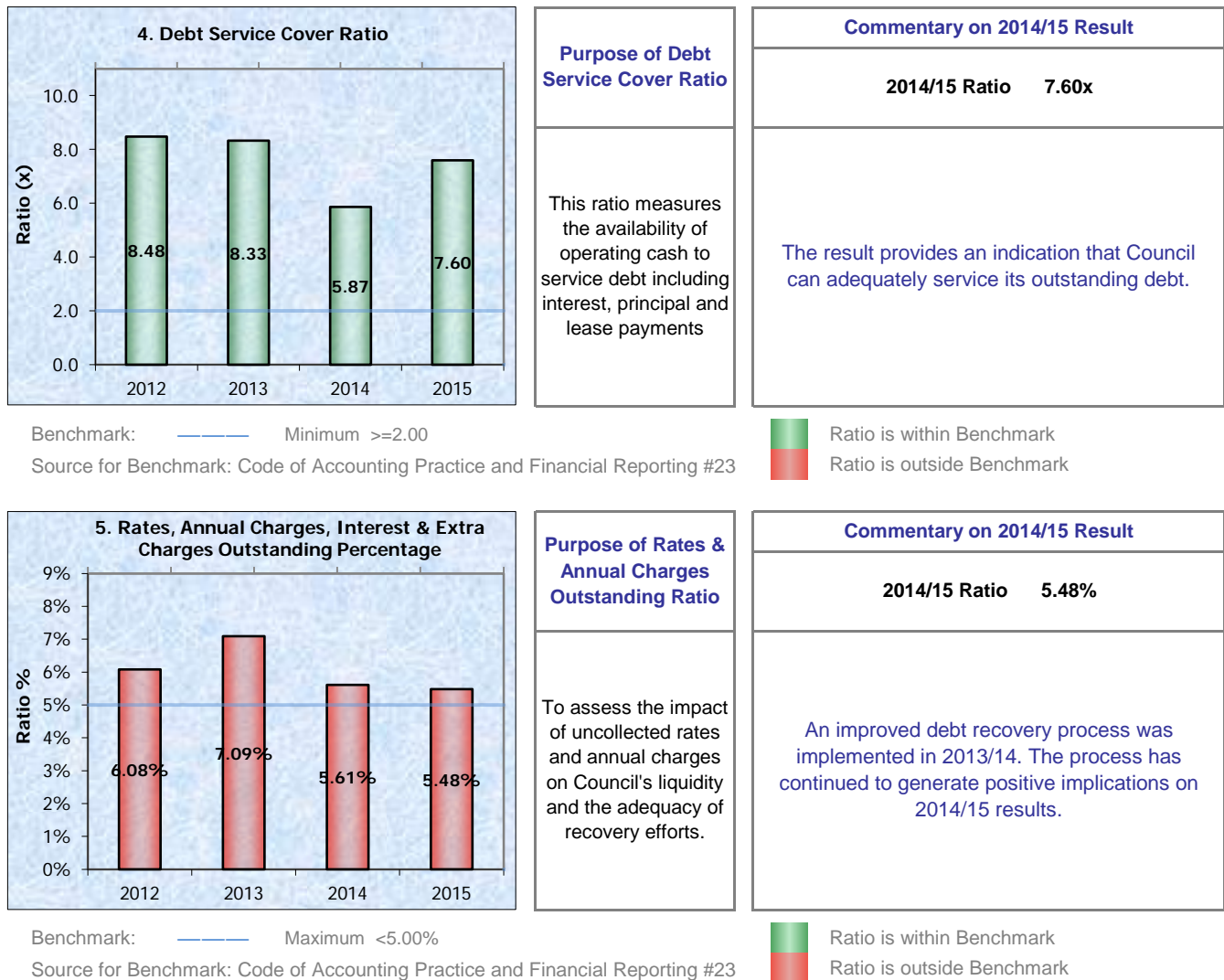
Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)

<p>1. Operating Performance Ratio</p> <p>Benchmark: — Minimum $\geq 0.00\%$ Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of Operating Performance Ratio</p> <p>This ratio measures Council's achievement of containing operating expenditure within operating revenue.</p>	<p>Commentary on 2014/15 Result</p> <p>2014/15 Ratio 2.31%</p> <p>This ratio has been impacted positively by settlement of a legal claim and sale of land holdings that are one off events and resulted in a positive ratio. Council has continued a process of reviewing all services currently provided in consultation with the Community. This work aims to determine service levels, create efficiencies and consider funding levels to improve the underlying result in the short term and create a balanced result in future years.</p>
<p>2. Own Source Operating Revenue Ratio</p> <p>Benchmark: — Minimum $\geq 60.00\%$ Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of Own Source Operating Revenue Ratio</p> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.</p>	<p>Commentary on 2014/15 Result</p> <p>2014/15 Ratio 80.57%</p> <p>This result reflects an improvement on this measure during the reporting period. It is noted that total revenue includes non-cash contributed assets.</p>
<p>3. Unrestricted Current Ratio</p> <p>Benchmark: — Minimum ≥ 1.50 Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of Unrestricted Current Ratio</p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p>Commentary on 2014/15 Result</p> <p>2014/15 Ratio 2.19x</p> <p>1. Council's strategy is to maximise the use of available funds and target a lean unrestricted ratio.</p> <p>2. Cash assets held for future waste facility requirements are held in the unrestricted ratio. As the requirements to hold funds for waste facility rehabilitation is significant the measure is expected to increase until payments are required.</p>

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

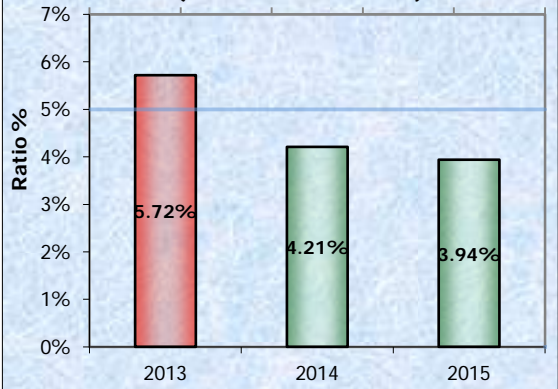
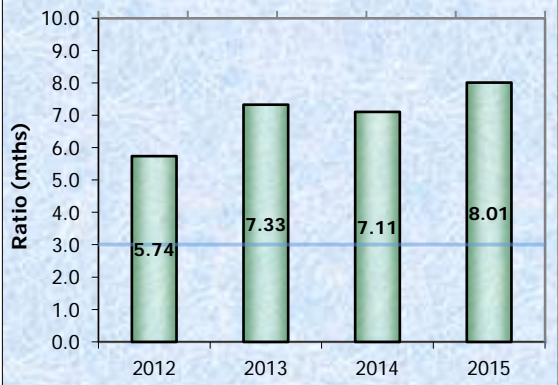
Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)







Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

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

<p>5a. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage (excl. Pensioner arrears)</p>  <p>Benchmark: ——— Maximum 5.00%</p> <p>Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of Rates & Annual Charges Outstanding Ratio (excl. Pensioner arrears)</p> <p>To assess the impact of uncollected rates and annual charges (excluding pensioner arrears) on Council's liquidity and the adequacy of recovery efforts.</p>	<p>Commentary on 2014/15 Result</p> <p>2014/15 Ratio 3.94%</p> <p>The Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage is negatively impacted by Council's policy to exempt pensioners from debt recovery proceedings. The value of pensioner arrears has been removed the results of this graph.</p>
<p>6. Cash Expense Cover Ratio</p>  <p>Benchmark: ——— Minimum >=3.00</p> <p>Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of Cash Expense Cover Ratio</p> <p>This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.</p>	<p>Commentary on 2014/15 Result</p> <p>2014/15 Ratio 8.01 mths</p> <p>The result of this measure reflects the short term position of Council's investment portfolio at the end of 2014/15.</p>

 Ratio is within Benchmark
 Ratio is outside Benchmark

 Ratio is within Benchmark
 Ratio is outside Benchmark

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 14. Investment Properties

\$ '000	Notes	Actual 2015	Actual 2014
(a) Investment Properties at Fair value			
Investment Properties on Hand		2,750	2,750
Reconciliation of Annual Movement:			
Opening Balance		2,750	3,725
- Net Gain/(Loss) from Fair Value Adjustments		-	(975)
CLOSING BALANCE - INVESTMENT PROPERTIES		2,750	2,750

(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 2015 revaluations are not based on an Independent Assessment and Valuation.

The Property Services Manager of Wollongong City Council assessed there has been no movement in the value of Council's investment property.

(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	287	213
Later than 1 year but less than 5 years	391	388
Total Minimum Lease Payments Receivable	678	601

(e) Investment Property Income & Expenditure - summary

Rental Income from Investment Properties:		
- Minimum Lease Payments	406	416
Direct Operating Expenses on Investment Properties:		
- that generated rental income	(123)	(166)
Net Revenue Contribution from Investment Properties	283	250
plus:		
Fair Value Movement for year	-	(975)
Total Income attributable to Investment Properties	283	(725)

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 2015

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	
	2015	2014	2015	2014
Financial Assets				
Cash and Cash Equivalents	33,580	33,299	33,580	33,299
Investments				
- "Held for Trading"	11,046	7,642	11,046	7,642
- "Held to Maturity"	100,030	77,030	100,030	77,030
Receivables	22,109	23,808	22,110	23,808
Total Financial Assets	166,765	141,779	166,766	141,779
Financial Liabilities				
Payables	31,167	31,121	31,167	31,121
Loans / Advances	46,127	35,367	46,127	35,367
Total Financial Liabilities	77,294	66,488	77,294	66,488

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 2015

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 consultants.

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 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.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

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
2015				
Possible impact of a 10% movement in Market Values	1,105	1,105	(1,105)	(1,105)
Possible impact of a 1% movement in Interest Rates	1,336	1,336	(1,336)	(1,336)
2014				
Possible impact of a 10% movement in Market Values	764	764	(764)	(764)
Possible impact of a 1% movement in Interest Rates	1,103	1,103	(1,103)	(1,103)

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

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:

	2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	49%	43%	38%	65%
Overdue	51%	57%	62%	35%
	100%	100%	100%	100%

		2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
(ii) Ageing of Receivables - value					
Rates & Annual Charges	Other Receivables				
Current	Current	4,746	7,835	2,995	12,159
< 1 year overdue	0 - 30 days overdue	1,638	3,345	1,641	2,777
1 - 2 years overdue	30 - 60 days overdue	1,041	592	1,043	383
2 - 5 years overdue	60 - 90 days overdue	747	83	748	57
> 5 years overdue	> 90 days overdue	1,539	1,089	1,542	829
		9,711	12,944	7,969	16,205

(iii) Movement in Provision for Impairment of Receivables

	2015	2014
Balance at the beginning of the year	366	334
+ new provisions recognised during the year	206	39
- previous impairment losses reversed	(26)	(7)
Balance at the end of the year	546	366

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

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		
2015									
Trade/Other Payables	2,566	28,601	-	-	-	-	-	31,167	31,167
Loans & Advances	-	8,051	8,051	8,051	8,051	5,151	15,807	53,162	46,127
Total Financial Liabilities	2,566	36,652	8,051	8,051	8,051	5,151	15,807	84,329	77,294
2014									
Trade/Other Payables	1,982	29,139	-	-	-	-	-	31,121	31,121
Loans & Advances	-	6,023	6,163	6,163	6,163	6,163	11,046	41,721	35,367
Total Financial Liabilities	1,982	35,162	6,163	6,163	6,163	6,163	11,046	72,842	66,488

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:

	2015		2014	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	31,167	0.0%	31,121	0.0%
Loans & Advances - Fixed Interest Rate	46,127	1.5%	35,367	1.5%
	<u>77,294</u>		<u>66,488</u>	

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 14/15 was adopted by the Council on 23 June 2014.

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	2015 Budget	2015 Actual	2015 Variance* -----		
REVENUES					
Rates & Annual Charges	165,699	166,849	1,150	1%	F
User Charges & Fees	32,487	32,851	364	1%	F
Interest & Investment Revenue	5,238	5,689	451	9%	F
Other Revenues	9,143	11,965	2,822	31%	F
This variation is due to the settlement of a large legal claim relating to advisory services (\$1.8M), reimbursement for prior year insurance claims including events underwritten by HIH post liquidation (\$0.6M), payments for accumulated leave entitlements for staff coming from other councils (\$0.2M) and a range of smaller variances across multiple income streams.					
Operating Grants & Contributions	28,146	30,319	2,173	8%	F
Capital Grants & Contributions	32,604	22,033	(10,571)	(32%)	U
Capital grant & contribution income is impacted by timing and progress of major projects. The reduced level of income in 2014/15 compared to budget is partly due to the early receipt of grants in the prior year (\$7.9M) for the City Centre project and change in timing of aspects of the West Dapto Access projects to future years (\$9.0M). This negative variance has been offset by increased income from developer contributions (\$3.9M), recognition of value of contributed assets (\$1.9M), receipt of grants associated with pathway/cycleway works (\$0.5M) and other more minor variations.					
Net Gains from Disposal of Assets	1,040	3,533	2,493	240%	F
This budget variation is a result of profit on land sales (\$4.0M) and disposal of plant (\$0.4M) offset by write off of residual values on assets that were replaced during the year (2.0M).					

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 16. Material Budget Variations (continued)

\$ '000	2015 Budget	2015 Actual	2015 Variance* -----		
EXPENSES					
Employee Benefits & On-Costs	96,607	95,399	1,208	1%	F
Borrowing Costs	3,830	4,037	(207)	(5%)	U
Materials & Contracts	49,396	45,647	3,749	8%	F
Depreciation & Amortisation	61,767	60,763	1,004	2%	F
Other Expenses	39,492	35,777	3,715	9%	F

Budget Variations relating to Council's Cash Flow Statement include:

Cash Flows from Operating Activities	88,638	89,091	453	0.5%	F
Cash Flows from Investing Activities	(80,881)	(98,566)	(17,685)	21.9%	U
This is primarily due to an increase in the purchase of long term deposits than originally anticipated. This amount is offset by a similar reduction in cash and cash equivalents.					
Cash Flows from Financing Activities	(4,914)	9,756	14,670	(298.5%)	F
The variation is primarily the result of the LIRS 3 drawdown that occurred during the reporting period.					

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions

\$ '000

Council recovers contributions, raises levies & enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions & levies and the value of all remaining funds which are "restricted" in their future use.

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections		
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding
Drainage	1,955	999	-	90	-	-	3,044	81,745	(90,310)	(5,521)
Roads	7,875	1,376	-	308	(7,898)	-	1,661	272,678	(542,848)	(268,509)
Open Space	1,978	392	-	79	-	-	2,449	102,616	(103,181)	1,884
Community Facilities	410	81	-	17	-	-	508	18,940	(16,833)	2,615
Administration	109	107	-	6	(12)	-	210	8,350	(7,648)	912
Public Transport	298	66	-	12	-	-	376	19,297	(16,215)	3,458
S94 Contributions - under a Plan	12,625	3,021	-	512	(7,910)	-	8,248	503,626	(777,035)	(265,161)
S94A Levies - under a Plan	1,328	8,512	-	107	(3,101)	-	6,846	14,208	(16,174)	4,880
Total S94 Revenue Under Plans	13,953	11,533	-	619	(11,011)	-	15,094			
Total Contributions	13,953	11,533	-	619	(11,011)	-	15,094	517,834	(793,209)	(260,281)

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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	1,955	999	-	90	-	-	3,044	81,745	(90,310)	(5,521)
Roads	7,875	1,376	-	308	(7,898)	-	1,661	272,678	(542,848)	(268,509)
Open Space	1,978	392	-	79	-	-	2,449	102,616	(103,181)	1,884
Community Facilities	410	81	-	17	-	-	508	18,940	(16,833)	2,615
Administration	109	107	-	6	(12)	-	210	8,350	(7,648)	912
Public Transport	298	66	-	12	-	-	376	19,297	(16,215)	3,458
Total	12,625	3,021	-	512	(7,910)	-	8,248	503,626	(777,035)	(265,161)

A Figures provided above relate to the Draft West Dapto S94 Plan. This plan is currently on public exhibition until 21 August 2015.

B Projections show 50 years of projected income and expenditure in today's dollars that is published in the Section 94 Plan.

C Council is undertaking a process to review the Plan, which will address the funding gap, consider development yields, current cap on contributions and planned expenditure.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

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	7,384	4,839	-	332	(2,476)	-	10,079	279	(5,952)	4,406
City Centre	(6,056)	3,673	-	(225)	(625)	-	(3,233)	13,929	(10,222)	474
Total	1,328	8,512	-	107	(3,101)	-	6,846	14,208	(16,174)	4,880

A The Wollongong S94A plan is a levy based plan that reflects development activity in the CBD area.

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

C Projections provided at left show 10 years of projected income and expenditure from Council's adopted long term budget.

D Projected income includes interest accrued if the restricted fund is in surplus.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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 Bank Guarantees totalling \$935,464 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 a higher contribution during the reporting period. This amounted to \$1.763M for Council in 2014/15 which is consistent with the amount paid 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 2015

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

\$ '000

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 \$1,040,444 to date. The total of Council's unrecovered claims is currently \$1,257,058.

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.

3. Land Under Roads

As permitted under AASB 1051, Council has elected not to bring to account Land Under Roads that it owned or controlled up to & including 30/6/08.

4. Fit for Future

On 22 June 2015 Council resolved to endorse a submission to the Office of Local Government outlining Council's Improvement Proposal as a result of the Fit for Future program. The improvement proposal builds upon the Independent Local Government Review Panel's position that the Council has enough scale and capacity to maintain its operations as an independent Council, yet seeks to strengthen its relationships with other Councils in the Illawarra region.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 19. Interests in Other Entities

\$ '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;

Controlled Entities (Subsidiaries)

Note 19(a)

Operational arrangements where Council's control (but not necessarily interest) exceeds 50%.

Joint Ventures & Associates

Note 19(b)

Joint Ventures are operational arrangements where the parties that have joint control have rights to the net assets of the arrangement.

Associates are separate entities where Council has significant influence over the operations (but neither controls nor jointly controls them).

Joint Operations

Note 19(c)

Operational arrangements where the parties that have joint control have rights to specific assets and obligations for specific liabilities relating to the arrangement rather than a right to the net assets of the arrangement.

Unconsolidated Structured Entities

Note 19(d)

Unconsolidated Structured Entities represent "special vehicles" that Council has an interest in but which are not controlled by Council and therefore not consolidated as a Subsidiary, Joint Arrangement or Associate. Attributes of Structured Entities include restricted activities, a narrow and well-defined objective and insufficient equity to finance its activities without financial support.

Subsidiaries, Joint Arrangements and Associates not recognised

Note 19(e)

Accounting Recognition:

(i) Subsidiaries disclosed under Note 19(a) and Joint 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) Joint Ventures and Associates 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 2015	Actual 2014	Actual 2015	Actual 2014
Joint Ventures	(22)	198	1,160	1,181
Total	(22)	198	1,160	1,181

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 19. Interests in Other Entities (continued)

\$ '000

(a) Controlled Entities (Subsidiaries) - being entities & operations controlled by Council

Council has no interest in any Controlled Entities (Subsidiaries).

(b) Joint Ventures and Associates

Council has incorporated the following Joint Ventures and Associates into it's consolidated Financial Statements.

(a) Net Carrying Amounts - Council's Share

Name of Entity	Nature of Relationship	Measurement Method	2015	2014
Westpool	Joint Venture	Equity	146	269
United Independent Pools (UIP)	Joint Venture	Equity	1,014	912
Total Carrying Amounts - Material Joint Ventures and Associates			1,160	1,181

(b) Details

Name of Entity	Principal Activity
Westpool	Insurance
United Independent Pools (UIP)	Insurance

(c) Relevant Interests & Fair Values

Name of Entity	Quoted Fair Value		Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2015	2014	2015	2014	2015	2014	2015	2014
Westpool	146	269	1%	1%	1%	1%	10%	11%
United Independent Pools (UIP)	1,014	912	14%	13%	14%	13%	5%	6%

(d) Summarised Financial Information for Joint Ventures & Associates

	Westpool		United Independent Pools (UIP)	
Statement of Financial Position	2015	2014	2015	2014
Current Assets				
Other Current Assets	8,684	29,101	6,027	8,097
Total Current Assets	8,684	29,101	6,027	8,097
Non-Current Assets	48,487	22,700	5,761	2,000
Current Liabilities				
Other Current Liabilities	4,742	23,790	1,808	1,157
Total Current Liabilities	4,742	23,790	1,808	1,157
Non-Current Liabilities	22,486	-	2,462	2,034
Net Assets	29,943	28,011	7,518	6,906

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 19. Interests in Other Entities (continued)

\$ '000

(b) Joint Ventures and Associates (continued)

	Westpool		United Independent Pools (UIP)	
	2015	2014	2015	2014
Reconciliation of the Carrying Amount				
Opening Net Assets (1 July)	28,011	23,591	6,906	6,406
Profit/(Loss) for the period	4,333	4,420	611	500
Dividends Paid	(2,401)	-	-	-
Closing Net Assets	29,943	28,011	7,517	6,906
Council's share of Net Assets (%)	0.5%	1.0%	13.5%	13.2%
Council's share of Net Assets (\$)	146	269	1,014	912
	Westpool		United Independent Pools (UIP)	
	2015	2014	2015	2014
Statement of Comprehensive Income				
Income	11,337	9,728	9,083	9,053
Other Expenses	(7,003)	(5,307)	(8,472)	(8,553)
Profit/(Loss) from Continuing Operations	4,334	4,421	611	500
Profit/(Loss) from Discontinued Operations	-	-	-	-
Profit/(Loss) for Period	4,334	4,421	611	500
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,334	4,421	611	500
Council's share of Income (%)	-2.8%	2.7%	16.6%	15.7%
Council's share of Profit/(Loss) (\$)	(123)	119	101	79
Council's share of Comprehensive Income (\$)	(123)	119	101	79

(c) Joint Operations

Council has no interest in any Joint Operations.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 19. Interests in Other Entities (continued)

\$ '000

(d) Unconsolidated Structured Entities

Council did not consolidate the following Structured Entities:

1. Southern Council's Group

Southern Council's Group is an organisation which aims to promote regional leadership, regional forum, strategic partnerships and regional programs and projects. The association is made up of six member councils who each contribute to the expenditure of the association.

Nature of Risks relating to the Unconsolidated Structured Entity

There is a risk that the entity will not be able to deliver the programs and projects proposed resulting in Council having to provide further financial assistance.

	2015	2014
Losses (or expenses) incurred by Council relating to the Structured Entity	74	67

Current Intention to provide financial support

As at the 1st July 2015 the Southern Council's Group will be transitioning to the Illawarra Pilot Joint Organisation. This organisation will have a similar structure to the Southern Council's Group.

2. Wollongong City of Innovation Limited (trading as Destination Wollongong)

Destination Wollongong is an independent company limited by guarantee. This entity is charged with delivering visitor economy growth by positioning Wollongong as a premier regional tourism, events and conference destination. The activities completed by this entity include destination marketing, visitor information services, business events and conferences, and major event acquisition.

Nature of Risks relating to the Unconsolidated Structured Entity

Although Council has no obligation to assist it may be asked to provide further financial assistance to deliver the service. Council may have to provide the service if Destination Wollongong is no longer able to.

	2015	2014
Losses (or expenses) incurred by Council relating to the Structured Entity	960	938

Current Intention to provide financial support

The agreement between Wollongong City Council and Destination Wollongong requires Council to provide funding to Destination Wollongong in exchange for the completion of services including visitor and business information. Council's intentions are to provide financial support as per the agreement unless Destination Wollongong fails to comply with performance measures set out within the agreement.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 19. Interests in Other Entities (continued)

\$ '000

(d) Unconsolidated Structured Entities (continued)

3. Illawarra Performing Arts Centre Limited (trading as Merringong Theatre Company)

Merringong Theatre Company is an independent company incorporated by guarantee. This entity manages the Illawarra Performing Arts Centre and the Wollongong Town Hall, and produces, presents and supports a range of productions.

Nature of Risks relating to the Unconsolidated Structured Entity

Although Council has no obligation to assist it may be asked to provide further financial assistance to deliver the service. Council may have to provide the service if Merringong is no longer able to.

	2015	2014
Losses (or expenses) incurred by Council relating to the Structured Entity	646	635

Current Intention to provide financial support

The agreement between Wollongong City Council and Merringong Theatre Company requires Council to provide funding to Merringong in exchange for the delivery of a program of activities designed to contribute to the strategic outcomes sought by Council. Council's current intentions are to provide financial support as per the agreement unless Merringong fails to meet their obligations under the agreement.

(e) Subsidiaries, Joint Arrangements & Associates not recognised

All Subsidiaries, Joint Arrangements and Associates have been recognised in this Financial Report.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2015	Actual 2014
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		1,193,467	1,163,160
a. Correction of Prior Period Errors	20 (c)	19,544	10,293
b. Net Operating Result for the Year		31,594	12,111
c. Transfers between Equity		7,713	7,903
Balance at End of the Reporting Period		<u>1,252,318</u>	<u>1,193,467</u>

(b) Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	1,011,066	1,013,803
Total	<u>1,011,066</u>	<u>1,013,803</u>

(ii) Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- Opening Balance	1,013,803	1,226,812
- Revaluations for the year	9(a) 4,039	(205,106)
- (Impairment of revalued assets) / Impairment reversals	9(a),(c) 937	-
- Transfer to Retained Earnings for Asset disposals	(7,713)	(7,903)
- Balance at End of Year	<u>1,011,066</u>	<u>1,013,803</u>

TOTAL VALUE OF RESERVES

<u>1,011,066</u>	<u>1,013,803</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 2015

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

\$ '000	Notes	Actual 2015	Actual 2014
(c) Correction of Error/s relating to a Previous Reporting Period			
Correction of errors as disclosed in last year's financial statements:			
Council reassessed the useful life of its IPPE and as a result was found to have understated these assets depreciation.			
It also found that IPPE that Council owned had not been recognised and IPPE that had been recognised was disposed of in previous years. A revaluation exercise in 2015 has identified the errors and an adjustment has been made against the current year balances of IPPE and retained earnings to correct the errors 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		1,681	2,363
- Artworks not recognised in previous years		-	63
- Buildings not recognised in previous years		-	3,316
- Operating Land not recognised in previous years		-	516
- Roads not recognised in previous years		1,684	5,005
- Footpaths not recognised in previous years		1,097	-
- Bridges not recognised in previous years		8,480	-
- Kerb & Gutter not recognised in previous years		23	-
- Other Structures not recognised in previous years		37	-
- Other Infrastructure not recognised in previous years		2,095	-
- Car Parks not recognised in previous years		744	-
- Cycleways not recognised in previous years		350	-
- Stormwater not recognised in previous years		3,544	4,113
- Recreation Assets not recognised in previous years		13	-
- Artwork disposed of in previous years but still recorded		(64)	-
- Other Infrastructure disposed of in previous years but still recorded		(7)	-
- Other Structures disposed of in previous years but still recorded		(5)	-
- Cycleways disposed of in previous years but still recorded		(26)	-
- Transport disposed of in previous years but still recorded		-	(1,282)
- Buildings disposed of in previous years but still recorded		(87)	(727)
- Stormwater disposed of in previous years		(15)	(3,074)
These amounted to the following Equity Adjustments:			
- Adjustments for the 30/06/14 reporting year end		-	10,293
- Adjustments for the 30/06/15 reporting year end (relating to adjustments for the 30/6/14 year end)		19,544	-
Total Prior Period Adjustments - Prior Period Errors		19,544	10,293

(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 2015

Note 21. Financial Result & Financial Position by Fund

\$ '000

Council utilises only a General Fund for its operations.

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

	2015 Current	2015 Non Current	2014 Current	2014 Non Current
\$ '000				
(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	-

Disposal Group Assets "Held for Sale"

None

	Assets "Held for Sale"	
\$ '000	2015	2014

(ii) Reconciliation of Non Current Assets "Held for Sale" & Disposal Groups - i.e. Discontinued Operations

Opening Balance	1,700	-
less: Carrying Value of Assets/Operations Sold	(1,700)	-
Balance still unsold after 12 months:	-	-
plus New Transfers in:		
- Assets "Held for Sale"	-	1,700
Closing Balance of "Held for Sale"		
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 2015

Note 23. Events occurring after the Reporting Date

\$ '000

Events that occur between the end of the reporting period (ending 30 June 2015) 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 20/10/15.

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 2015.

(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 2015 and which are only indicative of conditions that arose after 30 June 2015.

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

Note 24. Discontinued Operations

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

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 25. Intangible Assets

	Actual 2015	Actual 2014
\$ '000		
Intangible Assets represent identifiable non-monetary asset without physical substance.		
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7)	1,701	1,165
Accumulated Amortisation (1/7)	(771)	(801)
Net Book Value - Opening Balance	930	364
Movements for the year		
- Purchases	617	829
- Amortisation charges	(327)	(274)
- Gross Book Value written off	(682)	(293)
- Accumulated Amortisation charges written off	682	304
Closing Values:		
Gross Book Value (30/6)	1,636	1,701
Accumulated Amortisation (30/6)	(416)	(771)
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE ¹</u>	<u>1,220</u>	<u>930</u>

¹. The Net Book Value of Intangible Assets represent:

- Software	1,220	930
	<u>1,220</u>	<u>930</u>

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

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	
		2015	2014
Waste Facility Remediation - Whytes Gully/Helensburgh	2054	40,669	39,170
Flinders Street Land Remediation		297	402
Balance at End of the Reporting Period	10(a)	40,966	39,572

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	39,572	38,482
Amounts capitalised to new or existing assets:		
Flinders Street Land Remediation	-	2,786
Amortisation of discount (expensed to borrowing costs)	1,722	1,758
Expenditure incurred attributable to Provisions	(328)	(3,454)
Total - Reinstatement, rehabilitation and restoration provision	40,966	39,572

Amount of Expected Reimbursements

Of the above Provisions for Reinstatement, Rehabilitation and Restoration works, those applicable to Garbage Services & Waste Management are able to be funded through future charges incorporated within Council's Annual Domestic Waste Management Charge.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities (continued)

\$ '000

Provisions for close down and restoration and for environmental clean up costs – Tips and Quarries

Restoration

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

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

Other movements in the provisions for close down and restoration 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.

Rehabilitation

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 reporting 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 reporting 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.

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.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

\$ '000

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

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

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
2015	Date of latest Valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring Fair Value Measurements					
Financial Assets					
Investments					
- "Designated At Fair Value on Initial Recognition"	30/06/15	-	-	11,046	11,046
Total Financial Assets		-	-	11,046	11,046
Investment Properties					
Commercial Building	30/06/14	-	-	2,750	2,750
Total Investment Properties		-	-	2,750	2,750
Infrastructure, Property, Plant & Equipment					
Roads	30/06/15	-	-	531,202	531,202
Bridges	30/06/15	-	-	78,305	78,305
Footpaths	30/06/15	-	-	120,336	120,336
Stormwater	30/06/15	-	-	508,175	508,175
Plant & Equipment	30/06/15	-	-	20,007	20,007
Office Equipment	30/06/15	-	-	2,355	2,355
Furniture & Fittings	30/06/15	-	-	799	799
Operational Land	30/06/14	-	-	177,185	177,185
Community Land	30/06/11	-	-	374,339	374,339
Land Under Roads	30/06/14	-	-	26,789	26,789
Buildings	30/06/14	-	-	201,315	201,315
Other Structures	30/06/14	-	-	6,242	6,242
Swimming Pools	30/06/11	-	-	5,264	5,264
Library Books	30/06/15	-	-	3,864	3,864
Other Open Space / Recreational Assets	30/06/11	-	-	102,876	102,876
Tip Asset	30/06/15	-	-	11,249	11,249
Works in Progress	30/06/15	-	-	36,811	36,811
Artworks	30/06/15	-	-	11,961	11,961
Other	30/06/15	-	-	32,269	32,269
Total Infrastructure, Property, Plant & Equipment		-	-	2,251,343	2,251,343

Wollongong City Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

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

2014		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					
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	30/06/11	-	-	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
Swimming Pools	30/06/11	-	-	6,184	6,184
Library Books	30/06/14	-	-	3,692	3,692
Other Open Space / Recreational Assets	30/06/11	-	-	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
Non-recurring Fair Value Measurements					
Non Current Assets classified as "Held for Sale"					
Lot 1 & 2 Mulda Street Dapto	30/06/14	-	-	1,700	1,700
Total NCA's classified as "Held for Sale"		-	-	1,700	1,700

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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 2015

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 2015

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 and scanners,
- 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.

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).

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

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.

Intangible Assets

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.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

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 Structures

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

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 Playgrounds, Skateboard Facilities, Tennis Courts, 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.

Swimming Pools - Structures

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.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

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.

Other Assets

Other Assets is a catch all for the remaining assets held by Council and includes Waste Assets such as Cell Development and Liners, Public Art, Power Poles and Crematorium and Cemetery Beams and Walls.

Valuation Technique - Other Assets are recognised using the cost method.

Wollongong City Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

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 Assets were considered level 3.

Tip Remediation Asset

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

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 2015

Note 27. Fair Value Measurement

A summary of the Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

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 annually if material	External	Property Division
Infrastructure	5 years	Full valuation using current unit rates or index applied annually if material	Internal	Infrastructure & Strategic Planning Division
Property Plant & Equipment, Office Equipment & Furniture & Fittings	Annually	Assessment of remaining useful life undertaken with adjustments to consumption patterns that may impact fair value	Internal	Finance Division
Operational Land	5 Years	Full valuation every 5 years or index applied annually if material	External	Property Division
Community Land	5 Years	Valuer General Land Values or Average Unit Rate for similar properties if not available	Valuer General / Internal	Property / Finance Division
Land Under Roads	5 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 annually if material	External / Internal	Infrastructure & Strategic Planning Division / Property Division

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

Asset Category	Valuation Frequency	Description of Process	Valuer	Responsibility
Intangibles	Annually	Assessment of remaining useful life undertaken with adjustments to consumption patterns that may impact fair value	Internal	Finance Division
Other Structures	Annually	Assessment of remaining useful life undertaken with adjustments to consumption patterns that may impact fair value	Internal	Infrastructure & Strategic Planning Division
Other Open Space / Recreational Assets	5 years	Full valuation every 5 years or index applied annually if material	Internal	Infrastructure & Strategic Planning Division
Swimming Pools - Structures	5 years	Full valuation every 5 years or index applied annually if material	External / Internal	Infrastructure & Strategic Planning Division
Library Books	Annually	Assessment of remaining useful life undertaken with adjustments to consumption patterns that may impact fair value	Internal	Finance Division
Other Assets	5 years	Full valuation every 5 years or index applied annually if material	Internal	Various
Tip Remediation Asset	Annually	Reassessment of discount rate and application to discounted cash flows if material	Internal	Finance Division

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

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

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

	Held for Sale Assets	Financial Assets	Investment Property	IPP&E	Total
Opening Balance - 1/7/13	-	7,294	3,725	2,376,962	2,387,981
Transfers from/(to) another asset class	1,700	-	-	1,177	2,877
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 ¹	-	386	-	-	386
FV Loss - Income Statement	-	-	(975)	-	(975)
Adjustments & Transfers	-	-	-	10,292	10,292
Closing Balance - 30/6/14	1,700	7,642	2,750	2,207,842	2,219,934
Purchases (GBV)	-	3,147	-	86,754	89,901
Disposals (WDV)	(1,700)	(74)	-	(7,337)	(9,111)
Depreciation & Impairment	-	-	-	(60,436)	(60,436)
FV Gains - Other Comprehensive Income	-	-	-	4,039	4,039
FV Gains - Income Statement ¹	-	331	-	-	331
Adjustments & Transfers	-	-	-	20,481	20,481
Closing Balance - 30/6/15	-	11,046	2,750	2,251,343	2,265,139

(5). Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

Wollongong City Council

Notes to the Financial Statements for the financial year ended 30 June 2015

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

Kylee Cowgill

AUDITORS

PricewaterhouseCoopers

Elected Members

LORD MAYOR

Gordon Bradberry

COUNCILLORS

Leigh Colacino

Janice Kershaw

Jill Merrin

Greg Petty

Michelle Blicavs

David Brown

John Dorahy

George Takacs

Chris Connor

Bede Crasnick

Vicki Curran

Ann Martin

Other Information

ABN: 63 139 525 939



The Wollongong City Council

Independent auditor's report to the Council – s417(2) Report on the general purpose financial statements

Report on the financial statements

We have audited the accompanying financial statements of the Wollongong City Council, which comprise the statement of financial position as at 30 June 2015 and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, accompanying notes to the financial statements and the Statement by Councillors and Management in the approved form as required by Section 413(2) of the Local Government Act 1993.

Councillors' responsibility for the financial statements

The Councillors of the Council are 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 and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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. Those 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 judgment, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Councillors, as well as evaluating the overall presentation of the financial statements.

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial statements.

Our audit responsibility does not extend to the Original Budget Figures included in the Income Statement, Statement of Cash Flows and the Original Budget disclosures in notes 2(a) and 16 and the Projections disclosed in note 17 to the financial statements, nor the attached Special Schedules, and accordingly, we express no opinion on them.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 (the Division); and
- (b) the financial statements:
 - (i) have been presented, in all material respects, in accordance with the requirements of this Division
 - (ii) are consistent with the Council's accounting records
 - (iii) present fairly, in all material respects, the Council's financial position as at 30 June 2015 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that have come to light during the course of the audit.

A handwritten signature in blue ink, appearing to read 'Peter Buchholz', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz', written in a cursive style.

Peter Buchholz
Partner

Sydney
21 October 2015

WOLLONGONG CITY COUNCIL

ANNUAL REPORT 2014 - 2015

ATTACHMENT C:
SPECIAL PURPOSE
FINANCIAL STATEMENTS

From the
mountains
to the sea

Wollongong City Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

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	8
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 2015

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:

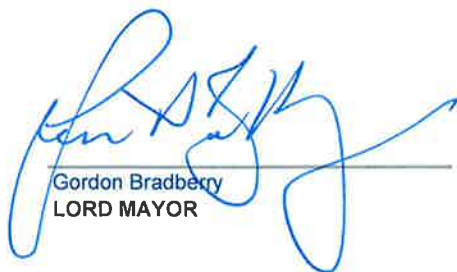
- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.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

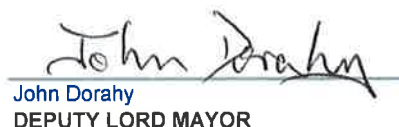
- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

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 19 October 2015.




Gordon Bradberry
LORD MAYOR



John Dorahy
DEPUTY LORD MAYOR



David Farmer
GENERAL MANAGER



Brian Jenkins
RESPONSIBLE ACCOUNTING OFFICER

Wollongong City Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2015

	Waste Disposal		Tourist Parks	
	Category 1		Category 1	
\$ '000	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Income from continuing operations				
Access charges	-	-	-	-
User charges	27,598	27,178	5,693	5,580
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	13	11
Other income	568	347	178	159
Total income from continuing operations	28,166	27,525	5,884	5,750
Expenses from continuing operations				
Employee benefits and on-costs	1,525	1,512	2,404	2,389
Borrowing costs	1,722	1,758	-	-
Materials and contracts	1,492	1,297	826	765
Depreciation and impairment	635	623	1,021	877
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	414	399	801	772
EPA Levy	14,230	11,880	-	-
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	2,193	4,457	1,074	1,026
Total expenses from continuing operations	22,211	21,926	6,126	5,829
Surplus (deficit) from Continuing Operations before capital amounts	5,955	5,599	(242)	(79)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	5,955	5,599	(242)	(79)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	5,955	5,599	(242)	(79)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(1,787)	(1,680)	-	-
SURPLUS (DEFICIT) AFTER TAX	4,169	3,919	(242)	(79)
plus Opening Retained Profits	22,506	16,508	7,782	7,089
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	414	399	801	772
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	1,787	1,680	-	-
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	28,875	22,506	8,341	7,782
Return on Capital %	34.2%	226.6%	-2.2%	-0.7%
Subsidy from Council	-	-	577	493

Wollongong City Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2015

	Health & Fitness		Crematorium & Cemeteries	
	Category 1		Category 1	
\$ '000	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Income from continuing operations				
Access charges	-	-	-	-
User charges	2,476	2,521	2,579	2,450
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	11	29	-	-
Profit from the sale of assets	-	-	-	-
Other income	28	32	1,369	1,340
Total income from continuing operations	2,515	2,582	3,948	3,790
Expenses from continuing operations				
Employee benefits and on-costs	2,187	2,164	1,493	1,518
Borrowing costs	-	-	-	-
Materials and contracts	311	284	366	377
Depreciation and impairment	14	3	-	-
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	255	244	111	108
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	945	1,286	1,920	1,983
Total expenses from continuing operations	3,712	3,981	3,890	3,986
Surplus (deficit) from Continuing Operations before capital amounts	(1,197)	(1,399)	58	(196)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(1,197)	(1,399)	58	(196)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	(1,197)	(1,399)	58	(196)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	(17)	-
SURPLUS (DEFICIT) AFTER TAX	(1,197)	(1,399)	41	(196)
plus Opening Retained Profits	(8,134)	(6,979)	(1,301)	(1,213)
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	255	244	111	108
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	-	17	-
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	(9,076)	(8,134)	(1,132)	(1,301)
Return on Capital %	-767.3%	-1059.8%	161.1%	-544.4%
Subsidy from Council	1,202	1,446	-	233

Wollongong City Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2015

\$ '000	Waste Disposal		Tourist Parks	
	Category 1		Category 1	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
ASSETS				
Current Assets				
Cash and cash equivalents	-	-	-	-
Investments	9,533	13,774	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	9,533	13,774	-	-
Non-Current Assets				
Investments	-	-	-	-
Receivables	37,599	44,660	1,912	810
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	22,416	3,246	11,083	11,626
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Intangible Assets	-	-	-	-
Total Non-Current Assets	60,015	47,906	12,995	12,436
TOTAL ASSETS	69,548	61,680	12,995	12,436
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Total Current Liabilities	-	-	-	-
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	40,669	39,170	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	40,669	39,170	-	-
TOTAL LIABILITIES	40,669	39,170	-	-
NET ASSETS	28,879	22,510	12,995	12,436
EQUITY				
Retained earnings	28,875	22,506	8,341	7,782
Revaluation reserves	4	4	4,654	4,654
Council equity interest	28,879	22,510	12,995	12,436
Non-controlling equity interest	-	-	-	-
TOTAL EQUITY	28,879	22,510	12,995	12,436

Wollongong City Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2015

	Health & Fitness		Crematorium & Cemeteries	
	Category 1		Category 1	
\$ '000	Actual 2015	Actual 2014	Actual 2015	Actual 2014
ASSETS				
Current Assets				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	-	-	-	-
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	156	132	36	36
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Intangible Assets	-	-	-	-
Total Non-Current Assets	156	132	36	36
TOTAL ASSETS	156	132	36	36
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Total Current Liabilities	-	-	-	-
Non-Current Liabilities				
Payables	9,232	8,266	1,168	1,337
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	9,232	8,266	1,168	1,337
TOTAL LIABILITIES	9,232	8,266	1,168	1,337
NET ASSETS	(9,076)	(8,134)	(1,132)	(1,301)
EQUITY				
Retained earnings	(9,076)	(8,134)	(1,132)	(1,301)
Revaluation reserves	-	-	-	-
Council equity interest	(9,076)	(8,134)	(1,132)	(1,301)
Non-controlling equity interest	-	-	-	-
TOTAL EQUITY	(9,076)	(8,134)	(1,132)	(1,301)

Wollongong City Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

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 2015

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 this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

Wollongong City Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

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 **\$432,000** of combined land values attracts **0%**. From \$432,001 to \$2,641,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,641,000, 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.

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.

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".

Wollongong City Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

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 3.02% at 30/6/15.

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.

(v) Amendments to comparable figures

A review of the assumptions used to develop these statements was conducted during the financial year. As a result of this the comparable figures from the 2013/14 financial year have been updated in line with these assumptions.



The Wollongong City Council

Independent auditor's report Report on the special purpose financial statements

Report on the financial statements

We have audited the accompanying financial statements, being the special purpose financial statements, of the Wollongong City Council (the Council), which comprises the Statement of Financial Position by Business Activity for the year ended 30 June 2015, the Income Statements by Business Activity for the year then ended, Notes to the financial statements for the Business Activities identified by Council and the Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting for the year ended 30 June 2015.

Councillors' responsibility for the financial report

The Councillors of the Council are responsible for the preparation and fair presentation of the financial statements 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 requirements of the Local Government Code of Accounting Practice and Financial Reporting. The Councillors responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's 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 judgment, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Councillors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers, ABN 52 780 433 757

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Auditor's opinion:

In our opinion, the financial statements presents fairly, in all material respects, the financial position by Business Activity of Wollongong City Council as of 30 June 2015 and its financial performance by Business Activity for the year then ended in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 to the financial statements, and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the Local Government Code of Accounting Practice and Financial Reporting. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Council.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz', written in a cursive style.

Peter Buchholz
Partner

Sydney
21 October 2015

Wollongong City Council

SPECIAL SCHEDULES

for the year ended 30 June 2015



Wollongong City Council

Special Schedules

for the financial year ended 30 June 2015

Contents

Page

Special Schedules¹

- Special Schedule No. 1	Net Cost of Services	2
- Special Schedule No. 2(a)	Statement of Long Term Debt (all purposes)	4
- Special Schedule No. 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
- Special Schedule No. 3	Water Supply 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
- Notes to Special Schedules No. 3 & 5		n/a
- Special Schedule No. 7	Report on Infrastructure Assets (as at 30 June 2015)	5
- Special Schedule No. 8	Financial Projections	n/a
- Special Schedule No. 9	Permissible Income Calculation	11

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 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	-	-	-	-
Administration	29,759	6,965	85	(22,709)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	4,692	646	-	(4,046)
Beach Control	4,947	6	-	(4,941)
Enforcement of Local Govt. Regulations	1,940	2,456	-	516
Animal Control	1,403	680	-	(723)
Other	95	1	-	(94)
Total Public Order & Safety	13,077	3,789	-	(9,288)
Health	1,391	734	-	(657)
Environment				
Noxious Plants and Insect/Vermin Control	-	-	-	-
Other Environmental Protection	6,507	452	615	(5,440)
Solid Waste Management	35,506	43,188	-	7,682
Street Cleaning	4,630	12	-	(4,618)
Drainage	11,566	1,636	-	(9,930)
Stormwater Management	-	-	-	-
Total Environment	58,209	45,288	615	(12,306)
Community Services and Education				
Administration & Education	50	11	-	(39)
Social Protection (Welfare)	4,223	3,038	-	(1,185)
Aged Persons and Disabled	1,131	518	-	(613)
Children's Services	2,912	1,149	-	(1,763)
Total Community Services & Education	8,316	4,716	-	(3,600)
Housing and Community Amenities				
Public Cemeteries	2,410	2,579	-	169
Public Conveniences	690	-	-	(690)
Street Lighting	3,145	645	-	(2,500)
Town Planning	11,831	4,780	11,604	4,553
Other Community Amenities	2,091	1,404	-	(687)
Total Housing and Community Amenities	20,167	9,408	11,604	845
Water Supplies	-	-	-	-
Sewerage Services	-	-	-	-

Wollongong City Council

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

for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	11,112	748	-	(10,364)
Museums	-	-	-	-
Art Galleries	2,269	175	-	(2,094)
Community Centres and Halls	4,407	493	-	(3,914)
Performing Arts Venues	1,986	12	-	(1,974)
Other Performing Arts	-	-	-	-
Other Cultural Services	576	60	-	(516)
Sporting Grounds and Venues	4,054	516	235	(3,303)
Swimming Pools	6,648	590	25	(6,033)
Parks & Gardens (Lakes)	17,411	562	35	(16,814)
Other Sport and Recreation	3,233	2,504	-	(729)
Total Recreation and Culture	51,696	5,660	295	(45,741)
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	35,825	813	8,170	(26,842)
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	2,447	712	-	(1,735)
Footpaths	7,271	-	1,264	(6,007)
Aerodromes	-	-	-	-
Other Transport & Communication	968	-	-	(968)
Total Transport and Communication	46,511	1,525	9,434	(35,552)
Economic Affairs				
Camping Areas & Caravan Parks	5,269	5,820	-	551
Other Economic Affairs	7,228	10,746	-	3,518
Total Economic Affairs	12,497	16,566	-	4,069
Totals – Functions	241,623	94,651	22,033	(124,939)
General Purpose Revenues ⁽²⁾		156,555		156,555
Share of interests - joint ventures & associates using the equity method	22	-		(22)
NET OPERATING RESULT ⁽¹⁾	241,645	251,206	22,033	31,594

(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

Wollongong City Council

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

for the financial year ended 30 June 2015

\$'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	4,912	34,221	39,133	15,000	5,244	-	-	1,311	6,369	42,520	48,889
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	4,912	34,221	39,133	15,000	5,244	-	-	1,311	6,369	42,520	48,889
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	4,912	34,221	39,133	15,000	5,244	-	-	1,311	6,369	42,520	48,889

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).

Wollongong City Council

Special Schedule No. 7 - Report on Infrastructure Assets

as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Buildings	Buildings	8,589	5,052	5,209	201,315	2%	22%	75%	1%	0%
	sub total	8,589	5,052	5,209	201,315	2.0%	22.0%	75.0%	1.0%	0.0%
Other Structures	Other Structures	2,672	141	141	6,242	4%	35%	54%	7%	0%
	sub total	2,672	141	141	6,242	4.0%	35.0%	54.0%	7.0%	0.0%
Roads	Roads and Road Related Assets	68,550	5,968	6,542	510,359	8%	18%	73%	1%	0%
	Footpaths and Shared Paths	856	2,551	1,544	120,336	27%	22%	51%	0%	0%
	Bridges, Boardwalks and Jetties	934	312	74	78,305	36%	22%	42%	0%	0%
	Other Transport Assets	1,093	166	69	20,843	10%	45%	44%	1%	0%
	sub total	71,433	8,997	8,229	729,843	14.2%	19.9%	65.2%	0.7%	0.0%
Stormwater Drainage	Stormwater Drainage	87	2,182	1,790	508,175	5%	20%	75%	0%	0%
	sub total	87	2,182	1,790	508,175	5.0%	20.0%	75.0%	0.0%	0.0%
Open Space/ Recreational Assets	Open Space / Recreational Assets	13,241	1,154	1,718	50,459	73%	3%	19%	5%	0%
	sub total	13,241	1,154	1,718	50,459	73.0%	3.0%	19.0%	5.0%	0.0%
	TOTAL - ALL ASSETS	96,022	17,526	17,087	1,496,034	11.4%	19.7%	68.3%	0.7%	0.0%

Refer Notes on next page

Wollongong City Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2015

Notes:

- (1). Cost to bring up to satisfactory standard' refers to estimated cost to replace the nominated percentage of each asset type which is deemed to be below satisfactory standard. Satisfactory standard is generally defined as condition 2 (see Asset Condition Definitions). As identified through Council's Securing our Future community engagement, footpaths and shared paths condition 3. Cost estimates are based on adopted valuation methodologies, and do not generally include the cost of enhancements/upgrades to existing assets. The nominated percentage of each asset type below satisfactory standard is detailed under Condition of Public Works in the Annual Report.
- (2). Required Annual Maintenance is what should be spent to maintain assets in a satisfactory standard and to ensure that the estimated remaining life of the asset is achieved.
- (3). Current Annual Maintenance is what should be spent in the current year to maintain assets. It does not include operational costs (e.g. energy or water supply, cleaning, administration staff) or capital replacement costs.
- (4). Below is a summary of asset types included in Asset Class:
 - Buildings** : Community Facilities, Cultural Facilities, Childcare Centres, Public Toilets, Exeloos, Grandstands, Surf Life Saving Clubs, Amenities, Office/Shops, Industrial, Residences, Cabins and Leisure Centres
 - Roads and Road Related Assets** : Road seal, base, sub-base, kerb and gutter, guardrails and traffic facilities (roundabouts, speedhumps, medians etc)
 - Bridge, Boardwalks and Jetties** : Road Bridges, Pedestrian Bridges, Boardwalks and Jetties
 - Footpaths and Cycleways** : Footpaths and cycleways (excluding off road footpaths in parks)
 - Car parks**: Surface car parks (not multi-storey) and Boat ramps
 - Stormwater** : Pits, Pipes, Headwalls, Culverts and Riparian Assets
 - Recreation** : Pools, Playgrounds, Sport Courts, Park Furniture, Picnic Shelters and Landscaping. Does not include non-depreciable land and earthworks
- (5). **Condition of Public Assets**
 In accessing the condition of Public Assets, Council has considered the existing condition and function of each asset. The results shown for the condition of assets within each category are an average. Therefore, significant numbers of assets in each category are above and below the average result. Council recognise that the ratings scale used (as outlined below) may be different from those used by other Councils, but has been based on the rating scale in the International Infrastructure Management Manual.

Asset Condition Definitions

Rating	Status	Definition
1	As new	95 -100% of asset life remaining. Asset is near new and in excellent condition and fit for current usage.
2	Good	75-95% of asset life remaining. Asset is in good condition and fit for current usage.
3	Fair	Between 75% and 5 years of expected life remaining.
4	Poor	Between 1 and 4 years of expected remaining life. Asset is in an adequate condition and maintenance requirements are increasing to keep the asset fit for current usage.
5	To be replaced	Asset due to be replaced with one year remaining life expected. Generally these are listed on the current year capital works program

Wollongong City Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2015

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 20142013	
Infrastructure Asset Performance Indicators Consolidated				
1. Building, Infrastructure & Other Structures Renewals Ratio				
Asset Renewals				
(Building, Infrastructure & Other Structures) ⁽¹⁾	48,215	91.45%	43.18%	48.97%
Depreciation, Amortisation & Impairment	52,723			
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	96,022			
Total value ⁽²⁾ of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	1,553,715	6.18%	8.84%	11.00%
3. Asset Maintenance Ratio				
Actual Asset Maintenance	17,087			
Required Asset Maintenance	17,526	0.97	0.78	0.70
4. Capital Expenditure Ratio				
Annual Capital Expenditure	79,418			
Annual Depreciation	60,763	1.31	1.40	1.22

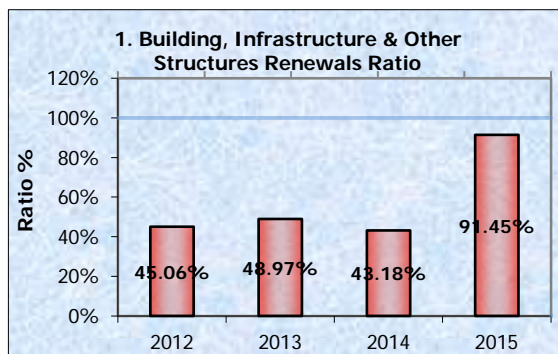
Notes

⁽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, infrastructure & Other Structure 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 2015



Benchmark: — Minimum $\geq 100.00\%$

Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Purpose of Asset Renewals Ratio

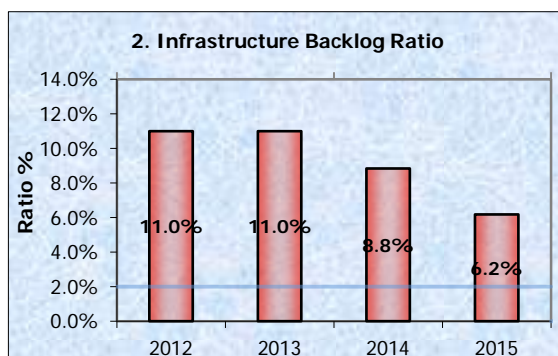
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on 2014/15 Result

2014/15 Ratio 91.45%

The method for determining the actual spend on renewal of assets was reviewed during the 2014/15 financial year to achieve a greater level of detail. The expenditure of each project in the capital works program is now allocated a proportion of renewal of assets. The sum total of the renewal component of each infrastructure, building and other structures project is the calculated total amount of asset renewal. The calculation of depreciation of these assets remains the same.

Ratio is within Benchmark
Ratio is outside Benchmark



Benchmark: — Maximum < 0.02

Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Purpose of Infrastructure Backlog Ratio

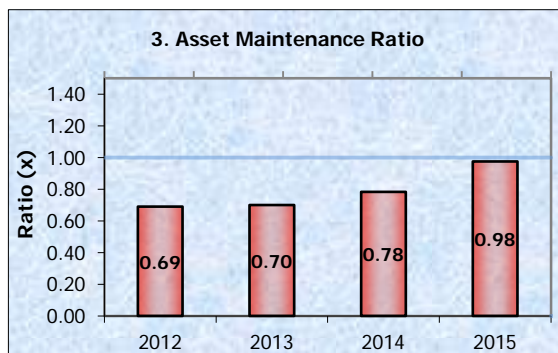
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on 2014/15 Result

2014/15 Ratio 6.18%

The cost to bring to satisfactory is defined as the cost difference of the written down value of assets in condition 4 and 5, to their written down value at condition 2, with the exception of path assets at condition 3. During Councils 'Securing our Future' financial review significant community engagement was undertaken regarding a community accepted level of service for paths, with a level of 3 deemed satisfactory.

Ratio is within Benchmark
Ratio is outside Benchmark



Benchmark: — Minimum > 1.00

Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Purpose of Asset Maintenance Ratio

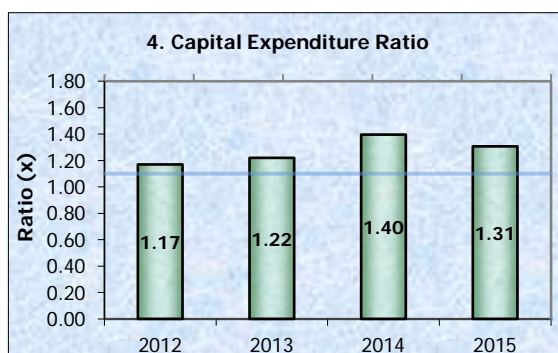
Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the Infrastructure Backlog growing.

Commentary on 2014/15 Result

2014/15 Ratio 0.97 x

The improvement in this ratio reflects an increase in the actual spend on maintenance of council assets, specifically community buildings. Additionally, the required maintenance expenditure figure has been reviewed on all asset types during 2014/15, with the amount required for bridges and stormwater assets slightly decreased. For bridges, this better represents the real expenditure on pedestrian bridges while for stormwater, an acknowledgment that the stock is in condition 1-3.

Ratio is within Benchmark
Ratio is outside Benchmark



Benchmark: — Minimum > 1.10

Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

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.

Commentary on 2014/15 Result

2014/15 Ratio 1.31 x

Council maintains its strong capital expenditure position with allocation of the first instalment of Special Rate Variation income increasing. Annual capital expenditure was very similar to 2013/14, the slight decrease in the ratio is due to a lower value of contributed assets in 2014/15.

In coming years Council expects this ratio to remain strong, specifically with construction of new major road and bridge assets supporting the West Dapto Urban Release Area.

Ratio is within Benchmark
Ratio is outside Benchmark

Wollongong City Council

Special Schedule No. 9 - Permissible Income Calculation for the financial year ended 30 June 2016

\$'000		Calculation 2014/15	Calculation 2015/16
Notional General Income Calculation ⁽¹⁾			
Last Year Notional General Income Yield	a	128,911	137,844
Plus or minus Adjustments ⁽²⁾	b	956	573
Notional General Income	c = (a + b)	129,867	138,417
Permissible Income Calculation			
Special variation percentage ⁽³⁾	d	6.13%	6.23%
or Rate peg percentage	e	2.30%	2.40%
or Crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
less expiring Special variation amount	g	-	-
plus Special variation amount	h = d x (c-g)	7,961	8,623
or plus Rate peg amount	i = c x e	-	-
or plus Crown land adjustment and rate peg amount	j = c x f	-	-
sub-total	k = (c+g+h+i+j)	137,828	147,040
plus (or minus) last year's Carry Forward Total	l	1	135
less Valuation Objections claimed in the previous year	m	2	(148)
sub-total	n = (l + m)	3	(13)
Total Permissible income	o = k + n	137,831	147,027
less Notional General Income Yield	p	137,844	146,990
Catch-up or (excess) result	q = o - p	(13)	37
plus Income lost due to valuation objections claimed ⁽⁴⁾	r	148	6
less Unused catch-up ⁽⁵⁾	s	-	(3)
Carry forward to next year	t = q + r - s	135	40

Notes

- 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.
- 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.
- The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- 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.
- 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.
- Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from councils' Special Schedule 9 in the Financial Data Return (FDR) to administer this process.



The Wollongong City Council

Independent auditor's report Report on the Special Schedule No. 9

Report on the 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 the Wollongong City Council ("the Council") for the year ending 30 June 2016.

Councillors' responsibility for Special Schedule No. 9

The Councillors of the Council are 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. 23. 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.

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.

PricewaterhouseCoopers, ABN 52 780 433 757

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Liability limited by a scheme approved under Professional Standards Legislation.



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 the Wollongong City Council for the year ending 30 June 2016 is properly drawn up in all material respects in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Restriction on distribution

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 the total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose. Our report is intended solely for the council and the Office of Local Government.

A handwritten signature in blue ink, likely representing the firm PricewaterhouseCoopers.

PricewaterhouseCoopers

A handwritten signature in blue ink, likely representing Peter Buchholz.

Peter Buchholz
Partner

Sydney
21 October 2015

WOLLONGONG CITY COUNCIL

ANNUAL REPORT

2014 - 2015

ATTACHMENT D:
ADDITIONAL INFORMATION
REQUIRED UNDER THE
LOCAL GOVERNMENT ACT

From the
mountains
to the sea

Additional Information Required

UNDER THE LOCAL GOVERNMENT ACT

Wollongong City Council 2014-15 Annual Report was produced to comply with the Local Government Act 1993 (section 428) and the Local Government (General) Regulation 2005 (clauses 132, 217 and 224). The following information is a requirement under the Act to include in a council's annual report.

SPECIAL VARIATION OF RATING INCOME

Local Government (General) Regulation 5508(2) 5508(a)

In June 2014, Wollongong City Council received approval for a Special Rate Variation (SRV) for an increase in 'General Revenue', 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 2014, Council endorsed its rates and charges for the 2014-15 financial year, including the 6.13% rate increase (inclusive of 2.3% rate peg).

The Special Rate Variation application approved by IPART was supported by a comprehensive strategy, Securing Our Future program, which included a commitment to productivity improvements, as well as the increase in rates levy that together, would support the achievement of long term financial sustainability through an increase in expenditure for asset renewal.

Overall, Council expended the full 6.13% rate increase in revenue on renewal of Council's infrastructure and spent a further \$2.49 million in revenue above that projected across a range of programs.

Actual expenditure between programs varied relative to original plans for each program due to the following contributing factors:

- Original projections were established based on a needs-based proportional distribution of additional SRV revenue.
- Actual expenditure is influenced by deliverability of projects. For example, expenditure for Community Buildings was below original projections due to undertaking detailed planning and design for future renewal projects.
- Additional roadwork, aquatic facilities, playgrounds and car park projects were accelerated from future years.

Projects delivered within programs to which the SRV was applied include:

- Roads
- Bridges
- Footpaths
- Car parks
- Buildings
- Public facilities
- Crematorium/Cemeteries
- Play facilities
- Aquatic facilities

The tables below outline how the total amount of the rating increase has been allocated and expended during the 2014-15 financial year, in accordance with Council's financial sustainability program.

Capital Program Related to Special Rate Variation 30 June 2015					
SRV Renewal Program	Base Revenue \$	Allocation of SRV revenue (6.13%) \$	Base + SRV \$	Total renewal actuals expenditure of revenue funding \$	Difference of expenditure to Base + SRV \$
Public Transport Facilities (bus shelters, etc)	175,000	22,000	197,000	222,500	25,500
Roadworks - road resurfacing	253,000	543,000	796,000	2,513,982	1,717,982
Roadworks - road reconstruction	3,600,000	579,000	4,179,000	3,569,847	(609,153)
Bridges, Boardwalks and Jetties	1,100,000	111,000	1,211,000	1,835,796	624,796
Footpaths	7,954,139	2,657,000	10,611,139	10,756,738	145,599
Cycle/Shared Paths	800,000	100,000	900,000	525,142	(374,859)
Car Parks	100,000	55,000	155,000	886,920	731,920
Community Buildings including Cultural Centres (IPAC, Gallery, Town Hall)	6,615,000	1,462,000	8,077,000	6,158,267	(1,918,733)
Public Facilities (shelters, toilets, etc)	250,000	71,000	321,000	507,087	186,087
Crematorium/Cemetery Facilities	150,000	11,000	161,000	351,596	190,596
Play Facilities	625,000	120,000	745,000	1,548,311	803,311
Recreation Facilities	417,000	106,000	523,000	534,724	11,724
Sporting Facilities	80,000	78,000	158,000	52,793	(105,207)
Aquatic Facilities (pools, etc)	1,685,000	155,000	1,840,000	2,899,125	1,059,125
TOTAL	23,804,139	6,070,000	29,874,139	32,362,826	2,488,687

The following table provides a comparison of forecast operating result contained in the submission with the actual result for the year ending 30 June 2015.

Operating Statement Comparison of Special Rate Variation Forecast and Actual 2014-15 30 June 2015			
	SRV \$'000	Actual \$'000	Variation \$'000
Total Revenue	252,124	273,217	21,093
Total Expenses	251,331	241,624	(9,707)
Operating results including capital grants and contributions	793	31,592	30,799

These results reflect a substantial positive outcome against forecasts for the financial year ending 30 June 2015. Approximately \$14 million of this improvement is in relation to timing issues with a further \$9 million resulting from non-recurrent improvements. An overview of these is provided below. In addition, there has been a range of savings across the organisation that are consistent with the longer term direction set in the Securing Our Future program that adopted minimum targets in efficiency and other revenue opportunities and recognised that there was potential for a further *upside* required to create additional opportunity and improved delivery outcomes.

Major Variations	\$M
Timing Issues	
Additional capital grants and contributions received for specific capital projects	5.4
Section 94 developer contributions received earlier than forecast	3.5
Value of assets contributed to Council by external parties at end of financial year	1.9
Carbon tax collected for domestic waste prior to repeal of legislation to be refunded in 2015-16	1.9
Additional operating grants to be spent in subsequent years	1.4
Non-recurrent income and expenditure	
Settlement of legal claim and reimbursement from insurance companies that were in liquidation	2.0
Lower level of legal and insurance related expenditure	0.6
Lower waste levy for cover materials due to ability to source materials on site through construction project	2.8
Profit on land sales (\$5.0M) partially offset by write off of residual values on assets that were replaced during the year (\$1.6M)	3.5
Other	
Street lighting and electricity charges due to pricing and usage management	1.0
Other various improvements	6.7
Total variation for year ending 30 June 2015	30.8

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 2014 to 30 June 2015 (whether as a result of tender or otherwise):

Tender No.	Name of Contractor	Contract Description	Contract Amount (Excluding GST) \$
T13/09	Datacom Systems (NSW) Ltd	Customer relationship management system	702,485
T13/11	Convic Skateparks Pty Ltd	Design and construction of a skate plaza at Holborn Park, Berkeley	700,000
T13/10	The Lighting Group Pty Ltd	Crown Street Mall refurbishment decorative lighting	330,664
T13/30	Atlas Air Conditioning	Beaton Park swimming pool air management system	545,000
E4407	Ruby's on Beach Bulli	Lease to operate Bulli Beach Tourist Park kiosk	420,000
T14/20	C & M Constructions	Wollongong City Council Central Depot Workshop re-roofing	431,121
T14/01	Knightguard Protection Group	Provision of cash collection service	180,573
T14/18	PricewaterhouseCoopers	External auditing services	627,000
T14/23	Deane Constructions	Towradgi SLSC – Render and brickwork repairs	188,072
T14/28	Land and Marine Ocean Engineering	Wombarra rock pool sea wall project	578,115
T14/29	Camarda & Cantrill	Thomas Dalton Park – Redevelopment of existing amenities	337,558
T14/31	Edwards Constructions	North Beach Diggies kiosk construction rectification works	433,952
T14/34	Select Civil	Blue Mile Heritage Walk Stage 2 – Promenade	1,126,450
T14/35	Malsave	Nicholson Park Woonona amenities upgrade	327,614
T14/36	The GC Group	Grand Pacific Walk Stage 1 Lawrence Hargrave Drive, Coalcliff	321,822
T14/26	Precinct Street and Park	Stuart Park regional playground	362,841
T15/01	Project Coordination	Berkeley Community Centre refurbishment	2,189,660
T15/04	GC Civil	Port Kembla Pool – Extend northern intake pipe	298,204
T14/30	KPMG	Internal audit and auxiliary services	670,000
T14/25	Duncan Solutions Pty Ltd	Parking meter maintenance	276,480 pa

CONTROLLED ENTITIES

There are no controlled entities in the financial statements for 2014-15.

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*)

PARTNERSHIPS, COOPERATIVES OR JOINT VENTURES

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

FINANCIAL ASSISTANCE TO PERSONS FOR COUNCIL FUNCTIONS

Contributions made by Council under Section 356 of the Local Government Act, 1993 in 2014-15 include:

Name of Contractor	\$
Community events and activities	558,226
Arts and cultural activities	70,973
Community safety	25,432
Educational and environmental activities	59,443
Sporting activities	49,500
Heritage Grants	30,000
Total	793,614

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.

RATES AND CHARGES WRITTEN OFF

2015 Abandonments	\$
Section 600 Allowances	0.00
Postponed Rates	46,551.57
Postponed Interest	24,993.88
Council Voluntary Pension Rebate	645,056.42
Pensioner Interest write-offs	28,609.99
Total	745,211.86

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 (OLG) for the 2014-15 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. 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 OLG was expended into animal management. Council expended a total of \$1,418,783 on companion animal management activities during 2014-15.

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). The Dogs on beaches information was also included in Council's Newsletter and has been earmarked for attachment with the Council's rates notice. We 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.

This year Council applied for a grant under the OLG Responsible Pet Ownership Grants Program Year One and received a grant of \$15,000. This program has commenced and relates to free microchipping and the provision of information to low socio economic groups in our community.

Council's Dogs on Beaches and Parks Policy was again reviewed by Council on 24 November 2014 after considerable community consultation. A new brochure has also been developed and the brochure is available on Council's web page for additional education opportunity.

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 (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; and
- King George V Park, Port Kembla.

STORMWATER MANAGEMENT SERVICES

STORMWATER MANAGEMENT CHARGE

Management of stormwater in Wollongong is difficult 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 has an Integrated Stormwater Management Plan that incorporates the 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, catchment specific Floodplain Risk Management Plans, Illawarra Biodiversity Strategy and estuary 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 2014-15	9,457	1,955
Actuals costs 2014-15	9,431	1,994
Difference	(26)	39

* 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 2014-15 \$	Final Expenditure 2014-15 \$	Reasons for change
Stormwater Quantity Management	307,076	295,655	Some works were delivered at a lower cost than estimated.
Stormwater and Watercourse Quality Management	455,627	436,987	Some works were delivered at a lower cost than estimated.
Stormwater Infrastructure Restoration and Replacement	8,292,494	8,261,754	Some works were delivered at a lower cost than estimated.
Stormwater Operational Management	167,923	343,951	Increased volume of debris removed and increasing disposal costs resulted in higher costs.
Stormwater Asset Management System	234,000	92,195	Some Dam Safety Committee investigative work was undertaken using internal staff resources and not external consultants.
TOTAL	9,457,120	9,430,542	

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

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

Category	Reasons for change	Planned Expenditure 2014-15 \$
Chalmers St, Balgownie	Debris control structure	24,953
College Pl, Gwynneville	Debris control structure	16,658
Barina Park Detention Basin,	Reline of pipeline	100,000
Princes Hwy/Unara Rd, Dapto	Construction of pipeline	55,000
Kooloona Ave, Figtree	Debris control structure	6,583
Henry Halloran Park	Drainage improvements	9,395
Lismore St, Bellambi	Grassed swale	18,099
TOTAL		230,688

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 \$
Bellambi Creek - Albert St, Bellambi	Weed removal and replanting with native species	2,000
Branch Creek - Gellately Ave & Obriens Rd, Figtree	Weed removal and replanting with native species	3,346
Budjong Creek -Imperial Dr, Berkeley	Weed removal and replanting with native species	4,722
Byarong Creek - Figtree	Weed removal and replanting with native species	15,000
Cabbage Tree Ck - Chalmers Street, Balgownie	Weed removal and replanting with native species	5,000
Cabbage Tree Creek - Innovation Campus	Weed removal and replanting with native species	7,500
Cabbage Tree Creek - Guest Park	Weed removal and replanting with native species	17,500
Cabbage Tree Creek - Alvan St, Helen Brae, Ira Ave	Weed removal and replanting with native species	7,000
Cabbage Tree Creek - Foothills Rd	Weed removal and replanting with native species	3,000
Cabbage Tree Creek - Cabbage Tree Lane, McMahon St	Weed removal and replanting with native species	3,000
Cabbage Tree Creek - Aristo Cres, Mt Ousley	Weed removal and replanting with native species	3,000
Charcoal Ck - Cummins St, Unanderra	Weed removal and replanting with native species	3,000
Charcoal Creek - Tallegalla St, Unanderra	Weed removal and replanting with native species	15,000
Collins Creek - Robert St, Woonona	Weed removal and replanting with native species	1,000
Fairy Creek - Carters Ln, Fairy Meadow	Weed removal and replanting with native species	2,500
Fairy Creek - Fraternity Club	Weed removal and replanting with native species	5,000
Fairy Creek - North Wollongong	Weed removal and replanting with native species	2,000
Fairy Creek - Thomas Dalton Park	Weed removal and replanting with native species	10,000
Fairy Creek- Wisemans Park Basin	Weed removal and replanting with native species	5,000
Hospital Creek - Warrawong	Weed removal and replanting with native species	6,000
Stanwell Creek - Stanwell Park	Weed removal and replanting with native species	2,500
Towradgi Creek - Lemrac Ave, Corrimal	Weed removal and replanting with native species	2,000
Towradgi Creek - Meadow St, Karen Pl, Underwood St, Corrimal	Weed removal and replanting with native species	2,000
American Creek - Gibsons Rd, Mt Kembla	Weed removal and replanting with native species	1,500
Farahars Creek - Halley Cres, Woonona	Weed removal and replanting with native species	1,500
Mullet Creek - Bong Bong Rd, Dapto	Weed removal and replanting with native species	1,000
Robins Creek - Horsley	Weed removal and replanting with native species	1,000
Semaphore Rd/Cherrybush Cct, Berkeley	Weed removal and replanting with native species	4,722
Mullet Creek - Avondale Rd, Avondale	Weed removal and replanting with native species	1,000
Ena Ave, Avondale	Weed removal and replanting with native species	1,000
Minegang Creek - Ranchby Ave, Lake Heights	Weed removal and replanting with native species	5,000
Fairy Creek - Porter St, North Wollongong	Weed removal and replanting with native species	1,500
Minegang Creek - Denise St, Lake Heights	Weed removal and replanting with native species	5,000
Fairy Creek - Gilmore Park	Weed removal and replanting with native species	10,000

Project Location	Work Description	Funding \$
American Creek - Obriens Rd, Figtree	Weed removal and replanting with native species	4,000
WASIP - American Creek - Figtree Park	Weed removal and replanting with native species	1,000
Camp Creek - Helensburgh - Landcom	Weed removal and replanting with native species	7,000
Bellambi Creek - John Parker Reserve	Weed removal and replanting with native species	5,500
Towradgi Creek - IRT	Weed removal and replanting with native species	3,000
Towradgi Creek - Meadow and Keira Sts	Weed removal and replanting with native species	1,000
Tramway Creek- North Depot	Weed removal and replanting with native species	1,000
Slacky Creek	Weed removal and replanting with native species	12,500
Brooks Creek - Kanahooka and Dapto	Weed removal and replanting with native species	15,000
Stormwater - Weed tree removal	Weed removal and replanting with native species	35,350
Towradgi Creek East - Railway St/ Ziems Ave, Towradgi	Weed removal and replanting with native species	17,500
Whartons Creek - Bulli SWL	Weed removal and replanting with native species	2,000
Branch Creek - Murray Park Rd, Figtree	Weed removal and replanting with native species	1,194
Fairy Creek - Mercury St, Gwynneville	Weed removal and replanting with native species	5,000
American Creek - Stones Oval, Mt Kembla	Weed removal and replanting with native species	2,500
Edgewood Estate	Weed removal and replanting with native species	10,000
Squires Way, North Wollongong	Construct new access ramp for maintenance vehicles to remove debris	11,710
Nyrang Park, Gwynneville	Construct new access ramp for maintenance vehicles to remove debris	16,261
Andrew Ave, Keiraville	Construct new access ramp for maintenance vehicles to remove debris	47,145
Elliotts Rd, North Wollongong	Construct new access ramp for maintenance vehicles to remove debris	2,696
Sunnybank Cres, Horsley	Retaining wall in dam	271
Robert St, Woonona	Gross pollutant trap	49,296
SUBTOTAL: Stormwater Quality Management - Operational		411,211

Stormwater Infrastructure Restoration and Replacement

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

Project Location	Work Description	Funding \$
12 Cope Pl, Bulli	Pipe reline	17,427
26 Cope Pl, Bulli	Pipe reline	18,182
36 June Pde, Woonona	Pipe reline	6,308
83 Buttenshaw Dr, Austinmer	Pipe reline	32,555
Foothills Estate 1 Dam	Pipe reline	27,500
Barina Park Dam	Pipe reline	53,673
Keira St, Wollongong	Pipe reline	15,965
22 Brian St, Balgownie	Pipe reline	14,256
89 Blackman Pde, Unanderra	Pipe reline	50,000
Manna Ave, Figtree	Survey and drainage investigation to determine asset ownership for proposed design	558
Minor Drainage North	Stormwater drainage	33,232
Minor Drainage Central	Stormwater drainage	14,713
Minor Drainage South	Stormwater drainage	26,580
721 Lawrence Hargrave Drive,	Channel lining	56,549
Robsons Rd, Keiraville	Culvert and scour protection	186,000
83 Morrison Ave, Wombarra	Pipes and headwalls	27,523
Second Ave, North, Warrawong	Design stage of pipe refurbishment to precede road reconstruction	135
34 Swan St, Wollongong	Access track to upstream headwall	94,000
Charles Harper Park	Swale	18,749
1 Young St, Coledale	Pipe reline	5,000
Bellambi Lane	Reline, new pits	42,004
TOTAL		740,908

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.	343,951
TOTAL		343,951

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	92,195
TOTAL		92,195

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.

WORK CARRIED OUT ON PRIVATE LAND

In 2014-15, there were no Council resolutions made under Section 67 of the Local Government Act 1993 for private works on private property.

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 2014-15 include:	
Number of public officials who made PIDs	1
Number of PIDs received	1
Corrupt Conduct	0
Maladministration	0
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	1
Number of PIDs finalised	1

Note: The number of PIDs finalised only refers to PIDs that have been received since 1 July 2014.

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

- Council has nominated eight senior officers and eleven additional Council officers as PID officers
- 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
- Message from the General Manager to staff on the Hub (intranet) reminding staff 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
- Poster Program to promote staff awareness
- Internal reporting policy and procedures covered in staff induction sessions
- Attendance by PID Coordinator to NSW Ombudsman PID workshop
- Organisation-wide Code of Conduct training, also covering public interest disclosures.

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

The Government Information (Public Access) Act was introduced 1 July 2010 and facilitates access to information that Council holds in the following ways: Mandatory release of information via Council's website (Open access), authorised proactive release via Council's website, informal release subject to an informal access application and release subject to a formal access application. Any person who wishes to obtain access to information held by Council is encouraged to contact our public officer for assistance. There are a number of *open access* documents available including 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	Were applications processed within the statutory timeframe of 20 working days
July	2	Yes
August	5	Yes
September	Nil	N/A
October	2	Yes
November	6	Yes
December	1	Yes
January	4	Yes
February	3	Yes
March	1	Yes
April	6	Yes
May	1	Yes
June	7	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>

SUMMARY OF LEGAL PROCEEDINGS

Particulars	Finalised	Expenses Including GST \$	Receipts Excluding GST \$
Liability Litigation Against Council			
Breach of contract	No	108,159	Nil
Personal injury	No	114,432	Nil
Personal injury	Yes	222,457	Nil
Professional indemnity	No	7,643	Nil
Council Initiated Litigation			
Unauthorised structure	Yes	9,700	6,000
Unauthorised use	No	16,869	Nil
Unauthorised use	Yes	2000	Nil
Professional indemnity	Yes	29,559	Nil
Planning Appeals Against Council			
Refusal of development application	No	56,689	Nil
Civil Enforcement Proceedings			
Challenge to Consent	No	0	Nil

EXTERNAL BODIES THAT EXERCISE FUNCTIONS DELEGATED BY COUNCIL

During 2014-15 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
Friends of the Botanical Gardens	Foster community interest in the garden, promote the role of education in the garden, and support the development of the garden by raising funds for specific projects.
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
Kuloo Road Bushcare	Riparian Restoration
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
Reed Park Bushcare	Bushland Restoration
Richardson Park Bushcare	Bushland restoration
Riveroak Bushcare	Bushland restoration

Body	Function
Sandon Point Bushcare	Dune restoration
Spearing Reserve Bushcare	Riparian restoration
Stanwell Park Bushcare	Dune restoration
Stephen Drive Fiready	APZ maintenance
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 Creek Bushcare	Riparian Restoration
Wombarra LHD Bushcare	Dune restoration
Wharton's Creek Bushcare	Riparian restoration
Whipbird Reserve Bushcare	Bushland restoration
William Beach Park Bushcare	Riparian restoration
Wilson Street Bushcare	Sea cliff restoration
Windang Dunes Bushcare	Dune restoration
Wisemans Park Bushcare	Woodland restoration
Wollongong Surf Leisure Resort	Dune restoration
Wollomai Bushcare	Bushland restoration
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	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.
ComicGong Volunteers	To assist to <i>meet and greet</i> visitors, conduct craft activities and surveys.
Community Transport Volunteers	To transport frail older people, people with a disability and their carers in their own cars or Council's vehicles.
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.
Home Library Service Volunteers	Selection of books on behalf of and delivery to customers' homes
Surf Life Saving Illawarra	To provide lifesaving and rescue services to Council in accordance with the executed service agreement.
Viva La Gong Volunteers	Support for Papergirl Wollongong project.
Mt Kembla Mining Heritage Inc.	The hosting of the g6 Candles Ceremony at Mt Kembla and operation of the Mt Kembla Heritage Centre.
Wollongong Art Gallery Volunteers	To fulfil the role of Gallery guides, provide informed talks and facilitate discussion about the exhibitions for both school groups and adult members of the community.

DETAILS OF OVERSEAS VISITS BY COUNCILLORS AND COUNCIL STAFF

Councillor Gordon BRADBERRY OAM, Lord Mayor

Future Cities Program, San Francisco, New York and Boston, USA

4-21 September 2014

COSTS

Registration	\$ 4,400*
Accommodation	\$ 1,581
Flights	\$* 4,811
Expenses	\$ 1,617

TOTAL COST \$ 12,409

*costs incurred during the 2013-14 financial year.

Andrew CARFIELD, Director Planning and Environment

Future Cities Program, San Francisco, New York and Boston, USA

4-21 September 2014

COSTS

Registration	\$ 4,400*
Accommodation	\$ 2,990
Flights	\$* 4,811
Other expenses	\$ 1,502

TOTAL COST \$ 13,703

*costs incurred during the 2013-14 financial year.

Denise LAZARUS, Customer Service Manager

KANA Sponsored conference for Customer Service Industry Professionals

San Francisco, USA

21-24 September 2014

COSTS

Registration	\$ Met by KANA
Accommodation	\$ Met by KANA
Flights	\$ Met by KANA
Costs fully met by KANA	\$3,365

Expenses met by Council \$ 300

TOTAL COST \$3,665

David FARMER, General Manager

Local Government Chief Officers Group Meeting
Auckland, New Zealand

18-21 November 2014

COSTS

Registration	\$ 469
Accommodation	\$ 1,201
Flights	\$ 621
Expenses	\$ 594
TOTAL COST	\$ 2,885

Greg DOYLE, Director Corporate and Community Services

Attendance at meetings at Auckland City Council [corporate strategy and libraries], Auckland Tourism Events and Economic Development, Auckland University of Technology/Integrated Leisure Centre, Library and Community Facility visits, Rotorua Council, Rotorua Tourism and Skyline Rotorua

Auckland and Rotorua, New Zealand

18-21 November 2014

COSTS

Registration	\$ Nil
Accommodation	\$ 1,223
Flights	\$ 629
Expenses	\$ 112
TOTAL COST	\$ 1,964

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.

During 2014-15, Council undertook the following activities which provided and maintained opportunities for a diverse range of groups:

- The development of Council's e-Recruitment system to assist in the measurement of Council's attraction and retention strategies.
- The implementation of a consultancy based recruitment approach.
- The ongoing commitment to the employment of Cadets, Apprentices and Trainees which currently supports 16 cadets, 6 apprentices and 14 trainees who are at various stages of their training program. The Cadets, Apprentice and Trainee Program has provided training and employment opportunities for young people 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.
- Council conducted ongoing Cultural Diversity Training for staff, and
- Council reviewed its' Positive Working Relationships Policy.

Council is also committed to:

- Forming a culturally diverse working party to assist in reviewing Council's EED Policy and Plan
- Establish a Women's Network within Council
- Continue to enhance the knowledge of all staff in the area of workplace diversity and cultural sensitivity
- Reviewed recruitment policies, processes and criteria to ensure there are no barriers for any group
- Review the Cadets, Apprentice and Trainee Program
- Making an application to the Australian Local Government Women's Association for consideration at the Silver Award level.

Additional Information - Council Resolutions

COUNCILLORS ATTENDANCE AT MEETINGS

On 28 July 2014, Council resolved to record Councillors' attendance at various meetings and report that information in the annual report. In accordance with Council's resolution, the undermentioned table provides details of Councillor attendance at Ordinary and Extraordinary Council Meetings, Council Committees, Boards (where Councillors are Directors appointed by Council), Council Advisory Committees, Councillor Briefing Sessions and Council Reference Groups.

Attendance at Council Meeting

Councillor	Council Meetings Attended	Councillor Briefings Attended
Cr Gordon Bradbery OAM, Lord Mayor	17	29
Cr Michelle Blicavs	15	21
Cr David Brown	18	31
Cr Chris Connor, Deputy Lord Mayor	18	25
Cr Leigh Colacino	16	26
Cr Bede Crasnich	18	16
Cr Vicki Curran	18	17
Cr John Dorahy	15	20
Cr Janice Kershaw	15	28
Cr Ann Martin	17	29
Cr Jill Merrin	16	22
Cr Greg Petty	18	25
Cr George Takacs	18	29

Attendance at Board Meeting by Councillors

2014-15 List of Meetings	Meetings Held	Meeting Attended
Councillor Bradbery		
Aboriginal Reference Group	4	4
Australia Day Committee	7	6
City Centre Major Projects Steering Committee	9	8
Community Safety Reference Group	6	4
Economic Development Advisory Board	6	6
Illawarra Performing Arts Centre Board	7	6
Multicultural Reference Group	4	3
Performance Review Committee	4	4
United Independent and Westpool Boards	7	7
West Dapto Review Committee	6	3
Wollongong Bicentenary Committee	12	11
Councillor Blicavs		
Audit Committee	4	3
City Centre Major Projects Steering Committee	9	4
Economic Development Advisory Board	6	4
Performance Review Committee	4	3
United Independent and Westpool Boards (Alternate Delegate)	7	0
Councillor Brown		
City Centre Major Projects Steering Committee	9	9
Estuary and Coastal Zone Management Committee	3	3
Illawarra Regional Information Service Board	6	4
Wollongong City Gallery Reference Group	4	3

2014-15 List of Meetings	Meetings Held	Meeting Attended
Councillor Colacino		
Cultural Reference Group	5	2
Destination Wollongong	8	8
Economic Development Advisory Board	6	6
Illawarra Performing Arts Centre Board	7	6
Wollongong City Gallery Reference Group	4	3
Councillor Connor		
Corporate Governance Committee	4	3
Performance Review Committee	4	3
West Dapto Review Committee	6	4
Wollongong Bicentenary Committee	12	10
Councillor Crasnich		
Active Transport Reference Group	4	0
West Dapto Review Committee	6	2
Councillor Curran		
Escarpment Planning Reference Group	5	1
Estuary and Coastal Zone Management Committee	3	1
Sports and Facilities Reference Group	5	4
West Dapto Review Committee	6	4
Wollongong Bicentenary Committee	12	3
Wollongong Heritage Advisory Committee	6	4
Councillor Dorahy		
City Centre Major Projects Steering Committee	9	3
Corporate Governance Committee	4	3
Floodplain Risk Management Committee for Allans Creek	0	0
Major Events Advisory Group Committee	4	3
Wollongong City Floodplain Management Committee	2	1
Councillor Kershaw		
Australia Day Committee	6	2
Escarpment Planning Reference Group	5	2
Estuary and Coastal Zone Management Committee	3	1
Floodplain Risk Management Committee for Collins Creek	0	0
Floodplain Risk Management Committee for Hewitts Creek	1	1
Floodplain Risk Management Committee for Towradgi Creek Catchment	1	1
Sports and Facilities Reference Group	5	2
Councillor Martin		
Active Transport Reference Group	4	4
Cultural Reference Group	5	4
Economic Development Advisory Board	6	4
Illawarra Regional Information Service Board	6	5
Floodplain Risk Management Committee for Allans Creek	0	0
West Dapto Review Committee	6	4
Wollongong Heritage Advisory Committee	6	6

2014-2015 List of Meetings	Meetings Held	Meeting Attended
Councillor Merrin		
Active Transport Reference Group	4	4
Cultural Reference Group	5	4
Economic Development Advisory Board	6	4
Illawarra Regional Information Service Board	6	5
Floodplain Risk Management Committee for Allans Creek	0	0
West Dapto Review Committee	6	4
Wollongong Heritage Advisory Committee	6	6
Councillor Petty		
Audit Committee	4	4
Environment and Sustainability Reference Group	5	0
Councillor Takacs		
City Centre Major Projects Steering Committee	9	9
Economic Development Advisory Board	6	3
Environment and Sustainability Reference Group	5	5
Escarpment Planning Reference Group	5	4
Healthy Cities Illawarra Board	6	5
Illawarra ITEC Limited Board	6	5
Multicultural Reference Group	4	2
Wollongong City Floodplain Management Committee	2	2

REPORT OF THE AUDIT COMMITTEE

Report to Council covering the period July 2014 to June 2015

Membership

The Audit Committee of Council (The Committee) comprises five members: three independent members and two Councillor members. They are:

INDEPENDENT MEMBERS:	Mr Jim Mitchell FCPA
	Independent Chair (from 27 January 2015 to present)
	Independent Member (to 27 January 2015)
	Ms Kylie McRae EMBA, FCPA, CMIIA, CIA, GAICD, BCOM
	Independent Chair to (31 October 2014)
	Independent member (from 27 January 2015 to present)
	Mr Brian Ward FCPA, GAICD
	Independent Member (to 24 November 2014)
	Dr Philip Ross BBus MCom PhD CA
	Independent Member (from 27 January 2015 to present)
COUNCILLOR MEMBERS:	Councillor Greg Petty FCPA, GAICD, AGIA, BBS (NSWIT), JP
	Councillor Michelle Blicavs MMgt, GAICD, FAE

All independent members have recent and relevant financial experience in addition to extensive experience in corporate governance. Councillor members have appropriate qualifications and experience to allow them to undertake their roles.

Meeting Attendance

Member	Meeting 02-09-2014	Meeting 16-12-2014	Meeting 03-03-2015	Meeting 02-06-2015
Mr Jim Mitchell	Yes	Yes	Yes	Yes
Ms Kylie McRae	Yes	n/a	Yes	Apology
Dr Philip Ross	n/a	n/a	Yes	Yes
Mr Brian Ward	Yes	n/a	n/a	n/a
Cr Michelle Blicavs	Apology	Yes	Yes	Yes
Cr Greg Petty	Yes	Yes	Yes	Yes

Responsibilities

The Committee has the following responsibilities:

FINANCIAL REPORTING

Advise Council whether the financial information reported by management reasonably portrays the Council's financial position, results of operations and significant commitments. In fulfilling this responsibility throughout the year the Committee have:

- Reviewed monthly and quarterly management financial reports.
- Reviewed the annual financial statements to ensure completeness, consistency with the Committee's knowledge of operations and application of accounting policies and principles.
- Received briefings on significant accounting and legislative matters with the potential to affect the financial position of Council.

INTERNAL AND EXTERNAL AUDIT

Oversight of the work of both internal audit and external audit. In fulfilling this responsibility throughout the year the Committee have:

- Reviewed Council's risk profile developed by the Internal Auditor and subsequently considered, approved and monitored the annual audit plan for internal audit activities.
- Ensured that all systems, processes, operations, functions, and activities of the Council were subject to internal audit evaluation at regular intervals based on risk assessment. To assist in this regard, the Committee received regular briefings and updates on legislative and operational changes with the potential to affect Council's risk profile.
- Monitored, through the results of internal and external audits, the adequacy and effectiveness of the Council's internal control structure.
- Reviewed internal and external audit reports, the practicality of any recommendations and the adequacy of management responses. The Committee also monitored the implementation by management of recommendations arising from audit reports.
- Provided input and feedback on external audit coverage and performance.
- Reviewed the Audit Committee and Internal Audit Charters.

Details of the Internal Audits conducted by Internal Audit and overseen by the Committee during the period July 2014 to June 2015 are provided in the table on the next page.

OTHER RESPONSIBILITIES

The Committee is required, through the Chair, to provide assistance and advice to the Corporate Governance Committee should any matters related to ethics, conflict of interests, misconduct, or fraud come to its attention. No matters of this nature came to the attention of the Committee throughout the year.

The Chair of the Committee did provide advice to the General Manager in relation to the assessment of tenders for the provision of external and internal audit services.

*Prepared by J Mitchell
Chairperson
Audit Committee*

AUDITS UNDERTAKEN DURING 2014-15

2014-15 Internal Audit Plan	
General Ranger Activities	The review assessed the design and operating effectiveness of the compliance processes and the internal controls that are in place to mitigate the major risks associated with general ranger compliance activities.
Fuel Usage	The objective of the engagement was to assess the adequacy and effectiveness of management systems and controls in place to mitigate the risks associated with the city's fuel purchases, distribution and usage.
Revenue Receipting	The objective of the engagement was to review a selection of Council cash receipting and processing sites and to assess the level of compliance with the Council's Cash Handling Management Policy.
Central Depot Activities and Plant and Equipment	The purpose of the review was to assess the adequacy and effectiveness of management systems and controls in place to mitigate the risks associated with plant and equipment. The audit focussed on plant and equipment purchases made by Workshop Operations Management and included the small tools store.
Councillor Expenses	The objective of the engagement was to perform a compliance review over the payment of expenses and the provision of facilities to the Lord Mayor and Councillors as governed by the relevant Policy and Sections 23A, 252, 253 and 254 of the Local Government Act 1993 and Clause 403 of the Local Government (General) Regulation 2005.
Review of the Implementation of Council Resolutions	The objective of the review was to confirm compliance with management procedures, systems and controls in place that govern the implementation of Council resolutions and actions.
Rates Revenue	The objective of the engagement was to review a selection of Council cash receipting and processing sites and to assess the level of compliance with the Council's Cash Handling Management Policy.
Two Follow-up Audits	A follow-up of internal audit recommendations is performed on a biannual basis. The purpose of each review is to establish and report on the status of actions taken by management to implement agreed internal and external audit and Professional Conduct Coordinator recommendations. This review has covered all recommendations noted by management as completed on or before 30 November 2014.

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

Report to Council covering the period July 2014 to June 2015

Membership

The Corporate Governance Committee (The Committee) has five members: three independent members and two Councillors. They are:

INDEPENDENT CHAIR:	Ms Janelle Bond MBA (Commercial Law), BIT, FAICD (Jan 2013 – Oct 2014) Ms Kylie McRae EMBA, FCPA, CMIIA, CIA, GAICD, BCOM (Nov 2014 - Present)
INDEPENDENT MEMBERS:	Ms Kylie McRae EMBA, FCPA, CMIIA, CIA, GAICD, BCOM (Jan 2013 – Oct 2014) Mr Ross Clifton PhD, MBA, MA, BEd. (Jan 2013 – present) Mr Terry Clout BA GAICD CPRM (Oct 2014 - present)
COUNCILLOR MEMBERS:	Councillor Chris Connor, Deputy Mayor MEdAdmin, GradDipEdSt (School Admin), DipT, MAICD (Jan 2013 – present) Councillor John Dorahy GAICD (Jan 2013 – Present)

All independent members have recent and relevant corporate governance experience in addition to relevant industry experience. Councillor members have appropriate qualifications and experience to allow them to undertake their roles.

Responsibilities

The role of the Corporate Governance Committee is to serve as an independent and objective party to assist Council in fulfilling its responsibilities in relation to corporate governance, management of its financial affairs, compliance with laws, ethical behaviour, and for risk management.

As per the terms of reference, during the reporting period the Committee completed the following activities.

FINANCIAL MONITORING

- Reviewed Council's financial performance against the Budget as approved by Council, both operating and capital budgets
- Reviewed strategies of management to achieve budget balance
- Reviewed long term financial strategies developed by management.

Note: The Audit Committee is responsible for signing off on the financial statements for accuracy. The Corporate Governance Committee is responsible for examining the appropriate management of the budget.

PLANNING AND PERFORMANCE MONITORING

- Monitored the development of the Council's annual management plan
- Reviewed and monitored progress of Council's strategic plans
- Reviewed the Council's progress against key performance indicators:
 - Executive Key Performance Indicators
 - Council Trends and Statistics including:
 - Legal Matters including Claims
 - Status of Council Resolutions
 - Active Council Tasks Register
 - Customer Relations Feedback
 - TRIM Statistics
 - Work Health and Safety
 - Corporate Governance Health Check.

RISK MANAGEMENT

The Committee closely monitored the risk management program to ensure a comprehensive risk management plan is in place and management has a program to manage all significant risks by identification, prioritisation and implementation of strategies.

In particular, the Committee reviewed:

- Reports on risk assessments and controls;
- Risk management policies and procedures;
- Risk management systems and compliance processes for adequacy.

ETHICAL CONDUCT

The Committee reviewed the Council's Code of Conduct to ensure consistency with the Model Code of the Office of Local Government.

The Committee reviewed the Council's approach to:

- Managing conflicts of interest
- Gifts and Benefits Register
- Secondary employment policies
- Fraud prevention strategies
- Corruption risk management
- Developing and maintaining staff awareness of ethical conduct, risk management and corruption prevention.

Closed session meetings with the Professional Conduct Coordinator were held prior to each Corporate Governance Meeting to consider the Professional Conduct Coordinator's Progress Report for the preceding period.

COUNCIL POLICY REVIEWS

The Committee conducts ongoing reviews of the Council Policy Register and Corporate Governance Health Check to ensure that all key policies are kept current and meet legislative requirements.

OTHER RESPONSIBILITIES

The Chair of the Committee did, on occasion, provide advice to the General Manager in relation to the assessment and investigation of Code of Conduct complaints involving Councillors.

Prepared by K McRae

Chairperson

Corporate Governance Committee

SPONSORSHIP OF WOLLONGONG CITY COUNCIL EVENTS

The following table provides a list of all sponsorship, as per Council's Sponsorship Policy.

Sponsors / Event	Australia Day \$	NYE \$	Moonlight Movies \$	Giving Tree \$
Illawarra Mercury	\$24,000 in kind	\$20,000 in kind		
Win Television	\$10,000 in kind	\$10,000 in kind		
ig8	\$11,000 in kind	\$11,000 in kind		
Wave FM	\$27,000 in kind			in kind
Telstra	10,000			
McDonalds	15,000			
Brandworx	3,000			
Illawarra Mercury	2,000			
BlueScope WIN Community Partners	2,500			500
IMB			3,000	
Ray White Illawarra		8,000		
NSW Ports		2,000		
TAFE			in kind	
Transport NSW	in kind	in kind		
Traffic Logistics	in kind	in kind		
Total	32,500	10,000	3,000	500

WOLLONGONG CITY COUNCIL

ANNUAL REPORT

2014 - 2015

ATTACHMENT E:
PAYMENT OF EXPENSES
AND PROVISION OF
FACILITIES TO LORD MAYOR
AND COUNCILLORS

From the
mountains
to the sea

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 objectives of this policy are to ensure:

- that there is accountability and transparency in the payment of expenses incurred or to be incurred by Councillors;
- that these expenses and the facilities provided to Councillors are acceptable to, and meet the expectations of, the local community;
- that Council complies with legislative requirements; and
- that Councillors are not financially or otherwise disadvantaged in undertaking their civic duties.

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.

This policy is consistent with the goals and objectives outlined in the Community Strategic Plan and Council's core values.

TABLE OF CONTENTS

Adopted by COUNCIL: 13 october 2014	Error! Bookmark not defined.
BACKGROUND	1
OBJECTIVE	2
POLICY STATEMENT	2
STATEMENT OF PROCEDURES	5
PART 1 – INTRODUCTION	5
Commencement	5
Availability of Policy	5
Reporting Requirements	5
Legislative Provisions	5
Approval Arrangements	7
Approval Process	7
Trim Reference	7
PART 2 – PAYMENT OF EXPENSES	8
GENERAL PROVISIONS	8
Allowances and Expenses	8
Payment in Advance	8
Reimbursement and Reconciliation of Expenses and Payments in Advance	8
Community and Charitable Functions	8
Dinners and Other Non-Council Functions	8
Spouse and Partner Expenses	8
SPECIFIC EXPENSES FOR MAYORS AND COUNCILLORS	9
Attendance at Conferences and Seminars	9
Local Travel Expenses – Official Council Business	10
Professional Development	11
Care and Other Related Expenses	11
Protection Expenses and Obligations	11
Insurance Expenses and Obligations	11
Legal Expenses and Obligations	12
PART 3 – PROVISION OF FACILITIES	14
GENERAL PROVISIONS	14
Provision of Facilities Generally	14
Private Use of Equipment and Facilities	14
PROVISION OF EQUIPMENT AND FACILITIES FOR COUNCILLORS	14
Office	14
Mobile Telephony	14
Information Communication Technology	14
Shredder	15
Newspaper	15
Stationery	15
Postage	15
Meals	15
Refreshments	15

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

STATEMENT OF PROCEDURES

PART 1 – INTRODUCTION

Commencement

This policy commences on 13 October 2014 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 11 November 2013.

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, 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, cost of accommodation and other out-of-pocket travelling expenses;
 - The expenses of any spouse, partner (whether of the same or 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; and
 - 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.

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 five (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 Office 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 Office of Local Government Guidelines for payment of expenses and provision of facilities for Mayors and Councillors which have been issued under Section 23A of the *Local Government Act 1993*.
- Council's *Code of Conduct* and, in particular, sections related to Use of Council Resources.
- ICAC publication – *No Excuse for Misuse*.

Approval Arrangements

- 1 A *Councillor Request to Attend External Event* application form is to be submitted to the Lord Mayor in the first instance for Councillor attendance at any Conference, seminar, meeting with external parties on official Council business, training and skills development session, community function, dinner and other non-Council event or function the Councillor wishes to attend in their civic capacity.
- 2 Application forms are to be submitted prior to attendance at the event and/or any expenses being incurred and must detail the purpose of the trip, expected benefits, duration, itinerary and approximate costs (where known).
- 3 The Lord Mayor will consider whether they are authorised to approve the application form or whether it is appropriate to refer the application form for report to an open meeting of Council.
- 4 Where a report to Council is required, reports must detail the purpose of the trip, expected benefits, duration, itinerary, approximate costs and nomination/number of Councillors undertaking the trip.
- 5 Overseas travel must be approved prior to the Councillor/s undertaking the trip.
- 6 Retrospective reimbursement of overseas travel expenses is not allowed unless prior authorisation of the travel has been obtained.
- 7 The use of a Lord Mayoral Minute to obtain Council approval for travel is not appropriate as it is not consistent with the principles of openness and transparency

Approval Process

	Lord Mayor Approval Only*	Report to Open Meeting of Council	Lord Mayor Approval and Noted by GM
A Costs not exceeding \$2,000 per Councillor:			
i 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	✓		
ii Applications for a single day function or event only	✓		
iii Applications requiring single overnight accommodation within the ACT or New South Wales	✓		
iv Attendance at Community Functions, Dinners and Other Non-Council Functions	✓		
v Any application to attend an event where the Councillor has been invited to speak on behalf of Council	✓		
B Any of the above where costs exceed \$2,000 per Councillor		✓	
C Applications requiring accommodation for greater than one night – except where A(i), above, applies		✓	
D Applications requiring air travel (within Australia)		✓	
E Applications requiring overseas travel		✓	
F All other Applications and where approval at a meeting of Council is not possible or appropriate			✓

* Where the Lord Mayor is the applicant, approval may be granted by the Deputy Lord Mayor and be noted by the General Manager.

Trim Reference

The Trim container for this policy is GI-80.07.03.001.

END OF PART ONE

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, meetings relating to official Council business, seminars, conferences and training sessions.

Incidental expenses include telephone or facsimile calls, laundry and dry cleaning (associated with overnight travel), taxi fares, parking station fees and cost of meals not included in registration fees, but excludes tips, and such expenses shall not exceed:

- \$150 per day excluding meals; or
 - \$250 per day including meals, of which not more than \$150 shall be on meals.
- Other incidental expenses such as refreshments and parking meter fees, may be incurred and reimbursed without substantiation up to a value equivalent to the current Australian Taxation Office Taxation Determination on the reasonable travel and overtime meal allowance expense amounts for the current income year.

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 Reimbursement of Expenses Form for any claims not included on the monthly Councillor Claim for Expenses Form.

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 and Charitable Functions

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

Where a Councillor accepts an invitation to attend a community or charitable function in the role of a Councillor, Council shall meet all costs associated with such attendance, including entry 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.
- 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 Local Government NSW Annual Conference.

These expenses are limited to the cost of the spouse, partner or accompanying person's registration (including the official conference dinner and welcome reception) and official functions hosted by Wollongong City Council at the conference.

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 costs of the spouse, partner or accompanying person of the Lord Mayor (or a Councillor representing the Lord Mayor) where the spouse, partner or accompanying person would reasonably be expected to attend an official function of Council or accompany the Lord Mayor (or a Councillor representing the Lord Mayor) to carry out an official ceremonial duty within NSW or the ACT.

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.

NOTE: 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.

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.

Peripheral expenses incurred by a spouse, partner or accompanying person such as grooming, special clothing and transport are not reimbursable expenses.

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 to Attend External Event application in respect of all other conferences and seminars for approval in accordance with this policy – refer to 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 NSW 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 external events covered by this policy including those relating to travel, accommodation, 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

The method of transport will be by road except in circumstances where air travel is considered the most appropriate method.

Road Travel

- 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 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.

Air Travel

Australia and New Zealand

- 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 by a Council officer with Council's approved travel provider or via the internet.

Conference Reports

After returning from Conferences or overseas travel, 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 NSW Annual Conference.

Each quarter the General Manager shall inform Councillors via the Information Folder of the Conferences attended by Councillors and the expenses incurred.

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 means 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; and
 - where Councillor attendance is required at official Council events as indicated on the Corporate Diary.

Councillors are to take the most direct route when travelling on Council business.

Professional Development

- All Councillors are expected to attend any Post Election Seminars coordinated by the Office of Local Government.
- Councillors are expected to familiarise themselves with the Councillor Development Strategy which is a joint initiative of the Office 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 to Attend External Event application for approval in accordance with this Policy – refer Approval Arrangements.

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 NSW 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 subject to any limitations or conditions of the policy of insurance effected by Council, for:

- a *Travel for Councillors and accompanying spouses/partners on Council Business within Australia (outside of 100km from Wollongong) and Worldwide (subject to policy limitations)*
- Personal injury 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
- Rental vehicle excess expenses
- Personal liability

b Personal Accident for Councillors

- Lost wages for injury and capital benefits for death or permanent disability
- Non-Medicare medical expenses

c Councillor's Liability

Liability to a third party arising out of Councillors' exercise of their functions as Councillors including liability in the form of awards of damages (including punitive and exemplary damages), awards of costs or settlements (including plaintiff's legal costs and expenses), pre- and post-judgment interest on a covered judgment or award, and the multiplied portion of multiple damages, defence/investigation costs, appeal costs, fines and penalties pursuant to any statute arising from any actual, alleged or proposed act, error or omission, breach of duty, breach of trust, misstatement, misleading statement or breach of warranty of authority by a Councillor.

Legal Expenses and Obligations

1 Councillors are to receive the benefit of relevant insurance coverage that may be 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
- Office of Local Government
- 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;

provided the circumstances of the matter are reported to Council's relevant insurance provider who in turn consents to the legal services and costs prior to the costs being incurred.

Council shall subject to the terms and condition of the insurance coverage 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 and insurance provider for the nominated solicitor and their hourly rates is both sought and gained in writing prior to legal expenses being incurred.
- ii approval of the General Manager and insurance provider for any additional legal expenses is both sought and gained in writing prior to those expenses being incurred.
- iii 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.
- iv 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.
- v the Councillors' exercise of his or her function, was in the opinion of Council bona fide and/or proper; and as a Councillor.

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; and
- v the costs of defending any matter relating to the eligibility of a Councillor to stand for election.

END OF PART 2

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 minimum of 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 \$300 (Plus GST) per quarter with any additional costs being borne by the individual Councillor and will be deducted from their next monthly Councillor fee payment.
- 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. The declaration is to be completed each month.
- 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 \$300 per quarter 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.

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 minimum of 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 8.30 am to 5.30 pm, 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.
- Councillors may be reimbursed for the use of private printing device consumables (printer cartridges and paper), upon presentation of receipts, up to an annual value of \$250. Councillors must submit their claim, quoting an estimated percentage of Council use of the private printing device and will be reimbursed for the equivalent percentage of the total cost of the consumables. For example, where an estimated percentage of Council use is 50%, reimbursement will be 50% of the total cost of the item/s.
- 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, and/or subscription to the digital edition of the Illawarra Mercury.

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 meetings, Standing Committee meetings and Councillor briefings.

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 Street East car park 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. This relates to any hard copy and/or electronic correspondence sent as Council business.
- 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 through a Novated Lease to a similar value.
- Full private use is available in accordance with the private use provisions contained within Council's Vehicle Management 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 and other 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 within the Administration Building, 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 Robe and 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.

END OF PART 3

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; and
 - 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; and
 - 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 five (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, Councillor Request to Attend External Event application 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; and
- Council's decision will be final and no further appeal will be permitted.

SUMMARY SHEET

Responsible Division	Governance and Information
Date adopted by Council	13 October 2014
Date of previous adoptions	11 November 2013; 8 April 2013; 12 November 2012; 28 November 2011; 26 July 2011; 19 November 2007; 17 October 1994
Date of next review	30 September 2015
Prepared by	Corporate Support Services Manager
Authorised by	Manager Governance and Information