

BUSINESS PAPER

ORDINARY MEETING OF COUNCIL

To be held at 6.00 pm on

Monday 23 September 2019

Council Chambers, Level 10, Council Administration Building, 41 Burelli Street, Wollongong

Order of Business

- 1 Opening Meeting
- 2 Acknowledgement of Traditional Owners
- 3 Civic Prayer
- 4 Apologies and Applications for Leave of Absence by Councillors
- 5 Confirmation of Minutes of Ordinary Council Meeting
- 6 Confirmation of Minutes of Extraordinary Council meeting
- 7 Conflicts of Interest
- 8 Petitions and Presentations
- 9 Confirmation of Minutes of Council Committee Meeting
- 10 Public Access Forum
- 11 Call of the Agenda
- 12 Lord Mayoral Minute
- 13 Urgent Items
- 14 Reports to Council
- 15 Reports of Committees
- 16 Items Laid on the Table
- 17 Notices of Motion(s)/Questions with Notice
- 18 Notice of Rescission Motion
- 19 Confidential Business
- 20 Conclusion of Meeting

Members

Lord Mayor -

Councillor Gordon Bradbery AM (Chair)

Deputy Lord Mayor -

Councillor David Brown

Councillor Ann Martin

Councillor Cameron Walters

Councillor Cath Blakey

Councillor Dom Figliomeni

Councillor Janice Kershaw

Councillor Jenelle Rimmer

Councillor John Dorahy
Councillor Leigh Colacino

Councillor Mithra Cox

Councillor Tania Brown

Councillor Vicky King

QUORUM - 7 MEMBERS TO BE PRESENT



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MINUTES

ORDINARY MEETING OF COUNCIL

at 6.00 pm

Monday 2 September 2019

Present

Lord Mayor - Councillor Gordon Bradbery AM (in the Chair)

Deputy Lord Mayor – Councillor David Brown

Councillor Ann Martin
Councillor Cameron Walters
Councillor Cath Blakey
Councillor Janice Kershaw
Councillor Jenelle Rimmer

Councillor John Dorahy Councillor Leigh Colacino Councillor Mithra Cox Councillor Tania Brown

In Attendance

General Manager

Director Infrastructure + Works, Connectivity Assets + Liveable City

Director Planning + Environment (Acting), Future City and Neighbourhoods

Director Corporate Services, Connected + Engaged City Director Community Services, Creative + Innovative City

Manager Governance + Customer Service

Chief Financial Officer

Manager Property + Recreation (Acting)

Chief Information Officer

Manager City Strategy (Acting) Manager City Works (Acting) Manager Project Delivery

Manager Infrastructure Strategy + Planning

Manager Open Space + Environmental Services

Manager Community Cultural + Economic Development

Greg Doyle
Andrew Carfield
Chris Stewart
Renee Campbell
Kerry Hunt
Todd Hopwood
Brian Jenkins
Lucielle Power
Ingrid McAlpin
David Green
Alan Davis
Glenn Whittaker
Mike Dowd
Joanne Page
Sue Savage

Apologies

Min No.



COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor T Brown that the leave of absence tendered by Councillor King (from 2 September to 13 October) and for Councillor Figliomeni (from 15 August to 5 September) be accepted.



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	Reason for Confidentiality	

This report recommends that this item be considered in Closed Session to the exclusion of the press and public in accordance with Section 10A(2)(a) of the Local Government Act, 1993, as the report contains personnel matters concerning particular individuals.



DISCLOSURE OF INTERESTS

Councillor T Brown declared a non-significant, non-pecuniary Conflict of Interest in Item 22 as she is a Member-elected Board Member of Destination Wollongong, which is referenced in the Motion. As the Motion is for a report to be prepared and Destination Wollongong is not the applicant, Councillor Brown advised that she would remain in the meeting during debate and voting on this matter.

Councillor Colacino declared a non-significant, non-pecuniary Conflict of Interest in Item 22 as he is a Member-elected Board Member of Destination Wollongong, which is referenced in the Motion. As the Motion is for a report to be prepared and Destination Wollongong is not the applicant, Councillor Colacino advised that he would remain in the meeting during debate and voting on this matter

WOMENS BIG BASH LEAGUE

Councillor D Brown advised of his recent attendance at the launch of the Women's Big Bash League with the Sydney Thunder to play Adelaide Strikers at Dalton Park on 20 November 2019. Councillor D Brown also advised that he is in receipt of a promotional Sydney Thunder shirt.

CONFIRMATION OF MINUTES OF ORDINARY MEETING OF COUNCIL HELD ON MONDAY, 12 AUGUST 2019

278

COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Colacino that the Minutes of the Ordinary Meeting of Council held on Monday, 12 August 2019 (a copy having been circulated to Councillors) be taken as read and confirmed.

PUBLIC ACCESS FORUM

ITEM	TITLE	NAME OF SPEAKER
21	Notice of Motion – Councillor Rimmer – Request for Home Ground for Illawarra Stingrays	Katherine McDonogh For Recommendation



COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Martin that all speakers be thanked for their presentation and invited to table their notes.

CALL OF THE AGENDA

280

COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that the staff recommendations for items 2 to 4, 6 to 8, 10 to 12 and 14 to 19 inclusive be adopted as a block.

A PROCEDURAL MOTION by Councillor Rimmer seconded Councillor Cox was CARRIED UNANIMOUSLY that Item 21 be considered prior to Item 1.

DEPARTURE OF COUNCILLOR

During debate and prior to voting on Item 21, Councillor Walters departed and returned to the meeting, the time being from 6:28 pm to 6:29 pm.



ITEM 21 - NOTICE OF MOTION - COUNCILLOR RIMMER - REQUEST FOR HOME GROUND FOR ILLAWARRA STINGRAYS

- 281 COUNCIL'S RESOLUTION RESOLVED UNANIMOUSLY on the motion of Councillor Rimmer seconded Councillor Cox that Council
 - Acknowledges that the Illawarra Stingrays are a National Premier League team based in the Wollongong LGA using various grounds for games and training.
 - 2 Recognises the need for a home ground to be provided to the Illawarra Stingrays.
 - 3 Is committed to finding them a stand-alone home ground that allows them an income stream toward financial sustainability.
 - 4 Requests staff work proactively to locate a suitable home ground for the Stingrays and provide Councillors with a briefing on possible options at the briefing on 4 November 2019.
 - 5 Council write to the Sports Minister, CEO Football NSW and CEO Football Federation of Australia to discuss funding and ground options for the Illawarra Stingrays.

At this stage Councillor Bradbery moved a FORESHADOWED MOTION should Councillor Rimmer's Motion be defeated –

- 1 Acknowledges the Illawarra Stingrays are a National Premier League team who are based in the Wollongong Local Government Area and congratulate them accordingly.
- 2 Requests Council staff to identify possible sites for a suitable home ground and facilities for the Stingrays.
- 3 Provide Councillors with a Briefing on the outcome of Point 2 at the Councillor Briefing scheduled for 4 November 2019.

The FORESHADOWED MOTION moved by Councillor Bradbery lapsed for the lack of a seconder.

Variation

The following variation by Councillor Dorahy was accepted by the mover and seconder –

The addition of Point 5

The following variation by Councillor Cox were accepted by the mover and seconder -

- The removal of the words 'with their own lease arrangements or a joint / sub leasing arrangement that provides a home ground on terms' from Point 3
- The addition of the words 'stand-alone' in Point 3

DEPARTURE OF COUNCILLOR

During debate and prior to voting on Item 1, Councillor Walters departed and returned to the meeting, the time being from 6:57 pm to 6:59 pm.

ITEM 1 - WOLLONGONG CITY FLOOD STUDY (2019)

- 282 COUNCIL'S RESOLUTION RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor T Brown that
 - 1 The Wollongong Flood Study (2019) be adopted.
 - 2 Persons who made submissions be thanked and advised of Council's decision.



ITEM 2 - WEST DAPTO DEVELOPMENT CONTRIBUTIONS PLAN (2017) MINOR AMENDMENT FOR ADOPTION

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that the minor amendment to the West Dapto Development Contributions Plan (2017) be adopted (Attachment 1 to the report).

ITEM 3 - DRAFT WEST DAPTO DEVELOPMENT CONTRIBUTIONS PLAN (2020) POST EXHIBITION

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION - RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that -

- 1 The key issues raised in submissions be noted.
- 2 The Draft West Dapto Development Contributions Plan (2020) be submitted to IPART (as exhibited) along with full copies of all submissions received for independent review.
- 3 A report be presented back to Council with the IPART recommendations and NSW Minister for Planning's advice in relation to the finalisation of the 2020 Plan. The report will clearly outline how all public submissions have been considered and responded to during preparation of the final 2020 Plan.

ITEM 4 - QUARTERLY VARIATIONS REPORT FOR DEVELOPMENT APPLICATIONS JUNE 2019

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that Council note the development standards variation report for the period 1 April 2019 to 30 June 2019.

DEPARTURE OF COUNCILLOR

During debate and prior to voting on Item 5, Councillor Cox departed and returned to the meeting, the time being from 7:14 pm to 7:16 pm.

ITEM 5 - ILLAWARRA DISTRICT WEEDS AUTHORITY DEED OF AGREEMENT - SEPTEMBER 2019

- 283 COUNCIL'S RESOLUTION RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Blakey that
 - In accordance with Section 377 of the Local Government Act 1993, Council exercise their weed control functions as the Local Control Authority under the Biosecurity Act 2015 jointly as the Illawarra District Weeds Authority, under the auspices of the Illawarra Shoalhaven Joint Organisation.
 - 2 Council delegate to the General Manager the authority to finalise and execute the Illawarra District Weeds Authority Agreement and any other documentation required to give effect to this resolution.
 - 3 Council grant authority for the use of the Common Seal of Council on the agreement and any other documentation, should it be required to give effect to this resolution.



ITEM 6 - PROPOSED NAMING OF THREE UNNAMED RESERVES IN KEMBLA GRANGE

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that Council endorse the application to the Geographical Names Board of NSW to formally assign the following under the Geographical Names Act 1996 -

- a Lot 996 DP 1239565 as 'Stane Dyke Park'
- b Lot 99 DP 1230416 and Lot 999 DP1239565 as 'McPhail Reserve'
- c Lot 2000 DP 1239566 as 'Mogomorra Park'.

ITEM 7 - PROPOSED ROAD NAMING OF LANE 47 IN AUSTINMER

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that Council take action under Section 162 of the Roads Act 1993 to name the unnamed Lane 47 located between Gilchrist Street/The Grove and Wigram Road in Austinmer as "Hilldale Walk".

ITEM 8 - DRAINAGE EASEMENT OVER COMMUNITY LAND AT KEIRAVILLE

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION - RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that -

- 1 Council resolves to grant a drainage easement under S. 46 (a1) of the Local Government Act 1993 over Council Community Land, Lot 226 DP 217886, known as Murray Reserve, Keiraville.
- 2 The drainage easement is to benefit the adjoining land, 74 Robsons Road, Keiraville, identified as Lot 6 DP 503156.
- 3 Council resolves to accept compensation for the grant of the easement in accordance with the valuation report prepared by the registered valuer, the amount to be calculated as being 20% of the square metre rate of the property determined to be \$576.29 per square metre (GST free).
- 4 The applicant be responsible for all costs associated with the matter.
- 5 The Lord Mayor and General Manager be authorised to finalise the matter.
- 6 Council grant authority for the use of the Common Seal of Council on all documents relevant to this matter, should it be required to give effect to this resolution.

ITEM 9 - POLICY REVIEW: ENCROACHMENT COUNCIL POLICY

284 COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Walters that the revised Encroachment Council Policy be adopted.



ITEM 10 - POLICY REVIEW: FINANCIAL ASSISTANCE COUNCIL POLICY

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that Council adopts the revised Financial Assistance Council Policy.

ITEM 11 - POLICY REVIEW: FRAUD AND CORRUPTION PREVENTION POLICY

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that the revised Fraud and Corruption Prevention Policy be adopted.

ITEM 12 - TENDER T17/14 ELECTRICAL DISTRIBUTION BOARD INSPECTION AND TESTING

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that in accordance with clause 178 (1) (b) of the Local Government (General) Regulation 2005, Council decline to accept any of the tenders received for T17/14 Electrical Distribution Board Inspection & Testing Services to Council and resolve to invite fresh tenders by open tendering in accordance with clause 178 (3) (b).

ITEM 13 - TENDER T18/20 BUILDING TRADE SERVICES PANEL

- 285 COUNCIL'S RESOLUTION RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Kershaw that
 - 1 In accordance with clause 178 (1) (a) of the Local Government (General) Regulation 2005, Council accept the tender of the companies listed in the tables provided for the building services panel, over the two-year term of the contract (with options of extension for 3 further periods of one year).
 - 2 Council delegate to the General Manager the authority to finalise and execute the contracts and any other documentation required to give effect to this resolution.
 - 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.
 - 4 Assessment rankings/summary of tenderers have been updated on 2 September 2019 due to two tenderers lobbying Councillers.



ITEM 14 - TENDER T19/20 WOLLONGONG SENIOR CITIZENS CENTRE BUILDING UPGRADES

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION - RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that -

- In accordance with clause 178 (1) (a) of the Local Government (General) Regulation 2005, Council accept the tender of Matrix Group Co Pty Ltd for the Wollongong Senior Citizens Centre Building Upgrades in the sum of \$623,300.00, excluding GST.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

ITEM 15 - WRITE OFF COUNCIL RATES - LOT 1 DARCY ROAD, PORT KEMBLA NSW 2505

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that Council write off rates of \$105,282.36 on Assessment No 76083.0 that was subject to a lease over Crown land as the lessee has been deregistered with Australian Security & Investments Commission (ASIC) and Council is unable to recover the rates arrears.

ITEM 16 - DRAFT QUARTERLY REVIEW STATEMENT JUNE 2019

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION - RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that -

- 1 The draft Quarterly Review Statement June 2019 be adopted.
- 2 Council approve the transfer to Strategic Projects internally restricted cash of \$4M representing an improvement in the Funds Result for the year ending 30 June 2019.
- 3 Council approve the transfer to Strategic Projects internally restricted cash of \$630K representing proceeds from a road closure in Ellen Street.

ITEM 17 - JULY 2019 FINANCIALS

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that –

- 1 The financials be received and noted.
- 2 Council approves the proposed changes to the Capital Budget.



ITEM 18 - STATEMENT OF INVESTMENT - JULY 2019

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that Council receive the Statement of Investment for July 2019.

ITEM 19 - NOTICE OF MOTION - COUNCILLOR COX - NEW BUILDINGS - ENERGY POSITIVE

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 280).

COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Dorahy that Council staff provide a report or briefing to Councillors outlining ways to ensure that all new buildings are energy positive (buildings that produce more energy than they use), including but not limited to -

- 1 Changes to our Development Control Plan including any site specific Development Control Plans.
- 2 Incentives for developers, home owners and renovators.
- Working with state government to lift energy efficiency and production requirements under Basix and extend Basix to commercial buildings.
- 4 Working with state and federal governments to lift the standards applied to exempt and complying development.
- Working with the Federal Government to include energy efficiency requirements in the National Building Code.
- 6 Encouraging energy positive homes in display villages to demonstrate to buyers that energy positive homes are practical and affordable.



ITEM 20 - NOTICE OF MOTION - COUNCILLOR BLAKEY - STYROFOAM WAFFLE POD MANAGEMENT

286 COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor Blakey seconded Councillor Cox that –

- 1 Council note that styrofoam waffle pods as used in building slabs are prone to being dispersed by wind, and when this happens they have a serious impact on our waterways, farmland and the environment.
- 2 Council notes that the current voluntary code of practice for waffle pod use and storage is insufficient to secure them during seasonal high winds.
- 3 Council write to the NSW Minister for Better Regulation and the Environment Minister outlining the serious pollution incidents that have occurred under the voluntary code of practice, and seek their support to investigate solutions such as
 - a Mandating a compulsory code of practice for the storage and use of styrofoam waffle pods.
 - b Significantly increasing fines for non-compliance.
 - c Replacement with void forms made of sustainable materials such as cardboard, or recycled plastics and other materials.
 - d The phase out of styrofoam in waffle pods.
- 4 Council support the following motion to the 2019 Local Government NSW Conference that Local Government NSW
 - a Recognises that styrofoam waffle pods cause serious wind-blown pollution.
 - b Is concerned that the current voluntary code of practice is insufficient to secure styrofoam waffle pods on building sites.
 - c Is concerned that the clean-up of wind-blown styrofoam is a major burden on council resources.
 - d Lobbies the NSW State Government to seek solutions to the use of styrofoam in waffle pods in building slabs.

Variation

The variation to remove the words 'see newspaper link' at the end of Point 4a by Councillor D Brown was accepted by the mover and seconder.

DEPARTURE OF COUNCILLOR

During debate and prior to voting on Item 22, Councillor Dorahy departed and returned to the meeting, the time being from 8:05 pm to 8:08 pm.



ITEM 22 - NOTICE OF MOTION - COUNCILLOR WALTERS - TRIAL OF BEACH CLUB AT NORTH WOLLONGONG BEACH 2019/2020

- 287 COUNCIL'S RESOLUTION RESOLVED on the motion of Councillor Walters seconded Councillor Dorahy that Wollongong City Council -
 - 1 Investigate the opportunities offered to our ongoing tourism growth by holding a trial of a pop-up "Beach Club" at North Wollongong Beach, or any other suitable foreshore location in the Wollongong Local Government Area, over the summer of the 2020/2021 season.
 - 2 Council deliver to Councillors, in the form of a briefing note, the results of the following investigations, by the end of April 2020
 - a Council work in collaboration with Destination Wollongong to investigate running a pop-up "Beach Club" trial at North Wollongong Beach or any other suitable foreshore location in the Wollongong Local Government Area
 - b The scope of the term pop-up "Beach Club" will cover, but not be limited to, the service of alcohol, food, seating, tables, sun chairs and live music
 - c Consideration is given to running the trial during the months of December, January and February
 - d Outline the benefits in both economic terms, and as an area attractor/activator, that this type of opportunity has already delivered to areas where such clubs currently exist
 - e Investigate what partnerships, within the local community, could be developed
 - f Report on what the Development Application implications of such a proposal could be and how other clubs from around Australia have managed this type of offering
 - g Investigate the possible environmental impacts a pop-up "Beach Club" could have on the surrounding area
 - h Outline what times would be suitable for a pop-up "Beach Club" to operate.

Variation The following variations were accepted by the mover and seconder -

- The addition of the words 'pop-up' by Councillor Martin in Points 1, 2a, 2b, 2g and 2h
- The removal of the words 'beach location' and replaced with 'foreshore location' by Councillor Blakey in Points 1 and 2a
- The removal of the words '2019/2020' and replaced with '2020/2021' by Councillor Walters in Point 1
- The removal of the words 'as soon as possible' with 'by the end of April 2020' by Councillor Colacino in Point 2

At this stage Councillor Cox moved a FORESHADOWED MOTION should Councillor Walters' Motion be defeated –

That the upcoming briefing on mobile food trucks also include an update on the possibility of running a Beach Club.

At this stage Councillor D Brown moved a FORESHADOWED MOTION should Councillor Walters' Motion be defeated –

That Council call for proposals to operate a Beach Club.

In favour Councillors Rimmer, T Brown, Martin, Cox, Blakey, Colacino, Walters and Dorahy

Against Councillors Kershaw, D Brown and Bradbery



CLOSED COUNCIL SESSION

The Lord Mayor called for a Motion to close the meeting to consider a Confidential Item which deals with a report back to Council on the General Manager's Performance Agreement 2019/2020 in accordance with Section 10A (2) (a) of the Local Government Act.

Prior to putting the above Motion to the vote, the Lord Mayor advised members of the press and gallery that Item C1 relates to a report back to Council on the General Manager's Performance Agreement 2019/2020 and is classified as Confidential for the following reasons –

- 1 Section 10A (2) (a) of the Local Government Act 1993, permits the meeting to be closed to the public, as the report contains personnel matters concerning particular individuals
- 2 In accordance with Section 10A (4) of the Local Government Act 1993, the Lord Mayor invited members of the gallery to make representations to the Council meeting as to whether this part of the meeting should be closed
- COUNCIL'S RESOLUTION RESOLVED UNANIMOUSLY on the motion of Councillor Colacino seconded Councillor Dorahy that the meeting move into Closed Session to consider a report back to Council on the General Manager's Performance Agreement 2019/2020 in accordance with Section 10a (2) (a) of the Local Government Act 1993 on the basis that
 - 1 The report contains personnel matters concerning particular individuals
 - 2 On balance, the public interest in preserving the confidentiality of the information supplied outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting.

There being no members present in the gallery, the MOTION was PUT to the VOTE and was CARRIED UNANIMOUSLY.

At this stage, the time being 8:30pm, the meeting moved into Closed Session.

ITEM C1 - GENERAL MANAGER'S PERFORMANCE AGREEMENT 2019/20

- COUNCIL'S RESOLUTION RESOLVED UNANIMOUSLY on the motion of Councillor T Brown seconded Councillor Walters that Council noted the report provided by the performance review committee on the confidential General Manager's Performance Agreement 2019/20.
- 290 COUNCIL'S RESOLUTION RESOLVED UNANIMOUSLY on the motion of Councillor T Brown seconded Councillor Walters that the meeting move out of Closed Session and into Open Council.

Council resumed into Open Session at 8:41pm.

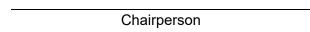
OPEN COUNCIL SESSION

RESOLUTIONS FROM THE CLOSED SESSION OF COUNCIL

The Lord Mayor advised the meeting of Council's Resolution whilst in Closed Session (refer to Minute Number 289).

THE MEETING CONCLUDED AT 8:42PM

Confirmed as a correct record of proceedings at the Ordinary Meeting of the Council of the City of Wollongong held on Monday 23 September 2019.





File: LM-914.002 Doc: IC19/601

ITEM A

REFURBISHMENT OF THE WOLLONGONG ENTERTAINMENT CENTRE

The Wollongong Entertainment Centre (WEC) is owned by Venues NSW, a statutory authority which sits within the NSW Office of Sport. There have been no significant improvements to the WEC since it was opened in 1998 and the refurbishment of the facility needs to be prioritised by the NSW Government.

RECOMMENDATION

That Wollongong City Council write to the Minister for Sport, Multiculturalism, Seniors and Veterans to -

- 1 Note that there have been no significant capital works or improvements undertaken on the Wollongong Entertainment Centre (WEC) since it was opened in 1998.
- 2 Note that the amenity of the WEC is tired and uninviting with seating which is especially uncomfortable and substandard at present.
- 3 Request that the following refurbishment of the WEC be expediated:
 - a An upgrade of the disability access, toilets and seating.
 - b An upgrade of the facilities for exhibition and conference opportunities, expanding the use of the WEC to include additional tourism and visitor activities.
 - c An upgrade of the Information, Communication and Technology systems, particularly the installation of Wifi and digital media capabilities.
- 4 Note the need for this work to proceed to meet the infrastructure requirements for the forthcoming UCI (Union Cycliste Internationale) Road Cycling Championships to be staged in Wollongong September 2022.

ATTACHMENTS

There are no attachments for this report.



File: CO-10.008 Doc: IC19/436

ITEM 1 ELECTION OF DEPUTY LORD MAYOR

Council at its meeting held on 24 September 2018 elected Councillor David Brown as Deputy Lord Mayor for a term of one year. Council is now required to elect a Deputy Lord Mayor for a term to be determined. The next general local government election in NSW will be held on Saturday 12 September 2020, and the determined term of the Deputy Lord Mayor cannot surpass this date.

The *Local Government (General) Regulation 2005* establishes the process for electing a Deputy Lord Mayor, which is outlined in this report.

RECOMMENDATION

- 1 Council elect a Deputy Lord Mayor for a term determined by the Council, noting that the term cannot exceed the date for the next general local government election in NSW scheduled for Saturday 12 September 2020.
- 2 Council determine whether the method of election for the Deputy Lord Mayor is by open voting, ordinary ballot or preferential ballot.
- 3 Council proceed to conduct the election of Deputy Lord Mayor in accordance with the determined method and the requirements of the Local Government (General) Regulation 2005.

REPORT AUTHORISATIONS

Report of: Todd Hopwood, Manager Governance and Customer Service

Authorised by: Renee Campbell, Director Corporate Services - Connected + Engaged City

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

Section 231 of the Local Government Act 1993 provides for Councillors to elect a person from among their number to be the Deputy Lord Mayor.

The person may be elected for the mayoral term or a shorter term.

A Deputy Lord Mayor assumes all the duties and powers of the Lord Mayor at the request of the Lord Mayor, or if the Lord Mayor is prevented by illness, absence or otherwise from exercising the function or if there is a casual vacancy in the Office of Lord Mayor.

Clause 394 of the Local Government (General) Regulation 2005 stipulates that 'if a Mayor or Deputy Mayor is to be elected by the Councillors of an area, the election is to be in accordance with Schedule 7' (of the Regulation). Council is therefore required to conduct the election of Deputy Lord Mayor in accordance with this Schedule, which is summarised below.

PROPOSAL

A call for nominations was provided to Councillors. Nominations must be submitted to the Returning Officer no later than the commencement of Council meeting at 6 pm on 23 September 2019.

The process to be followed in the election of the Deputy Lord Mayor in accordance with Schedule 7 of the Local Government (General) Regulation 2005 is as follows –

- The General Manager has appointed the Manager Governance and Customer Service as the Returning Officer for the Election of the Deputy Mayor.
- A Councillor is to be nominated in writing by two or more Councillors, one of whom may be the nominee, and the nomination is not valid unless the nominee has indicated consent to the nomination in writing.



- The nomination is to be delivered or sent to the Returning Officer.
- The Returning Officer for the election is to announce the names of the nominees at the Council meeting at which the election is to be held.
- Should more than one Councillor be nominated, Council is to resolve at the meeting at which the election is to be held, whether the election is to proceed by way of open voting, ordinary ballot or preferential ballot, with preferential ballots and ordinary ballots being secret ballots. Open voting means voting by a show of hands or similar means.
- Counting will be conducted in accordance with Parts 2 or 3 of Schedule 7, depending on the method adopted by Council.

CONSULTATION AND COMMUNICATION

Councillors have been provided with notification of this election together with a nomination form prior to receiving the business paper for this meeting.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We are a connected and engaged community".

It specifically delivers on core business activities as detailed in the Governance and Customer Service Business Plan 2019-2020.

CONCLUSION

Council can elect a Deputy Lord Mayor to exercise the functions of the Lord Mayor at the request of the Lord Mayor, or if the Lord Mayor is prevented by illness, absence or otherwise from exercising the function, or if there is a casual vacancy in the Office of Lord Mayor. It is appropriate for the election to proceed at this meeting.



File: CO-07.04.008 Doc: IC19/460

ITEM 2

APPOINTMENT OF COUNCILLOR DELEGATES TO COMMITTEES AND REFERENCE GROUPS

Council is represented or participates on a number of reference groups, Section 355 Committees and external organisations. Councillors are appointed by resolution of Council to the committees, reference groups and external organisations listed in the attachment to this report, for a period of 12 months.

This report identifies those committees, reference groups and external organisations which require the appointment of Councillor Representatives.

RECOMMENDATION

- 1 Councillor Representatives be appointed to the committees, reference groups and external organisations listed in Attachment 1, where the number of nominations equals the number of available appointments.
- 2 Elections be undertaken, by open means on a show of hands, to appoint Councillor Representatives to the committees, reference groups and external organisations listed in Attachment 1, where there are more nominees than available appointments.
- 3 The General Manager be authorised to appoint staff to any external committees that have vacancies following the election of Councillors.

REPORT AUTHORISATIONS

Report of: Todd Hopwood, Manager Governance and Customer Service

Authorised by: Renee Campbell, Director Corporate Services - Connected + Engaged City

ATTACHMENTS

1 Overview of Committees Report 2019-2020

PROPOSAL

Councillors have been provided with the opportunity to submit nominations for the various committees, reference groups and external organisations to which they wish to be appointed. Any nominations received as at the date of publishing this report have been noted in the attached listing of required Councillor appointments. An updated listing will be distributed to Councillors prior to the meeting. Further nominations can be made from the floor when considering this item.

Clause 11.5 of Council's adopted Code of Meeting Practice stipulates that voting in an election at a Council meeting, other than an election for Deputy Lord Mayor, is to be by open means such as by voice or a show of hands.

Council's *Appointment of Councillor Delegates to Committees Policy* states that Councillors are appointed annually unless otherwise determined by Resolution of Council.

CONSULTATION AND COMMUNICATION

The Lord Mayor and Councillors have been provided with details of the various committees, reference groups and external organisations that require appointments of Councillor representation, and have been afforded the opportunity to submit nominations to the committees for which they wish to be appointed.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We are a connected and engaged community".

It specifically delivers on core business activities as detailed in the Governance and Customer Service Business Plan 2019-2020.

CONCLUSION

Council should proceed to appoint Councillor Representatives to the Council Committees and Reference Groups listed in the report.



Purpose	Membership	Meeting Frequency	Current Delegates	Nominations for Delegate 2019-2020
	ADVISORY COM	IMITTEES		
ERFORMANCE REVIEW COMMITTEE				
The Performance Review Committee is esponsible for conducting performance eviews of the General Manager on an annual basis and report the findings and ecommendations of those reviews to Council.	 □ Lord Mayor (Chair), □ Deputy Lord Mayor, and □ One Councillor elected by Council. □ One Councillor may be nominated by the General Manager (optional) 	As required in accordance with the performance review timetable	 Lord Mayor – Cr G Bradbery AM (Chair) Deputy Lord Mayor - Cr D Brown Cr M Cox (Council Appointment) Optional - Vacant 	 Lord Mayor (Chair) Deputy Lord Mayor Cr M Cox Optional - Vacant
BORIGINAL REFERENCE GROUP	REFERENCE O	ROUPS		
The Aboriginal Reference Group (ARG) will provide input to Council regarding issues iffecting the Indigenous community in Vollongong and provide the Aboriginal community with capacity to inform Council's lecision-making processes. Broadly, the ARG will enable Wollongong City Council to meet its Community Strategic Plan, in particular those parts of the plan that elate to Aboriginal and Torres Strait Islander lecople. The ARG will also provide a point of contact for Council's broader consultation with the Aboriginal community and promote	The Reference Group will be supported by: Two Councillors, and One Council Officer The Reference Group will include: Five Aboriginal community representatives who may also be constituents of interest groups or employees of Aboriginal organisations, and; One representative per Aboriginal community organisation as listed below (total of 3) and as nominated by the following organisations:	Quarterly	Lord Mayor – Cr G Bradbery AM Cr V King	Lord Mayor – Cr G Bradbery AM Cr V King



Purpose	Membership	Meeting Frequency	Current Delegates	Nominations for Delegates 2019-2020
Aboriginal initiatives and celebrations auspiced by Wollongong City Council.	o Illawarra Aboriginal Corporation o Illawarra Local Aboriginal Land Council o Illawarra Aboriginal Medical Service			
COMMUNITY SAFETY REFERENCE GROUP				
The purpose of the Community Safety Reference Group (CSRG) is to bring partners together (including NSW Police, Local, State and Federal Government agencies; non-government agencies and the community) to identify and drive the development of specific strategies to enhance community safety in the Wollongong Local Government Area (LGA). Broadly, the CSRG will enable Wollongong City Council to meet the Our Wollongong Community Strategic Plan and in particular those parts of the plan that relate to the creation of a safe city.	The CSRG shall consist of no more than 20 members, comprising of: Two Police representatives who will be from Wollongong Local Area Command and Lake Illawarra Area Command respectively; Representatives from a range of relevant government and non-government agencies including but not limited to: o Service Representatives o Religious and Charity Based Organisations o Business and Industry o State Government Departments o Education and Research agencies In addition to the above members, the CSRG will be supported by 2 Wollongong City Councillors; and	Bi monthly	Lord Mayor – Cr G Bradbery AM Vacant	Lord Mayor – Cr G Bradbery AM Cr T Brown

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Purpose	Membership	Meeting Frequency	Current Delegates	Nominations for Delegates 2019-2020
	Community representatives must live or work in the Wollongong LGA and must be able to demonstrate an appropriate involvement in the Wollongong City Council area and within their local community.			
SPORTS AND FACILITIES REFERENCE GROU	JP			
The Sports and Facilities Reference Group has been established to provide advice to Council on policies and strategies which relate to the implementation of the Sportsground and Sporting Facilities Strategy	□ Three Councillors (one to be elected Chair), □ A representative from the Office of Sport, □ A representative of Illawarra Academy of Sport, □ minimum of ten members targeting major sporting associations that utilise Council sporting facilities and grounds, □ and a single representative from emerging sports as nominated by their peak body.	Bi-monthly	Cr J Rimmer (Chair)VacantVacant	Cr J Rimmer (Chair) Cr John Dorahy Councillor 3

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Purpose	Membership	Meeting Frequency	Current Delegates	Nominations for Delegates 2019-2020
Purpose WALKING, CYCLING AND MOBILITY REFEREI The Walking, Cycling and Mobility Reference Group has been established to provide advice to Council on the preparation and implementation of bicycle, pedestrian and disability access policies and strategic plans in Wollongong.	·	Meeting Frequency Bi-monthly	Current Delegates Cr D Brown (Chair) Cr M Cox	
	representing the access needs of people with disability One community member representing the access needs of seniors One community member representing the access needs of families with children			

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Purpose	Membership	Meeting Frequency	Current Delegates	Nominations for Delegates 2019-2020
WOLLONGONG HERITAGE REFERENCE GRO The Wollongong Heritage Reference Group plays a significant role in development of Council's Heritage Strategy and Implementation Plan.	UP Two Councillors (one to be elected Chair), Eight independent members with wide knowledge and expertise in	Bi-monthly	Cr M Cox (Chair) Cr A Martin	Cr A Martin Councillor 2
The Group was created to assist and advise Council on development and delivery of a Heritage Strategy Plan and provide advice on a wide range of heritage issues and projects	natural and cultural heritage.			Cr M Cox (Chair) has advised she will be stepping down from this position. One of the councillors appointed will also be required to be appointed Chair.
	SECTION 355 COM	IMITTEE		
AUSTRALIA DAY COMMITTEE Provides community input into Wollongong City Council's organisation of an annual celebration of Australia Day; determines Citizen of the Year award winners	□ Lord Mayor (Chair), □ One Councillor, □ Australia Day Council representative, □ Up to ten community representatives including: □ o two youth representatives (aged under 26 years), □ Current Citizen, Young Citizen and Cultural and Community Award winners	Monthly	Lord Mayor – Cr G Bradbery AM – (Chair) Cr J Rimmer	Lord Mayor – Cr G Bradbery AM – (Chair) Cr J Rimmer

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Purpose	Membership	Meeting Frequency	Current Delegates	Nominations for Delegates 2019-2020	
EXTERNAL ORGANISATIONS					
ASSOCIATION OF MINING & ENERGY RELAT	ED COUNCILS				
The Association of Mining and Energy Related Councils represents mining and energy related councils and their communities throughout New South Wales.	Two representatives from each member Council	Quarterly	Cr D FigliomeniCr C Blakey	Cr D FigliomeniCr C Blakey	
The Association's mission is to advocate on behalf of members (22 Local Government Areas) and their communities on mining and energy related issues and to ensure that mining activity is conducted in accordance with the principles of Ecologically Sustainable Development.					
In 2017 the Association adopted a new direction embracing the necessity and opportunities surrounding the growing renewable energy sector by renaming the Association to reflect this new direction - Mining and Energy Related Councils NSW					
CIVICRISK MUTUAL AND CIVICRISK WEST B	OARDS				
CivicRisk West is an insurance pool comprising 11 councils and CivicRisk Mutual is a related pool comprising a further 6 councils.	☐ The Lord Mayor (or the Lord Mayor's nominee) and;☐ General Manager (or the General	Meet every second month (on average)	Lord Mayor – Cr G Bradbery AM Cr V King	 Lord Mayor – Cr G Bradbery AM Cr V King (Alternate) 	
The boards provide strategic direction and oversight of insurance procurement and claims management, as well as providing guidance to member councils regarding good governance principles for an effective enterprise-wide risk management framework.	Manager's nominee) attend the Board meetings		(Alternate)		
The role of the Councillor is to participate as a Director on the Board.					

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Purpose	Membership	Meeting Frequency	Current Delegates	Nominations for Delegates 2019-2020
DESTINATION WOLLONGONG				
The purpose of the company is to contribute to the sustainable growth of a diverse and vibrant economy, including through: a) Growing the Wollongong and the region's visitor economy; b) Promoting and marketing Wollongong and the Illawarra region; and c) Supporting the attraction of new investment and business into Wollongong and the Illawarra region.	□ Comprising at least 5 directors and no more than 9 directors; □ Three Council appointed independent Directors, □ Two Council appointed Officer Directors (one Councillor and one Council employee) □ And four-member directors.	Bi-Monthly	Cr L Colacino	Cr L Colacino
FLOODPLAIN MANAGEMENT AUSTRALIA				
Promotes sound and responsible floodplain management representing the interests of floodplain communities across Australia and the authorities responsible for reducing future flood losses	☐ Two nominees of each member Council, together with representatives from consultants and other groups involved in floodplain management	Quarterly	Cr J Dorahy Cr J Kershaw	Cr J Kershaw Councillor 2

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Purpose	Membership	Meeting Frequency	Current Delegates	Nominations for Delegates 2019-2020
HEALTHY CITIES ILLAWARRA BOARD				
Responsible for the control and management of Healthy Cities Illawarra Incorporated and assists with improved collaboration between Healthy Cities Illawarra and Councils	☐ Four members appointed, one from each local council in the geographic area in which the Association operates (being Wollongong, Shellharbour, Kiama and Shoalhaven Councils) and shall be the Lord Mayor, Mayor or their delegate;	Bi-monthly	Cr C Blakey	Lord Mayor Alternate Delegate Councillor
	☐ Two members from the Health Sector, one of whom shall represent the Health entity that provides core funding to the Association;			
	☐ The General Manager of Healthy Cities Illawarra;			
	☐ Up to four members elected from the membership at the annual general meeting;			
	☐ Up to four members appointed by the Board who have specific skills required by the Board			
ILLAWARRA BUSHFIRE MANAGEMENT COM	MITTEE			
Coordinates rural bush fire management activities over the Illawarra including the Local Government areas of Wollongong, Kiama and Shellharbour	☐ One Councillor from each Local Government area, plus	Quarterly	Cr V King	Cr V King
	☐ Representatives of the Rural Fire Service and other Authorities throughout the Region			

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Purpose	Membership	Meeting Frequency	Current Delegates	Nominations for Delegates 2019-2020		
ILLAWARRA DISTRICT NOXIOUS WEEDS AUTH	ILLAWARRA DISTRICT NOXIOUS WEEDS AUTHORITY					
IDNWA is a regulatory association of Kiama, Shellharbour and Wollongong Councils aimed at the control of all declared noxious weeds within the Wollongong-Shellharbour-Kiama boundary limits	☐ One delegate from each of Wollongong, Kiama and Shellharbour Councils	Quarterly	Cr C Blakey	Cr C Blakey		
The IDNWA policy on noxious weed control involves the process of education, co-operation and where necessary enforcement with all affected private owners and occupiers of land and public authorities consulted. It aims to prevent the establishment of new noxious weeds and to restrict the spread and reduce the area of all existing noxious weeds						
ILLAWARRA ITEC LIMITED BOARD						
Partnership between community, industry, Local, State and Federal Government to support small business and technology development in employment, training, business and industry	☐ Twelve board members including representatives from business, University of Wollongong, community and the Department of Education and	Bi Monthly	Cr C Walters	Cr C Walters		
	☐ One representative each from Shellharbour and Wollongong Councils					
ILLAWARRA PERFORMING ARTS CENTRE BOARD						
Manage the operation of the Illawarra	□ Two Councillors,	Bi-monthly	Cr T Brown	Cr T Brown		
Performing Arts Centre.	☐ General Manager of Council; and☐ Community members.		Cr L Colacino	Cr L Colacino		

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Purpose	Membership	Meeting Frequency	Nominations for Delegates 2019-2020	
ILLAWARRA REGIONAL AIRPORT MANAGEMI	ENT ADVISORY COMMITEE			
To advise on policy and strategies to encourage business growth and development at the airport and to strengthen the airport's role in providing transport services, tourism and business opportunities within the region.	One representative from each of the following organisations: Wollongong City Council (including an alternate) Kiama Municipal Council Industry and Investment NSW Regional Development Australia - Illawarra South Coast Regional Tourism Organisation Destination Wollongong Division of the Department of Premier and Cabinet Illawarra Business Chamber	As required	 Cr C Walters Cr T Brown (Alternate) 	Cr C Walters Cr T Brown (Alternate)
ILLAWARRA REGIONAL INFORMATION SERV	CE			
To ensure the overall strategic direction of the organisation, enabling it to continue to serve the social and economic development interests of the Illawarra Region and its community	☐ Three Councillors from Wollongong City Council, and ☐ representatives from other local governments, business, the University, commerce and trade unions	5 meetings per year	Cr J RimmerCr D FigliomeniCr D Brown	Cr J RimmerCr D FigliomeniCr D Brown

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Purpose	Membership	Meeting Frequency	Current Delegates	Nominations for Delegates 2019-2020
ILLAWARRA SPORTS STADIUM LIMITED				
The Board looks after the management, policy, development and operation of the Indoor Sports complex at Fred Finch Park, Berkeley.	□ One Councillor representative,□ Two netball representatives, and□ Two community representatives	Quarterly	Cr V King	Cr V King
ILLAWARRA ZONE LIAISON COMMITTEE - RU	JRAL FIRE SERVICE			
This committee reviews the performance criteria set out in the Illawarra Zone RFS Management Plan and the Service Level Agreement between Council and the RFS.	□ Two Councillors to be elected – one as delegate and one as alternate delegate; □ Staff and elected members from Wollongong, Shellharbour and Kiama Councils, □ RFS staff and volunteer representatives	Quarterly	Cr V KingCr C Blakey (Alternate)	Cr V King Cr C Blakey (Alternate)
LACHLAN REGIONAL TRANSPORT COMMITTI	EE			
The Committee's aim is to establish the most efficient and fair transport system covering all means of transport for freight and people in the State of New South Wales. The Lachlan Regional Transport Committee was established in 1983. It draws its membership from the outskirts of Sydney through the Central West of New South Wales to Dubbo, Parkes and Cootamundra. Members include fifteen local government councils and the Port of Port Kembla.	□ Lord Mayor and one alternate Councillor Delegate.	Quarterly	Lord Mayor – Cr G Bradbery AM Cr D Figliomeni (Alternate)	Lord Mayor – Cr G Bradbery AM Cr D Figliomeni (Alternate)

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Purpose	Membership	Meeting Frequency	Current Delegates	Nominations for Delegates 2019-2020
LAKE ILLAWARRA ESTUARY MANAGEMENT (COMMITTEE			
The Lake Illawarra Estuary Management Committee is a joint Committee of Wollongong and Shellharbour City Councils. It will be chaired by Wollongong City Council from Oct 2019 – Oct 2020. The Lake Illawarra Estuary Management Committee's role is to provide advice, feedback and support to Wollongong City and Shellharbour City Councils in developing, implementing and monitoring a Coastal Management Program and projects for Lake Illawarra, that are primarily focused on protecting estuary health. The Committee does not have decision making authority, the power to bind the two Councils or the power to incur expenditure.	☐ Three WCC Councillors - one from each ward and one to be Chair ☐ Other members include two community representatives from: ☐ Both Wollongong and Shellharbour City Council LGA's. ☐ Two Aboriginal community representatives, ☐ Two Scientific Advisors and ☐ Various state government agencies.	Quarterly	Cr D FigliomeniCr C WaltersCr C Blakey	 Cr D Figliomeni Cr C Walters Cr C Blakey Cr A Martin has also placed a nomination for this Committee.
LANDCARE ILLAWARRA				
Obtain funding and provide support and development for environmental restoration and repair by Community Groups and individuals within the local government areas of Wollongong, Shellharbour and Kiama.	□ One Councillor and one officer (observer); □ Representatives of other local councils; □ Representatives of Southern Rivers Catchment Management Authority; □ Representatives of Landcare groups	Monthly	Vacant (resolution: The GM is to allocate a staff member to attend in cases where there are vacancies)	Councillor 1

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Purpose	Membership	Meeting Frequency	Current Delegates	Nominations for Delegates 2019-2020
PUBLIC LIBRARIES NSW – SE ZONE				
Enables those Councils and public library services which are members to meet on a regular basis for common purposes and to undertake united action. It represents the interests of public libraries and their users throughout New South Wales and has a vital interest in improving library services and access to information resources for all people living in New South Wales through a range of initiatives, joint ventures and partnerships.	□ Each Council is entitled to three representatives being: o One Councillor o One Council officer, and o One Library Manager or Library Officer-in-Charge	, ,	Cr J Rimmer	Cr J Rimmer
There are 120 members comprising 105 local government authorities and 15 regional library services. Membership is open to each Council directly providing or contributing funds towards a public library service				
SOUTH EAST AUSTRALIAN TRANSPORT STR	ATEGY			
Provides coordinated advocacy for the development of transport infrastructure in the South East Australian region that supports sustainable economic development and the prosperity of its constituents.	□ One Councillor delegate and one alternate Councillor delegate	Quarterly	Cr D FigliomeniCr T Brown (alternate)	Cr D FigliomeniCr T Brown (alternate)

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Purpose	Membership	Meeting Frequency	Current Delegates	Nominations for Delegates 2019-2020
SOUTHERN JOINT REGIONAL PLANNING PAR	NEL – formerly Joint Regional Planning Pa	anel (JRPP)		
The Southern Region Planning Panel (SRPP) comprises of three state appointed and two locally appointed panel members to determine regionally significant development applications. The Planning Panel: Determines 'regionally significant' development applications (DA's) Acts as the Planning Proposal Authority (PPA) when directed Reviews rezoning requests (Planning Proposals) Provides advice on other planning and development matters when requested	Each Planning Panel consists of five members: Three members including the Chair, appointed by the Minister (State members), and Two members and two alternate members nominated by the relevant council (council members). At least one council member is required to have expertise in one or more of the following areas: o planning, o architecture, o heritage, o the environment, o urban design, o land economics, o traffic and transport, o law, o engineering or o tourism.	Monthly	Cr D Brown Cr M Cox	Cr D Brown Cr M Cox

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File: GCS-80.06.02.01.022 Doc: IC19/435

ITEM 3

2020 COUNCIL MEETING CYCLE

Council Meeting and Councillor Briefing Sessions have traditionally been held on a Monday on a three-weekly meeting cycle, with Councillor Briefing Sessions being held on the second and third Monday of that cycle. This report recommends a continuation of that meeting cycle and proposes a set of meeting dates for adoption by Council.

RECOMMENDATION

Council adopt the 2020 Council Meeting Cycle as shown in the attachment to this report.

REPORT AUTHORISATIONS

Report of: Todd Hopwood, Manager Governance and Customer Service

Authorised by: Renee Campbell, Director Corporate Services - Connected + Engaged City

ATTACHMENTS

1 2020 Council Meeting Cycle

BACKGROUND

In accordance with the Local Government Act 1993, Council's Code of Meeting Practice (May 2019) states, 'Council is required to meet at least ten times each financial year, each time in a different month'. The Code of Meeting Practice (Part 3) also states 'The Council shall, by resolution, set the frequency, time, date and place of its ordinary meetings'.

Council meetings have traditionally been held on a Monday.

Following the 2017 election, Council adopted the following meeting cycle –

- Ordinary Council meetings held on a three (3) weekly cycle on Mondays, commencing at 6.00 pm.
- Councillor Briefing Sessions held on the second and third Monday of the cycle, commencing at 5.00 pm.
- No Ordinary Council meetings or Councillor Briefing Sessions held during a public school holiday period.
- Additional Councillor Briefing Sessions scheduled for Thursdays, when there is an urgent demand.

The above cycle has worked well, with Councillors being briefed on a wide range of significant matters prior to the reports coming before Council. This report recommends adopting a set of meeting dates consistent with the current three week cycle however Council may amend the meeting cycle any time by future resolution.

The proposed Council Meeting and Briefing schedule for 2020 is shown in the attached Calendar and features the following -

- 14 Ordinary Council meetings held on a three-week cycle on a Monday commencing at 6.00pm
- 22 Councillor Briefing Sessions be held on every other Monday commencing at 5.00pm
- No Ordinary Council meetings or Councillor Briefing Sessions will be held during a public school holiday period, the National General Assembly of Local Government and the Local Government NSW Conference



• Additional Councillor Briefing Sessions be scheduled for Thursdays, when there is an urgent demand.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We are a connected and engaged community".

It specifically delivers on core business activities as detailed in the Governance and Customer Service Business Plan 2019-2020.

CONCLUSION

The recommended set of meeting dates is consistent with the current three-week cycle and will continue to provide for Councillors to receive two briefing nights in each three-week cycle.



							2020 Council Meeting Calendar																				
S	M	Т	W	Т	F	S	S	M	Т	W	Т	F	S	S	M	Т	W	Т	F	S	S	M	Т	W	Т	F	S
		Jā	anua	ry				February						March					April								
			1	2	3	4							1	1	2	3	4	5	6	7				1	2	3	4
5	6	7	8	9	10	11	2	3	4	5	6	7	8	8	9	10	11	12	13	14	5	6	7	8	9	10	11
12	13	14	15	16	17	18	9	10	11	12	13	14	15	15	16	17	18	19	20	21	12	13	14	15	16	17	18
19	20	21	22	23	24	25	16	17	18	19	20	21	22	22	23	24	25	26	27	28	19	20	21	22	23	24	25
26	27	28	29	30	31		23	24	25	26	27	28	29	29	30	31					26	27	28	29	30		
May June July										Δ	ugus	:t															
			May		1	2		1	2	3	4	5	6				1	2	3	4	30	31		ugus	, ,		1
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
10	11	12	13	14	15	16	14	15	16		18	19	20	12	13	14		16	17	18	9	10	11	12	13	14	15
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17			20	21	22
24	25		27	28	29	30	28	29	30					26	27	28	29	30	31	20	23	24			27	28	29
	20				20		20	20						20	- '						20						20
		Sep	tem						00	tob	er			November					December								
		1	2	3	4	5					1	2	3	1	2	3	4	5	6	7			1	2	3	4	5
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12
13	14	15	16	17	18	19	11	12	13		15	16	17	15	16	17	18	19	20	21	13	14		16	17	18	19
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26
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File: GCS-80.13.033 Doc: IC19/542

ITEM 4 ALTERATION OF COUNCIL WARD BOUNDARIES

Under section 211 of the Local Government Act 1993, councils are required to keep ward boundaries under review to ensure that a difference in elector numbers of no greater than 10% exists between wards. If a Council becomes aware that a variation of greater than 10% exists, then it must alter its ward boundaries in such a manner to reduce the difference in elector numbers. This report outlines a proposal for Council to commence the process to alter the ward boundaries.

RECOMMENDATION

- In accordance with s210A of the Local Government Act 1993, the proposed ward boundaries detailed in the report, and as shown in Attachment B, be endorsed and placed on public exhibition.
- 2 A further report be provided with the results of the public exhibition process.

REPORT AUTHORISATIONS

Report of: Todd Hopwood, Manager Governance and Customer Service

Authorised by: Renee Campbell, Director Corporate Services - Connected + Engaged City

ATTACHMENTS

- 1 Attachment A Current Ward Boundaries
- 2 Attachment B Proposed Ward Boundaries
- 3 Attachment C Detailed Map of changes to Ward 1 Ward 2 boundary
- 4 Attachment D Detailed Map of changes to Ward 2 Ward 3 boundary

BACKGROUND

Section 211 of the Local Government Act 1993 states the following in relation to Council ward boundaries –

211 Ward boundaries

(1) The council of an area divided into wards must keep the ward boundaries under review.

(2) If -

- (a) during a council's term of office, the council becomes aware that the number of electors in one ward in its area differs by more than 10 per cent from the number of electors in any other ward in its area, and
- (b) that difference remains at the end of the first year of the following term of office of the council,

the council must, as soon as practicable, alter the ward boundaries in a manner that will result in each ward containing a number of electors that does not differ by more than 10 per cent from the number of electors in each other ward in the area.

The variation between the largest and smallest wards for Council has been above 10% for several years and was above 10% at the end of the first year of this term of office of the council. As such Council is required to alter its ward boundaries to reduce the difference to below 10%.

The NSW Electoral Commission (NSWEC) have advised that Council must submit ward boundary plans with them by 9 December 2019, if changes are to be in place for the 2020 Local Government elections.

Geographic Segmentation of the Council Area

Designing ward boundaries is not a simple process as council must utilise the elector number data provided by the NSWEC. Until recently electors were grouped into Census Collection Districts (CCD's) which on average had between 200 to 500 electors in each CCD. In the main, each CCD was comprised of 5 - 10 adjoining street blocks. When re-designing ward boundaries each CCD had to sit entirely within



a ward, which limited the natural geographical features or roadways that may be utilised as a ward boundary. Council utilised the CCD boundaries when ward boundaries were last adjusted.

As of 21st May 2015, the NSWEC and its Joint Enrolment Partner have changed the geographic segmentation of the NSW electoral roll from the previous Australian Bureau of Statistics (ABS) standard of Census Collection Districts (CCD) to the new ABS standard Statistical Areas Level 1 (SA1). The ABS describe SA1 as "the smallest unit for the release of census data with a population between 200-800 people (on average 400 people)". The NSWEC have confirmed that Council will be required to utilise the SA1 boundaries for any future changes to ward boundaries.

The SA1's in heavily populated areas generally only cover a few street blocks and their boundaries generally follow the road system or railways. In rural or less populated areas geographical features such as creeks and terrain may be used for boundaries to follow.

It should be noted that the CCD and SA1 boundaries do not exactly align in all areas, so it will not be possible to keep the exact boundaries between any ward even if no substantive changes are proposed in that area.

Current Situation

Table A below has been produced to show the number of electors per Ward as at 23 July 2019, with a total of 153,541 enrolled electors.

Table A

Ward 1	Ward 1 Ward 2		Largest Variation Between Wards %	
52,390	52,390 53,573		12.22%	

In analysing Table A, the variation in the number of electors enrolled between Wards 2 (highest) and Ward 3 (lowest), equals 12.22%.

Attached as Attachment A to this report is a map showing current ward boundaries.

PROPOSAL

Council's Governance and Risk team has reviewed the current ward boundaries with the view to establishing a set of ward boundaries that have reasonably consistent levels of elector numbers, that also allow for varying expected growth rates between wards, as well as boundaries that are easy to define and follow major roads, train lines or major geographic features wherever possible. Consultation has occurred with Council's Land Use Planning team to gain their assistance in the development of an appropriate set of ward boundaries that allow for future projected population growth.

It should be noted that some previous ward boundaries, that would normally have been retained, will not be able to follow the same route, as the SA1 boundaries and the former CCD boundaries are not consistent in all areas. This is particularly evident on the boundary between Ward 1 and Ward 2 west of the Princes Hwy. The current ward boundary follows Cabbage Tree Creek west of the Princes Hwy to where it passes under Balgownie Road which then becomes the boundary until Brokers Road. The new boundary will essentially move 200m south and follow Cabbage Tree Lane, Hopewood Cres, Lombard Avenue and Balmoral Street.

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Following the review and allowing for the boundaries possible (working with the new SA1 boundaries) an alternate set of ward boundaries has been developed that have the following features -

- Reduced the variation in elector numbers between wards to a maximum of 6.0%
- Ward 1 made largest in population size due to higher projected growth rates in other wards
- Greater utilisation of significant / main roads and rail lines as ward boundaries
- Neater and more easily identified ward boundaries at the junction of Ward 1 and Ward 2 in the SE corner of Fairy Meadow

The significant changes to existing ward boundaries that are proposed, are described in detail below -

Move from Ward 1 to Ward 2

Ordinary Meeting of Council

Description of area: Area bounded by Princes Hwy, Memorial Drive and Bourke Street

SA1 to be moved: 1114436 **Enrolled Electors:** 355

Reason for change: To provide a straighter boundary between Wards 1 and 2

Move from Ward 3 to Ward 2

Description of area: Area bounded by Princes Motorway, Princes Highway, Charcoal Creek and the

South Coast Rail line

SA1's to be moved: 1113447, 1114611, 1114612, 1114639, 1114640

Enrolled Electors: 1.322

Reason for change: To provide a straighter boundary between Wards 2 and 3 that follows the South

Coast Rail Line for a significant distance

Move from Ward 2 to Ward 3

Description of area: Area north of the Unanderra-Moss Vale Rail line and west of the Princes Hwy,

and south of the following:

Factory Rd, Normandie Pl, Charcoal Creek, Blackman Parade, Graham St, Waples Rd, Sugarwood Pl and Charcoal Creek west to the Unanderra-Moss Vale

Rail line

SA1's to be moved: 1113404, 1113405, 1113407, 1113423, 1113433 to 1113438, 1113442,

1113443, 1113445, 1113448, 1113450

Enrolled Electors: 3,733

Reason for change: Ward 3 is significantly smaller than the other wards at present, there is little

> scope for adjustment of the ward boundary between Ward 2 and Ward 3 in the eastern part of the ward, due to the significant industrial lands in this area. The area between the Unanderra-Moss Vale Rail and Waples Road covers almost the entire suburb of Farmborough Heights and the adjusted boundary should be easy

for most residents to identify which ward they reside in.

The proposed ward boundaries will result in a distribution of electors per ward as follows:

Table B

Ward 1	Ward 2	Ward 3	Largest Variation Between Wards %	
52,963	50,613	49,965	6.0%	



Attached to this report are several maps that show the existing and proposed ward boundaries.

Map of current Ward boundaries Attachment A

Attachment B Map of the alternate proposed Ward boundaries

(with the existing ward boundaries shown by the orange broken lines).

Attachment C Detailed Map of changes to Ward 1 / Ward 2 boundary Detailed Map of changes to Ward 2 / Ward 3 boundary Attachment D

CONSULTATION AND COMMUNICATION

If Council resolves to amend its ward boundaries then in accordance with s210A of the Local Government Act 1993, the proposed ward boundaries will need to be placed on public exhibition for a period of 28 days and Council must accept submissions on the proposal for a period of 42 days from the date that the ward boundary plan is placed on public exhibition. The Council would then need to consider any submissions made during that submission period before making application to the Minister for a variation to ward boundaries.

The NSWEC has advised that any variations to ward boundaries need to be submitted to the Commission by Monday 9 December 2019 if they are to be used for the local government elections to be held in September 2020.

The proposed timetable for public exhibition and Council consideration is shown below -

Process Timetable

Project Stage	Deliverables Required	Key Dates
Resolution to Approve Public Exhibition	 Preparation of draft maps and report to Council Resolution to publicly exhibit draft maps 	23 September, 2019
Public Exhibition of Proposed Ward Boundary Map	 Preparation of public exhibition package including background information and the draft map Receive public submissions for a period of 42 days 	24 September, 2019 to 4 November, 2019
Resolution to Approve Referral to NSWEC	 Preparation of report to Council incorporating feedback from public submissions Resolution to submit draft map to the NSWEC for approval 	18 November, 2019
Submit Ward Boundary Map to NSWEC	Submit draft map to the NSWEC for approval	Prior to 9 December, 2019

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 Goal 4 "We are a connected and engaged community".

RISK ASSESSMENT

Disproportionate ward size creates a risk to the principle of an equal vote for eligible electors. The 10% variance cap is put in place to acknowledge that numbers of electors in each ward fluctuates, but that equality in ward size is a key feature of electoral system. Council will be in breach of s211 of the Local Government Act 1993 if it does not alter its ward boundaries prior to the next council election.



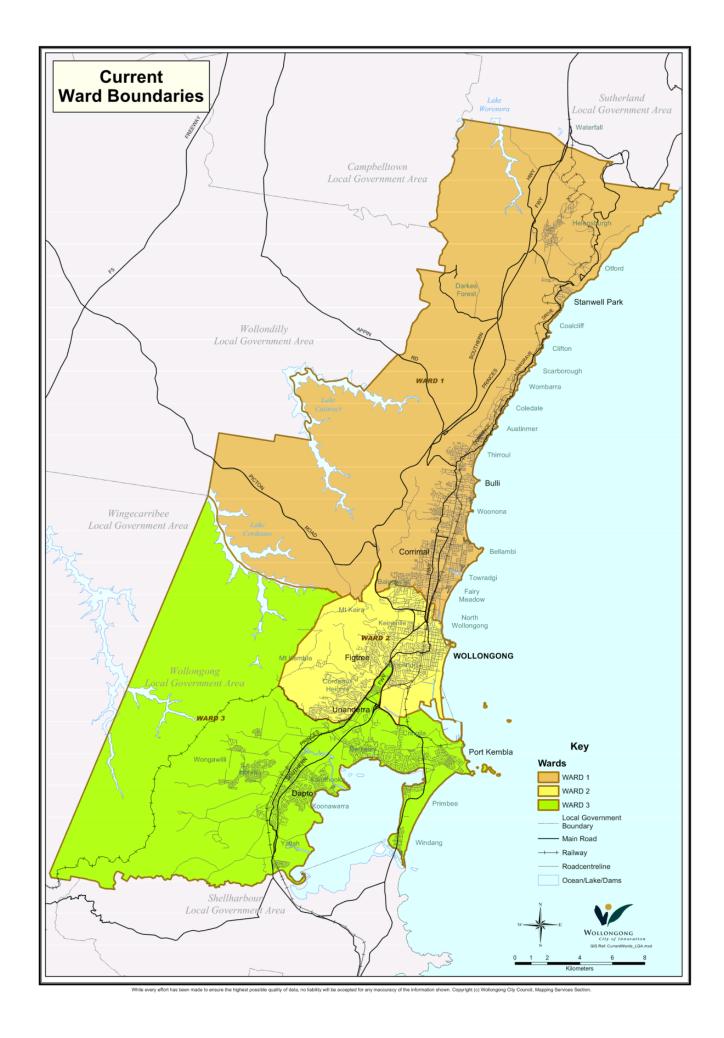
FINANCIAL IMPLICATIONS

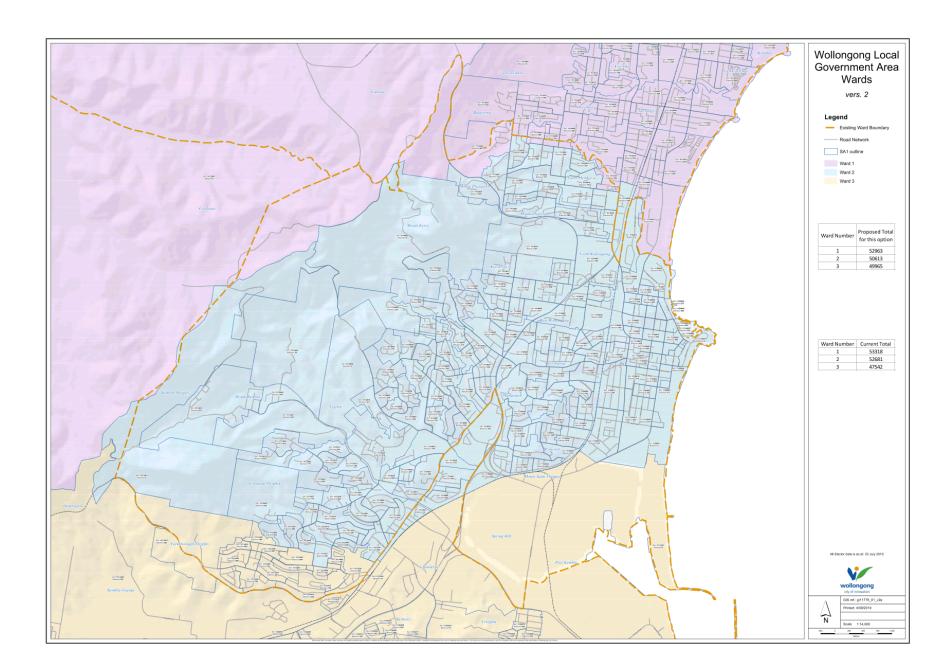
There are no direct costs associated with the application process to submit an altered Ward Boundary proposal to the NSW Electoral Commission. The process can be resourced utilising existing resources and budgets of the Governance and Customer Service Division.

CONCLUSION

An adjustment to Council's ward boundaries is required in accordance with s211 of the Local Government Act 1993. The proposed ward boundaries are designed to allow for anticipated higher future growth rates in Wards 2 and 3 to ensure that the proposed boundaries will not require re-adjustment for a considerable length of time.







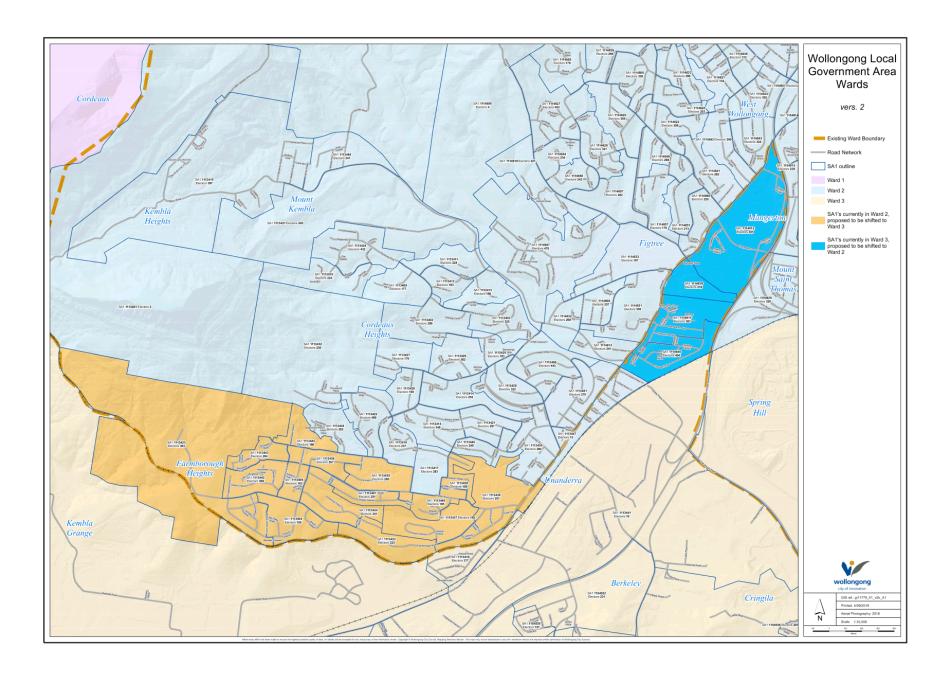
Item 4 - Attachment 3 - Attachment C - Detailed Map of changes to Ward 1 - Ward 2 boundary







Item 4 - Attachment 4 - Attachment D - Detailed Map of changes to Ward 2 - Ward 3 boundary







File: CCE-040.010.01.339 Doc: IC19/534

ITEM 5 DRAFT ECONOMIC DEVELOPMENT STRATEGY 2019-2029

A review of the Economic Development Strategy 2013-23 commenced in October 2018. Council, at its meeting on 27 May 2019 endorsed the public exhibition of the draft strategy from 31 May to 28 June 2019. The feedback has been considered and amendments have been made to the draft Strategy.

A Community Engagement Report has been prepared by Council's Engagement Team which summarises the feedback received during the public exhibition period. A We Asked, You Said, We Did summary has been prepared by the Engagement Team which summarises how the key themes raised in the community consultation have been addressed in the draft Economic Development Strategy 2019-2029. This report will be used to communicate back to people who made a submission.

A Recommended Updates Summary outlines, in detail, how the issues raised in the public exhibition period have been addressed in the final version of the Strategy. The Economic Development Strategy 2019-2029 Implementation Plan has been prepared to support delivery of the Economic Development Strategy 2019-2029.

RECOMMENDATION

- 1 Council endorses the Economic Development Strategy 2019-2029.
- 2 Council notes the Community Engagement Report, the We Asked, You Said, We Did Summary, the Recommended Updates Summary and the Economic Development Strategy 2019-2029 Implementation Plan.

REPORT AUTHORISATIONS

Report of: Sue Savage, Manager Community Cultural and Economic Development Authorised by: Kerry Hunt, Director Community Services - Creative and Innovative City

ATTACHMENTS

- 1 Draft Economic Development Strategy 2019-2029
- 2 Draft Economic Development Strategy 2019-2029 Community Engagement Report
- 3 Draft Economic Development Strategy 2019-2029 Recommended Updates Summary
- 4 Economic Development Strategy 2019-2029 Implementation Plan
- 5 Draft Economic Development Strategy 2019-2029 We Asked, You Said, We Did Summary

BACKGROUND

The Economic Development Strategy 2013-23 was identified for review in 2018-19. This Strategy has delivered a range of outcomes for the city including -

- Historically Wollongong has had an unemployment rate well above the NSW average. However, in September 2018 this had fallen to just 4.6%, below the NSW average of 4.8%
- Over \$1.4B in investment has been attracted to city centre projects in the last six years
- The economy has continued to diversify
- Advantage Wollongong has attracted significant new businesses to the region
- Over 80 small cafes and bars have opened in Wollongong
- Streamlining of the major events process has resulted in attracting significant events such as the World Cycling Championships.

The draft Economic Development Strategy 2019-2029 builds on these successes and is based on extensive analysis of the current economic position of Wollongong, the projected trajectory for jobs growth into the future and how Council can make a meaningful contribution to increase local employment



opportunities. Council engaged a professional economic forecaster, .id, to undertake the jobs growth modelling.

The draft Economic Development Strategy 2019-2029 has three goals -

- 1 Jobs target generate 10,500 new jobs in the next decade to reduce the jobs deficit. This will be more than double the 4,998 net new jobs created in the decade to 2018
- 2 Lifting median incomes focus on generating new jobs in industries that are higher-paying, have a greater share of full-time jobs and are expected to grow in the future
- 3 Targeted sectors align with talent pool align the target industries with Wollongong's existing talent pool, in particular commuters and graduates of the University of Wollongong, to create more local job opportunities for residents.

These goals will be achieved via Council working with other stakeholders to deliver key 'game-changing' projects and by the implementation of an Action Plan.

PROPOSAL

This report seeks endorsement from Council to adopt the draft Economic Development Strategy 2019-2029 and for Council to note the Engagement Report, We Asked, You Said, We Did Summary, the Recommended Updates Summary and the Implementation Plan.

CONSULTATION AND COMMUNICATION

Extensive consultation with business and government stakeholders has been undertaken to develop this Strategy. In total, Council staff met with over 330 people during the process as well as conducted a business survey which was sent to around 5,000 local businesses.

During the writing of the Strategy a number of engagement approaches were used including -

- A reference group of key external business and government representatives
- Meetings with key peak bodies and organisations
- A business survey sent to 5000 businesses, with almost 300 responses
- An investor roundtable
- Multiple internal staff workshops and direct meetings
- Three Councillor Briefings.

The continual feedback from all these consultations was incorporated as the Strategy was developed.

The Strategy was put on public exhibition from 31 May to 28 June and received 51 submissions, which included 13 groups/organisations and 38 individuals. During the public exhibition period Council staff also met with a further 207 people to brief them on the Strategy and encourage them to make submissions.

As outlined in the Community Engagement Report, there was broad support for the draft Economic Development Strategy 2019-29. The general sentiment was supportive of the goals to create more jobs, reduce commuting times and strengthen the local economy. In particular, the key business representative bodies of the Illawarra Business Chamber (around 1,500 businesses) and the Property Council (around 40 businesses) both welcomed the Strategy and were supportive of these goals.



Some of the Action Items that received widespread support in submissions from various business groups included -

- The jobs target of 10,500 additional jobs in the next 10 years
- Upgrades to transport links to Greater Sydney
- Maintenance of a commercial core in the CBD area to ensure employment capacity into the future
- Establishment of a cross-Council major projects team for significant employment-generating projects.

The specific details of the feedback received on the draft Strategy and how these were responded to is detailed in the attached Recommended Updates Summary.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 Goal 2 – We have an innovative and sustainable economy. It specifically delivers on the following:

Community Strategic Plan	Delivery Program 2018-2021	Operational Plan 2019-20	
Strategy	3 Year Action	Operational Plan Actions	
2.1.3 Cross-sector initiatives are coordinated and implemented to increase and attract business investment, supporting small businesses and encouraging jobs growth.	2.1.3.1 Support regional activities and partnerships that promote business investment and jobs growth.	2.1.3.1.1 Review the Economic Development Strategy 2013-2023.	

RISK ASSESSMENT

An economic development strategy demonstrates Council's commitment to working with local businesses and the local community to support them in creating more local jobs.

FINANCIAL IMPLICATIONS

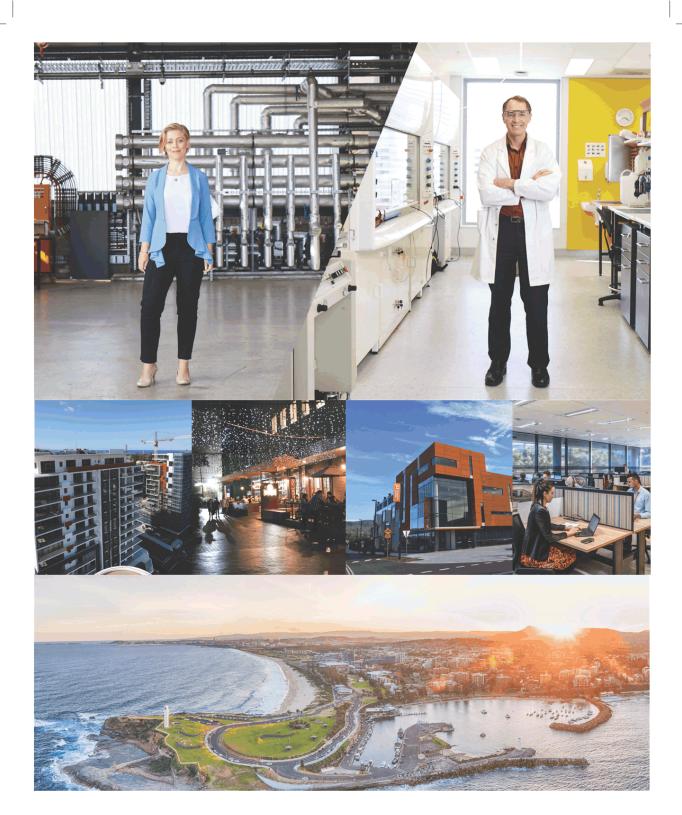
Unfunded actions will be considered as part of Council's annual budget planning process. Actions that are funded by current budget allocations will be included in Council's Annual Plan and Delivery Program. Council may seek external funding to deliver actions in the Strategy.

CONCLUSION

The draft Economic Development Strategy 2019-2029 is based on a combination of detailed analysis of the local economy, expert forecasting around future trends, desktop research of best-practice solutions and extensive consultation with employers, investors and the broader community. Importantly, the Strategy has received strong support from the Wollongong business community, the people who will employ the extra 10,500 people to reach the Strategy's jobs goal.

Endorsement of this Strategy reflects Council's commitment to instigating the operational changes outlined in the Action Plan and Council's willingness to work with other city stakeholders to change the future trajectory of jobs growth in Wollongong and deliver an innovative and sustainable economy.





Economic Development Strategy

2019 - 2029





Acknowledgement of Country

Wollongong City
Council would like to
acknowledge and pay
respect to the Traditional
Custodians of the Land,
to Elders past and
present, and extend that
respect to the Aboriginal
and Torres Straight
Islander people residing
within the Wollongong
Local Government area.

Message from the Lord

I'm pleased to present this Economic Development Strategy 2019-2029.

This Strategy builds on the successes and learnings of the 2013 - 2023 Economic Development Strategy. Since 2013, Wollongong has successfully reinvented itself into a service based economy.

Looking ahead this updated Strategy proposes a number of actions to support an innovative and sustainable economy in the city.

The Strategy is based on our learnings from the previous Strategy, research into best-practice approaches from other local governments, extensive

"The Strategy proposes a jobs target of 10,500 new jobs over the next ten years."

consultation with key stakeholders and modelling of the projected future growth trajectory of local jobs.

The key theme running throughout the document is a renewed focus on increasing the number of highquality jobs in Wollongong. This objective to increase the opportunity for local people to work closer to home will have positive flow on effects such as reducing the individual cost of commuting and helping build a more connected and engaged community.

The Strategy proposes a target of 10,500 new jobs over the next 10 years. This is almost double the amount achieved over the past decade. This may seem ambitious but we believe the actions outlined in the document will provide us with the necessary framework to achieve this positive outcome for Wollongong. The strategy is particularly targeting knowledge-based jobs, to capitalise on the highly skilled talent pool Wollongong has in these areas.

There are a range of ways Council can directly support the growth of our local economy. These policy levers include our local planning policies, local infrastructure, business support and attraction, how we procure goods, sharing of information and our civic leadership and advocacy role.



However, this strategy cannot be achieved by Council working in isolation. In order to achieve our goal we will need the support of both the business community and other levels of government. We will all need to work together to continue to grow Wollongong's local economy and increase employment opportunities for the people of Wollongong and the broader Illawarra region.

Collaboration is vital for our success and this Economic Development Strategy 2019-2029 provides a strong framework for us to work with our key partners.



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Part 2 Achieving the Objectives
Potential game-changers
Critical transport projects
Western Sydney Aerotropolis
Increase office capacity in the city centre
Develop unused and underutilised employment lands
Attract more major events and tourism infrastructure
Australian Industry Energy Gas Terminal
City centre university campus
Port Kembla Container Terminal
Further evolving as a Smart City
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Executive Summary

The future of Wollongong's economy is not set in stone. The purpose of economic development strategies is to alter the trajectory of employment growth and improve the jobs outcomes above a 'business as usual' trend. Evidence shows that a committed community of private and public sector participants can have an impact.

This Economic Development Strategy ('the Strategy') focusses on the key challenge of creating more jobs in Wollongong. This will both support a more sustainable local economy and build stronger community connections. The central objective of the Strategy is to create an additional 10,500 new jobs in the decade to 2028.

As the regional capital of the Illawarra, Wollongong plays an important role in providing employment opportunities for both residents of Wollongong and the surrounding region. Wollongong provides jobs for 43% of employees from Shellharbour and 23% from Kiama. This role as the regional capital reinforces the need for Wollongong to increase its job generation capability, for the benefit of both residents of the Wollongong Local Government Area (LGA) and residents of the broader Illawarra region. In addition, more than half (60%) of the total value of economic activity (as measured by Gross Regional Product) in the Illawarra occurs within the Wollongong LGA.

In the last decade Wollongong has transformed into a service-based economy, largely focussed on delivering household services. This shift towards services is an Australia-wide trend, but the adjustment has been more dramatic in Wollongong than other locations, as a result of an estimated 6,000 local job losses in the manufacturing sector between 2007 and 2018. This inevitably constrained Wollongong's overall jobs growth, which averaged only 0.5% per annum over the last decade. This was below both regional NSW (0.9%) and Greater Sydney (2.1%).

In the last three years Wollongong has made considerable progress in lowering its unemployment rate. In the three years to 2017-2018, jobs growth averaged 2.1% per year. Subsequently the unemployment rate has fallen to 4.6% (as at September 2018). This result is below the NSW average of 4.8% which is only the second time in the last decade that the Wollongong rate has been below the NSW rate.

But these headline figures and positive trends do not tell the full story about the Wollongong labour market.

Research undertaken by .id indicates the local economy is not generating enough jobs to give all employed residents the opportunity to work locally. This is called a jobs deficit. Without intervention, this deficit is set to continue to grow with more residents needing to leave the LGA for work.

Research also identified that the industry composition of jobs in Wollongong has shifted, which has been a drag on median income growth. Industries that have seen the largest jobs gains are largely lower paying and have more part-time employees. Meanwhile, the industries that have seen the biggest job losses are largely higher paying and have more full-time employees.

The jobs deficit has added to the commuter pool over time, with 33% of residents leaving the LGA for work in 2016. Many of these employees are highly skilled and are often higher paid than local employees. For example, in 2016, 36% of the residents who left the LGA for work were earning \$1,500 or more per week, compared to only 24% of those who worked locally. The other talent pool of the city is the students of the University of Wollongong (UOW), more than half of whom leave the area when they graduate due to a lack of local employment opportunities. Based on these identified trends and challenges, this Strategy sets three strategic objectives.



These objectives are:

- Jobs target generate 10,500 new jobs in the next decade to reduce the jobs deficit. This will be more than double the 4,998 net new jobs created in the decade to 2018.
- Lifting median incomes focus on generating new jobs in industries that are higher-paying, have a greater share of full-time jobs and are expected to grow in the future.
- Targeted sectors align with talent pool align the target industries with Wollongong's existing talent pool, in particular commuters and graduates of the UOW, to create more local job opportunities for residents.

Of the 10,500 jobs goal for the next decade, modelling suggests that 5,800 of these will be in population serving industries. That is, these jobs will occur because of population growth. This means sectors such as health, education, aged care, retail and hospitality will remain important employers in Wollongong and continue to make a critical contribution to the economy. This Strategy is focused on the additional 4,700 jobs that the city needs but which may not happen without specific actions.

This Strategy is focused on the creation of the extra 4,700 jobs, that are above the business as usual projection, to get to the target of 10,500. Jobs growth in the targeted, knowledge-intensive, high value, high skilled sectors, are not linked to population growth. Instead they are industries who serve clients outside the region and so have the capacity to grow the local economy and employment faster than population growth.

Based on this analysis the following sectors have been identified as **target sectors** for future growth as part of the jobs target process. There is a particular focus on the knowledge economy.

- ICT/Tech
- Financial and Insurance Services
- Professional, Scientific and Technical Services
- Public Administration and Safety
- Electricity, Gas, Water and Waste Services

These sectors are broadly aligned with those identified by Wollongong's existing business attraction partnership, Advantage Wollongong. Advantage Wollongong is a partnership between Council, the NSW Government and UOW. Since 2009 the partnership has focussed on promoting Wollongong to attract new business, investment and jobs.

Additional sectors targeted by Advantage Wollongong, and also this Strategy, include:

- Advanced Manufacturing
- Defence
- Medical Science and Technology
- Scale-ups

Wollongong City Council is also supportive of arts and creative industries, as outlined in the *Creative Wollongong* 2019-24 strategy.

Going forward, there are multiple mechanisms that will be employed to achieve the strategic objectives.

Firstly, the Strategy identifies a number of game-changing projects that, if delivered, would have a positive impact on the local economy and employment. Council will support and advocate for these, working with key partners and stakeholders, along with both state and federal governments, to bring these major projects to reality.

The game-changing projects include:

- Critical transport projects to reduce the travel time between Wollongong and Sydney
- Capitalising on the growth of Western Sydney and the development of the Aerotropolis
- Increasing the office capacity in the Wollongong City Centre
- Development of unused and underutilised employment lands
- Attraction of more major events and tourism infrastructure
- Completion of the Australian Industrial Gas Energy Terminal project
- Establishment of a city centre university campus
- Delivery of the Port Kembla container terminal project
- Further evolving as a smart city
- Improving the effectiveness of our advocacy

Secondly, Council has a number of **policy levers** that it can directly change to increase the city's employment generating capacity.

- Civic leadership
- Business attraction activities
- Acting as a knowledge hub for businesses
- Council-funded infrastructure projects
- Local planning policies
- Business support activities
- Council's procurement policy

In summary, the Strategy requires an interventionist approach to economic development, seeking to change the job growth trajectory by undertaking and promoting a series of policy changes and actions to improve the job generating capacity of the local economy.

Delivering more opportunities in higher paying jobs is critical to support Council's main economic goal of having an innovative and sustainable economy.





Part 1 Strategic Context

Item 5 - Attachment 1 - Draft Economic Development Strategy 2019-2029

Economic Development Strategy 2013-2023

On 17 February 2014, Wollongong City Council released the Economic Development Strategy 2013-2023, which outlined the key priorities, goals and actions of Council to support economic activity in Wollongong.

The Strategy is a supporting document for Wollongong City Council's 2028 Community Strategic Plan. The Strategy is focussed on Goal 2 - We have an innovative and sustainable economy.

The Strategy 2013-2023 identified six ways Council can influence economic growth across the city.

- 3. Knowledge hub
- 4. Infrastructure
- 6. Business support

The focus of the Strategy was on lifting employment growth and jobs creation, including:

- Bringing the unemployment rate in line with the state/national average, including Wollongong's higher rate of youth unemployment.
- Reducing the number of people forced to commute each day.
- Reducing the 'brain drain' encouraging our best and brightest young people to remain in the region after graduating from their studies.



Fig 1: Unemployment rates, Wollongong LGA & NSW, 12-month average, September Quarter 2011- 18

Since 2013, Wollongong has made considerable progress on addressing its unemployment rate. Historically, the unemployment rate had been stuck around 2 percentage points above the state-wide average. In recent years, this gap has closed with Wollongong's unemployment rate, as at September 2018, at 4.6% compared to the NSW average of 4.8% (See Fig 1).

Improvements have also been recorded around youth unemployment. In 2017-18 the Illawarra's youth unemployment rate was 10.6%, down from 12.9% in 2016-17 and is now broadly in line with the NSW average of 10.4%.1

In contrast, the proportion of Wollongong residents leaving the region for work has risen slightly over recent years. In 2016, 33% of employed residents left Wollongong for work, up from 27% at the 2011 Census. These residents are largely travelling to the Greater Sydney area.

There is also a need to remain focussed on addressing the 'brain drain'. The share of graduates from the UOW staying in the Illawarra region after completing their studies is estimated to be 41%.2

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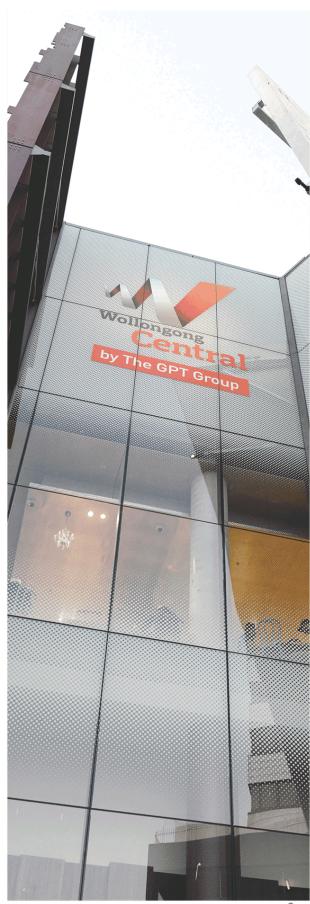
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Key Successes

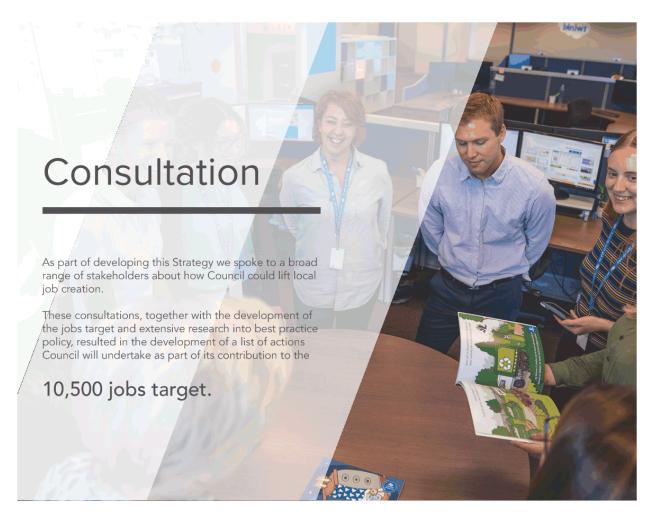
The 2013-2023 Strategy was accompanied by an Action Plan, which included a series of 24 discrete actions, some short term and others ongoing longer term advocacy actions. To date, eight of these action items are already complete. The majority of the remaining actions are longer term advocacy and lobbying items which will continue into the future.

Achievements under the Economic Development Strategy 2013-23 include;

- Ongoing promotion of Wollongong as a superior business location through Advantage Wollongong
- Attracting over \$1.4 billion in investment for city centre projects in the last six years
- Establishing Boxing Day trading in the Wollongong LGA
- Joining the NSW Government's Small Business Friendly Councils program/Easy to do Business
- Establishing a dedicated Small Business Assessment Team
- Streamlining major events process in place
- Introduction of online application and payment process for outdoor dining
- Establishing an online Wollongong Economic Profile
- Completion of the Crown Street Façade Rejuvenation Program
- Implementation of WiFi in the Wollongong City Centre
- Bi-Annual Investor surveys undertaken
- Completion of the City Centre Revitalisation Strategy
- Adoption of the Evening Economy Action Plan with over 80 small bars and cafes opening in the city centre since 2012-2013







Who we spoke to and what they said

The development of this Strategy included engaging with multiple stakeholders who were able to provide their expertise and insights into the future economic direction of Wollongong. The consultation process covered a range of different approaches from meeting with small groups of interested parties through to conducting a major business survey.

This consultation included establishing a Reference Group of local business and government representatives to guide the development of the Strategy and provide expert advice and feedback.

Full details regarding the consultation and engagement program can be found in the supporting Community Engagement Report – a summary is provided here.

In all, we met directly with over 130 stakeholders and engaged, via a business survey, with almost 300 (predominantly small) business owners.

In addition to these direct engagements we read, reviewed and incorporated over 60 reports including economic development strategies from other Councils and other research papers.

The initial consultation activities, done while the Strategy was being developed, are summarised in Table 1.



Table 1: Initial consultation activities

Table 1: Initial consultation activities			
Engagement type	Details		
Reference Group	Adele Fiene, ANZ Jim Fraser, Illawarra Shoalhaven Joint Organisation Kirstan Fulton, NSW Government Michelle Guido, Property Council of Australia, Illawarra Chapter Jonas Marcelo, Innovation Campus Nigel McKinnon, NSW Government Debra Murphy, RDA Illawarra Adam Zarth, Illawarra Business Chamber Met four times during development of the Strategy		
Industry groups and peak bodies	Engaged with the following peak bodies:		
	Illawarra Business Chamber Property Council of Australia, Illawarra Chapter RDA Illawarra Destination Wollongong Urban Development Institute of Australia i3Net		
Business survey	Survey sent to 5,000 local businesses - 292 responses		
Investor/developer community	Roundtable held with key commercial investors in the city centre		
Start-up community	Discussions with the start-up/scale-up community for perspectives from new businesses in Wollongong		
Council staff	Two workshops providing opportunity for staff to have input into action items development		
Councillors	Two briefing sessions for Councillors		
Other levels of government	Engaged with surrounding LGAs and NSW Government representatives		
Other organisations	Engaged directly with NSW Ports, UOW, local Chambers of Commerce		

Two of the biggest external consultations we held were a business survey and an investor roundtable.





Business Survey

In December 2018 Council conducted a survey of 5,000 businesses in the LGA to gather their ideas about how Council can support them to create employment.

This survey generated 292 responses and provided valuable insights into their experiences around interacting with Council, what is done well and what areas need extra attention.

Who participated?

Most respondents to the survey were micro-businesses who employed less than five people. Almost a third (32.8%) of respondents were sole traders and a further third (32.8%) employed between one and four people. Only 8.5% of respondents had more than 20 employees.

The top five industries respondents operated in were:

- Professional and technical services (22.2%)
- Wholesale and retail trade (11.1%)
- Construction (10.7%)
- Health Care (9.7%)
- Financial Services (8.0%)



Business Survey Results

Main challenges



Rising input costs eg energy, supplies



Inability to pass on rising costs to customers



Time pressures. There is no time to think about my business and plan



Finding suitable staff



Rising wage costs

How can Council best assist your business?

We asked respondents for three areas Council could best assist their business.

The top five responses were:



Planning Faster DA approval times



ProcurementMore support for local businesses



Red tape Less paperwork to complete when dealing with Council



Streetscape

More resources for improving public amenity



Marketing/Promotion

More promotion of the capabilities of the region and its businesses

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Investor Roundtable

In December 2018 the Economic Development team and the City Strategic Planning team convened a roundtable of representatives from the Wollongong commercial property market. The purpose of this meeting was to discuss the challenges facing commercial development in the city. The key issues discussed included:

Tenant attraction issues

- A-grade occupiers, in particular State and Federal agencies, want 5 Star Green and NABERS (National Australian Built Environment Rating System) rated buildings. However current parking requirements make it harder to achieve these ratings.
- Major tenants want a minimum floorplate size of 1,000-1,200sqm so they can be on one floor which enhances the efficient operation of the business. From a commercial viability point of view, the ideal size of a building in Wollongong is 5,000-10,000sqm. A 10,000sqm building (1,200-1,500sqm floorplates) would require a site of at least 2,000sqm (using a 6:1
- Tenants want certainty for when a project will be delivered.
- The current focus on private parking provisions for commercial buildings means less public parking is available outside business hours. Providing more public parking areas is critical.
- Reducing parking requirements was identified as the main measure that would improve the viability of commercial buildings projects.
- Tenants value buildings that have a good provision of public transport accessibility and high public amenity around the building.
- A-grade tenants do not want to be in a mixed use building.

Feasibility of commercial development issues

- There is a conflict between the feasibility of residential development, which significantly outweighs the investment return on commercial development.
- There is a risk of losing the commercial core to residential if the Local Environment Plan (LEP) is left unchanged, due to the current permissibility of shoptop housing throughout the commercial core. This challenge could be overcome with the establishment of a commercial only zone. Similar concerns were raised in a BIS Shrapnel study, Strategic Employment Review: Macquarie Park, which argued "The concern is that, by taking sites, residential development will limit the potential for commercial development when it becomes more financially feasible."3

Discussion around the Development Application (DA) process

- The timeframe for the DA process, so a project can be commercially viable, ideally needs to be 3-6 months.
- There is a need for greater engagement and dialogue throughout the life of the major project, not just at the pre-development/planning stage. This could be facilitated via a mechanism that expedites major employment generating projects to ensure the capacity to accommodate new jobs is delivered as soon as possible.

Other issues

- An opportunity exists for Council to leverage its asset ownership / tenancy in the city to deliver new commercial space in the CBD.
- Section 94 payments and heights are not seen as significant restrictions on commercial development.



Current State of Play

Before outlining the strategic objectives of this Strategy, it is useful to review the state of play as it relates to Wollongong, together with some of the challenges that need to be overcome. Wollongong has a number of advantages, including:

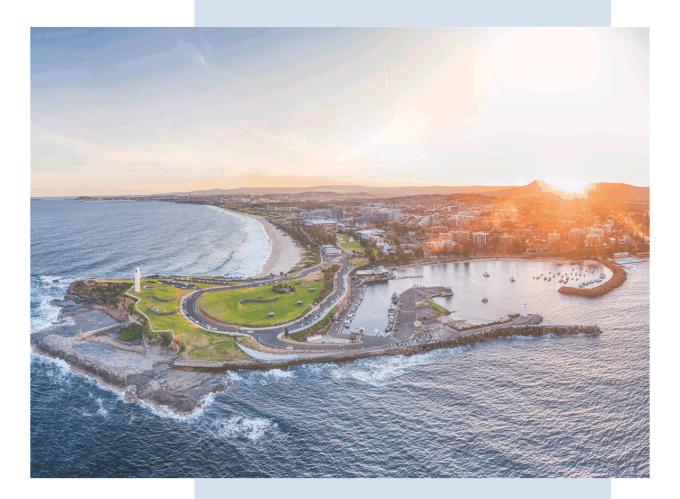
- The city's role as the regional capital and employment centre
- Wollongong's desirable liveability
- The large pool of highly-skilled potential employees including the commuter pool and UOW graduates
- Its world class industry-focussed research institutions
- Its proximity to Sydney and the international airport

There are also some challenges which Wollongong must overcome to improve the business and jobs creation environment. These include:

- Improving external perceptions of Wollongong
- Reducing the cost of commuting on individuals and the community
- Encouraging more innovation and entrepreneurship in Wollongong



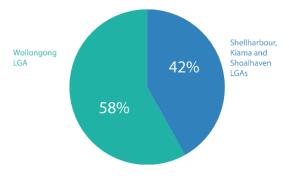
Wollongong is...



The regional capital and employment centre

63

Wollongong is the regional capital of the Illawarra. The size of the Wollongong economy is \$11 billion accounting for around 58% of the Illawarra region's \$19 billion economy (Fig 2).4



Source: NIEIR Data compiled by .id

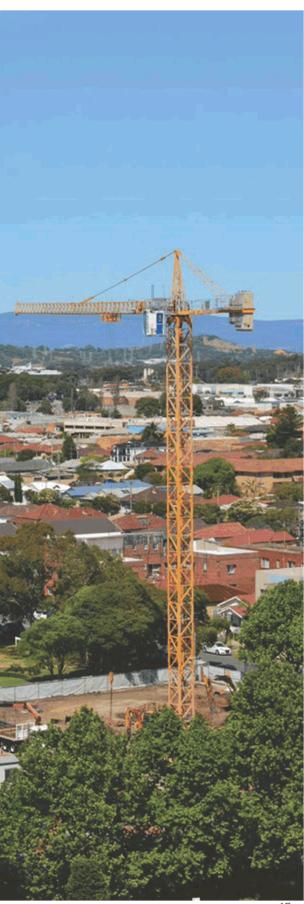
Fig 2: Illawarra-Shoalhaven region, gross regional product, 2017-2018

The importance of the Wollongong economy to the region is recognised in the Illawarra-Shoalhaven Regional Plan.

the potential to generate jobs from the integration of education, health care, business and tourism precincts

graduates. It will enhance the regions centres and public spaces and offer interesting cultural and recreational experiences that will increase the appeal of

Wollongong's city centre and the immediately surrounding suburbs is a critical employment area. It is home to around 26,000 jobs which represents 29% of all employees in the LGA.6



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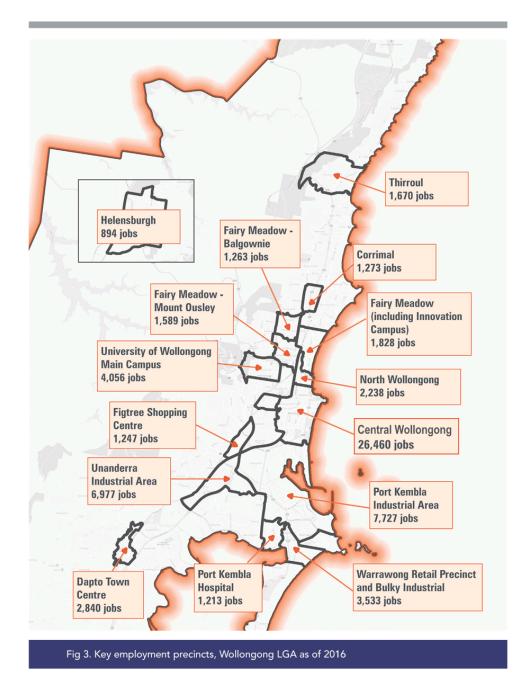


Fig 3 shows the key employment precincts across Wollongong LGA as at the 2016 Census and Fig 4 shows the change in employment in each area between 2011 and 2016.7 Central Wollongong is both the most important area in the LGA for employment and the

area that has experienced the largest jobs gains. This reinforces that strong employment growth in Central Wollongong has positive flow-on impacts for residents across the LGA and the broader region, providing them with local employment opportunities.

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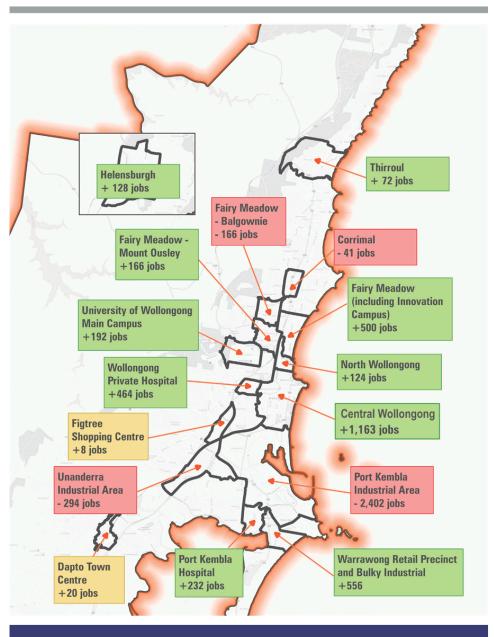


Fig 4: Change in job numbers by location, 2011 to 2016, Wollongong LGA

66



New developments in the Wollongong City Centre

Council has invested over \$30 million in upgrades to the city centre since 2012. Major projects include the Crown Street Mall revitalisation (\$20 million), Keira Street -Crown Street to Smith Street (\$4 million) and Crown Street West (\$1.5 million).

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In addition, Council has also invested in ancillary city centre roadworks, car parks, bus shelters, drainage, lighting, events and traffic studies. Council has also invested \$40 million upgrading the city's foreshore from the Entertainment Centre to North Beach and Stuart Park.

Over the same period the city centre has seen \$1.4 billion in predominantly private investment since 2012. Major investments have included the \$268 million upgrade to Wollongong Central by the GPT Group; the new \$120 million Wollongong Private Hospital, operated by Ramsay Health Care; and the \$134 million expansion of the Wollongong Public Hospital.

There is currently 70,000 sqm of DA approved commercial space in the city centre, including the four largest office developments representing over 30,000 sqm in A-grade office space which could be completed within the next 24 months.

There is currently strong demand for commercial office space. The 2019 Office Market Report, published by the Property Council of Australia, found that there is currently a shortage of office space in the city centre. The vacancy rate for A-grade is low at just 1.4%.8

The city centre has seen a dramatic increase in demand for inner city living, with close to 1,500 dwellings forecast to be delivered between 2016 - 2021. This could increase the inner city population by around 80%.9 The city centre has also experienced a cultural renaissance with over 80 new small bars, eateries and cafes since 2012.10 It has a strong evening economy, attracting people to visit, socialise, eat and listen to live

Wollongong is also an important employment hub for residents of surrounding LGAs. Over 20,000 workers commute into Wollongong from other LGAs for work.

Over three-quarters (77%) are from the surrounding Illawarra-Shoalhaven LGAs with the remainder from Greater Sydney¹¹. This demonstrates that policies that support employment within Wollongong city centre, or more broadly Metro Wollongong, will deliver flow-on benefits across the LGA and across the Illawarra.



Fig 5: New Developments in Wollongong City Centre





A vibrant coastal city

The city boasts affordable living, a coastal lifestyle, a strong bar/café culture and quality infrastructure. Wollongong is located only an hour south of Sydney, and offers a great lifestyle close to the Sydney CBD without the congestion and high cost of living. Liveability is a key factor in Wollongong's superiority as a business location.

- Affordable living Wollongong offers a generally lower cost of living, particularly with residential housing which is currently priced around 47% less than the Sydney median¹². Travel costs are also significantly lower due to reduced commuting times.
- Coastal lifestyle located immediately south
 of the Royal National Park, Wollongong's
 spectacular natural environment includes 17
 patrolled beaches framed by the backdrop
 of the Illawarra escarpment, offering an
 abundance of recreational activities to enjoy.
 Wollongong is also known as an adventure
 city, with many high energy activities on offer
 for locals and visitors.

- Thriving arts, festivals, music, bar and foodie culture - Wollongong also attracts major concerts at its entertainment centre and hosts several music festivals.
- Quality public infrastructure Wollongong has quality health infrastructure including a major teaching hospital and a number of private hospitals. Its education infrastructure includes a major TAFE institute and world-class university in the UOW.





Home to a large talent pool

Wollongong has a large, experienced, multilingual workforce with skills ranging from traditional manufacturing expertise through to creative industries and new economy digital technology based capabilities. This skill base is one of the key attraction for businesses considering locating in Wollongong.

Wollongong's local workforce is highly educated, with around two thirds of the workforce holding tertiary qualifications. This is on par with the NSW average in terms of post-school qualifications. Over a quarter (26.3%) of the workforce has a Bachelor degree or higher, a further 11.9% have an Advanced Diploma/

Diploma and 28.5% have a post-school Certificate qualification. Between 2011 and 2016 the number of people with a Bachelor degree or higher increased 18% ¹³

Around 23,000 residents across the wider Illawarra region travel to Greater Sydney for work, with a mix of skills in both white and blue-collar occupations. These skilled residents represent a talented pool of potential employees for any new business looking to establish or relocate to Wollongong.



Case study:

Wollongong's Knowledge Services Sector

Wollongong has a well established knowledge services sector, with approximately 6,000 people working in the industry across 85 locations in Wollongong. Major international and national corporations that are currently located in Wollongong include NEC, Mercer, SES NSW, PeopleCare, ahm, iag, ATO, Dept of Human Services, IMB, Stellar, Accor Hotels, Suncorp.

In 2018 Advantage Wollongong commissioned Fifth Quadrant to investigate the shared services capability of Wollongong and the financial benefit shared services firms can gain by relocating to Wollongong.14

The study found the operating costs of a 150 seat shared services facility were considerably lower in Wollongong than in other comparable locations. The table below highlights the breakdown of costs for Wollongong versus three other metropolitan locations. Wollongong is a more cost effective location with the most affordable salary and real estate outcomes for an indicative 150 seat contact centre operation, delivering savings in the range of 29% to 33% relative to comparable locations.

Table 2: Comparative operating costs for a 150 seat shared services facility

	Wollongong	Sydney CBD	Melbourne CBD	Parramatta
Total Salaries	\$7,090,000	\$9,640,000	\$9,635,000	\$9,640,000
Cost of Staff Turnover	\$96,923	\$316,514	\$316,514	\$316,514
Real Estate @ 1,750m2	\$700,000	\$1,750,000	\$1,225,000	\$962,500
Total	\$7,886,923	\$11,706,514	\$11,176,514	\$10,919,014
Being located in Wollongong would result in a saving to companies of		33%	29%	28%

In addition, the study found staff turnover rates are only 8% in Wollongong compared to 19% throughout Australia. The findings of this report have also been supported by real-world experiences from companies that have chosen to locate in Wollongong, such as Accelo.

"It's been awesome to be part of a global company having offices in San Francisco and Denver, while still being able to service the whole world from Wollongong. A huge advantage of being based in Wollongong is the talent pipeline coming from UOW has been really important to us"

- Eamonn Bell, co-founder of Accelo





A world-class research hub

UOW is a research-intensive university with an outstanding reputation across a broad range of disciplines.

UOW ranks among the top 2% of universities in the world with an enviable record in teaching and research. UOW has over 36,000 students, more than 2,400 staff and contributes around \$2 billion to the region annually 15. These graduates are recognised for their capability, quality and success in the global workplace.

Graduates come from a range of disciplines, as outlined in Table 3.



Table 3: 2018 UOW Graduate Numbers

	Undergraduate	Postgraduate
Faculty of Business	795	585
Faculty of Engineering and Information Sciences	598	550
Faculty of Law, Humanities and the Arts	768	88
Faculty of Social Sciences	550	441
Faculty of Science, Medicine and Health	755	343

UOW is ranked in the top 1% in the world of universities for the quality of graduates in the 2019 QS Graduate Employability Rankings 16 .

UOW has been particularly successful with respect to Engineering & Technology which has a world ranking of 177, comfortably in the top 200 worldwide. At the subject level, Engineering – Mineral and Mining is ranked 17th worldwide for university courses in this discipline.

Research and industry collaboration

UOW has a strong research focus, with over 270 academic and research collaborations worldwide. The UOW Innovation Campus is a dedicated technology precinct where organisations can co-locate with leading research institutions and access an ecosystem to create connections, build networks and fast track their growth. UOW has an impressive track record in collaborating with industry to drive new products and processes, giving local companies a competitive edge internationally.

The links between business and researchers are further supported by Advantage SME (funded by the NSW Government) UOW's in-house industry matchmaker. Advantage SME helps businesses and researchers find their ideal partners and build beneficial relationships. Collaboration between UOW researchers and industry solves complex, real-world problems, helping businesses grow and prosper.

Fostering entrepreneurship

iAccelerate is UOW's business incubator and accelerator, dedicated to helping innovative businesses and startups build and grow, as well as support an innovative business culture in the region.

The iAccelerate 2018 Economic Statement showed iAccelerate has:¹⁷

- Delivered 517 new jobs to the region since 2012:
- Supported 74 companies in 2018 in a range of fields including tech, hardware, service, education, health, wellbeing and social; and
- Launched 210 new products and submitted 40 IP protection applications in 2018.

In 2019, iAccelerate has added short three day courses targeting businesses looking to improve their business planning processes and learn about entrepreneurial techniques. These are shorter versions of the full incubator program and are targeted at existing business owners looking to scale-up their businesses.

For technical skills, Illawarra TAFE has four campuses in Wollongong which deliver post-school education across a variety of industries and occupations including school-based training, short courses, certificates, diplomas and degrees.

Case study:

SMART Infrastructure Facility

Established in 2011 by UOW, the SMART Infrastructure Facility brings together experts from fields such as transport, water, energy, economics, modelling and simulation and provides a state-of-the-art facility to support this important research.

The dedicated team of researchers tackle infrastructure issues from an integrated and multi-disciplinary perspective, with a focus on how infrastructure and social behaviour intersect to ensure more liveable cities and regions.

An international leader in applied infrastructure research, the SMART Infrastructure Facility is helping to address the challenges of infrastructure planning and management both now and into the future.





Close to Sydney and international connections

Wollongong is just one hour south of Sydney, Australia's largest city which means international airport connections are only an hour away at Sydney's Kingsford Smith Airport. Looking ahead, Wollongong is also only an hour away from the future Western Sydney Airport. Wollongong is also serviced by the Illawarra Regional Airport, just 15 mins south of the Wollongong city centre, which offers daily direct flights to Melbourne and Brisbane.



Wollongong needs to...



Change external perceptions

Advantage Wollongong is working to change outdated perceptions about Wollongong so that people understand the many benefits of locating a business in the city.

Advantage Wollongong is a partnership between Wollongong City Council, UOW and the NSW Government. The partnership has a long term, strategic approach to creating sustainable new jobs and productive investment for Wollongong achieved through the facilitation of significant new business investment projects.

Business Perceptions Study

In 2017, Advantage Wollongong commissioned IRIS to undertake a business perceptions study to assess perceptions of doing business and investing in Wollongong. Overall, the study identified external awareness of Wollongong as a place to do business is still generally weak. Wollongong was not on the

radar for most respondents. The study highlighted the outdated perceptions of Wollongong as a steel city and the associations with both ICAC and industrial disputes.

Strengths of Wollongong identified by the study included its proximity to Sydney, its great liveability, and UOW.

The findings of this study highlight the importance of the ongoing work being undertaken by Advantage Wollongong in changing perceptions and helping the business community to understand the many advantages of setting up in Wollongong.



Reduce the impact of commuting

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Wollongong has a large commuter pool, with around 23,000 residents across the wider region travelling to Greater Sydney for work each day.18

On the one hand, the large commuter base means Wollongong has a high-skilled ready-made workforce for new or existing businesses to draw upon. It also means local residents can access jobs in Sydney that may offer higher levels of job satisfaction and/ or salaries. On the other hand, this daily loss of talent from the region is associated with a number of negative externalities - including high economic and social costs borne by individual commuters, families and the broader community. Reducing the size of the commuter pool will also deliver a more connected and engaged community.

The undesirability of long travel times is well recognised by urban planners. For example, the Greater Sydney Commission's plan for Sydney is built around the idea of a '30 minute city'. 19 This means most residents living within 30 minutes of where they work, access services and enjoy recreational activities. Most Wollongong residents already enjoy this lifestyle - but those in the commuter pool do not.

The concept of the 30 minute city is based on multiple studies (beginning with Yacov Zahavi²⁰ in the 1970s and built on by Cesare Marchetti²¹ in the 1990s) which found that over the entire history of cities people are willing to spend only up to an hour a day travelling for work (ie 30 mins each way). Initially this meant as far as someone could walk in 30 mins and then, as transport systems evolved, it shifted to as far as people could drive.

Beyond this 30 minute limit these studies observed fewer people were willing to travel for work. Having a large commuter base has a direct and immediate cost to the Wollongong economy. The salary of a commuter is still largely spent in Wollongong, where they live, on everyday household needs. But a commuter is more likely to also make purchases outside the region near their place of work, such as groceries and discretionary shopping, than a resident who also works in the Wollongong LGA.

But the real cost of commuting is the direct cost on the individual commuter such as the high social or healthbased costs associated with long journeys to work. This includes a range of issues such as missing out on family time, sleep deprivation, lack of time for exercise/sport and a generally lower level of overall happiness and well-being (see case study).

There is also a broader community cost of having such a significant share of employees making long commutes for work. These people are not as available to participate fully in their local community through volunteering, participating in sporting clubs, community associations and cultural activities.

As a result of these high costs, regional planning strategies across the world place considerable focus on providing jobs close to where people live and reducing the burden of commuting.

Case study:

Cost of commuting: academic research findings

Examining the cost of commuting is an area that has been well researched by behavioural economists and psychologists.

A 2014 study by the UK's Office of National Statistics²², based on responses from a sample of 60,200 people to the Annual Population Survey, found significant impacts on the mental health of commuters compared to non-commuters.

The key findings of the study were: Holding all else equal, commuters have lower life

satisfaction, a lower sense that their daily activities are worthwhile, lower levels of happiness and higher anxiety on average than non-commuters. The worst effects of commuting on personal well-being were associated with journey times lasting between 61 and 90 minutes. On average, all four aspects of personal well-being were negatively affected by commutes of this duration when compared to those travelling only 15 minutes or less to work.





Encourage innovation and entrepreneurship

Entrepreneurship

An emerging area of entrepreneurship in Wollongong is the growing start-up community, which often involves tech-based businesses. One way this has been encouraged is through programs such as iAccelerate. There has also been a less structured formation of new tech-based businesses that are choosing to locate in Wollongong, develop their ideas and solutions and then export them to the world.

This Strategy is not only about attracting new businesses to the region, but also wants to encourage more local residents to start a business, or encourage existing businesses to expand. Wollongong is lagging behind other LGAs in supporting entrepreneurship. Regional Australia Institute²³ research found that Wollongong has lower levels of business owner-managers, at 12.1%, versus 15.9% for regional NSW.

The Regional Australia Institute study findings are supported by a business survey conducted by Wollongong City Council which suggested even established businesses in the LGA are cautious when it comes to expanding their business.²⁴

The survey question, which received 248 responses, asked business owners about their plans for growing their business over the next year. Most (81%) said they were planning on either not growing their business at all (38%) or only modestly and without taking on risk (43%). Only 16% said they expected to experience strong growth (such as growing sales and workforce) and only 3% said they would aggressively grow their business (eg doubling the size of their workforce and turnover).

Innovation

Today in Wollongong, local business owners display high levels of innovation in their business operations. This was also highlighted by recent research by the Regional Australia Institute²⁵ which found, based on their matrix of innovation measures, that Wollongong ranked third out of 95 LGAs in regional NSW in terms of

Innovation can take many forms and does not need to involve a major change in operations. Finding new ways of completing an existing task is just as innovative as launching a completely new product. Innovation is significant because of the role it plays in driving productivity and lifting potential economic growth. One of the biggest influences on innovation in recent years has been the incorporation of digital capabilities into business operations.

In the last decade, there has been exceptional growth in the number of small, largely tech based, entrepreneurial ventures. These businesses seek to grow rapidly by utilising opportunities provided by lean methodologies, digital applications, decreasing barriers to entry, abundance of skilled labour, readily available Venture Capital funds (in some countries), and ready supply of low rent office space.

Recent Australian Government research (see case study) has also highlighted the benefits of having a business community, especially a small business community, willing to use digital-based innovation.

The Small Business Digital Taskforce released its report to the Australian Government in March 2018²⁶. This report recommended the establishment of an independent government-funded body to disseminate digital information, via trusted advisers, to small businesses about the benefits of going digital. The Taskforce found digitisation offers the best opportunity to lift productivity amongst small businesses.

Based on these findings, Wollongong's large base of SMEs (98% of all businesses) could stand to benefit substantially from taking their businesses digital, with flow-on impacts through the broader local economy. Council, along with other partners and independent government bodies, have an important role to play in assisting businesses to embrace greater digital transformation.

Case study:

Key findings of Small Business Digital Taskforce

Productivity enhancements associated with adopting digital technologies contributed over \$104 billion to Australia's GDP over the decade to 2014.

Those small businesses with advanced levels of digital engagement were 50% more likely to be growing revenue and 60% more likely to have more revenue per employee, than businesses with basic levels of digital engagement.

One third of their time – the amount of time the average Australian small business spends dealing with admin tasks

\$56 billion – amount of money wasted per annum by Australian & New Zealand businesses on unnecessary, time consuming admin tasks

81 – the number of working days per year the average small business spends on admin tasks







Strategic Objectives

Against the backdrop of these positive attributes and identified challenges for Wollongong, this Strategy is seeking to intervene in the current direction of the local jobs market to achieve three key strategic objectives.

- Jobs target generate 10,500 new jobs in the next decade to reduce the jobs deficit. This will be more than double the 4,998 net new jobs created in the decade to 2018.
- 2. Lifting median incomes focus on generating new jobs in industries that are higher-paying, have a greater share of full-time jobs and are expected to grow in the future.
- Targeted sectors align with talent pool also align the target industries with Wollongong's existing talent pool, in particular commuters and graduates of UOW.

This section outlines these objectives in detail, including the underlying economic data used to develop them.

Jobs target – 10,500 in ten years

The central objective of the Economic Development Strategy is to boost the number of jobs generated within the Wollongong economy which, in turn, will create more local job opportunities for the LGA's residents. Lifting local employment opportunities will have a broad positive impact on the Wollongong community, both economically and socially. These jobs will be created in businesses that cover a range of different structures that could include major listed companies, small businesses, co-operatives and social enterprises.

As illustrated in Fig 1 (see page 8), there have been significant improvements in the unemployment rate in Wollongong in recent years. The challenge is to continue these positive improvements within a changing and volatile labour market.

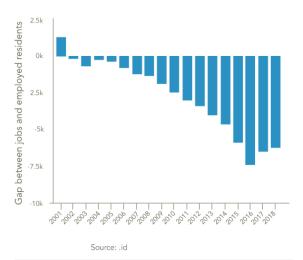
Not enough local jobs

Ideally, the Wollongong economy would generate enough jobs to give all employed residents the opportunity to work locally. Insufficient local jobs generation leaves some of our residents with no choice but to look outside Wollongong for work (details of the size and impact of the commuter pool are discussed on page 37).

Currently, there are 94,554 local jobs in the Wollongong LGA compared to 100,787 employed residents of Wollongong.²⁷

This gap between local jobs and employed residents, known as the jobs deficit, has been present since 2002. After peaking at 7,378 in 2016 (see Fig 6, page 32) this number fell to 6,233 in 2018.

Another way of thinking about the jobs deficit is the employment capacity of the economy. Currently, for every 100 employed residents in Wollongong there are 94 local jobs available.



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Fig 6: Jobs deficit (local jobs v employed residents), 2000-2001 - 2017-2018

Manufacturing job losses

One of the main drivers in the Wollongong labour market over the past decade has been the decline in manufacturing employment. Manufacturing jobs effectively halved over the decade from just over 12,000 in 2007-2008 to around 6,000 in 2017-2018. This was triggered by workforce changes at local steel operations which then had flow-on effects throughout the supplychain of the local economy, impacting engineering services firms which had businesses heavily geared towards servicing the city's major steel manufacturer. Manufacturing now represents just 6.6% of employment in Wollongong, which is only just above the NSW average of 6.5%. It remains, however, an important sector in terms of its contribution to the local economy and is still the largest export sector.

Jobs deficit still grows under 'business as usual'

.id was commissioned to undertake an assessment of the jobs deficit and provide analysis on the scope for improvement over the next decade.28

Initially they estimated a 'business as usual' jobs growth projection, based on demographic and economic forecasts. Both the NSW and Australian economies are forecasting slower growth than has been experienced over the previous decade. Forecasts were then produced for how many jobs would be required to maintain the employment capacity ratio of Wollongong at its current level of 94 local jobs per 100 employed residents.

The final stage of the estimation then calculated the number of jobs that would need to be created to improve the employment capacity and make inroads into the jobs deficit.

Fig 7 is the business as usual scenario which shows, based on demographic trends and base-case economic forecasts, by 2028 there will be 109,510 employed residents of Wollongong for 100,359 local jobs. That is, the modest improvements in the jobs deficit of recent years is not forecast to continue, causing the jobs deficit to widen to around 9,000 and the employment capacity to fall to 0.92 (ie 92 local jobs for every 100 employed residents). This represents annual average employment growth of 0.6%, just above the 0.5% experienced over the past decade.

In short, this scenario would see Wollongong's resident workforce have proportionally fewer local employment opportunities than currently.

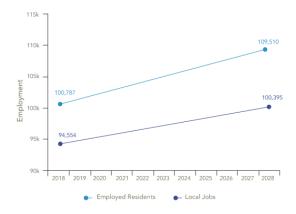


Fig 7: Business as Usual Employed residents v local job projections

Changing the jobs trajectory

The research concluded that, in order to improve Wollongong's employment capacity, the economy would need to grow local jobs by 10,500 over the next ten years (or 1.1% per year).

As shown in Fig 8, page 33, the Wollongong economy has created a net new 4,998 jobs in the ten years to the end of 2018 (or 0.5% per year). Under the business as usual scenario, outlined above, the number of new local jobs is projected to grow by 5,805 in the decade to 2028 (a growth rate of 0.6% per year). This equates to 92 local jobs per 100 employed residents.

If we were to aim to just keep the employment capacity at its current level of 0.94, we would need to create 8,184 local jobs in the next ten years. This would lift the annual average employment growth to 0.8%. To make inroads into the jobs deficit, and lift the employment capacity to 96 local jobs for every 100 employed residents, the Wollongong economy needs to create 10,576 jobs in the next decade. This would require lifting the annual average employment growth to 1.1%.

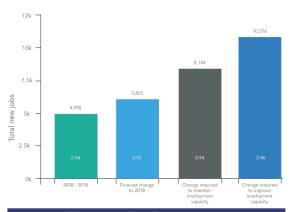


Fig 8: Jobs target and employment capacity ratios

If achieved, this jobs target would have a significant impact on the jobs deficit. Fig 9 shows the two scenarios facing Wollongong in 2028. Under business as usual with no interventions, the deficit will widen to 9,151 (the navy column). If the jobs target is achieved then the jobs deficit will fall to 4,380 (aqua column) and be broadly in line with where it was in 2013.

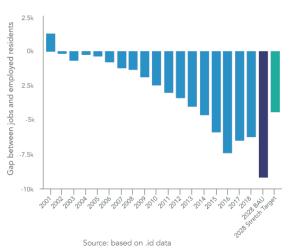


Fig 9: Impact of jobs target on jobs deficit





Is such a turnaround possible?

This target of 10,500 is more than double the job creation results the Wollongong economy has achieved in the past ten years. Consequently, it is important to understand how achievable the jobs target is. .id reviewed the performance of similar cities and regions in Australia to see if they had been able to achieve such gains and deliver growth in local jobs that was faster than growth in the employed residents of their city.

These findings are summarised in Table 4.29

Table 4: Benchmark LGA Jobs Growth VS Employed Residents Growth, 2006-2018

LGA	Local jobs growth	Employed residents growth	Difference
Greater Geelong	2.6%	2.3%	0.3%
Greater Bendigo	2.1%	1.8%	0.3%
Cairns	2.0%	1.8%	0.3%
Bathurst Regional	1.3%	1.1%	0.1%
Tamworth Regional	1.0%	0.9%	0.1%
Toowoomba	1.5%	1.4%	0.1%
Ballarat	2.2%	2.1%	0.1%
Sunshine Coast	2.8%	2.9%	-0.1%
Townsville	1.4%	1.5%	-0.1%
Newcastle	1.6%	1.8%	-0.2%
Gold Coast	2.6%	2.8%	-0.2%
Rockingham	3.8%	4.0%	-0.2%
Orange	1.1%	1.3%	-0.2%
Wollongong	0.9%	1.4%	-0.5%

Benchmark analysis, Average annual growth in local jobs and employed residents, 2006 to 2018 Source: NIEIR, 2018

In short, there are a number of cities/regions across Australia which did grow local jobs faster than the growth in employed residents and thus narrowed their jobs deficit.

As an example, the City of Greater Geelong experienced similar falls to Wollongong in manufacturing employment during the last decade but managed to grow jobs faster than residents in key high-income professional areas. This was largely due to focussed public investment at a state and federal level that contributed hundreds of millions of dollars in new

office construction during this period and almost 2,000 ongoing white-collar jobs.

In addition, the Wollongong economy is unlikely to face the strong headwinds of the manufacturing job losses of the previous ten years. If manufacturing job losses are excluded, Wollongong's local jobs growth would have averaged 1.3% per year between 2008 and 2018. This makes the 1.1% annual jobs growth required to reach the jobs target look more achievable, even taking into account the slowdown in macro-economic projections that are forecast until 2028.

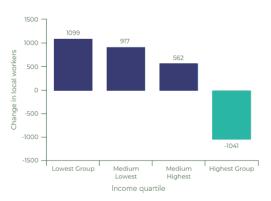
Lifting median incomes

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This Strategy also seeks to improve median incomes across the LGA, which will have a direct positive impact on residents. Consequently, we are targeting jobs that can deliver a sustainable income into the future.

Most job losses have been in higher paying jobs

Looking at income quartiles data between 2011 and 2016 (each quartile contains 25% of incomes) most of the new jobs created between the census periods had income levels at the lower end of the scale (see Fig 10). There has also been a decline in over 1,000 local workers from the highest income quartile (ie those earning > \$1,750 per week or \$91,000 per year).

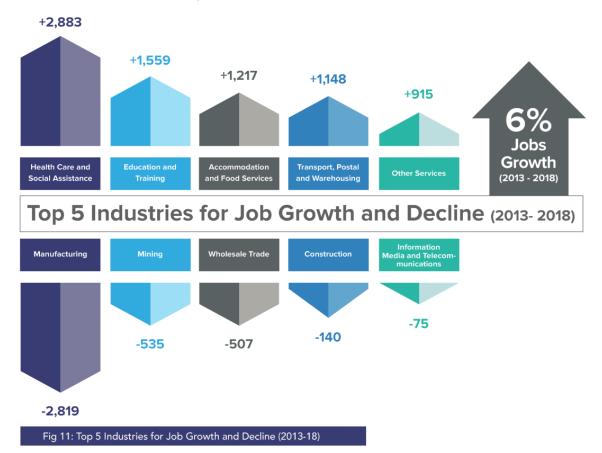


Source: ABS Census 2016 compiled in .id

Fig 10: Change in local worker individual income quartiles 2011-2016

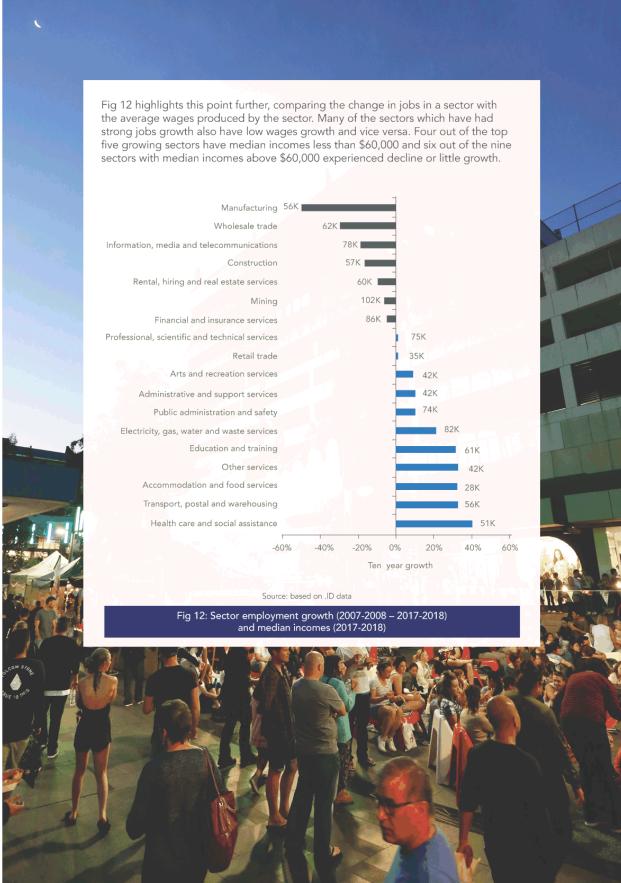
Gains and losses

The slower growth in median incomes is related to the types of jobs Wollongong has been gaining and losing in recent years. Fig 11 highlights the top 5 sectors for job gains and losses.



The sectors that have seen the biggest job losses tend to be those with a higher propensity for higher-wage full-time jobs (such as manufacturing and mining). In contrast, the biggest employment gains have been in sectors that have a higher share of part-time/casual employment (social assistance, education and food services).





The talent pools

The final strategic objective of this Strategy is to target growth in those industry sectors that align with the two large pools of skilled workers Wollongong has – the commuter pool and UOW graduates. The target sectors identified largely meet this criteria and could potentially employ people from the commuter and graduate pools.

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The skills of the commuter pool cover a range of blue collar (8,000) and white collar (14,000) industries. Almost two thirds of commuters work in predominantly white-collar occupations, including nearly 9,000 managers and professionals. Of these, the largest occupation

group is specialist managers (2,000+ commuters), covering a range of sectors including advertising, public relations, human resources, tech, finance, logistics and construction – highlighting the talent pool available for any business looking to locate or grow in Wollongong.

There are also over 8,000 blue-collar workers, including technicians and trades workers, sales workers, machinery operators, drivers and labourers.

Table 5: Illawarra Commuter Pool

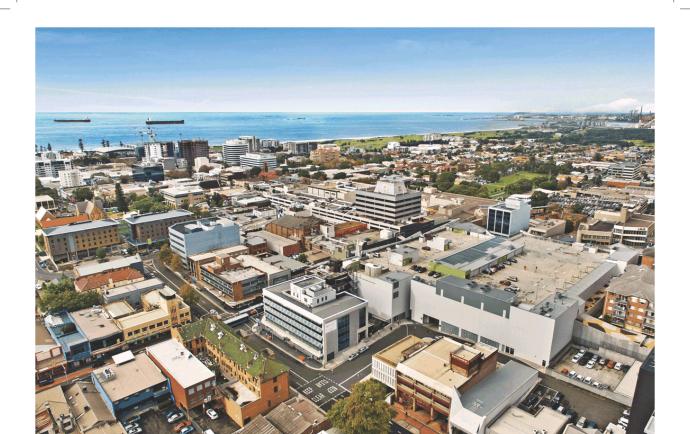
Occupation	Number of Commuters	Share of Total (%)		
White Collar Workers	14,189	62.2		
Managers	3,272	14.3		
Professionals	5,715	25.0		
Community and Personal Service Workers	2,439	10.0		
Clerical and Administrative Workers	2,763	12.1		
Blue Collar Workers	8,291	36.3		
Technicians and Trades Workers	3,642	16.0		
Sales Workers	1,292	5.7		
Machinery Operators and Drivers	1,933	8.5		
Labourers	1,424	6.2		
Inadequately Described/Not Stated	357	1.6		
TOTAL	22,830	100		

Source: ABS Census 2016

In terms of the graduate pool, more than half (59%) leave the Illawarra after they have graduated. This pool of talent, like the commuters, is a valuable resource for current and potential employees in Wollongong.³⁰

These graduates are recognised for their capability, quality and success in the global workplace. Details of the key strengths of these graduates are outlined earlier in this Strategy (page 25) but include IT and engineering-based disciplines.

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Targeted future sectors

The jobs deficit analysis shows that without this Strategy the economy will create around 5,800 jobs. These jobs will be in industries that service local residents such as health, aged care, retail, hospitality and education. These sectors will remain important employers in Wollongong amid growth in the local resident population.

This Strategy is focused on the creation of the extra 4,700 jobs, that are above the business as usual projection, to get to the target of 10,500. Jobs growth in the targeted, knowledge-intensive, high value, high skilled sectors, are not linked to population growth. Instead they are industries who serve clients outside the region and so have the capacity to grow the local economy and employment faster than population growth.

In order to shift the job mix in Wollongong towards higher incomes, more full-time jobs (and therefore support welfare outcomes), targeting growth in specific sectors is required.

.id identified a number of sectors that:

- Provide high median incomes
- Have a high full-time employment ratio in the local job market
- Currently provide employment for a higher share of residents than they do for local jobs (suggests resident labour force has the skills and could fill opportunities if they arise)
- Are expected to experience growth over the next decade

These are summarised in tables 6 and 7.

The opportunities for job uplift from each of these sectors is summarised in Table 6. Overall, these broadly align with the sectors identified by Advantage Wollongong.

Addressing the direct impacts of climate change is a broader issue than Wollongong City Council can tackle alone and is outside the direct scope of this Strategy.

Nevertheless, the Strategy indirectly contributes to improved climate outcomes via its focus on knowledgebased services industries into the future. These sectors have a lower carbon footprint than the sectors that dominated the Wollongong economy in the past.



Table 6: Target Sector Analysis - .id Consulting. Based on the Australian and New Zealand Standard Industry Classification

Industry Sector	Income >\$65,000	Full Time Ratio >65%	Higher Share of residents	Forecast Growth
Agriculture, Forestry and Fishing	N	N	Υ	Υ
Mining	Υ	Υ	Υ	N
Manufacturing	Ν	Υ	N	N
Electricity, Gas, Water and Waste Services	Υ	Υ	Υ	Y
Construction	Ν	Υ	Y	N
Wholesale Trade	Ν	Υ	N	N
Retail Trade	N	N	Υ	Υ
Accommodation and Food Services	Ν	N	N	Υ
Transport, Postal and Warehousing	N	Υ	N	Υ
ICT/Tech	Y	Y	Y	Y
Financial and Insurance Services	Y	Y	Y	Y
Rental, Hiring and Real Estate Services	N	Υ	Υ	Υ
Professional, Scientific and Technical Services	Y	Y	Y	Y
Administrative and Support Services	N	N	Υ	Υ
Public Administration and Safety	Y	Y	Y	Y
Education and Training	N	N	Y	Υ
Health Care and Social Assistance	N	N	N	Υ
Arts and Recreation Services	N	N	N	Υ
Other Services	N	N	N	Υ



Table 7: Where are the jobs coming from? Based on .id consulting analysis

Sector	Opportunity	Enablers
ICT/Tech	Build on growth of existing tech industry and growth in start-ups	 High capacity broadband connections Secure data storage facilities for businesses and public sector entities requiring high-security options Diversity of office space and/or rentable studios
Financial and Insurance Services	Attract auxiliary finance firms based on local expertise, better support potentially disruptive fintech companies.	 High capacity broadband connections Start-up/venture capital Available quality low rent office space
Professional, Scientific and Technical Services	Attraction of new regional offices of private companies and enabling high growth of start-ups, including from creative industries	Boosting the range (specialisation and scale) of incubators and accelerator programs Leveraging recent establishments for investment promotion Providing a mixture of A-grade and low rent office space Improving accessibility to Sydney and the airport
Public Administration and Safety	Decentralisation of major government agency	 Improving accessibility to Sydney and the airport Upgraded Illawarra Airport Available high-grade commercial space Quality convention and training facilities
Electricity, gas, water and waste services	Attraction of headquarters or major office of utilities authority/company	 Improving accessibility to Sydney and the airport Available high-grade commercial space



Professional, Scientific and Technical Services

Wollongong has strong potential to boost its jobs generation in this sector and there is a substantial resident labour pool to draw on from both the commuter and graduate talent pools.

Many residents with expertise in these areas are currently commuting outside the LGA for work. There are currently 9,000 managers and professionals who live in the Illawarra region but work outside the LGA across Greater Sydney.

UOW is also a provider of talented employees to fill jobs in this sector. ³¹ Jobs gap analysis by field of occupation, undertaken by .id, reinforces UOW's acknowledged strengths by highlighting there are key gaps between residents and job numbers in:

- Engineering (including environmental engineering roles)
- Law

The other key target in this sector would be in Computer System Design and Related Services industries building on the existing specialisation Wollongong has in this area.

This sector also includes many creative based occupations such as professional photographers, jewellery designers, graphic designers, signwriters, architects, film-makers and marketing specialists.

Public Administration

Decentralisation of federal or state government administrative offices have a history of supporting the retention and attraction of qualified residents and encouraging new investment. For example, Geelong has secured the following government offices in recent years:³²

- The Transport Accident Commission successfully relocated to Geelong in 2009 supporting 650 employees.
- WorkSafe Victoria started relocating in 2016 and in 2018, 700 employees moved into a brand new \$120 million A-Grade Office building.
- The National Disability Insurance Agency which currently supports 300 jobs and is expected to rise to over 500 upon completion of a new dedicated office building.

Wollongong already hosts the Australian Taxation Office (400 employees) and the state headquarters of the SES. High quality transport and communication infrastructure, low office rental costs, and access to a skilled labour force means a transfer of additional operations could happen comparatively easily.

Electricity, Gas, Water and Waste Services

The city is well placed to support the commercial operations of a large utilities company. These offices often provide a substantial boost to jobs and local incomes. For example, Port Macquarie is home to the headquarters of Essential Energy supporting over 600 jobs in the city with the median income of these jobs being just over \$98,000 in 2016.

Financial and Insurance Services

Wollongong has an acknowledged specialisation in financial, insurance services and superannuation funds administration. Organisations such as Mercer, IMB Bank, ICU, PeopleCare and IAG call Wollongong home. Wollongong is also uniquely equipped to deal with the significant disruptions the industry faces over the next five years, due to competition from non-traditional entrants to the sector.

The combination of existing expertise and a skilled talent pool could spur a number of Fintech start-up enterprises if supported by venture funds and adequate mentorship (eg accelerators).

ICT/Tech

Wollongong is already home to several successful ICT based companies that have an established presence in national and international markets and UOW is obviously a recognised producer of IT talent. ICT companies located in Wollongong include NEC, Accelo, iTree, Easy Agile and Internetrix.

The talent pool of graduates represents an ongoing source of future employees for the tech sector. For example, in 2016 more than half (57%) of young graduates in this field who were living in Wollongong in 2011 were working elsewhere by 2016 as they left Wollongong to gain employment elsewhere.³³



Additional Advantage Wollongong targeted sectors

Along with the sectors identified by .id, Advantage Wollongong is also targeting the following additional industries as future drivers of employment growth. These additional industries have been identified based on the experience developed during the 10 year Advantage Wollongong partnership. These sectors are also targeted in this Strategy.

Advanced Manufacturing

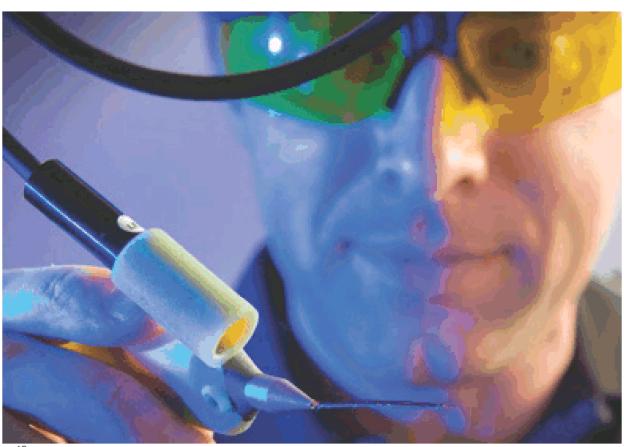
Continued transformation in local manufacturing will influence the ability to generate or maintain jobs. Wollongong has expertise and capabilities in a number of specific sub-areas combined with UOW's research base in advanced materials and technologies.

Wollongong has strong supply-chain linkages through the advanced manufacturing sector, as a result of its 90-year history in heavy manufacturing. Wollongong's advanced manufacturing sector is fast changing and diversifying, with significant operations in industrial, chemicals, mining, defence, construction, textiles and food and beverage, as well as exploring opportunites in emerging fields such as renewable energy.

Wollongong's research and manufacturing credentials around sustainable energy use were highlighted in 2018

in Dubai when a team of UOW and TAFE students and researchers collaborated, with industry support, to build the Desert Rose House. This project combined energy-saving construction techniques and materials with smart 'Internet of Things' technology to build a sustainable house that also promotes well-being and adapts to the occupants' needs as they age, including those living with early stage dementia. This project showcased Wollongong's capabilities on the world stage and came second in the prestigious Solar Decathlon 2018.

Local companies compete locally, nationally and internationally by targeting niches which value high-quality, high-performance manufactured product.



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Defence

Wollongong has a well-developed ecosystem of organisations involved with defence related procurement activities including a range of manufacturing services as well as research activities. Wollongong companies offer a wide-range of products and services with growing opportunities to service the defence industries. These include:

- Military-grade communications systems
- Armoured steel plate
- High-end welding and engineering
- Engineered plastics and polyurethane
- Electrical isolators and enclosures
- Specialist protective coatings
- Base safety systems
- Ruggedised medical computing devices
- Specialist labour services

The armoured steel for the Collins-class submarines, Adelaide-class frigates and the Hobart-class Air Warfare Destroyers (AWD) projects was manufactured in Wollongong. Leading defence research and development organisations in Wollongong include:

- Defence Materials Technology Centre (DMTC)
- The SMART Infrastructure Facility
- The Steel Research Hub
- The Centre for Computer and Information Security Research

Medical Science and Technology

Wollongong's growing medical science and technology sector is supported by a network of service partners including leading researchers and education providers linked to UOW, and private and public health practitioners.

UOW continues to produce excellent health graduates in fields including medicine, nursing, medical and exercise science, nutrition and dietetics and Indigenous health.

Advantage Wollongong will be targeting organisations who provide support services and innovative products/ technology. Advantage Wollongong will also target allied and mental health companies that have a strong focus on R&D and innovation in treatment.

Scale-ups

Wollongong already has a reputation for being an incubator city to start-ups though iAccelerate. While Sydney hosts the nation's largest collection of tech start-ups, our proximity to and support of the start-up ecosystem is a major advantage.

Wollongong's supportive business networks, along with access to a highly skilled workforce, including a large graduate pool, attract entrepreneurs who have successfully commercialised their business, secured investment and are ready for accelerated growth.

Creative Industries and Arts

Wollongong City Council is also committed to fostering growth in creative industries. This is highlighted in Wollongong City Council's dedicated Creative Wollongong 2019-24 plan which is focused on how Wollongong can foster its creative skills. Council recognises that these occupations, some of which also fall into the professional, scientific and technical services sector, play a key role in the broader vibrancy of Wollongong and underpin the great liveability residents enjoy. Wollongong has a very passionate and active creative community. During the development of Creative Wollongong many people working in these types of jobs expressed concern about having to move out of the area to chase opportunities.

Case study:

Illawarra coal used for steel making not energy

The sector analysis (Table 6) highlights that mining offers well paid jobs that are largely full-time, which are the industry characteristics this Strategy is seeking to capitalise on.

The challenge for the sector is that climate change, and the resulting trend towards the decarbonisation of the energy sector, is reducing the attractiveness of the broad mining sector for investors. Hence, the analysis flags mining as an industry that may not display high growth going forward.

For the Illawarra-based mining sector, however, the outlook is more positive. Coal mined in the Illawarra is metallurgical which is coal used in the steel-making process rather than in power stations. This means that the impact of the decarbonisation of the energy sector will be more muted on the Illawarra than those regions that predominantly mine coal used in power

The coal mined in the area also has important linkages across the local economy, via its direct use in steel making and its shipment to export markets via Port Kembla. These supply linkages, through high-skilled well-paying largely full-time jobs, also support economic growth across the broader population-serving sectors of the economy.





Part 2 Achieving the objectives

This Strategy takes an interventionist approach and looks to change the trajectory of business as usual jobs growth in Wollongong. This will require multiple policy changes to achieve, which are outlined in further detail in the remainder of this Strategy.

Firstly, there are a number of potential game-changer projects that, if delivered, will contribute to reaching the jobs target and achieving the secondary objectives around lifting median incomes and increasing local employment opportunities for people currently commuting for work or forced to leave the region once their tertiary studies are completed.

Secondly, Council has its own policy levers that will contribute to place a higher priority on jobs growth within Council's own actions and priorities. The specific actions Council can take are detailed in the Action Plan section of the Strategy.

Potential game-changers

As well as Council's direct actions, there are a number of external 'game-changers' - significant projects or activities - that could have a major impact on Wollongong's labour market if delivered.

The game-changers we have identified are:

- Critical transport projects to reduce the travel time between Wollongong and Sydney
- Capitalising on the growth of Western Sydney and the development of the Aerotropolis
- 3. Increase the office capacity in the Wollongong city centre
- 4. Development of unused and underutilised employment lands
- Attraction of more major events and tourism infrastructure

- 6. Completion of the Australian Industrial Gas Energy Terminal project
- 7. Establishment of a city centre university campus
- 8. Delivery of the Port Kembla container terminal project
- 9. Further evolving as a smart city
- 10. Improving the effectiveness of our advocacy



1. Critical transport projects

Wollongong to Greater Sydney connections

Historically the focus has been on moving freight and people between Wollongong and the Sydney CBD. However, in line with the work of the Greater Sydney Planning Commission, there is now recognition that Sydney is three cities – Eastern (around the CBD), Central (around Parramatta) and Western (around the new Western Sydney airport). Consequently, transport planning needs to also focus on improving connections between Wollongong and the Central and Western cities, both of which will be experiencing rapid population and employment growth in the future. Hence there needs to be a focus on infrastructure projects that head west – such as the South Western Illawarra Rail Line (SWIRL) – and not just those that head north to the traditional Sydney CBD.

In 2016, 65% of Illawarra commuters to Greater Sydney travelled to work by private motor vehicle. Another 20% travelled by public transport, the majority by train.³⁴

There are a number of transport projects that are critical to Wollongong and the broader region, at various stages of planning, which have the potential to boost employment growth in Wollongong. These projects are largely focussed on reducing travel times and congestion on the key arterial road and rail links between the Illawarra and Greater Sydney.

The 360 Illawarra Shoalhaven Economic Outlook, completed in 2018, notes the importance of improving connections between Sydney and Wollongong as critical to enhancing employment options, business opportunities and liveability for the region.³⁵

SWIRL

The SMART Infrastructure Facility at UOW undertook an examination into measures to improve the speed and reliability of rail connectivity between the Illawarra and Sydney.³⁶ A primary recommendation of the report was the construction of the passenger and freight South West Illawarra Rail Line (SWIRL), by completing and electrifying the Maldon-Dombarton line and the electrification of the Moss Vale – Unanderra line. The SWIRL link will provide an important connection to the growth area of South West Sydney. The estimated cost for this project was \$1.7 billion. Economic modelling found a benefit-cost ratio of 1.13 and would add \$2.6 billion in GRP for the Illawarra.

The new Western Sydney Airport, which was approved after this study was completed, would further enhance these benefits and provide a significant economic opportunity for the Illawarra region. The delivery of

SWIRL also makes sense from a risk management perspective. It will provide an alternate passenger and freight link to Sydney should the South Coast Line either reach capacity or experience temporary service disruptions.

South Coast Line upgrades

Duplication of the South Coast rail line is essential to cater for both growing freight and passenger demand to the CBD and Port Botany/Airport regions. The NSW Transport 2056 report estimates this line will reach capacity by 2031.³⁷

In addition, improvements to the track, such as removing bends, could increase both speed and capacity.

Mount Ousley interchange and widening

This important arterial link down the Illawarra Escarpment already operates at capacity during certain periods of the day, making this upgrade project a major priority.

The NSW Government has committed funds to improving the interchange at the bottom of Mount Ousley. However, the current lack of capacity at peak times suggests the road also needs to be widened so that the southbound carriageway is three lanes for the whole length of the descent down the escarpment. The NSW Government has not yet committed to funding the widening project.

Picton Road

Picton Road is a major freight connection between the M1 Princes Motorway and the M31 Hume Motorway. The SMART Infrastructure Facility estimates this road is likely to reach capacity by 2025 and needs to be upgraded to a full four-lane divided highway.³⁸

Almost a quarter of its 20,000 daily vehicle movements are heavy vehicles. Currently the 27km stretch of road between the two major motorways is largely single lane, with 8kms of passing lanes in various sections. To date, funding has only been allocated to convert 3km of the road to dual-carriageway (Hume Motorway to Almond Street). Improvements in recent years have focussed on safety enhancements.



F6 Extension

There is currently no motorway standard route between the Sydney motorway network and the M1 Motorway at Waterfall. Demand for road travel along this corridor is high and the arterial network is at capacity during peak periods. The three crossings of the Georges River, which together accommodate almost 200,000 trips per day, are at or close to capacity.

This leads to long travel times, because of slower speeds and intersections on arterial roads, and congestion. The initiative proposes a motorway connection between the Sydney motorway network and the M1 at Waterfall. The New South Wales Government has committed to construct Stage 1 of the link between WestConnex (New M5) and President Avenue at Kogarah.

Cost-benefit estimates

The Illawarra Business Chamber has undertaken a number of studies to estimate the benefits of infrastructure projects in the region, which are detailed in Table 8. The table also includes the government views expressed in the current NSW Transport 2056 and Infrastructure Australia Priority List.

As outlined in Table 8, many of these projects are only listed for investigation over the next decade by the NSW Government in its Transport 2056 plan. More recently the NSW Government announced in December 2018 that it is investigating the opportunity for high-speed rail links along four corridors between Sydney and regional NSW, including the Nowra-Wollongong corridor. This process will begin in 2019 with the initial focus on how to make existing infrastructure work better and accommodate trains travelling up to 200km/hr. Further funding, beyond the \$4.6 million for the initial feasibility study, has not yet been committed.

Table 8: Critical Transport Projects for the Illawarra Region

Sector	Reduce travel time by	Benefits Illawarra/yr	Project cost	Required by (IBC)	Transport 2056	2019 Infrastructure Australia priority list
South West Illawarra Rail Link (SWIRL)	31 mins (Campbelltown) 34 mins (Liverpool)	\$74m	\$1.7b	2028	10-20 years investigation	0-5 years (freight component - rail access for Port Kembla)
Mt Ousley interchange and widening	Unavailable	\$46m	\$220m - \$330m (Widening)	2025	0-10 years committed (Interchange only)	No comment
Picton Rd upgrade (Dual Carriageway)	Unavailable	\$42m	\$180m - \$220m	2025	0-10 years investigation	5-10 years (not full dual-carriage way)
F6 extension (Stages 1,2,3)	27 mins (Sydney CBD)	\$67m	\$8.6b - \$10.4b	2025	0-10 years committed (Stage 1) 0-10 years investigation (Stage 2 & 3)	5-10 years
South Coast Line upgrade	15-30 mins (Central Station)	\$55m	\$2b	2030	0-10 years investigation	10-15 years

Source: Illawarra Business Chamber (2017) Upgrading rail connectivity between Illawarra and Sydney; Illawarra Business Chamber (2018) Upgrading road connectivity between the Illawarra and Greater Sydney; NSW Government (2018) Future Transport Strategy 2056; Infrastructure Australia (2019) Infrastructure Priority List



Improving inter-city connectivity times

This idea of improved connectivity between the regional cities around Sydney - Wollongong, Central Coast and Newcastle - has also been explored by the Committee for Sydney.³⁹ This analysis found that by reducing travel times between Wollongong and Sydney to 60 mins (from around 90 mins currently) could result in a shift in housing demand, populations and employment out of Sydney and towards the regional cities which offer more affordable and attractive lifestyles. This report estimated that by 2036 the 60 min train connection could result in an additional 10,000 dwellings in Wollongong.

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Furthermore, after an initial increase in employment flows towards Sydney (as new residents kept working in Sydney), ultimately the 60 min shift would result in this trend reversing as businesses were also attracted by the benefits of locating in the regional cities. The study found that by 2036 an additional 4,725 jobs could be created in Wollongong. For context, this represents just under half of the 2028 jobs target outlined in this

Regional transport infrastructure

Significant employment opportunities could also be delivered to Wollongong via improvements in regional infrastructure. Investment in neighbouring LGAs has an impact on potential jobs growth in Wollongong.

The Illawarra Regional Airport currently has a single operator offering commercial flights between Wollongong and Melbourne/Brisbane. Topographical challenges, caused by the proximity of the airport to the escarpment, mean there is only limited opportunity to land larger commercial jets. Nevertheless, the expansion of routes and/or operators would have a positive impact on both tourism and business travel to Wollongong. The recently announced upgrade to the airport (\$16 million) highlights the important role this transport connection has for the broader Illawarra region.

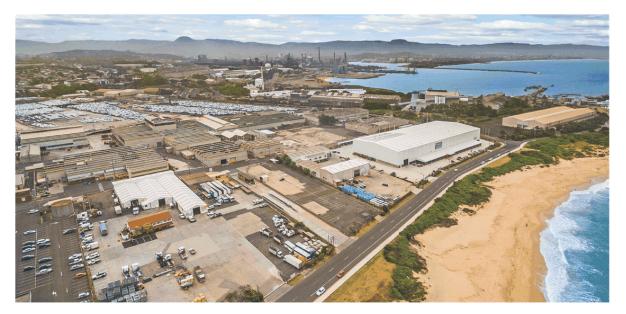
The free 'Gong Shuttle provides important links around the key employment precinct of the city, university and health precincts. This connects businesses and customers and allows employees to move around the area via free public transport.

The Moss Vale - Unanderra freight line delivers a critical link between the Main South Line, which connects through to Sydney, and the Port of Port Kembla. It too has geographic challenges because of the steep nature of the climb. Upgrades to the line, even if the SWIRL project is delivered, are critical for the future of logistics and freight transport in Wollongong and the broader

These upgrades are becoming increasingly important as the Illawarra Line (a joint freight and passenger line) gets closer to reaching capacity. This issue was most recently highlighted by Infrastructure Australia, which listed this project, as part of rail connectivity of the Port of Port Kembla, as a Priority Initiative in its February 2019 update.40







Another key freight and passenger connection in the region is the Princes Highway, which runs through the Illawarra and into Victoria. The South East Australian Transport Strategy (SEATS) group has advocated for many years to have the highway raised to dual-carriage way standard. Substantial work has been done south of Nowra and to the Jervis Bay area in recent years. The Australian Government (in partnership with the NSW, Victorian and South Australian governments) is preparing a corridor plan for the Princes Highway, including releasing an issues paper in early 2019. 41

Most recently, the current NSW Government has committed \$1 billion to the Princes Highway on the NSW South Coast which will cover converting a 20km section between Sussex Inlet and Jervis Bay to dual-carriage way and by-passes for Milton and Ulladulla.

The soon to be opened \$150 million Shell Cove Marina is a major piece of tourism infrastructure that could deliver region-wide benefits if encouraged to grow. When completed, it will create around 3,000 prime residential lots, a 300 berth marina constructed within an in-shore boat harbour, an 18-hole championship-standard golf course, community parks and playgrounds, cycleways, and a range of quality commercial, retail, tourist, community and recreational facilities.

In summary, all these transport projects, linking Wollongong and the broader region with opportunities in Greater Sydney and regional NSW, have the potential to be major game changers for job creation in Wollongong and should continue to be a major focus of advocacy for Council in its civic leadership role.





2. Western Sydney Aerotropolis

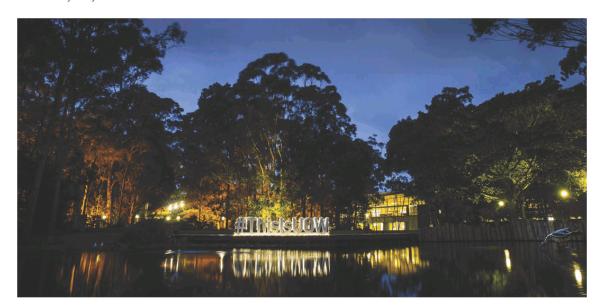
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The new Western Sydney Aerotropolis presents a significant opportunity for the Wollongong economy. It will provide support for an estimated 200,000 new jobs and establish a new high-skill jobs hub across aerospace and defence, manufacturing, healthcare, freight and logistics, agribusiness, education and research industries.

There will be direct opportunities for Wollongongbased businesses during the construction phase of the airport and the Aerotropolis over the next decade. Once operational, Wollongong-based businesses could continue to service the airport and those operating out of the Aerotropolis. There will also be opportunities for UOW to engage in the educational components of the new city (see case study). The emergence of this new city in Western Sydney provides further evidence why enhanced connectivity between Wollongong and Western Sydney is critical.

The 360 Illawarra Shoalhaven Economic Outlook⁴² notes that the Western Sydney Airport will provide long term economic and employment opportunities and accelerate the development of critical infrastructure and urban development. Industries in freight, logistics, tourism and construction services are set to significantly benefit from the development.

Wollongong will need to take active steps to capitalise on this game-changing opportunity, recognising that options to improve road and rail connectivity between the two areas will be essential to allow the region to capitalise on this development and open it up to a new



Case study:

UOW joins 'Super Campus'

UOW will join the University of Newcastle, the University of NSW and Western Sydney University to develop a combined 'Multiversity' at the new aerotropolis in Western Sydney.

The four universities will create one campus that has a focus on science, technology, engineering and mathematics (STEM) education.

Stage 1 of the development is expected to be completed around the time the airport opens in 2026.



3. Increase office capacity in city centre

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The Property Council found that there is currently a shortage of office space in the city centre. The vacancy rate for A-grade is 1.4%.43

Office space that is available is often low grade and in buildings that, for a variety of reasons, are not being upgraded or improved. This limits the options for businesses to expand or start-up and places a constraint on job creation in the city centre.

Looking ahead, there is a current pipeline of projects, with 70,000 sqm of DA approved commercial space in the city centre, including the four largest office developments representing over 30,000 sqm in A-grade office space. These could come on line within the next 24 months.

The future capacity of Wollongong city centre is currently being examined by Wollongong City Council via a project looking specifically at the future planning needs of the city centre. Preliminary findings from this project suggest at least 120,000 sqm of new office space will be needed by 2036 to accommodate future employment demand. That is, four times the capacity of the new buildings currently under construction.

The role of Metro Wollongong as a key employment precinct, as outlined earlier in this Strategy, is likely to continue into the future. Currently, Metro Wollongong accounts for 29% of employment in the LGA.⁴⁴ The sectors this Strategy is targeting for the future are also likely to be located in and around the city centre, again highlighting the importance of future strategic planning decisions to ensure there is sufficient office space in the city centre to accommodate new jobs.

A significant game-changer for Wollongong would be if the current investments in office space were followed by further major developments. This would mean existing businesses could easily find bigger premises to grow and new businesses would have no concerns about finding a suitable location.

Wollongong's

future office needs

reputation as a nationally significant city and as a location to do business – one that can capitalise on its proximity to global markets in Sydney business.



4. Develop unused and underutilised employment lands

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The NSW Government's Illawarra Shoalhaven Regional Plan notes the importance of developing vacant employment lands. ⁴⁵ It states;

"The growth of Port Kembla is driving demand from port related industries for large industrial land sites and warehousing facilities, such as new logistics and freight handling facilities at Kembla Grange. Demand is expected to continue as the development plans for the outer harbour precinct are realised and the port opens up to containerised trade."

Wollongong City Council acknowledges the importance of preserving these industrial lands to ensure industry has access to appropriately zoned land into the future.

Development of these employment lands, which are largely privately owned, represent a significant opportunity for the region's manufacturing industry. The region has seen an increase in interest from industrial and manufacturing business located in Southern and Western Sydney who are being squeezed out by demand for rezoning of industrial land to residential land.

Those looking for larger parcels, in particular, are unable to be assisted based on the current supply of serviceable industrial land. This inability to provide suitable land for new businesses represents a lost employment and investment opportunity in Wollongong.

According to the NSW Government⁴⁶, there is currently 282 hectares of undeveloped employment land zoned in the Wollongong LGA of which 85% or just over 239 hectares is zoned industrial, with the remaining reserved as enterprise corridor/business park (see Fig 13). The majority of this land is around the Port of Port Kembla, Unanderra and West Dapto.



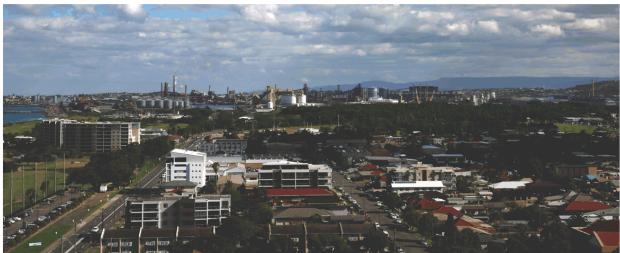
Source: NSW Department of Planning and Environment 2018, Employment Land Supply Monitor, Illawarra-Shoalhaven Region
*NB -there is a small proportion of employment land zoned Special Purpose

*NB -there is a small proportion of employment land zoned Special Purpose (SP1) that has been left out of the above figure due to insignificance

> Fig 13: Undeveloped employment land, 2018, Wollongong LGA

Work is currently being undertaken by the NSW Government, working with the private land owner, around the identification of potential surplus sites.

An audit⁴⁷ in 2014 found that sewer services are not provided to 67% of vacant industrial land. Potable water is not provided to 42% of vacant industrial land. Electricity is not provided to 22% of vacant industrial land. Releasing and servicing these lands would be a significant game-changer for local manufacturers in particular.





5. Attract more major events and tourism infrastructure

Major Events

Hosting more, and higher profile, major cultural and sporting events would deliver both short and long-term benefits to Wollongong.

The direct short-term benefit is the economic impact of visitors to the event who spend on accommodation, activities and hospitality. This provides an immediate, but short-term, injection of economic activity across a range of businesses including accommodation, restaurants and transport.

Major events also provide longer-lasting benefits. They showcase the city to a new audience and provide invaluable publicity. For Wollongong, hosting major events plays a significant role in changing external perceptions about the city.

Events such as surf lifesaving's Ocean 6 series have proven to be an effective way of showcasing the city to the world, with the 2018 edition beamed into 1.7 million households across the world according to Destination Wollongong. Similarly, social media exposure is also crucial to changing perceptions about Wollongong. According to data compiled by Destination Wollongong, the Corona Sunsets music festival held on Wollongong's North Beach in late 2018 directly resulted in an estimated \$1.9 million in tourism spending but, more importantly, it was beamed to the world on a tenhour live stream, viewed by an estimated 500 million people.48

The future focus on major events is outlined in Destination Wollongong's Major Events Strategy 2016-2020. This document outlines the organisation's intention to attract a 'pyramid' (see Fig 14) of events each year – ranging from 1-2 signature events through to unlimited numbers of community based events.



Fig 14: Destination Wollongong's events pyramid

Business-related events, or events that attract significant numbers of senior business executives, also support the focus of Advantage Wollongong. The right type of event can encourage visiting business owners to reconsider Wollongong as a place to establish a business. However, the lack of a dedicated Convention Centre in Wollongong is a major inhibitor to attracting business events (see case study on next page).

Case study: UCI World Road Cycling

Wollongong has been awarded the UCI Road World Championships in late 2022. The week long festival of cycling will encompass more than 1000 of the world's best cyclists racing across Under 19, Under 23 and Elite categories for the coveted rainbow jerseys in the individual time trial, road race and mixed team relay.

The event is expected to attract 300,000 spectators, 500 media outlets and a global viewing audience in excess of 200 million people and directly deliver up to \$100 million in tourism

In addition to the week long event in 2022, hosting includes multiple warm-up events and team training camps leading up to 2022 and being designated a world cycling city for the three years after the event.

Case study:

Wollongong Convention and **Entertainment Centre**

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In March 2017 MacroPlanDimasi were commissioned (by Wollongong City Council, RDA Illawarra, Destination Wollongong and the NSW Dept of Industry) to undertake a market assessment, economic impact assessment and benefitcost assessment of an upgrade to the current entertainment centre facilities.

The report considered a \$60.4 million upgrade which included two new levels of 1600sqm of function rooms, a 1,000sqm sky deck, a café, environmental improvements, upgraded back-of-house facilities, major building construction works and a new AV system.

This report demonstrated a strong case for the upgrade. MacroPlanDimasi concluded that: Having regard for the low project cost, conservative methodology, the strong cost benefit ratio of 2.6 to 1, the extraordinarily strong competitive advantages of the project and the broad economic, social and cultural penetration of the project outcomes that this project should be funded.4





Tourism infrastructure

Wollongong needs to invest in its tourism infrastructure if it is to build on the impact of major events and expand its tourism industry. This includes investment in additional beds and new attractions.

Destination Wollongong estimates that Wollongong currently has around 2,000 beds available each night (within 30 mins of the CBD). However, Destination Wollongong is concerned about the imminent loss of 150 beds and the loss of up to 400 beds over the next 5 years. Destination Wollongong has raised its concerns about this situation and the need for a Tourism Lands

Destination Wollongong is building on Wollongong's marine-related tourism credentials by establishing the Cruise Wollongong initiative. This focusses on attracting cruise ships to the city.

The NSW Government's Cruise Development Plan recognised that while Sydney will remain the preferred cruise port for the State, a network of smaller regional ports is also needed to maximise the benefit of the industry to the State economy. This includes Port Kembla, which can be used as a transit port, but would benefit from infrastructure to support cruise visit calls to welcome and process passengers.50

Another key infrastructure asset of the city is the Wollongong Entertainment Centre (WEC). This



venue has a maximum capacity of 6,000 with flexible configurations that can host various events, including concerts, dinners, seminars, conferences, school formals and exhibitions. It is also home to the NBL team, the Illawarra Hawks. Venues NSW is currently developing a Master Plan for the venue which will provide a blueprint for potential uses and investment into the future (see case study.)

In summary, the attraction of major events and major tourism infrastructure investment would be a gamechanger for the local tourism industry and has the potential to deliver benefits throughout the broader economy via improved perceptions about Wollongong.

6. Australian Industrial **Energy Gas Terminal**

Australia's first Liquefied Natural Gas (LNG) terminal with Australian Industrial Energy (AIE) Group has recenty received development consent to build a \$250 million floating import terminal at Port Kembla. The Port Kembla Gas Terminal will, in its first phase, supply around 100 petajoules of natural gas per annum to gas users - equivalent to approximately 75% of NSW's total gas needs.

Advantage Wollongong and local business groups worked closely with AIE Group leading up to the announcement and subsequently the project has strong support from the broader business community.

This project was recently declared Critical State Significant Infrastructure by the NSW Government, which will assist in fast tracking the approval process. In terms of direct benefits, the proponents of the project estimate it will create around 130 to 150 jobs during construction and between 40 to 50 ongoing roles during operations. Such a facility would act as a major attractor for advanced manufacturing businesses, many of which are gas intensive operations.

Wollongong was one of three NSW industrial ports considered for the location of the LNG gas terminal. In choosing Wollongong, AIE Group acknowledged strong local support for the project, access to existing pipeline infrastructure, Port Kembla's berth configurations and the proximity of large industrial consumers as key factors in choosing Wollongong.

7. City centre university campus

International trends have been to locate universities into downtown areas to capitalise on the proximity benefits of placing students near the business community that will employ them as graduates.

University campuses have the capacity to act as catalysts for business growth, particularly when located in a city centre alongside the businesses who are potential future employers and research collaborators.

A 2017 study by the Property Council of Australia⁵¹, looking specifically at the option of locating a CBD campus in Darwin, a featured case study highlighted the benefits that flowed to Newcastle when it built a CBD campus (see case study). It is still too early to directly measure the benefits of the CBD campus decision but the report noted commercial vacancy rates have fallen to 4% from 20% in 2008 and building approvals in the CBD have risen from \$73 million in 2013-2014 to \$289 million in 2015-2016.

Currently, Wollongong's only university campus is located 3.5km to the north of Wollongong's city centre. The benefits of a city centre campus are already recognised by the UOW, which has recently undertaken a CBD-campus project in Liverpool.

A city centre campus would play a critical role in adding to the ongoing revitalising of the city centre in terms of encouraging students to live in the city and enjoy the high levels of amenity that city-based living can offer.

The UOW already recognises the role of international campuses to a university, with its own two international campuses. The presence of multiple university campuses in the city centre would also aid in improving the external perception of Wollongong and reinforce the key messages of Advantage Wollongong around the areas skilled workforce.





Case study:

CBD university campuses in Newcastle

Newcastle University recently opened NeW Space, a \$95 million landmark education precinct in the heart of Newcastle's CBD. NeW Space harnesses the latest in technology and innovation in teaching and learning to deliver a world-class student experience by engaging students in new and exciting ways.

The precinct is also home to the Conservatorium of Music, the Newcastle Legal Centre and the Newcastle Graduate School of Business. The city campus provides opportunities to strengthen relations with the business community and increases the number of opportunities for students to integrate their studies with work placements.

Newcastle has also attracted an international university, with Japan's Nihon University purchasing an old court house facility in late 2017 to be used to initially support around 200 law students. This site is still being refurbished.

Based on the success of this project, the Greater Newcastle Metropolitan Plan 2036 has set a target for four university campuses in Greater Newcastle by 2036.



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8. Port Kembla Container Terminal

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The Port of Port Kembla is a significant economic asset for Wollongong and the broader Illawarra. It contributes \$760 million per year to the NSW economy and supports 5,200 jobs.⁵² The NSW Government's Freight and Ports Plan 2018-2023 describes the Port of Port Kembla as:

> NSW's largest terminal for vehicle imports and grain exports, and the second largest terminal for coal exports. Port Kembla has been identified as the location for the development of a future container terminal to augment capacity of Port Botany when required.⁵³

The NSW Government's commitment to the Port of Port Kembla was recently renewed against the backdrop of emerging pressure from the Port of Newcastle to promote it to be the State's next container port. The role of the Port of Port Kembla as the second container port was also reiterated in a February 2019 KPMG report, Quay Conclusions.

This report found that⁵⁴:

- Port Kembla offers the lowest overall costs and highest overall benefits for an additional container port.
- Port Kembla's proximity to the population and employment growth areas in Greater Western Sydney and South Western Sydney enhance its attractiveness as a second container port, when required.
- Port Kembla is circa half the distance relative to Newcastle from the five largest container consumption areas in 2046, as projected by Transport for NSW - which all reside in Western and South Western Sydney.

The report put the timeframe around the need for the second container port at 2046.

The private operator of Port Kembla (which also operates Port Botany) noted in its 30-year Master Plan⁵⁵

> "When completed, Port Kembla's Outer Harbour Development will cater for NSW's future container trade volumes. Planned for operation once Port Botany nears capacity, the Outer Harbour Development may be completed sooner if an operator wishes to develop a container terminal at Port Kembla prior to this time."

The joint ownership of Port Botany and Port Kembla also positions the local operation well as a future container port once Port Botany has reached capacity.

Any further expansion at both Port Botany and Port Kembla will require substantial investment in transport infrastructure which has not yet been committed to by any level of government.

Prior to the 2045 timeframe, there is an opportunity for Port Kembla to expand its operations in non-container businesses, for example around bulk imports including building materials such as gypsum and concrete.



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9. Further evolving as a Smart City

A key part of future planning is around making the city a place that integrates technology with lifestyle benefits to deliver a great place to live. That is, using data to make better, smarter decisions about the future direction of Wollongong.

Smart Cities use technology (eg sensors, devices) to collect and analyse data (eg big data) and deliver improved asset management outcomes (eg Internet of Things) for the benefit of their residents (eg reduce congestion, reduce water waste, lift citizen engagement). This combination of technology, data and management will deliver high liveability outcomes, creating the types of cities people want to live in.

Smart Cities not only deliver positive outcomes for residents but they also allow local governments to do more with their scarce resources. For example, parking management can be done using a combination of apps to pay parking fees and sensors to monitor car rotations. This allows parking rangers to have better data around problem areas and target specific spots, rather than the traditional approach of physically circulating the city.

Smart Cities are also highly collaborative, with partnerships between residents, businesses and local government needed to deliver projects that have a meaningful positive impact.

Wollongong needs to ensure it is not left behind and fast-track the delivery of the six pillars outlined in the Illawarra-Shoalhaven Smart Region Strategy (see Case Study). Some Australian cities are already implementing these Smart City strategies - such as Brisbane (see Case Study over page) and Adelaide.

Case study:

Illawarra Shoalhaven Smart Region Strategy

The Illawarra Shoalhaven Joint Organisation, RDA Illawarra and RDA Shoalhaven have recognised the significant opportunities that can be reaped by joining forces to embark on a journey to become a smart region. Facing increased citizen expectations and constrained budgets, all four councils are seeking to leverage smart technology such as Internet of Things sensors and digital connectivity to address pressing challenges, compete on national and global stages, and ultimately deliver a superior experience for citizens and visitors alike.

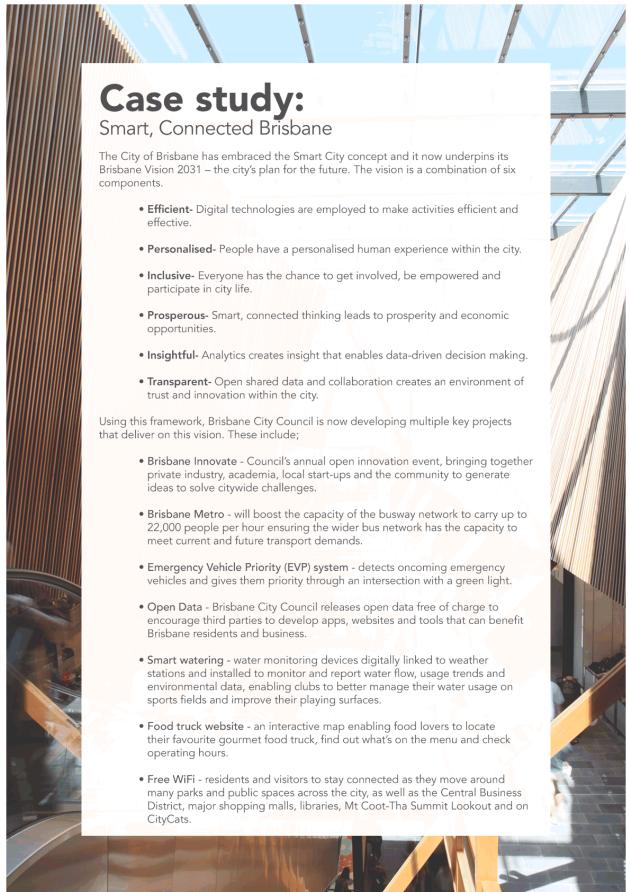
The Smart Region Strategy⁵⁶, released in 2018, is based around six pillars that each Council will then take and adapt to their own needs and capabilities.

- 1. Smart Economy
- 2. Smart Mobility
- 3. Smart Living
- 4. Smart Governance
- 5. Smart Environment
- 6. Smart Community

As part of this program Wollongong City Council and SMART have been successful at securing a Smart Cities and Suburbs Federal Government grant (\$0.5 million) to establish a flood management system to help improve outcomes for residents during major storm events. The project involves placing sensors across the storm-water system to detect flooding risks in times of heavy rain. These risks can then be quickly attended to, thus reducing the damage to public and private landowners.









10. Improving the effectiveness of our advocacy

Wollongong has many stakeholder representative groups, covering business, government, institutions and the community sector. These groups work together, and with local MPs from both State and Federal Parliaments across the political spectrum. There is regular collaboration on projects to advance the cause of Wollongong in terms of attracting public and private investment. Despite an abundance of good will and effort in this collaboration, we have not been as effective as other cities or regions, such as Geelong, when it comes to securing government funding for major projects.

For example, the Maldon-Dombarton freight/SWIRL project has been a focus of concerted local advocacy since work halted on the line in 1988. Yet it is still only listed as 'for investigation in the next 10-20 years in Transport 2056. The Restart NSW fund is another example of the Illawarra not being as effective at arguing for an equitable share of funds (see case study).

Other cities or regions are placing considerable time and money into fostering relationships in Sydney and Canberra to ensure projects are pushed up priority lists, for example Geelong (see case study on page 60) and Newcastle. This Strategy represents an opportunity for Council to learn from other regions and contribute to lifting the effectiveness of our region-wide advocacy

Case study:

Wollongong Regional Status?

Wollongong is not a region according to the NSW government and so is excluded from all but one of the six Regional Growth Fund programs (except Resources for Regions) and must compete against the large pool of Sydney and Newcastle Councils for Restart NSW funds.

This regional/metro classification problem also means the Illawarra is unable to collectively apply for funding for major projects because either Wollongong is not

permitted to be an applicant or, for metro-based funding, the other councils are not permitted to be applicants.

Illawarra Business Chamber analysis found the classification approach resulted in just 0.22% of the revenue flowing from the sale of NSW public assets had flowed to Wollongong - compared to the 2% share of the NSW economy represented by the LGA.





Case study:

Effective advocacy models: G21 - Geelong Regional Alliance

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G21 - Geelong Regional Alliance is a forum that brings together five local councils with business and community leaders. Like Wollongong, Geelong has in recent years experienced a similar level of impact from job losses in manufacturing. But through organisations such as G21, Geelong has been able to attract State and Federal Government support to counteract some of these job losses.

Since its inception in 2001 the Alliance has proven to be an effective advocate for the region, culminating in helping to secure a Geelong City Deal in 2018. This is expected to deliver millions of dollars in investment from both the Victorian and Australian Governments which will drive growth and employment.

Other successes include attracting the Transport Accident Commission (650 jobs), WorkSafe Victoria (700 jobs) and the NDIS (500 jobs).

More broadly, Geelong has secured a \$355m City Deal - a partnership between all three levels of government which will see major investment in the city, including \$170m for a new convention centre.

In the 2019-2020 Federal Budget, Geelong received \$2 billion for a faster rail connection to Melbourne.





Council Policy Levers

In developing this Strategy we asked a broad range of stakeholders about the actions they thought Council could take to lift local job creation. These consultations, together with the development of the jobs target and extensive research into best practice policy, resulted in the development of a list of actions Council will undertake as part of its contribution to the 10,500 jobs in a decade target.

We have grouped these actions into seven broad categories.

- 1. Civic leadership
- 2. Business attraction
- 3. Knowledge hub
- 4. Infrastructure

- 5. Planning
- 6. Business support
- 7. Procurement

1. Civic Leadership

Leadership and advocacy are important roles of local councils, who can develop, communicate and implement a vision for the future of the city. Wollongong City's Lord Mayor and Councillors are the public voices of the city, representing the local community both nationally and internationally. Council also collaborates with political representatives and bureaucrats from other levels of government, securing external funding, delivering jointly funded projects and undertaking strategic planning.

An important part of Council's advocacy role is contributing to regional-level groups and facilitating joint projects. For example, the City of Wollongong Lord Mayor is the Chair of the Illawarra Shoalhaven Joint Organisation (ISJO), a collaboration of local governments which provides a cohesive advocacy platform for the region to speak to other levels of government.

Council regularly works with other stakeholders involved in economic development in Wollongong including industry, business and community groups and local State and Federal elected representatives. Collaborating with these partners serves the dual purposes of pooling scarce financial and time resources towards a common goal and presenting a unified voice from the region. This collaboration includes joint submissions, reports and representations to other levels of government and businesses outside the region.

As the voice of Wollongong, Council can clearly influence, via its civic leadership, economic outcomes and job opportunities for local residents.



2. Business Attraction

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Councils have an important role in promoting their city outside the region as a desirable place to live, work and play. The importance of business attraction has been recognised by the current Council, which has this as one of its five Councillor priorities. This commitment is reflected in the additional \$600,000 investment made by Council over 3 years in the activities of Advantage Wollongong.

Business attraction includes taking a proactive approach to marketing the region as a place to invest, providing business marketing material and information about the city and supporting Wollongong's visitor economy. Council supports both Advantage Wollongong and Destination Wollongong.

Advantage Wollongong

Advantage Wollongong is a partnership between Wollongong City Council, UOW and the NSW Government. The partnership has a long term, strategic approach to creating sustainable new jobs and productive investment for Wollongong achieved through the facilitation of significant new business investment projects. Advantage Wollongong focusses on attracting new businesses by promoting Wollongong as a superior business location in key growth sectors and has developed a range of promotional resources and activities, aligned to the target sectors.

Advantage Wollongong has been promoting Wollongong as a superior business location since 2009. It is recognised as a best practice approach to business and investment attraction and has generated significant momentum over the past decade. Advantage Wollongong focusses on changing perceptions and attracting new businesses.

A major win for Advantage Wollongong was the decision by global IT giant NEC choosing to set up their new corporate headquarters in Wollongong (see case study on page 63).

Wollongong has several key advantages that make it a superior business location.

- 1. Large talent pool
- 2. Vibrant coastal lifestyle
- 3. Enhanced work-life balance
- 4. Supportive business environment
- 5. Proximity to Sydney, just 1 hour south
- 6. Industry-focussed global University

Advantage Wollongong has developed tailored sector strategies and promotes the following seven key growth industries.

- 1. Professional Services
- 2. Financial Services
- 3. Tech (see NEC case study page 63)
- 4. Advanced Manufacturing
- 5. Defence
- 6. Medical Science and Technology
- 7. Scale-ups

These future-proof sectors generate important external income for the region. The targeted sectors are also broadly consistent with the work done by .id on this Strategy to identify the potential for high-skills/high income jobs out to 2028.









Case study:

Advantage Wollongong Success Story: NEC Australia

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After a thorough investigation of options, NEC Australia, a leading Australian ICT solutions and services firm chose to locate its newest corporate office and support centre in Wollongong in 2017. Today it employs 140 staff, up from 70 initially.

NEC Australia was impressed with the quality of the workforce in Wollongong and tapped into the many experienced senior IT professionals and executives located within the region along with the UOW IT Graduate Pool.

Wollongong has provided NEC with the opportunity to develop strong links with the local and business community. Being located in Wollongong also provided staff with access to greater work-life benefits, the cosmopolitan city centre, a reduction in commuting times, and significantly lower staff turnover.

Destination Wollongong

Destination Wollongong is charged with delivering visitor economy growth by positioning Wollongong and the surrounds as a premier tourism, events and conference destination. In 2016, Council entered into a five year funding agreement with Destination Wollongong.

In 2018, the Wollongong LGA welcomed around 3.6 million overnight and day trip visitors. The tourism industry⁵⁷ is estimated to support a total of around 2,800 local jobs or 3% of Wollongong's local workforce.

A key focus of Destination Wollongong has been the attraction of major events. According to Destination Wollongong major events tourism resulted in an estimated \$53 million in spending in 2017-2018 from 31 events. This resulted in a Return on Investment (ROI) of \$162 for every \$1 spent on attracting events to the city.⁵⁸ The types of events Destination Wollongong targets cover sport, adventure, the arts, innovation, food & beverage and motoring. Events held in 2018 included Elton John, Cher, Wigan Warriors and Yours & Owls. Wollongong has also recently secured the hosting rights to the prestigious 2022 UCI Road World Championships, which will attract 1,000 competitors and 300,000 spectators to Wollongong.

'Blue tourism' is also increasing in importance to Wollongong as the city takes advantage of its coastal location. Over the last two years, Wollongong has had six cruise ship visits. According to Destination Wollongong, this resulted in over \$3 million worth of regional economic benefits and 17,000 visitors to our



3. Knowledge Hub

Council's Economic Development team is dedicated to promoting Wollongong as open for business. The team looks to support sustainable economic growth for the Wollongong economy, through supporting business expansion and attracting investment.

As the first point of contact for businesses looking to establish, grow or re-locate to Wollongong, the Economic Development team assists with general business and investment enquiries, facilitates discussions with internal and external stakeholders and undertakes economic impact modelling.

Information on Wollongong's economy is available through .id which includes access to the latest economic data about the city on Wollongong City Council's

4. Infrastructure

Council is a major investor in the city through their capital work programs. In turn, these investments in public space encourage and facilitate private investment in the city.

Wollongong City Council is the custodian of infrastructure, property, plant and equipment assets valued at approximately \$2.57 billion on behalf of the community. During 2017-2018, Council delivered a capital works program worth \$95.9 million, completing, commencing and working on 650 projects across the local government area. This includes \$56.4 million on renewing and replacing existing ageing assets, and \$39.4 million on upgrading or constructing and purchasing new assets.59

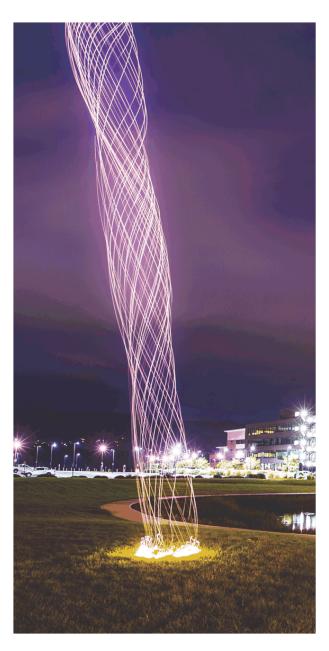
Major projects

Since 2012, Wollongong City Council has invested over \$30 million in upgrading the Wollongong city centre's infrastructure. The announcement by GPT group, post the global financial crisis in 2008, that it would be investing \$200 million in the Wollongong city centre was a significant turning point for Wollongong. This announcement was the impetus for change, as it signalled to the market that a large publicly listed company was willing to invest significantly in

Wollongong City Council invested \$20 million for the refurbishment of the Crown Street Mall, along with a substantial renewal of the city centre footpaths and street-scaping. This included public art projects in the city centre and the rollout of different activation activities to draw people into the city centre. Weekly markets are now held in the city centre, including the Thursday night Eat Street Markets and the Friday Foragers Market.

In addition, Council invested \$40 million in upgrading the Blue Mile foreshore area between the entertainment precinct and Stuart Park.

Wollongong City Council administered the Crown Street and Inner City Building Façade Rejuvenation Program to improve the public domain. The program resulted in a \$1.5 million total investment - including \$900,000 by the private sector and \$600,000 by Council. The project was completed in September 2015, resulting in 38 façade rejuvenation projects, including 9 heritage listed buildings. Free WiFi was also rolled out along key pedestrian routes within the city centre in 2013.





'Incubator' infrastructure

Council provides infrastructure that directly assists sole traders and small business in their early stages of development, when the cost of renting a premises is prohibitively high. For example, Council libraries (in particular Thirroul library) are used by small businesses and commuters as basic co-working spaces. Council also hires out its community spaces and studio spaces to a range of users including some small creative-based businesses (eg dance, drama and art groups). Some of

these expand to the extent that they can move into larger, commercial rental spaces.

Council supports the expansion of more co-working space, particularly given the large commuter pool and for micro and small businesses establishing themselves in Wollongong. This could be either through the encouragement of new co-working spaces or directly investing in co-working spaces (see case study).

Case study:

NSW Smart work hubs (SWH) Pilot Program

In 2015, the NSW Government supported the establishment of five smart work hubs (SWH) as part of its SWH Pilot Program. The five pilot locations were: Rouse Hill, Oran Park, Wyong, Penrith and Gosford. The program was successfully completed in 2016 and involved 478 overall users.

An evaluation of the success of the program in 2017, aimed at building evidence around demand, operating models and potential benefits. Key findings of the research were⁶⁰:

Demand

- There are a range of potential users, including individuals, micro businesses and SMEs
- Surveys of actual usage by individuals showed they accessed the hub once or twice per week, which would not have been enough demand alone to sustain the hub.
- However, additional demand from SMEs and micro-businesses provided promising emerging demand.

Benefits

- Hub users reported expected and actual time and cost savings as a result of hub usage, spending on average 27.7 minutes and 41.3 kilometres less commuting per day. This translated to improved health and well-being benefits for the participants.
- Users reported new opportunities for networking and collaboration.
- Increased labour force participation was also identified.
- Interviews with hub operators indicated that additional employer benefits could be realised in the longer term through business savings in direct and indirect real estate costs.

Summary

• Findings showed clear benefits, emerging demand and basic characteristics of a sound SWH operating model.



Leveraging Council's own assets

One of the issues raised in consultations was around the potential for Council to leverage its own asset base and invest in new commercial assets for the broader benefit of the city. This would potentially encourage further private investment in commercial space in the city centre. There are many examples of Councils around NSW and Australia currently undertaking similar strategies. One such example is Liverpool City Council which is currently undertaking such a project (see case study).



Case study:

Council-led Liverpool CBD regeneration

As major investors, councils have the opportunity to use their investments strategically to regenerate areas and increase the provision of commercial space.

Liverpool City Council was to leverage their asset ownership in the CBD to deliver additional office capacity and drive the regeneration of the CBD area.

The new Civic Place project, worth a total of \$300 million, will provide a mixed-use development incorporating a combination of residential, commercial, retail, cultural, educational, hotel and dining functions. By partnering with a commercial developer and utilising State Government funding, the cost to Council of this project will be \$75 million.

Council works

- A new Liverpool City Centre Library (2,800 sqm);
- New Council offices/Chambers (as part of a total of 13,000 sqm in commercial office space);
- University of Wollongong South Western Sydney campus;
- Council and Public Parking; and
- A new and exciting Civic Plaza.

Developer works

- Residential apartments within two towers;
- Student accommodation providing approximately 140 rooms;
- A 3.5 to 4 star hotel providing approximately 140 rooms.

The old library building will be used for community facilities in the future. The old Council offices will either be sold or leased on the open market, delivering additional office space to the CBD. Proceeds of such a lease/sale will contribute towards the delivery and operation of Liverpool Civic Place.



5. Planning

The planning role of councils has a direct impact on jobs growth across the city. Planning covers a diversity of activities including the approval of individual development applications, high-level strategic planning around precincts and using zoning controls to protect important employment lands. The operation of the planning approval system also directly influences the capacity of the city to attract new investment and assure potential investors that projects can be delivered in a timely manner.

Planning was a major issue raised in the consultations both with businesses and investors in Wollongong. The need for greater dialogue between Council planners and investors/businesses was needed to ensure job-creating projects are progressed in a timely manner. In particular, there is an opportunity to build on the excellent work of Council's Small Business Planning team (see case study) and develop a model for improving the experience of major commercial developments that will deliver long-term benefits to the city and contribute directly to achieving the jobs target.

Case study:

Small Business Planning team

Council's dedicated Small Business Planning team provides specialist advice to small businesses on navigating the development approvals and licencing process and also periodically hold free workshops on the topic. Navigating the planning system can be daunting for business owners, especially as they rarely have any expertise in this area.

In a recent example the team assisted a not-for-profit organisation, who noted:

"I cannot speak highly enough of the Small Business Team's assistance and excellent communication throughout my complicated DA process. It may have seemed a straightforward process for you, but to a novice like me, bumping into issues of zoning and traffic /parking issues, the Small Business Team's advice in how to navigate the process was invaluable. The Small Business Team's expertise and knowledge of the compliance requirements and his ability to "dumb it down" for a layperson was so appreciated."





6. Business Support and Development

Councils have an important role in supporting existing businesses to expand, upskill and grow. Wollongong City Council participates in a range of business support and business development activities.

Small Business Friendly Councils Program

Wollongong City Council joined the Small Business Friendly Council's Program in August 2015, demonstrating Council's commitment to supporting and building the capabilities of local businesses. The program includes several initiatives, which endeavour to eradicate red tape within local government across NSW.

Economic Gardening Program

Economic Gardening Illawarra is a business development program supported by Wollongong City Council, in partnership with Shellharbour and Kiama Councils.

The program focusses on helping local business operators to grow their enterprises by providing them with a package of professional business tools and assistance that is designed to help them fast-track the sustainable expansion of their business.

Since 2006, more than 500 businesses from a range of industry sectors have participated in the program. The program has helped Illawarra businesses increase turnover by more than \$40 million and created over 210 full time jobs⁶¹. Many businesses have expanded operations locally, nationally and globally after participating in the program.

Support of business networks and local groups

Council supports local business networks, including i3net - a network of industry based Illawarra organisations who promote the collective capability of industry to local, national and international markets. Council recently entered into a new three year funding agreement with i3net and was a major sponsor of their annual showcase, held on 8-9 November 2018.

Council also works with the NSW Government's Business Connect program, which provides personalised advice to help businesses establish and/or grow. Council works with the Business Connect Bus, who provide subsidised face-to face business advice to town centres across the Wollongong LGA during the year.

Wollongong City Council is working with the start-up community, who are choosing to locate in Wollongong due to incubators such as iAccelerate, the liveability benefits of the city and the geographical flexibility available to digital businesses. These entrepreneurs have a less structured approach to collaboration than traditional businesses and have formed important networks across their community. They are more focussed on informal meet-ups and podcasts and require a different kind of business support to traditional models. As part of this engagement with the start-up/ scale-up community, Wollongong City Council has joined the iAccelerate program.

Workshops for business community

Wollongong City Council partners with other levels of government and local business groups to deliver workshops and seminars for businesses looking to learn new skills and grow their business.

7. Operational procurement

Local councils are major purchasers of goods and services in the economy via extensive procurement programs. In 2017-2018 Council spent \$53.7 million on materials and contracts. This includes major contracts, such as waste management, road works, building, parks, cleaning and security.

The size of this spending is significant and provides an opportunity to directly support local businesses, presenting a significant opportunity to ensure that this capital spend and its associated multiplier effects are retained in the Wollongong LGA, to provide a boost for jobs, investment and local businesses.

Many state/territory governments and local councils around Australia have a local preference policy in place to support their local economies. There are a number of benefits from implementing such a policy, including:

- Retaining local government spend (and its expansive multiplier effects) within the local area;
- Supporting local businesses, employers and employees;
- Encouraging businesses to relocate/establish in the area;
- Creating jobs in the local area and helping reduce unemployment;
- Investing in the local community;
- Shorter supply chains and greater predictability of delivery times and lower cost; and
- Growing a prosperous economy and increasing Gross Regional Product.

Council has a current local procurement policy "Strengthening of Local Economic Capacity" for tenders (ie contracts over \$150,000) which include up to a 5% weighted criteria for all local suppliers.

The following five criteria must be considered in all tenders:

- An existing legitimate business premises in WCC local area;
- Locally sourced materials (grown, manufactured, assembled, made within the WCC local area) specific to the contract;
- 3. Locally sourced services as a result of the contract (eg maintenance);
- Locally sourced labour (people domiciled within the WCC local area), either subcontractors or employees; and
- 5. Locally sourced labour and materials from a business premise in the WCC local area.

An alternative approach has been taken by Gold Coast (see case study) which has had a significant positive impact on local businesses and now 80% of procurement spend is done with local suppliers.

One challenge in implementing a local procurement policy is ensuring that local businesses are aware of the opportunities and have the skills and accreditation to complete the tender process. There is an opportunity for Council to address these issues, alongside a review of the procurement policy, to maximise the uplift in local employment from Council's purchasing power.











Part 3 Action Plan

This section of the Strategy outlines the key actions Council will take to achieve the jobs target, reduce the size of the commuter pool, lift median wages in Wollongong and retain a greater share of the graduating student population in the city. The Action Plan highlights the key actions, the delivery stream that will be responsible for the action and a timeframe around the delivery.

Wollongong City Council recognises that this Strategy cannot be delivered by Council alone. In order to deliver our goals we will need to partner with other levels of government, peak bodies and the broader business community.

The list of actions is derived from the research and analysis undertaken in Part 1 and Part 2 of this Strategy around the current economic position of Wollongong, the internal and external challenges and opportunities and best-practice lessons from other councils. Indeed, many of the action items have already been successfully implemented at other councils, presenting Wollongong with the opportunity to learn from others and tailor already successful programs for our city's needs.

These actions are high level by nature. Specific detailed activities to deliver these actions are detailed in future Council business plans.



1. Civic Leadership

Number	Draft Action Item	Delivery Stream	Short	Medium	Long	BAU
			Term (1-3)	Term (4-6)	Term (7-10)	
1.1	Adopt an LGA-wide jobs target of 10,500 new jobs by 2028 and report progress against this target annually	- Economic Development				
1.2	Incorporate job impacts as part of supporting documents and projects that have employment implications	- All				
1.3	Focus on changing perceptions and attracting new business investment to Wollongong through Advantage Wollongong	- Economic Development				
1.4	Advocate for key transport projects that improve connectivity between Wollongong and Greater Sydney and support jobs growth and investment	- Economic Development - Infrastructure Strategic Planning				
1.5	Advocate for the retention and development of currently unused or underused industrial and urban services employment lands to support appropriate employment	- Economic Development - Infrastructure Strategic Planning - Land Use Planning				
1.6	Advocate for the port of Port Kembla as the second NSW container port	- Economic Development - Infrastructure Strategic Planning				
1.7	Advocate for the South West Illawarra Rail Line (SWIRL) to improve passenger and freight connections between Wollongong and SW Sydney	- Economic Development - Infrastructure Strategic Planning				
1.8	Advocate for new and existing NSW and Australian Government department or offices to be located in Wollongong	- Economic Development				
1.9	Investigate holding quarterly roundtable discussion between WCC General Manager and key business leaders and groups	- Economic Development				
1.10	Advocate for the establishment of a Wollongong city centre university campus	- Economic Development				
1.11	Work with ISJO and State government on initiatives that benefit employment outcomes	- Economic Development				
1.12	Advocate for the master planning process around Wollongong's Convention Centre/ Entertainment Centre complex	- Economic Development - Infrastructure Strategic Planning				
1.13	Work with Western Sydney counterparts and other levels of government to ensure Wollongong benefits from the Western Aerotropolis	- Economic Development				
1.14	Pursue a City Deal for Wollongong	- Economic Development				



2. Business Attraction

Number	Draft Action Item	Delivery Stream	Short Term (1-3)	Medium Term (4-6)	Long Term (7-10)	BAU
2.1	Support an ongoing strategic business attraction program via Advantage Wollongong	- Economic Development				
2.2	Develop a Wollongong place brand to increase exposure, consistency and brand reach across key economic development areas – Invest/Live/Visit/ Study	- Communications, Engagement, Events and Signage				
2.3	Develop and implement an Advantage Wollongong integrated marketing strategy targeting high value/high income jobs in key sectors	- Economic Development				
2.4	Promote co-working facilities as a way for Wollongong resident staff to work for Sydney- based companies	- Economic Development - City Centre & Crown St Mall				
2.5	Develop and launch the Advantage Wollongong stakeholder program to leverage the existing networks of local businesses	- Economic Development				
2.6	Investigate famils, tours and delegations around Advantage Wollongong's target sectors	- Economic Development				
2.7	Investigate future governance and management models for Advantage Wollongong	- Economic Development				
2.8	Facilitate business investment enquiries	- Economic Development				
2.9	Explore the re-introduction of a NSW government supported fund to assist new businesses seeking to establish in Wollongong	- Economic Development				



3. Knowledge Hub

Number	Draft Action Item	Delivery Stream	Short Term (1-3)	Medium Term (4-6)	Long Term (7-10)	BAU
3.1	Provide a 6-monthly update to Councillors on the state of the local economy	- Economic Development				
3.2	Provide accurate and timely investment information such as economic, demographic and development information, and making this available to the community as a means of supporting business expansion/investment decisions	- Economic Development				
3.3	Provide support for government submissions, modelling and policy advice for other business unit's funding applications	- Economic Development				
3.4	Promote libraries as learning centres and work spaces for business owners and their staff	- Library Services - Economic Development				
3.5	Undertake research into the negative individual and community impacts of commuting	- Economic Development				
3.6	Maintain current data on a range of types of commercial floorspace in the LGA including: significant enquiries; Development Applications; constructed projects; vacancy rates	Economic Development Development Assessment Building Certification Customer Service Delivery				



4. Infrastructure

Number	Draft Action Item	Delivery Stream	Short Term (1-3)	Medium Term (4-6)	Long Term (7-10)	BAU
4.1	Develop the business case for the installation of ultra-high-speed digital infrastructure in the Wollongong city centre to enable new digital economy businesses	- Economic Development - Technology Infrastructure Services - Infrastructure Strategic Planning - City Centre and Crown Street Mall				
4.2	Explore future opportunities in the Smart City space to improve Council's operating efficiency and delivery of services to the community	- Technology Infrastructure Services - Infrastructure Strategic Planning				
4.3	Develop local transport policies that ensure all residents can access employment opportunities in job centres such as Metro Wollongong	- Infrastructure Strategic Planning - Road Safety, Traffic and Transport Planning				
4.4	Investigate options for reducing car parking rates to assist commercial building feasibility in the city	- Infrastructure Strategic Planning - Road Safety, Traffic and Transport Planning				
4.5	Include recognition of the economic impact and job creation capacity of major infrastructure projects undertaken by Council	- Infrastructure Strategic Planning - Urban Renewal and Civic Improvement - City Centre and Crown Street Mall				
4.6	Provide infrastructure to support activities and improve amenity and activation within the Wollongong city centre	- Infrastructure Strategic Planning - City Centre and Crown Street Mall				
4.7	Establish digital way-finding, using information systems and data collection, to improve traffic flows and car parking utilisation in the city centre	- Road Safety, Traffic and Transport Planning - Infrastructure Strategic Planning - City Centre and Crown Street Mall - Economic Development				



5. Planning

Number	Draft Action Item	Delivery Stream	Short Term (1-3)	Medium Term (4-6)	Long Term (7-10)	BAU
5.1	Establish a mechanism to expedite significant employment generating projects, which involves input from multiple specialist teams across Council	- Infrastructure Strategic Planning - Development Assessment - Economic Development				
5.2	Implement policies that support a mix of office development in the Wollongong city centre including new A-grade commercial buildings	- Infrastructure Strategic Planning - Land Use Planning				
5.3	Implement policies (via town and village plans) that support appropriate jobs generation in other (non-city centre) employment areas across the LGA	- Infrastructure Strategic Planning - Land Use Planning				
5.4	Develop a planning and policy framework to support the ongoing evolution of Wollongong's evening economy	- City Centre and Crown Street Mall - Cultural Development - Land Use Planning - Economic Development				
5.5	Undertake a Tourism Lands Review in order to investigate the use of tourism-specific zoning on key coastal sites to ensure the provision of sufficient beds in Wollongong to support a growing visitor economy	- Infrastructure Strategic Planning - Land Use Planning				
5.6	Conduct a survey of local investors every two years to obtain feedback on their business investment experience in the LGA	- Economic Development				
5.7	Establish an investment Industry Forum every 6 months where WCC can communicate strategic directions and gain market insights	- Development Assessment - Infrastructure Strategic Planning - Land Use Planning - Economic Development				



6. Business Support

Number	Draft Action Item	Delivery Stream	Short Term (1-3)	Medium Term (4-6)	Long Term (7-10)	BAU
6.1	Undertake regular dialogue/events/ workshops with small business focussed on building capacity and entrepreneurship in partnership with business groups, local chambers, iAccelerate and Advantage SME	- Economic Development				
6.2	Implement the Small Business Friendly Council Program, including the 'Easy to do Business' program	- Economic Development - Development Assessment - Inspections, Education and Registrations - Customer Service Delivery				
6.3	Work with local chambers to establish a 'Buy Local' campaign to support businesses	- Economic Development				
6.4	Promote links between the University's research capabilities and local industry	- Economic Development				
6.5	Support local industry clusters and destination marketing activities	- Economic Development - Destination Wollongong				
6.6	Investigate partnerships and promotional opportunities to further develop and expand the Made in Wollongong brand and support its delivery	- Cultural Development - Economic Development				
6.7	Support the Renew Wollongong Program in the Wollongong City Centre	- City Centre and Crown St Mall				
6.8	Establish a 6-monthly economic development electronic newsletter to update local businesses on Council activities and projects	- Economic Development				
6.9	Investigate a review of city centre levies	- City Centre and Crown St Mall				



7. Procurement

Number	Draft Action Item	Delivery Stream	Short Term (1-3)	Medium Term (4-6)	Long Term (7-10)	BAU
7.1	Review Council's procurement of local goods and services to increase its role as a major lever for local job creation	- Economic Development - Supply Management				
7.2	Launch an annual procurement showcase event associated with the capital works program to assist local businesses with tendering opportunities	- Supply Management				
7.3	Support the inclusion of targeted groups in procurement programs as per Council's Social Procurement Policy	- Economic Development - Community Development - Supply Management				
7.4	Use Council's procurement policy to support new businesses which are developing innovative and sustainable building materials and techniques	- Supply Management				



APPENDIX 1: Related Documents

Item 5 - Attachment 1 - Draft Economic Development Strategy 2019-2029

Council Documents

Council has an integrated approach, Council's Plans, and Strategies work together to make Wollongong a liveable city for all people. The Economic Development Strategy 2019-2029 expands on the economic aspects of our Wollongong 2028 Community Strategic Plan and sits alongside a number of 'supporting documents'. Goal 2 of the Community Strategic Plan specifically deals with the economy - We have an innovative and sustainable economy

The Economic Development Strategy 2019-2029 is closely linked to a number of supporting documents including (but not limited to):

- Development Control Plan (2009)
- Local Environment Plans
- Town & Village Plans
- Creative Wollongong 2019-2024
- Major Events Strategy 2016-2020
- City Centre Urban Design Framework 2019 (pending)
- Access & Movement Strategy (pending)
- Housing Strategy (pending)
- Social Procurement Policy
- Environmental Sustainability Strategy 2014-2022

NSW Government Documents

The Strategy has links to, and references, the following NSW Government documents:

- Illawarra Shoalhaven Regional Plan 2015
- Greater Sydney Regional Plan
- Future Transport Strategy 2056
- Regional NSW Services and Infrastructure Plan
- Illawarra-Shoalhaven Smart Region Strategy
- Freight & Ports Plan 2018-2023
- Employment Land Supply, Illawarra-Shoalhaven



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Glossary

ANZSIC - Australia and New Zealand Standard Industry Classification

DA – Development Application

DCP - Development Control Plan

FSR – Floor Space Ratio

GRP – Gross Regional Product - Headline GRP is a measure of size or net wealth generated by the local economy. Changes in this over time can represent changes in employment, productivity or the types of industries in the area.

IBC - Illawarra Business Chamber

ISJO – Illawarra Shoalhaven Joint Organisation

IRIS – Illawarra Regional Information Service

LEP - Local Environmental Plan

LGA - Local Government Area

NABERS – National Australian Built Environment Rating System

NIEIR – National Institute of Economic and Industry Research

R&D – Research and Development

SME - Small and Medium Enterprise

SWIRL - South West Illawarra Rail Line

Tourism - An amalgam of activities across various industry sectors

Value added by industry - An indicator of business productivity in Wollongong City. It shows how productive each industry sector is at increasing the value of its inputs. It is a more accurate measure of the productivity of an industry sector than output (total gross revenue), as some industries have high levels of output but require large amounts of input expenditure to achieve that.

Undeveloped land – Currently zoned land which was not occupied by an employment related use at the time of data collection

UOW – University of Wollongong

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Thank you

We would like to acknowledge and thank all the organisations and individuals who contributed to the development of this Strategy and took the time to provide input. Your thoughts, ideas and aspirations for a stronger Wollongong economy have formed the foundation for the Strategy which will guide our work over the next ten years. We look forward to continuing to collaborate to grow employment in Wollongong.











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DRAFT ECONOMIC DEVELOPMENT STRATEGY 2019-29 EXHIBITION

ENGAGEMENT REPORT

July 2019



Community Engagement Report



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The information in this report is based on data collected from community members who chose to be involved in engagement activities and therefore should not be considered representative.

This report is intended to provide a high-level analysis of the most prominent themes and issues. While it's not possible to include all the details of feedback we received, feedback that was relevant to the project has been provided to technical experts for review and consideration.



Executive Summary

The draft Economic Development Strategy 2019–2029 (draft Strategy), sets out local goals and actions to alter the trajectory of employment growth and improve job outcomes. The draft Strategy is informed by extensive engagement, learnings from the previous Strategy and research into best-practice approaches. The draft Strategy was exhibited from 30 May – 1 July 2019.

The communication process for the exhibition included a media release, social media posts, and Council's Community Update in the Advertiser. Information was distributed to key stakeholders and the Register of Interest participants. A project page on Council's Engagement HQ website provided copies of the draft Strategy, frequently asked questions and links to an online survey. These documents as well as a feedback form were made available at Council libraries and the Customer Service Centre.

During the exhibition period 10 presentations and meetings were held with key stakeholders, groups and organisations reaching 207 individuals. 51 formal submissions were received from 13 groups/organisations and 38 individuals. There was general support for the draft Strategy and feedback included recommendations for changes or considerations.

There were requests to include green industries and renewal energy, social enterprise, cooperatives and export as target sectors. There was support for ITC and start-ups as target sectors and requests to strengthen our commitment to creative industries. Feedback highlighted concern towards advanced manufacturing as a target sector, suggesting these industries are in decline. There were opposing views regarding defence as a target sector suggesting it does not align with creating a positive image for Wollongong, alternatively highlighting the opportunity to leverage off what the sector can provide our region.

A range of concerns were presented regarding the transport network including the need for upgrades to the south coast rail line, issues with congestion on roads, the need for additional car parking and a push to support active transport and associated infrastructure. It was also requested that the Gong shuttle be recognised in the Strategy.

Both commercial and residential accommodation needs were raised. It was argued that a plan needs to be developed to unlock the supply of industrial lands. Housing affordability and the link to economic development was presented. There was also notable interest in the supply of co-work spaces.

Protecting our environment, sustainability, renewable energies and climate change, featured in many submissions. It was argued that sustainability should be embedded into the Strategy and economic development should not be at the cost of the environment.

Challenges created by planning controls and processes were presented. There was support for changing the perceptions of the region. A range of ideas to boost tourism were presented. There was also a range of edits offered. The need for additional resources was highlighted, in particular, to introduce a concierge service or a dedicated major projects team. There was strong support for Council to undertake an advocacy role and requests for Council to continue to engage and work with stakeholders to deliver the Strategy.



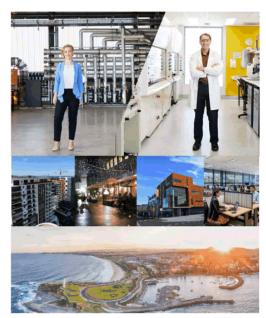
Item 5 - Attachment 2 - Draft Economic Development Strategy 2019-2029 -Community Engagement Report

Background

The Economic Development Strategy 2013–2023 has been reviewed and redeveloped to reset local economic goals and actions which reflect the current situation and guide the direction of key stakeholders over the next ten years.

Engagement was undertaken in 2018 with key stakeholders to inform the development of the draft Economic Development Strategy 2019-2029 (draft Strategy). These stakeholders included:

- Councillors
- Council officers
- A reference group including private enterprise, peak organisations and government agencies;
- Peak bodies including tourism, Property Council, Business Chamber, Urban Development Institute of Australia and **SMART Infrastructure Facility**
- Investor /developer representatives
- Start-up businesses
- Government departments
- University of Wollongong
- **NSW Ports**
- Registered businesses-predominantly (micro businesses with 5 or less employees).



Economic **Development Strategy**



A variety of methods were implemented to encourage participation including meetings with individuals and representative networks, consultation at roundtable event, tailored workshops and distribution of a business survey.

The draft Strategy has been informed by outcomes from extensive engagement, our learnings from the previous Strategy and research into best-practice approaches from other local governments. The key theme running through the document is a renewed focus on increasing the number of high-quality jobs in Wollongong. Based on the identified trends and challenges, the Strategy set out three strategic objectives.

- Generating and sustaining jobs growth Target 10,500.
- Lifting median incomes focussing on generating jobs in higher paying industries
- Aligning industries with the skills of the local commuter and university graduate workforce

The draft Economic Development Strategy 2019-2029 was placed on formal exhibition and the broader community were invited to provide feedback.



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Methodology

The following section outlines the various activities undertaken during the during the exhibition period from 30 May – 1 July 2019. NOTE: A report which provides details of the engagement activities and feedback used to develop the draft Strategy is available Z19/97924.

Table 1: Details of Communication and Engagement Methods

Methods	Details of Methods
Communicatio	n Methods
The Advertiser	Details of Engagement HQ webpage were included in Council's Community Update pages.
Media release	A media release was made available for media outlets.
Email to key stakeholders	An email and FAQ were sent to all stakeholders who participated in engagement to date and stakeholders identified through an analysis process.
Register of Interest	An email was sent to all participants with registered interest in 'Business'.
Info packs	Frequently asked question brochures and hardcopy feedback forms were sent to key stakeholders and made available at libraries and customer service.
Social Media	Information about the exhibition was promoted through Council's Facebook and Twitter accounts.
Engagement M	lethods
Presentations	Presentations were made to key stakeholder, groups and organisations
Meetings	Meetings were held with stakeholders with high interest and impact or by request. The meeting provided an opportunity to discuss the draft Strategy.
Engagement HQ Website	An online survey tool was used to capture participant's feedback. The page also hosted background info and supporting documents.
Feedback Form	A hard copy feedback form was made available at libraries and engagement activities.



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Results

This section provides details on the participation at engagement activities and the feedback received during the exhibition period.

Engagement Participation

Details of the number of participants for each engagement activity are presented in Table 2.

Table 2: Engagement participation results

Engagement Activities	Participation
Presentations/Meetings Property Council of Australia, Illawarra Chapter (15) Illawarra Business Chamber Regional Advisory Council (15) Port Kembla Chamber of Commerce (8) Dapto Chamber of Commerce (6) Northern Illawarra Chamber of Commerce (20) Corrimal Chamber of Commerce (35) Property Council Illawarra Future Directions event (70) Siligong Meet-up (23) RDA Illawarra (14) South Coast Labour Union member (1)	207
Total Written Submissions	51
Online Participation • Aware — Total number of users who viewed the project page • Informed - Total number of users who opened a hyperlink or read a document • Engaged —Total number of users who have actively contributed to the project	485 298 36

Feedback Results

Formal feedback on the draft Economic Development Strategy 2019-2029 came from 51 submissions, which included 13 groups/organisations and 38 individuals.

The groups/organisations/business included:

Cardno Northern Illawarra Residents Action Group Co-Ops NSW NSW Ports Department of Premier and Cabinet Property Council of Australia Destination Sydney Surrounds South Regional Development Australia Doctors Against Violence toward The Black Opal Bay Group Women UOW Illawarra Business Chamber Zig Zag Hub

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There was general support for the draft Economic Development Strategy 2019-2029 and some feedback congratulated Council on the document. While some suggested the jobs target was over ambitious the general sentiment was supportive of striving to create more jobs, reduce commute times and strengthen our economy. The following information provides an overview of the suggestions and recommendations presented through the feedback.

Target Sectors

Advanced Manufacturing

There was concern about advanced manufacturing as a target sector. It was suggested the mining and manufacturing sectors are increasingly automated, which has created gains in productivity and safety, but not in employment numbers. With this in mind it was recommended that the strategy pursue sectors that provide a transition out of mining. It was proposed that focus on 'heavy industry, manufacturing and property development' should stop, citing these industries are in decline and continued economic investment into these sectors will have diminishing future value. It was argued that advanced manufacturing should include a 'forward-looking approach to energy'. There also feedback which argued advanced manufacturing is critical and need to be included as a target sector.

Arts and creatives

Support towards the arts and creative industries as a target sector was presented. Suggestions were made to strengthen the support of these industries and recognition they have to the economic viability of our community. It was presented that inclusion of creative industries as a target sector would build on existing strong cultural and creative values of the region.

Disappointment was expressed towards the arts sector not being consulted during the development of the document. It was suggested that the mention of the Arts and Creative Industries does not go far enough 'both in terms of analysis of the current "talent pool", and more importantly, in subsequent espousal of strategies to address the lack of local opportunities'.

Defence

Opposing views were presented toward defence as a target sector. It was argued that 'Wollongong needs a positive vision for its future and the defence industry is not consistent with such a vision'. It was also suggested that defence manufacturing has a low ratio of jobs per investment. Alternatively, there was recognition of our regions ability to leverage from the defence sector.

Export

There was some feedback requesting export be included as a key target sector. It was suggested regional development practices support to identify industries that attract income from outside the area for the region to generate sustainable economic growth. It was argued that most industries detailed in the Strategy are not exporting or competitive industries compared to the other regions. A range of risks associated with not including export as a target sector were presented.



Green Industries and Renewal Energy

Requests were made for green industries and renewal energy projects to be included as a target

'A huge area of opportunity for new jobs is in innovative green industries' sector. It was suggested that this would 'leverage the decarbonisation of our power system, and support a growing industry that is essential for a sustainable future'. It was also argued that there is a significant shift in the economic focus away from coal towards greener living. Reference was made to a report published by the International Labour Organisation (ILO) about the green

job market. It was also suggested two of the proposed target sectors align with economic growth in a sustainable way being 'Professional, Scientific and Technical Services' and 'Electricity, Gas, Water and Waste Services', the rationale was presented. In addition, there was support for 'scaling-up waste management enterprises'. One submission argued that given its significance, climate change should be a key target sector in the strategy.

ITC and Start-ups

There was particular support for increased focus on the ITC and start up industries. It was presented that Wollongong is becoming a strong technical hub, with a shift away from blue collar jobs towards skilled labour. It was suggested the Strategy should place more emphasis on Wollongong's future as a tech hub and the provision of resources and infrastructure required for this 'new ecosystem to flourish'. It was recommended that well-known tech companies should be attracted to the area as a strategy to boost Wollongong's profile as a tech hub.

'Wollongong is becoming a strong technical hub, with a shift away from blue collar jobs towards skilled labour with a steady stream of talent coming from the university each year.

Social Enterprise and Cooperatives

It was requested that Council actively encourage the creation and growth of more social enterprises and recognise the value of cooperatives in Wollongong. It was argued that this approach links directly to the Illawarra-Shoalhaven Regional Plan – "building a strong, diversified economy is a priority because it will enable the community to respond to environmental, economic and social challenges".

It was also argued that there should be a focus on how to prioritise local procurement suggesting increasing demand for local goods and services will boost the local economy. Feedback suggested 'Council has a role to play directly, through its procurement policy, and indirectly as a leader in the region that can advocate for this'. It was suggested Council's procurement policy should prioritise social procurement by giving social outcomes a weighting in all procurement processes and further, Council should advocate for other organisations to prioritise social procurement.



Transport

The frustrations with the South Coast rail line were evident. There was criticism over travel delays, carriage crowding, and poor or no internet coverage. It was suggested that the Strategy should acknowledge the urgent need to upgrade rail services and that Council should advocate to address these issues.

The local and regional road network issues were presented and suggestions made regarding the need for significant development to reduce current and future vulnerabilities.

Car parking was also identified as an issue. One submission cited Council's research which indicates parking issues will continue to hinder commercial projects and business. It was suggested that Council identify suitable land close to the CBD to be used for additional car parking and develop incentive schemes linked to local business.

There was support for the Strategy to encourage the reduction of car dependence and focus on becoming a sustainable SMART city. It was suggested there must be more effort to encourage cycling by dedicated paths, signage, cycle lanes, parking facilities in the city and provision for bikes on trains.

It was suggested the contribution the Gong shuttle and Illawarra Airport provide to our economic viability should be reflected in the Strategy.

Development Controls and Processes

Concerns regarding Council's planning processes were presented. It was suggested many of the challenges faced by the industry are in relation to the development application process. The impact of development application fees on small business was presented, suggesting these fees are prohibitive.

Recommendations were made to make amendments to the current LEP and DCP. One suggestion encouraged changes to diversify of housing options across the LGA and stimulate affordable housing development in certain precincts. Another suggested revision to these documents, or other planning measures, to protect the commercial core from increased residential encroachment.

It was highlighted that development controls needs to align with the actions outlined in the draft Strategy. One suggestion recommended that development applications should be progressive in meeting sustainability objectives. Further recognising the importance of linking these controls to the implementation of the Strategy, it was recommended that an additional action be included '5. Planning – Implement policies to avoid the intensification of sensitive land uses in close proximity to Port Kembla and supporting industrial lands.'

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Accommodation

Both commercial and residential accommodation spaces were raised throughout the feedback. There was an emphasis on the CBD, it was suggested that Council should undertake actions to increase commercial occupancy and that key businesses need to be appropriately located to maximise success. The need for more quality office space in the CBD was also identified.

It was argued that it is essential for a plan to be developed to unlock the supply of industrial lands

Developing a long-term plan to unlock the supply of industrial lands across the LGA and facilitating the redevelopment of large disused industrial sites is

across the LGA. It was presented that in developing unused and underutilised employment lands, Council should consider the 'long term value of those lands in supporting future port operations and catering for larger industrial users relocating from Sydney'. It was also suggested that it is necessary to undertake efforts to connect underdeveloped employment lands to sewerage, water and power and publicise these efforts to attract commercial and industrial property development.

Housing affordability and the link to economic development was presented. It was suggested that housing is becoming increasingly unaffordable and that Council needs to take an active role in addressing the issue in our region. One suggestion stated 'Council needs to attract developers of affordable housing, rather than upmarket investor-driven development'. Another encouraged changes to planning controls to diversify of housing options across the LGA and stimulate affordable housing development. The link to housing affordability and income was presented, supporting the strategic approach to increase incomes as a means of addressing this issue.

There was notable interest in the supply of co-work spaces. It was suggested that a plan be created for the establishment of modern co-working spaces similar to Google and Atlassian which would allow employees to operate from a Wollongong based office space for part or all of their work week. The benefits of working 'remotely', reducing commute times and collaborative spaces were presented.

Environment

Protecting our environment, sustainability, renewable energies, climate change, featured in many

submissions. It was argued that sustainability should be embedded into the Strategy and economic development should not be at the cost of the environment. It was proposed the lack of focus on climate change or progress in a greener direction seems to highlight a lack of research or at the very least research that was too focused without assessing other options.

It was argued that some of the key projects and activities identified in the draft Strategy are at

'I am disappointed there is not a greater emphasis of addressing issues relating to climate change and sustainability long-term of the environment which is at the heart of what makes Wollongong the eminently attractive and

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'fundamental odds with the commitments and priorities in the Wollongong City Council Environmental Sustainability Policy and Strategy'. Examples included the Gas Energy Terminal Project due to carbon emissions from the export, gasification and re-importation of Australian gas; Mount Ousley interchange and widening as it is doubling freight traffic rather than decarbonising freight and F6 extension where rail alternatives are feasible and would result in lower carbon emissions.

Perceptions

There was support for changing the perceptions of the region. Recommendations suggested the need to focus marketing to key audiences in particular to draw key businesses to the area. It was suggested that the art and culture sector can positively impact perceptions. Suggestions were also made regarding the impact of the perception of antisocial behaviour in Crown Street Mall has on overall perceptions of the Mall.

Tourism

Ideas to boost tourism were presented. It was suggested that we should harness the significant environmental attributes of our area to increase visitation, in particular moving focus from the beaches to the bush. Various drawcard locations were suggested such as Mount Keira and Kembla, Wollongong Botanic Gardens, Rhododendron Gardens and the unique sub-tropical rainforests.

In achieving the goal "to attract more major events and tourism infrastructure", it was suggested that this must not be at the expense of the natural environment. Events were suggested such as the UCI World Road Cycling, surfing, CrossFit competition and triathlons. Opposing views were presented about mountain bike riding on the escarpment with both support and opposition to making it permissible.

Strategy Development

Feedback was received towards the engagement process undertaken during the development of the document. It was recognised that the feedback provided by the industry had been taken into account by Council when developing the Strategy and key actions. Alternatively, it was suggested more collaboration should have occurred and there was discontent the engagement to develop the Strategy was 'shaped largely by business interests, rather than employees, job seekers, and other sections of our community affected by the local economy'.

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Implementation

The need for additional resources was highlighted, in particular, to introduce a concierge service or a dedicated major projects team. It was suggested that this approach would expedite processing times for significant commercial development applications and 'boost economic activity'.

There was strong support for Council to undertake an advocacy role. It was suggested Council need to advocate for key infrastructure priorities and ensure they are 'shovel-ready'. Further, advocacy should include removing barriers to employment and creation of permanent jobs rather than a casual workforce.

It was suggested that Council continue to engage and work with stakeholders to deliver the Strategy. It was also suggested that Council could lead the way in holding industry specific forums to discuss such issues and brainstorm improvements.

'Council should continue engagement with the industry, and collaboration with key stakeholders across the region such as the peak bodies to assist in improving the effectiveness of advocacy and achieving strategic objectives and goals as set out in the strategy'

Other considerations

A range of feedback was presented relating to proposed changes to document structure and typos.

There were suggestions to reconsider the language used regarding 'low income'.

A request was made to consider opportunities to leverage the expected growth of the Health Care and Social Assistance sector.

The need to improve telecommunications across region was presented.

It was suggested that secure data storage be removed.

Recommendations were provided regarding Crown Street Mall, in particular, requests to open the Mall to traffic, the need to activate the space and address perceived antisocial behaviour in the space.

It was suggested that Council continues to focus on the development of the CBD, drawing investment to the area and making the city centre a vibrant and attractive place to do business

It was requested that support to scale-up, develop and grow medium-sized resource recovery companies be addressed in the Strategy.

It was requested that' liveability through enhancement of the urban environment through green spaces and urban farming, to attract a modern and diversely skilled and connected workforce and create jobs in environment and education' be addressed in the Strategy.

A request was made for Council to invest in a comprehensive trauma centre.



It was suggested the current Strategy is incorrect and if we strengthen the Wollongong economy, we must raise income of low income earners and those living in poverty in addition to attracting high income jobs.

It was requested that the Strategy recognise that some members of our community are 'locked out of full-time paid work due to unpaid work responsibilities, health issues, or study and they need part-time jobs that fit around these constraints'.

It was suggested the Strategy risks increasing the already growing inequality within our community.

It was suggested Council lead an Entertainment Precinct Masterplan.

It was argued Council need to consider economic development in a holistic approach. It was proposed that the current practice of separating out Council Plans under the divisions of 'economics', 'culture', 'environment', 'community, and so forth, fails to recognise the interconnectedness of everything.



Item 5 - Attachment 3 - Draft Economic Development Strategy 2019-2029 - Recommended Updates Summary

Economic Development Strategy 2019-2029 Recommended Updates Summary

Feedback

Target sectors - general

Requests to include additional industries to be target sectors e.g. aged care, health care and social assistance, education and construction.

Addressed

We clarified the difference between BAU (population-based) jobs growth and the target sectors, where the Strategy seeks to grow additional jobs which are not tied to population. As a result, the target sectors of the Strategy service markets outside the city and therefore have the potential to grow at a faster rate than those sectors which are focused largely on serving the Wollongong market. The population serving sectors of the economy remain important, especially major employing sectors, and will form the bulk of the BAU jobs growth.

The specific adjustments made were:

On page 7 - the following addition was made

Of the 10,500 jobs goal for the next decade, modelling suggests that 5,800 of these will be in population serving industries. That is, these jobs will occur because of population growth. This means sectors such as health, education, aged care, retail and hospitality will remain important employers in Wollongong and continue to make a critical contribution to the economy. This Strategy is focused on the additional 4,700 jobs that the city needs but which may not happen without specific actions.

This Strategy is focused on the creation of the extra 4,700 jobs, that are above the business as usual projection, to get to the target of 10,500. Jobs growth in the targeted, knowledge-intensive, high value, high skilled sectors, are not linked to population growth. Instead they are industries who serve clients outside the region and so have the capacity to grow the local economy and employment faster than population growth.

On page 38 – the following addition was made

The jobs deficit analysis shows that without this Strategy the economy will create around 5,800 jobs. These jobs will be in industries that service local residents such as health, aged care, retail, hospitality and education. These sectors will remain important employers in Wollongong amid growth in the local resident population.

This Strategy is focused on the creation of the extra 4,700 jobs, that are above the business as usual projection, to get to the target of 10,500. Jobs growth in the targeted, knowledge-intensive, high value, high skilled sectors, are not linked to population growth. Instead they are

industries who serve clients outside the region and so have the capacity to grow the local economy and employment faster population growth.

Advanced manufacturing

There was widely varied feedback on Advanced Manufacturing.

Some were happy with the way it was positioned as a target sector, recognising the important role the sector still plays in the city.

One submission was disappointed it was not a target sector.

Some argued that it should not be a target sector, mainly due to concerns about emissions and the impact on climate change.

job losses Despite in recent years, manufacturing remains an important employer in Wollongong, with around 6000 people directly employed. Manufacturing is an exportorientated sector and so can grow jobs faster than population serving sectors. Hence, it can help lift job creation faster than BAU.

As an Advantage Wollongong sector, Advanced Manufacturing is a target sector of the Strategy.

outlined page on 42. advanced manufacturing is not the same as heavy industrial manufacturing. This was clarified, with additional examples provided.

The specific adjustments made were:

Additional sectors targeted by Advantage Wollongong, and also this Strategy, include:

On page 41 - the following addition was made

Engineering (including environmental engineering roles)

On page 42 - the following addition was made

These sectors are also targeted in this Strategy.

On page 42 - the following addition was made

Wollongong's research and manufacturing credentials around sustainable energy use were highlighted in 2018 in Dubai when a team of UOW and TAFE students and researchers collaborated, with industry support, to build the Desert Rose House. This project combined energy-saving construction techniques and materials with smart 'Internet of Things' technology to build a sustainable house that also promotes well-being and adapts to the occupants' needs as they age, including those living with early stage dementia. This project showcased Wollongong's capabilities on the world stage and came second in the prestigious Solar Decathlon 2018.

Creative industries

Suggestions for greater emphasis of the importance of creative industries in the Strategy.

Further recognition of the creative industries has been included in the final version of the Strategy.

The specific adjustments made were:

On page 41 - the following addition was made

This sector also includes many creative based

professional occupations such as jewelry designers, graphic photographers, designers, sign-writers, architects, film-makers and marketing specialists.

On page 41 -

Arts and Creative Industries paragraph was deleted

On page 43 - the following addition was made

Creative Industries and Arts (new heading) Wollongong City Council is also committed to fostering growth in creative industries. This is highlighted in Wollongong City Council's dedicated Creative Wollongong 2019-24 plan which is focused on how Wollongong can foster its creative skills. Council recognises that these occupations, some of which also fall into the professional, scientific and technical services sector, play a key role in the broader vibrancy of Wollongong and underpin the great livability residents enjoy. Wollongong has a very passionate and active creative community. During the development of Creative Wollongong many people working in these types of jobs expressed concern about having to move out of the area to chase opportunities.

Defence

There was widely varied feedback on the inclusion of defence as a target sector.

Some supported its inclusion, recognising the job opportunities the sector presents including leveraging from the Wollongong's advanced manufacturing skills.

Some argued that it should not be a target sector, due to concerns about involvement in the global arms industry and the negative impact it has on external perceptions of Wollongong.

Wollongong's links to the defence industry relate to its historical expertise in engineering services and manufacturing, rather than arms manufacturing. Existing businesses have sought to diversify and expand their markets to include defence contracts. For example, provide gearboxes and steel-plating for defence vehicles. This was clarified in the Strategy to ease the concerns raised.

The specific updates made were:

On page 43 – the following clarification was made

Wollongong has a well-developed ecosystem of organisations involved with defence related procurement activities including a range of manufacturing services as well as research activities. Wollongong companies offer a widerange of products and services with growing opportunities to service the defence industries.

Export

Feedback requested the inclusion of exporting as a target sector due to its capacity to attract income from outside the region and grow the economy and jobs at a faster pace than the population.

The Strategy uses the Australian and New Zealand Standard Industrial Classification (ANSIC) classification for sectors. 'Exports' is not an industry under this system. Under the ANSIC system exporting industries are those that sell their products and services to clients outside Wollongong. The target sectors meet this criteria.



To clarify this the specific changes made were:

On page 7 - the following addition was made

This Strategy is focused on the creation of the extra 4,700 jobs, that are above the business as usual projection, to get to the target of 10,500. Jobs growth in the targeted, knowledgeintensive, high value, high skilled sectors, are not linked to population growth. Instead they are industries who serve clients outside the region and so have the capacity to grow the local economy and employment faster than population growth.

On page 38 - the following addition was made

This Strategy is focused on the creation of the extra 4,700 jobs, that are above the business as usual projection, to get to the target of 10,500. Jobs growth in the targeted, knowledgeintensive, high value, high skilled sectors, are not linked to population growth. Instead they are industries who serve clients outside the region and so have the capacity to grow the local economy and employment faster population growth.

Green industries and renewable energy

Some requests for additional inclusion of renewable energy and green industries.

Supporters of sustainability-based jobs noted that two of the target sectors align with economic growth in a sustainable way (Professional, Scientific and Technical Services; Electricity, Gas, Water and Waste Services).

Other feedback noted waste management and scale-ups align strongly with target sectors of local environmental social enterprises.

The potential role of renewable energy is acknowledged in the draft Strategy on page 42.

The specific updates made were:

On page 38 - the following addition was made

the Strategy indirectly contributes to improved climate outcomes via its focus on knowledge-based services industries into the future. These sectors have a lower carbon footprint than the sectors that dominated the Wollongong economy in the past.

On page 42 - the following addition was made

Wollongong's research and manufacturing credentials around sustainable energy use were highlighted in 2018 in Dubai when a team of UOW and TAFE students and researchers collaborated, with industry support, to build the Desert Rose House. This project combined energy-saving construction techniques and materials with smart 'Internet of Things' technology to build a sustainable house that also promotes well-being and adapts to the occupants' needs as they age, including those living with early stage dementia. This project showcased Wollongong's capabilities on the world stage and came second in the prestigious Solar Decathlon 2018.

ICT and Start-ups

ICT/Tech is a target sector of the Strategy and



Item 5 - Attachment 3 - Draft Economic Development Strategy 2019-2029 -Recommended Updates Summary

Feedback supported the inclusion of the tech and scale-up sectors in the Strategy. Additional suggestions included attracting well-known international tech brands to Wollongong and establishing a tech hub in the city.

Advantage Wollongong (see page 39 - 43).

Specific projects to attract more tech companies to Wollongong will be considered as part of the implementation phase of the Strategy. Council looks forward to continuing to work with this industry sector both directly with businesses, via iAccelerate and through groups such as Silligong.

Social enterprises and co-operatives

Feedback requested the inclusion of social enterprises and co-ops into the Strategy.

Feedback requested additional mention of Social Procurement as a way to support social outcomes.

Council has a Social Procurement Policy which is covered in Action Item 7.3.

The specific updates made were:

On page 31 - the following addition was made

These jobs will be created in businesses that cover a range of different structures that could include major listed companies, small businesses, co-operatives and social enterprises.

On page 78 - the following addition was made (bold)

Action Item 7.3: Support the inclusion of targeted groups in procurement programs as per Council's Social Procurement Policy

Transport

A number of specific transport policy issues were raised in submissions. These include:

- Support for improvement in connections to Greater Sydney, including South Coast rail
- Support for addressing car parking availability and impact of car parking rates on viability of commercial buildings
- Suggestions to improve traffic flow around the city and use more active transport
- Support for Illawarra Regional Airport
- Support for 'Gong Shuttle

The transport related feedback received is already addressed in multiple Action Items in the Strategy including 1.4, 1.7, 1.14, 3.5, 4.2, 4.3, 4.4 & 4.7.

The specific updates made were:

On page 26 - the following addition was made

Wollongong is also serviced by the Illawarra Regional Airport, just 15 mins south of the Wollongong city centre, which offers daily direct flights to Melbourne and Brisbane.

On page 47 - the following addition was made

The free 'Gong Shuttle provides important links around the key employment precinct of the city, university and health precincts. This connects businesses and customers and allows employees to move around the area via free public transport.

Development Controls and Processes

Issues raised included:

- Support for the recognition of the importance of preserving employment lands in the Strategy
- Concerns about the development application process and costs
- Support for Action Item 5.1 major projects

The issues raised were broadly consistent with the feedback received via the Business Survey and the Investor Roundtable. These are already addressed in the Strategy in multiple Action Items associated with the Planning function of Council (5.1-5.7) and Action Item (employment lands).

The specific updates made were:

On page 51 - the following additions were



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multi-disciplinary team	made					
	Wollongong City Council acknowledges the importance of preserving these industrial lands to ensure industry has access to appropriately zoned land into the future.					
	The region has seen an increase in interest from industrial and manufacturing business located in Southern and Western Sydney					
Accommodation Issues raised in relation to accommodation included:	There are a number of Action Items around the provision of commercial and residential accommodation that received support from feedback including 5.2 – 5.7.					
Support to provide more commercial office space in the CBD to accommodate future jobs growth. Support for co-working spaces	Specific actions include the importance of encouraging investment in more commercial office space (5.1), the benefits of co-working are addressed (2.4) and tourism lands review (5.5).					
Tourism lands review Affordable housing	Affordable housing is currently being reviewed by Council officers and will be covered in a new Housing Strategy.					
Environment	The potential role of renewable energy is mentioned on page 42 of the draft Strategy.					
Requests to include renewable energy in the document. Requests to exclude specific target sectors and pame-changing projects on the grounds of slimate change.	Feedback received when the Strategy was being developed and during the public exhibition period offered widespread, majority support for the target sectors and the 'game-changing' projects.					
	The specific changes made were:					
	On page 38 – the following addition was made					
	Addressing the impacts of climate change is a broader issue than Wollongong City Council can tackle alone and is outside the direct scope of this Strategy. Nevertheless, the Strategy indirectly contributes to improved climate outcomes via its focus on knowledge-based services industries into the future. These sectors have a lower carbon footprint than the sectors that dominated the Wollongong economy in the past. Wollongong City Council also has other Supporting Documents that relate to sustainability and climate change.					
Perceptions Support for activities that shifted often dated views of Wollongong.	Specific suggestions around activities that could be undertaken will be explored in detail during the implementation phase of the Strategy.					
Tourism	Boosting tourism infrastructure is identified as a					
Support for activities that boost tourism, in particular help attract more major events.	'game-changer' in the Strategy (see page 52-53). The Strategy also recognises the role of major events in boosting tourism and changing perceptions about Wollongong.					
	Specific suggestions around activities that could be undertaken will be explored in detail during					

the implementation phase of the Strategy.

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Strategy Development	Employers were heavily consulted because they					
Feedback overwhelmingly complimented Council on the development of the Strategy and the extensive consultation that was undertaken both while the Strategy was being written and as part of the broader public consultation process.	seeks to address the barriers they face to					
Some feedback suggested there was too much consultation with employers rather than job seekers and employees.	Council staff met with South Coast Labour Council as part of the consultation process.					
	This Strategy is focused on ensuring that local job opportunities are increased. Council acknowledges there are employment barriers faced by some of our residents. These include the level of Newstart, health conditions, access to education and skills development, poor transport and housing and domestic violence. Council seeks to address these issues through its own community services and by collaborating with the NSW and Commonwealth Governments. These issues are not unique to Wollongong and require attention beyond local government.					
	The contribution this Strategy makes to these challenges is to create more local job opportunities.					
Implementation Feedback was strongly supportive of Council increasing its advocacy role. Many Stakeholders expressed interest in ongoing engagement with Council to support the	The Strategy acknowledges Council will not be able to create the 10,500 new jobs without a community-wide effort and intends to continue to work with others to deliver for the residents of Wollongong (for example, the Lord Mayor's comments on page 3).					
implementation of the Action Plan and Implementation Plan.	All of the Civic Leadership Action Items will require collective action. Action Item 1.9, 1.11, 1.13 specifically note the need for collaboration with various Stakeholders.					
Secure data storage	The specific adjustments made were:					
Some feedback questioned the relevance of secure data storage facilities as businesses	On page 40 – the following additions (bold) were made					
move to cloud-based storage.	Secure data storage facilities for businesses and public sector entities requiring high-security options.					
Cheap versus cost effective	The specific adjustments made were:					
Some feedback raised concerns about portraying Wollongong as a cheap location	On page 23 – the following additions (bold) were made					
which could create perception of low skilled workforce.	Wollongong is a more cost effective location with the most affordable salary and real estate outcomes for an indicative 150 seat shared services operation.					
Poor telecommunications in the region	Telecommunications policy is outside the direct					
Some feedback around the need to improve	control of Council. However, Council recognises that not all businesses in the LGA have access					



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telecommunications in the region to assist businesses to serve clients outside the region.	to high-speed internet and will advocate to public and private providers about improving black-spots. Action Item 4.1 commits Council to exploring the installation of ultra-high-speed digital infrastructure in the CBD area to support the businesses of the future who will have high data needs.				
Crown Street Mall Feedback around the Mall included: Request to open Crown Street Mall to traffic, Review the City Centre Special and Crown Street Mall levies More programs to reduce anti-social behavior in the Mall More programs to activate the CBD	The issue of opening up the Mall was the subject of considerable community discussion prior to Council making a \$20 million investment in the revitalisation of the Mall in 2012. Council took the decision to keep the Mall closed. Action Item 6.9 commits to investigating a review of city centre levies. Council continues to invest in activation programs for the Mall such as Eat Street markets and school holiday programs.				
Urban environment and livability Feedback called for improved livability policies by Council to deliver green spaces which, in turn, would attract a modern and diversely skilled workforce.	1 Strategy 2017-2037.				
Entertainment Precinct Feedback suggested Council develop an Entertainment Precinct masterplan for the WEC and surrounding areas.					
Funding for a Trauma Centre in Warilla There was a funding request for a Trauma Centre at Warilla to support victims of domestic violence.					
Inequality Feedback suggested this Strategy will increase inequality in the Illawarra because it is focused on job creation (particularly full-time jobs) and income lifting actions. There were calls to change the focus on the Strategy to be on encouraging more low paid jobs and part time jobs.	Analysis on page 35 of the Strategy explains that the Wollongong economy has been very successful at creating part-time, entry-level lower paid jobs. This pattern will continue over the next decade and this Strategy does not act to stop the creation of these lower paid, part-time, entry level jobs. The Strategies focus on also creating more full-time, high-paying, higher-skilled jobs.				
Council policy development Feedback suggested Council should change its approach to policy development and move away from specialist divisions writing individual policies.	There was extensive internal consultation as part of the development of this Strategy. It was not written in isolation from other teams within Council as staff recognises that many of these policies are interconnected.				

(SWIRL) to improve passenger and freight

Development

Infrastructure

operational



1. CIVIC LEADERSHIP Yr 2 Yr 3 Yr 8 Delivery Responsibility **Partners** Resourcing Yr 1 Yr 4 Yr 5 Yr 6 Yr 7 Yr 9 Yr 10 Indicator/ Strategic Links Milestone Stream 19/20 20/21 21/22 22/23 23/24 24/25 25/26 26/27 27/28 29/30 1.1 Adopt an LGA-wide jobs target of 10,500 new Economic Economic Executive Existing Annual jobs CSP 2.1, 2.2 & jobs by 2028 and report progress against this Development Management 2.3 Development operational report target annually Manager Committee budget Peak bodies Advantage Wollongong CSP 2.1, 2.2 & Incorporate job impacts as part of supporting Executive Economic Existing Employment Development operational documents and projects that have employment Strategy impact implications Manager Manager budget statements used, where Manager applicable Development Assessment & Certification Focus on changing perceptions and attracting Economic Advantage Existing Bi-annual CSP 2.1, 2.2, new business investment to Wollongong Development Wollongong 2.3 & 2.4 Development operational perceptions through Advantage Wollongong Manager budget to survey Infrastructure Peak bodies 2*/2* Strategic Planning Advocate for key transport projects that Economic Manager A reduction in CSP 2.1, 2.2, Economic Existing improve connectivity between Wollongong and Development Development Infrastructure operational travel times 2.3, 2.4, 4.2, budget Greater Sydney and support jobs growth and Manager Strategy and between 5.1, 5.2 & 6.2 Infrastructure investment Planning Wollongong & Strategic Greater Sydney Planning Manager Environmental Land Use Planning Strategy and Planning Peak bodies Advocate for the retention and development of Economic Economic Manager A reduction in CSP 2.1 & 2.2 Development unused/under currently unused and underused industrial and Development Environmental operational urban services employment lands to support Manager Strategy and budget used Land Use Planning employment appropriate employment Planning land in the LGA Manager Infrastructure Infrastructure Strategic Strategy and Planning Planning Peak bodies CSP 2.1 Economic Existing Increase in Advocate for the port of Port Kembla as the Economic Manager Development operational activity at Port second NSW container port as soon as possible Development Infrastructure of Port Manager budget Strategy and Infrastructure Kembla, Planning Strategic including Planning Peak bodies containers **NSW Ports** Advocate for the South West Illawarra rail Line Economic Manager Existing SWIRL project CSP 2.1, 2.2 & Economic

1



	connections between Wollongong and SW Sydney	Development Infrastructure Strategic Planning	Manager	Strategy and Planning Peak bodies SMART	budget						advances and is ultimately delivered	2.3
1.8	Advocate for new and existing NSW and Australian Government departments or offices to be located in Wollongong	Economic Development	Economic Development Manager	Peak bodies Advantage Wollongong	Existing operational budget						Increase in public service jobs in Wollongong	CSP 2.1, 2.2 & 2.3
1.9	Investigate holding a quarterly roundtable discussion between WCC General Manager and key business leaders and groups	Economic Development	Economic Development Manager	Peak bodies	Existing operational budget						Regularly hosting roundtable	CSP 2.1, 2.2, 2.3 & 2.4
1.10	Advocate for the establishment of a Wollongong city centre university campus	Economic Development	Economic Development Manager	Manager Infrastructure Strategy and Planning Peak bodies	Existing operational budget						Advocacy work commences A campus locates in CBD	CSP 2.4
1.11	initiatives that benefit employment outcomes	Economic Development	Director Community Services	Economic Development Manager ISJO	Existing operational budget						Increase in Government funding for employment- generating projects	CSP 2.1, 2.2, 2.3 & 2.4
1.12	Advocate for the master planning process around Wollongong's Convention Centre/Entertainment Centre complex	Economic Development Infrastructure Strategic Planning	Manager Infrastructure Strategy and Planning	Economic Development Manager Destination Wollongong Peak bodies	Existing operational budget						Master Plan is completed and identified projects are delivered	CSP 2.1, 2.2 & 2.3 CW 3.2.8
1.13	other levels of government to ensure Wollongong benefits from the Western Aerotropolis	Economic Development	Director Community Services	Economic Development Manager ISJO	Existing operational budget						Increase in economic activity flows from Western Sydney to Wollongong	CSP 2.1, 2.2, 2.3, 2.4 & 6.2
1.14	Pursue a City Deal for Wollongong	Economic Development	Executive Management Committee	Economic Development Manager Manager Infrastructure Strategy and Planning Peak bodies ISJO	Unfunded (GR staffing?)						MOU signed Components agreed Implemented	CSP 2.1, 2.2, 2.3, 2.4, 4.2, & 6.2



2. BUSINESS ATTRACTION **Delivery Stream** Responsibility **Partners** Resourcing Yr 1 Yr 2 Yr 3 Yr 4 Yr 5 Yr 6 Yr 7 Yr 8 Yr 9 Yr 10 Indicator/ Strategic Links Milestone 19/20 20/21 21/22 22/23 23/24 24/25 25/26 26/27 27/28 29/30 Support an ongoing strategic business CSP 2.3 Economic Economic Advantage Existing attraction program via Advantage Wollongong Development Development Wollongong operational Manager budget 2.2 Develop a Wollongong place brand to increase CSP 2.1, 2.2, Communications Manager Economic Existing Brand project 2.3, 2.4, 4.2, exposure, consistency and brand reach across Development implemented Engagement, Community operational key economic development areas -Events and Cultural and Manager budget 5.1 & 5.2 Invest/Live/Visit/Study Signage Economic Advantage Development Wollongong UOW 2.3 Develop and implement an Advantage Economic Marketing CSP 2.1, 2.2 & Economic Advantage Existing Wollongong integrated marketing strategy Development Wollongong Development operational strategy targeting high value/high income jobs in key Manager budget implemented Promote co-working facilities as a way for City Centre Unfunded CSP 2.1, 2.2 & Economic Economic Increase in co-Wollongong resident staff to work for Sydney-Development Development Activation working spaces 2.3 based companies Manager Manager City Centre and Crown St Mall Develop and launch the Advantage Economic Advantage Existing Stakeholder CSP 2.1, 2.2 & Wollongong stakeholder program to leverage Development Wollongong 2.3 Development operational program the existing networks of local businesses Manager budget launched Unfunded CSP 2.1, 2.2 & Program 2.6 Investigate familiarisation visits, tours and Economic Advantage Economic underway 2.3 delegations around Advantage Wollongong's Development Development Wollongong target sectors Manager Investigate future governance and Economic Economic Advantage Existing CSP 2.1, 2.2 & management models for Advantage Development Development Wollongong operational governance 2.3 Wollongong Manager budget model implemented Facilitate business investment enquires Economic Economic Advantage Existing CSP 2.1, 2.2 & 2.3 Development Development Wollongong operational Manager budget Explore the re-introduction of a NSW Peak bodies CSP 2.1, 2.2 & Economic Existing New fund Economic government supported fund to assist new Development Development introduced 2.3 operational businesses seeking to establish in Wollongong Manager budget

Service Delivery



3. KNOWLEDGE HUB Strategic Links Delivery Responsibility **Partners** Resourcing Yr 1 Yr 2 Yr 3 Yr 4 Yr 5 Yr 6 Yr 7 Yr 8 Yr 9 Yr 10 Indicator/ Milestone Stream 19/20 20/21 21/22 22/23 23/24 24/25 25/26 26/27 27/28 29/30 3.1 Provide a 6-monthly update to Councillors on Economic Economic Existing 6 monthly CSP 2.1 & 2.2 the state of the local economy Development Development operational updates Manager delivered budget 3.2 Provide accurate and timely investment Economic Existing Economy .id CSP 2.1 & 2.2 subscription information such as economic, demographic Development Development operational and development information, and making this Manager budget maintained available to the community as a means of supporting business expansion/investment decisions Provide support for government submissions, Economic CSP 2.1, 2.2 & modelling and policy advice for other business Development operational 2.3 Development unit's funding applications Manager budget 3.4 CSP 2.4 Promote libraries as learning centres and work Library Services Manager Economic Existing spaces for business owners and their staff Library & Development operational Economic Manager Community budget Development Services 3.5 Undertake research into the negative individual Unfunded Research is CSP 2.1 & 2.2 Economic Economic and community impacts of commuting Development Development commissioned and completed Manager Economic Internal CSP 2.1, 2.2 & Maintain current data on a range of types of Manager Existing Development databases are commercial floorspace in the LGA including Development Development operational maintained Manager significant enquires, Development Applications, Assessment & budget Development Certification constructed projects and vacancy rates Assessment Manager Building Governance & Certification Information Customer

Include recognition of the economic impact and

Provide infrastructure to support activities and

improve amenity and activation within the

job creation capacity of major infrastructure

projects undertaken by Council

Wollongong city centre

Infrastructure

Urban Renewal

Improvement

City Centre and Crown Street Mall

Infrastructure

City Centre and

Strategic

Strategic

Planning

and Civic

Manager

Planning

City Centre

Activation

Manager

Infrastructure

Strategy and

Manager

Planning

City Centre

Activation Manager

Manager

Infrastructure

Strategy and Planning

Environmental

Strategy and

Existing

budget

Existing

budget

operational

operational

4. INFRASTRUCTURE Delivery Responsibility **Partners** Resourcing Yr 1 Yr 2 Yr 3 Yr 4 Yr 5 Yr 6 Yr 7 Yr 8 Yr 9 Yr 10 Indicator/ Strategic Links Milestone Stream 19/20 20/21 21/22 22/23 23/24 24/25 25/26 26/27 27/28 29/30 CSP 2.1, 2,2, 4.1 Develop the business case for the installation of Economic Manager Manager Unfunded Business case ultra-high-speed digital infrastructure in the Development Infrastructure Governance & completed and 2.3 & 2.4 Wollongong city centre to enable new digital Strategy and Information project Technology economy businesses Planning progressed Infrastructure Economic Development Services Manager Infrastructure Strategic City Centre Planning Activation Manager City Centre and Crown Street Mall Explore future opportunities in the Smart City Technology Manager Manager Existing Smart City CSP 2.1, 2.2, space to improve Council's operating efficiency Infrastructure Governance & Infrastructure 2.3, 2.4, 6.1 & operational projects are and delivery of services to the community Information Strategy and budget researched, 6.3 Planning designed and Infrastructure implemented Strategic Planning CSP 2.1, 6.1 & Develop local transport policies that ensure all Infrastructure Existing residents can access employment opportunities Strategic Infrastructure operational 6.3 in job centres such as Metro Wollongong Planning Strategy and budget Planning Road Safety, Traffic and Transport Planning CSP 2.1, 2.2 & Investigate options for reducing car parking Infrastructure Manager Existing New car rates to assist commercial building feasibility in Strategic Infrastructure operational parking the city Planning Strategy and budget provisions and Planning non-car Road Safety, Traffic and transport options Transport developed for Planning commercial

CSP 2.1, 2.2 &

CSP 2.1, 2.2,

3.1, 3.2 & 3.3

projects

impact

statements

used, where applicable

Employment



		Crown Street Mall										
4.7	Establish digital way-finding, using information system and data collection, to improve traffic flows and car parking utilisation in the city centre	Road Safety, Traffic and Transport Planning Infrastructure Strategic Planning City Centre and Crown Street Mall Economic Development	Manager Infrastructure Strategy and Planning	City Centre Activation Manager Economic Development Manager	Unfunded						Project scoped, funded and delivered	CSP 2.1, 6.1 & 6.3



5. PLANNING Delivery Responsibility **Partners** Resourcing Yr 1 Yr 2 Yr 3 Yr 4 Yr 5 Yr 6 Yr 7 Yr 8 Yr 9 Yr 10 Indicator/ Strategic Links Milestone Stream 19/20 20/21 21/22 22/23 23/24 24/25 25/26 26/27 27/28 29/30 5.1 Establish a mechanism to expedite significant Infrastructure Manager Manager Existing Mechanism CSP 2.1, 2.2 & employment generating projects, which Strategic Development Infrastructure operational adopted by 2.3 involves input from multiple specialist teams Planning Assessment & Strategy and budget Council across Council Certification Planning Development Assessment Economic Development Economic Manager Development 5.2 Implement policies that support a mix of office Infrastructure Manager Manager Existing City Centre CSP 2.1, 2.2 & development in the Wollongong city centre Infrastructure 2.3 Strategic Environmental operational planning including new A-grade commercial buildings Planning Strategy and Strategy and budget Planning Planning completed Land Use Planning 5.3 Implement policies (via town and village plans) Infrastructure Employment CSP 2.1 & 2.2 Manager Manager Existing that support appropriate jobs generation in Strategic Infrastructure Environmental operational impact Strategy and Planning Strategy and other (non-city centre) employment areas budget statements across the LGA Planning Planning used, where Land Use applicable Planning Develop a planning and policy framework to City Centre and Manager City Centre Existing Evening CSP 2.1, 2.2, support the ongoing evolution of Wollongong's Crown Street Environmental 2.3, 3.1, 3.2 & Activation operational Economy evening economy Mall Strategy and Manager budget policy 3.3 Planning reviewed and Cultural CW 4.1.1. Economic updated Development Development 4.3.1, 4.3.2 & 4.3.3 Manager Land Use Planning Community Cultural Economic Development Development Manager Undertake a Tourism Lands review in order to Infrastructure Manager Manager Existing Tourism Lands CSP 2.1, 2.2, investigate the use of tourism-specific zoning on Strategic Infrastructure Environmental operational review key coastal sites to ensure the provision of Strategy and Strategy and budget completed sufficient beds in Wollongong to support a Planning Planning Land Use growing visitor economy Planning Destination Wollongong CSP 2.1, 2.2, Existing Survey 5.6 Conduct a survey of local investor every two Economic Economic Manager operational conducted 2.3 years to obtain feedback on their business Development Development Infrastructure budget over life of investment experience in the LGA Manager Strategy and Strategy Planning CSP 2.1, 2.2, Forum Existing Establish an investment Industry Forum every 6 Development Manager Manager conducted operational months where WCC can communicate strategic Assessment Infrastructure Environmental budget over life of directions and gain market insights Strategy and Strategy and Infrastructure Strategy Planning Planning Strategic Planning Manager Development Land Use Assessment &



Planning	Certification							
Economic	Economic							
Development	Development							
	Manager							



6. BUSINESS SUPPORT Delivery Responsibility **Partners** Resourcing Yr 1 Yr 2 Yr 3 Yr 4 Yr 5 Yr 6 Yr 7 Yr 8 Yr 9 Yr 10 Indicator/ Strategic Links Milestone Stream 19/20 20/21 21/22 22/23 23/24 24/25 25/26 26/27 27/28 29/30 6.1 Undertake regular dialogue/events/workshops Economic Economic Peak bodies Existing CSP 2.1 & 2.2 with small business focused on building Development Development UOW operational capacity and entrepreneurship in partnership Manager budget with business groups, local chambers, iAccelerate and Advantage SME Implement the Small Business Friendly Council Manager Easy to do CSP 2.1 & 2.2 Program, including the 'Easy to do Business' Development Development Development operational Rusiness program Manager Assessment & budget launched Development Certification Commitment Assessment Manager to Small Inspections, Governance & Business Education and Information Friendly Registrations Manager Council Customer program Regulation & Service Delivery continues Enforcement 6.3 Work with local chambers to establish a 'Buy CSP 2.1 Local Chambers Economic Economic Existing Campaign Local' campaign to support businesses Development Development operational launched Manager budget 6.4 Promote links between the University's Economic UOW CSP 2.1, 2.2, Development 2.3 & 2.4 research capabilities and local industry Development operational Manager budget 6.5 Support local industry clusters and destination Existing CSP 2.1. 2.2 & Economic Economic Destination Development Development Wollongong 2.3 operational Manager budget Destination Wollongong CSP 2.1, 2.3 & Existing Investigate partnerships and promotional Cultural Community Economic operational opportunities to further develop and expand Development Cultural Development the Made in Wollongong brand and support its budget Development Manager Economic CW 2.1.5 Manager Development CSP 2.3 & 3.2 Existing 6.7 Support the Renew Wollongong Program in the City Centre and City Centre Economic operational Wollongong City Centre Crown Street Activation Development CW 3.2.1 budget Mall Manager Manager Existing Launch CSP 2.1, 2.2 & Establish a 6-monthly economic development Economic City Centre operational newsletter & 2.3 electronic newsletter to update local businesses Development Development Activation budget regularly on Council activities and projects Manager Manager release Conduct CSP 2.1 Existing 6.9 Investigate a review of the City Centre levies City Centre and City Centre Economic operational review Crown Street Activation Development budget Mall Manager Manager



7. Operational Procurement Yr 3 Yr 4 Responsibility Yr 1 Yr 2 Yr 5 Yr 6 Yr 7 Yr 8 Yr 9 Yr 10 Indicator/ Strategic Links **Partners** Resourcing Milestone Stream 19/20 20/21 21/22 22/23 23/24 24/25 25/26 26/27 27/28 29/30 7.1 Review Council's procurement of local goods Manager CSP 2.1 & 2.2 Economic Economic Existing Increase in and services to increase its role as a major lever Development Finance Development operational local business for local job creation Manager budget weighting in procurement Management policies Launch an annual procurement showcase event Manager Briefing held Manager Existing associated with the capital works program to Management Infrastructure operational annually over life of Strategy assist local businesses with tendering Strategy and budget Economic opportunities Planning Development Manager 7.3 Support the inclusion of targeted groups in Economic Manager Community and Increase in CSP 2.1 & 2.2 targeted procurement programs Finance Cultural operational Development Development budget groups Community Manager applying/succe Development Economic procurement Supply Development process Manager CSP 2.1 & 2.2 Use Council's procurement policy to support Manager new businesses which are delivering innovative Management Finance Infrastructure operational and sustainable building materials and Strategy and budget techniques Planning

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CSP - Community Strategic Plan (Wollongong 2028)

CW – Creative Wollongong





We asked... for your feedback on the draft Economic Development Strategy 2019/29



You said...

Target Sectors



There were requests to include green industries and renewal energy, social enterprise, co-operatives and export as target sectors. There was support for ITC and start-ups as target sectors and requests to strengthen our commitment to creative industries. Feedback highlighted concern towards advanced manufacturing as a target sector, suggesting these industries are in decline. There were opposing views regarding defence as a target sector suggesting it does not align with creating a positive image for Wollongong, alternatively highlighting the opportunity to leverage off what the sector can provide our region.

Transport

A range of concerns were presented regarding the transport network including the need for upgrades to the south coast rail line, issues with congestion on roads, the need for additional car parking and a push to support active transport and associated infrastructure. It was also requested that the Gong shuttle be recognised in the Strategy.

Accommodation

Both commercial and residential accommodation needs were raised. It was argued that a plan needs to be developed to unlock the supply of industrial lands. Housing affordability and the link to economic development was presented. There was also notable interest in the supply of co-work spaces.

Environment

Protecting our environment, sustainability, renewable energies, climate change, featured in many submissions. It was argued that sustainability should be embedded into the Strategy and the economic development should not be at the cost of the environment.

Planning Controls

It was suggested many of the challenges faced by businesses are in relation to the development application process. The impacts of development application fees on small business was presented, suggesting these fees are prohibitive. Recommendations were made to make amendments to the current LEP and DCP. It was highlighted that development controls need to align with the actions outlined in the draft Strategy.

Implementation

The need for additional resources was highlighted, in particular, to introduce a concierge service or a dedicated major projects team. There was strong support for Council to undertake an advocacy role and requests for Council to continue to engage and work with stakeholders to deliver the Strategy.

Other considerations

There was support for changing the perceptions of the region. A range of ideas to boost tourism were presented. There was also a range of edits

Target Sectors

We did...

We added in a reference to the range of business structures that may create the new 10.500 jobs goal. We also added more references to Creative Wollongong 2019-24 and the links between creative occupations and the Professional, Scientific & Technical Services sector.

We added a reference to the role of advanced manufacturing in the development of sustainable housing and energy use, including the example of Desert Rose project by UOW and TAFE Illawarra.

There are already many businesses in Wollongong that service the defence industry. These are often manufacturers who have broadened their client base into defence to reflect changes in demand. They are research, services and procurement based rather than direct producers of defence hardware.

Transport

We added specific mention of the Gong Shuttle and its role in the key employment precinct of the city centre area.

We also added another mention of the Illawarra Regional Airport. Recognising the transport network link to economic development and advocating for stronger transport links between Wollongong and Greater Sydney is a key advocacy action of the Strategy (Action Item 1.4)

Accommodation

The importance of facilitating commercial development to accommodate the new 10,500 jobs is recognised in the Strategy. In particular, via the proposed major development mechanism (Action Item 5.1).

Unlocking underdeveloped industrial land is recognised as a 'game changer' and key advocacy area (Action Item 1.5) in the Strategy.

We are addressing Housing Affordability in another Council Strategy.

Environment

Additions were made to the Strategy to emphasise that the sectors which make up Wollongong's economy, now and into the future, have a lower carbon footprint than the economic base of the past.

Planning Controls

The connection to planning controls is supported, this is reflected in the seven specific planning related Action Items included in the Strategy.

The Wollongong City Centre Planning Review is examining planning controls of this key employment precinct. Your feedback has also been provided to the review team for consideration in this process.

Implementation

Advocacy is a key role of Council in the Strategy with 14 Civic Leadership Action Items

Other considerations

The work of Advantage Wollongong in changing perceptions about the city is included in the Strategy.

A number of minor edits were included as part of the general editing process.



File: IW-075.150.04.011 Doc: IC19/535

ITEM 6 EMISSIONS REDUCTION TARGET - GLOBAL COVENANT OF MAYORS

Wollongong City Council is one of 26 Councils in Australia to commit to carbon reduction through the Global Covenant of Mayors for Climate and Energy (GCoM). Under the GCoM initiative, Council is required to adopt a science-derived emissions reduction target on behalf of our community

Council has completed an inventory of local government area (LGA) wide emissions, with the majority of emissions being derived from the industrial sector. The inventory has determined that the Wollongong Local Government Area has a carbon budget of 49 Mt CO₂-e, which it must stay within in order to avoid the impact of catastrophic climate change. It should be noted that Council is submitting this target on behalf of the community, for the benefit of the entire community and that Council is not solely responsible for the implementation of actions to achieve this target.

If the Wollongong community continues to emit carbon at the current our carbon budget (49 Mt CO₂-e) will be exhausted in just over 18 years. The emissions reduction target suggested in this report will extend our carbon budget until 2050, after which a net zero emission target is proposed.

On 12 August 2019, Council resolved to declare a State of Climate Emergency. The proposed emissions reduction target will strongly support Council's Climate Emergency declaration.

Following adoption of a target and under the auspice of the GCoM framework, Council is required to develop an action plan to reduce emissions through a robust investigation and consultation process. The action plan will include a range of actions to reduce Council's emissions. Given the emissions source profile, it is envisaged that Council will be taking on a significant supporting role in terms of advocacy, stewardship, education and engagement to assist the community, businesses and industry to yield the highest possible emissions reduction outcome for Wollongong.

RECOMMENDATION

- A science-derived emissions reduction target of net zero emissions by 2050 be submitted to the Global Covenant of Mayors secretariat. Noting that Council is submitting this target on behalf of the community, for the benefit of the entire community and that Council is not solely responsible for the implementation of actions to achieve this target.
- 2 An Emissions Reduction Action Plan be developed to assist all sectors of the community achieve the emissions reduction target for the Wollongong local government area.

REPORT AUTHORISATIONS

Report of: David Green, Manager City Strategy (Acting)

Authorised by: Chris Stewart, Director Planning and Environment - Future City and Neighbourhoods

(Acting)

ATTACHMENTS

- 1 City of Wollongong Science Derived Targets for Greenhouse Gas Emissions Report
- 2 Australian GCoM Councils Targets

BACKGROUND

In August 2017, Council became a signatory to the GCoM, following a Council resolution on 17 July 2017. The GCoM is an international alliance of cities and local governments with a shared long-term vision of promoting and supporting voluntary action to combat climate change and move to a low emission, resilient society. The GCoM merges the Compact of Mayors and the EU based Covenant of Mayors, with 9,209 cities around the world having committed to date.



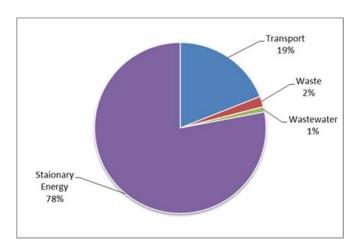
compliance. The required commitments, target dates and current status according to the GCoM are outlined in Table 1 below.

Table 1 - GCoM compliance framework for Wollongong

Commitment	Target date	Status
Register commitment	August 2017	Completed
Complete an emissions inventory	August 2018	Completed
Complete a climate change hazards assessment	August 2018	Completed
Adopt a science-derived emissions reduction target for the LGA	August 2019	Subject of this report
Complete a climate change vulnerability assessment	August 2019	Work commenced
Develop climate change mitigation (emissions reduction) plan	August 2020	To be developed
Develop climate change adaptation plan	August 2020	To be developed

Emissions Inventory

The LGA wide emissions inventory showed that 78% of emissions within Wollongong are derived from stationary energy generation, which includes both electricity and gas (refer to Figure 1). When emissions are examined by source, 72% of emissions are from the industrial sector and 20% from the residential sector (Figure 2). Wollongong is a unique city in terms of our emissions profile; industrial emissions are significantly higher than the NSW and National averages (which are 35% and 52% respectively), whilst transport emissions are lower than the NSW average of 21%.



Residential 20%

Commercial 8%

Figure 1 – Wollongong emissions by source type

Figure 2 - Wollongong emissions by sector

Emissions from Council operations equate to less than 5% of community wide emissions. The majority of Council's emissions (88%) are generated at Whytes Gully landfill.

Carbon Budget

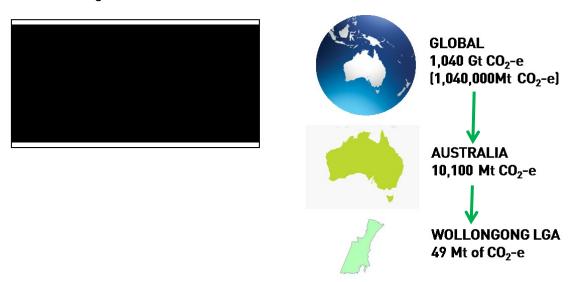
Under the Paris Accord a global carbon budget of 1040 Gt CO₂-e was determined by the Intergovernmental Panel on Climate Change (IPCC). This is based on the amount of carbon emissions that can be produced globally (indefinitely) to keep global temperature less than 2°C above pre-industrial levels. This is the level that has been determined to avoid catastrophic climate change.

Carbon budgets were then determined for countries across the world based on populations, socioeconomic factors and projections. Wollongong's carbon budget of 49 Mt CO₂-e has been determined based on the carbon budget allocation for Australia (refer to Figure 3 and full report Attachment 1), as the limit that we cannot exceed for Wollongong to play its role in avoiding catastrophic climate change.

If the Wollongong community continues to emit at the rate that it is today – business as usual – our carbon budget (49 Mt CO_2 -e) will be exhausted in just over 18 years. This assumes that no actions will be undertaken, however, implementing actions to reduce emissions will 'buy' more time in terms of use of the allocated budget.



If the Wollongong community continues to emit at the rate that it is today – business as usual – our carbon budget (49 Mt CO_2 -e) will be exhausted in just over 18 years. This assumes that no actions will be undertaken, however, implementing actions to reduce emissions will 'buy' more time in terms of use of the allocated budget.



It has been suggested that the global carbon budget has been significantly reduced since it was determined in 2016. There is a meeting of the IPCC in September 2019 and updated figures will be released following the meeting.

Catastrophic climate change is predicted to result in devastating cumulative effects that will be experienced across the globe as well as locally. These local impacts include:

- Increasing temperatures
- Increase in the number of extreme hot days (>35 °C)
- Decrease in number of cold nights (<2 °C)
- Decrease in winter rainfall
- Increase in summer and autumn rainfall
- Increase in bushfire risk
- Sea level rise and coastal inundation.

Local and broader impacts will include:

- Health issues, particularly in vulnerable communities, with people unable to escape or tolerate extreme temperatures
- Increased costs to households from energy use associated with cooling
- Damage to infrastructure as a result of extreme weather events and sea level rise
- Displaced communities and populations in low-lying areas
- Species loss as a result of changes in breeding patterns and inability to adapt to new climates
- Decreased access to water/food/shelter
- Invasion of weed/pest species
- Sea grass loss.



PROPOSAL

There are currently 26 Councils across Australia that are signatories to GCoM. All GCoM Councils are required to submit a science-derived community emissions reduction target. The target must be calculated according to specific protocols derived from the IPCC carbon budget framework by an accredited consultant.

Wollongong Council's Science-Derived Target for Greenhouse Gas Emissions report has been prepared in accordance with the GCoM framework by an accredited person (Attachment 1).

Council is recommended to set a science-derived emissions reduction target that will:

- Incorporate an initial reduction target to extend the carbon budget to 2050,
- Beyond 2050 the target will be adjusted to net zero emissions

The initial reduction target equates to a linear reduction of approximately 2.7% or 74,251 tonnes per year. By 2050 a net zero community emissions target is proposed on behalf of and for the benefit of the Wollongong community. The proposed emissions reduction target is expressed in Table 2 below:

Table 2 – Wollongong's carbon budget and proposed community emissions reduction target

Carbon Budget (t CO ₂ -e)	49,200,000
Pre 2050 target	
Rate of reduction (pa)	2.7%
Annual reduction (t CO ₂ -e)	74,251
Post 2050 target	
Annual reduction (t CO ₂ -e)	Net zero emissions

Council has an important role in reducing emissions from its operations and will need to prepare an action plan focused on emission reductions associated with these operations.

As identified above, the industrial and residential sectors are responsible for the vast majority of Wollongong's emissions. In order to leverage actions, which yield the highest emission reductions, Council will need to work in partnership with major industry, business and the community. In this regard Council is likely to be responsible for actions associated with advocacy, stewardship, education and engagement for emissions reduction for these sectors.

A list of the carbon emission targets proposed by other Australian GCoM Councils is provided as Attachment 2. It should be noted that the net zero emissions target set for Wollongong is consistent with the target for the City of Sydney and City of Adelaide.

CONSULTATION AND COMMUNICATION

Workshops were held with staff and Councillors in November and December 2018. On 5 August 2019, an additional Councillor briefing session was held.



PLANNING AND POLICY IMPACT

This report contributes to the delivery of Wollongong 2028 Goal 1 – 'We value and protect our natural environment', Goal 2 – 'We have an innovative and sustainable economy', Goal 6 – 'We have sustainable, affordable and accessible transport'. It specifically delivers on the following objectives -

Objective 1.1 - Our natural environment, waterways and terrestrial areas are protected, managed and improved

Objective 1.2 – We practice sustainable living and reduce our ecological footprint

Objective 2.2 – The regions industry base is diversified

It specifically delivers on the following Strategies and Actions -

Community Strategic Plan	Delivery Program 2018-2021	Operational Plan 2018-19
Strategy	3 Year Action	Operational Plan Actions
1.2.1 Reduce our ecological footprint, working together to minimise the impacts of climate change and reduce waste going to landfill	1.2.1.1 Develop and implement a range of programs that encourage community participation in reducing Wollongong's ecological footprint	1.2.1.1.1 Coordinate community environmental programs including: Rise and Shine, Clean Up Australia Day, World Environment Day, National Recycling Week, International Composting Week and other waste education activities
	1.2.1.3 Methods to reduce emissions are investigated and utilized.	1.2.1.3.3 Participate in the Global Covenant of Mayors and set emissions reduction targets for the LGA
		1.2.1.3.4 Monitor and report on organizational water, energy and greenhouse gas emissions trends
1.2.2 Government and community work together to mitigate the impacts of climate change on our environment and future generations	Our community is proactively engaged in a range of initiatives that improve the sustainability of our environments	1.2.2.1.3 Develop a project and work with partners to further explore the United Nations Sustainable Development Goals and how they align to the community's goals with funding to be considered through the business proposal process
		1.2.2.1.4 Implement resourced priority actions from the Environmental Sustainability Strategy 2014-22
2.2.1 Further diversify the region's economy through a focus on new and disruptive industries and green technology	2.2.1.1 The development of renewable energy products and services is supported	2.2.1.1.1 Seek out opportunities to incorporate green technologies in Council's projects and contracts

Reducing greenhouse emissions is also a priority in the Environmental Sustainability Strategy 2014-2022 -

- Focus Area 2 Reducing our ecological footprint Reducing emissions from Council operations
- Focus Area 5 Demonstrating Sustainable Leadership and Governance Complying with Global Covenant of Mayors requirements, which includes setting emissions reduction targets and developing an action plan to achieve the target.



The adoption of an emissions reduction target will support the achievement of the following United Nations Sustainable Development Goals -



Ecological Sustainability

Compliance with the GCoM requirements will mean that Wollongong is contributing to avert catastrophic climate change. Without action Wollongong is likely to experience a range of impacts including increase in extremely hot days, drought, bushfire, sea level rise, extreme weather events and flooding inundation. These impacts will significantly affect vulnerable communities, infrastructure and asset viability and management, biodiversity and water availability. Setting an emissions reduction target for Wollongong will support Council's August 2019 Climate Emergency Declaration.

RISK ASSESSMENT

There will be significant environmental and social risks associated with not addressing climate change.

Council is the owner of a significant assets that will also be affected by the impacts of climate change including roads, bridges, coastal infrastructure, buildings and facilities.

There is will also be a reputational risk if Council does not adopt an emissions reduction target following the recent Climate Emergency declaration. Council will also be non-compliant with GCoM requirements.

FINANCIAL IMPLICATIONS

Whilst there is nil cost associated with adopting an emissions reduction target, the cost of implementing actions to reduce emissions is yet to be determined. Council is only directly responsible for 5% of community emissions and therefore the role of Council is mainly one of advocacy, stewardship, education and engagement. Actions will need to be reviewed to leverage the largest reductions in emissions.

CONCLUSION

Adoption of a community emissions reduction target is a requirement for the GCoM. Based on the Paris Accord and GCoM protocols it is proposed that Council, on behalf of and for the benefit of the Wollongong community, set a science-derived emissions reduction target of net zero community emissions by 2050. Noting that achieving the target is not the sole responsibly of Council. Should Council resolve to adopt a target, Council staff will proceed to action the subsequent commitments associated with the GCoM, which includes the development of an emissions reduction plan in consultation with key stakeholders. The endorsement of an emissions reduction target will also show significant support for the recent August Climate Emergency declaration.





City of Wollongong Science-Derived Targets for Greenhouse Gas Emissions

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Prepared for

Wollongong City Council

Version	Author	Date	Description of changes
V0a	Hannah Snape	20/05/2019	First draft
V0b	Alexi Lynch	25/05/2019	Review
V1a	Hannah Snape	31/05/2019	Final report for Council
V1b	Hannah Snape	30/09/2019	Revised report for Council

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About Ironbark Sustainability

Ironbark Sustainability is a specialist consultancy that works with government and business around Australia by assisting them to reduce energy and water usage through sustainable asset and data management and on-the-ground implementation.

Ironbark has been operating since 2005 and brings together a wealth of technical and financial analysis, maintenance and implementation experience in the areas of building energy and water efficiency, public lighting and data management. We pride ourselves on supporting our clients to achieve real action regarding the sustainable management of their operations.

Our Mission

The Ironbark mission is to achieve real action on sustainability for councils and their communities.



Ironbark are a certified B Corporation. We have been independently assessed as meeting the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.

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Background 1.

At the United Nations Framework Convention for Climate Change (UNFCCC) Paris Conference in 2015, the Australian Government signed an international agreement between 195 countries to keep any temperature rise "well below 2°C", and to drive efforts to keep warming below 1.5°C higher than pre-industrial levels. This Paris Agreement, entered into force on 4 November 2016, explicitly recognises and engages local and subnational governments and their critical role in supporting the transformation, including setting goals and strategies aligned with the science.

Climate science tells us that warming beyond 1.5°C threshold is likely to have increasingly severe social, economic and environmental impacts, especially on a water scarce continent like Australia. As of October 2018, the IPCC announced that there were no longer any scenarios for remaining within this temperature increase-range without the use of carbon removal technologies.

In becoming a signatory to the Paris Agreement, Australia now has a limited, established carbon budget within which to operate in order to meet its commitment. The development of science-derived targets for councils enables us to understand the scale of action that is required at a municipal level to stay within this budget.

An emissions reduction target for an organisation, entity or community is considered "sciencederived" or "science-based" when it is aligned with the broader emissions reduction required to keep global temperature increase below 2°C compared to preindustrial temperatures, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

1.1 Role of Targets

In considering science-derived targets for reducing greenhouse gas (GHG) emissions at the community level, it is useful to explore their role and application. In application with carbon mitigation strategies, there are three key types of target:

Aspirational - a 'call to action'

The Aspirational Target is set according to political or other considerations and will typically involve something memorable or easy to communicate. It may not consider if this target is necessary, or what is needed to achieve the target. The primary motivation for this target is to establish a common rallying point and encourage all stakeholders to get motivated. An example of this type of target is, "We will achieve 20% carbon emissions reduction by 2020"

2. Top down - what needs to be achieved (Science-Derived Targets)

The Science-Derived Target is determined from an external requirement (in this instance, the recommendations of the IPCC to avoid catastrophic climate change). It may be better thought of as a limit, rather than a target. It is independent of political or other considerations and does not consider how difficult (or otherwise) the target will be to achieve. The primary motivation





for this target is to avoid some negative outcome. An example of this type of target from other fields is, "Do not descend below 8,000m otherwise the submarine will implode".

3. Bottom up - what we can achieve (Action-plan Based)

The *Action-plan Based Target* is one that is constructed from what can be achieved from the actions being considered in a council's action plan. It can be ambitious; however, its scope is directly derived from planned actions. An example of this type of target is, "Our factory will produce 10,000 widgets this quarter".

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Methodology 2.

2.1 Global Carbon Budget

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The IPCC, the leading authority on current climate change scientific knowledge, has developed long-term emission scenarios which show a range of potential emissions trajectories and impacts based on highly detailed and rigorous modelling. These scenarios indicate the maximum total emissions allowable to limit the increase in global average temperatures to 2°C, which is considered the threshold for avoiding dangerous climate change. The IPCC reports that for climate stabilisation to occur (2°C), industrialised countries need to reduce their greenhouse gas emissions by approximately 85% by 2050.

Based on the above, the world's "carbon budget" is the total volume of greenhouse gases that can be emitted while providing a degree of confidence that temperature rise will be limited to a relatively safe and manageable 2°C. The accepted global carbon budget established by the IPCC is 1,701 Gt CO_2 -e for the period 2000-2050.

2.2 National Carbon Budget

There is no international agreement on the division of the global carbon budget between countries. In apportioning a national carbon budget, there are a number of approaches. The Australian Climate Change Authority (CCA) has used an approach that they consider fair and equitable. This approach ensures that:

- developing countries are initially allowed an increased per-capita carbon budget to allow for additional emissions whilst they grow their economy; and,
- · high per-capita emitters (such as Australia) are allowed time to adjust to their reduced carbon budget, rather than setting them up to fail with an allowance that is considerably lower than their current emissions.

Based on this methodology, CCA recommended a national carbon budget of 10.1 Gt CO2-e for the period 2013-2050. As at September 2018, 7.26 Gt CO₂-e of this budget remains.

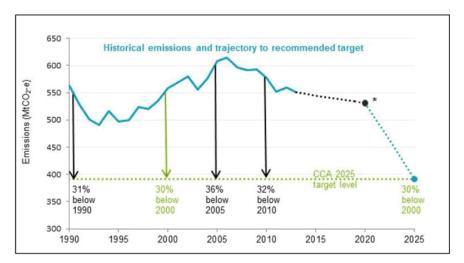


Australia's current targets for reducing greenhouse gas emissions are 26-28% reductions on 2005 levels by 2030. In its 2015 reports to the Minister for the Environment on Australia's future greenhouse gas emissions reduction targets, the CCA recommends Australia commit to the following science-based targets:

- a 2025 target of 30% below 2000 levels; and
- further reductions by 2030 of between 40 and 60% below 2000 levels.







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Figure 1: Historical emissions and trajectory to recommended target

Source: CCA 2015, Final Report on Australia's Future Emissions Reduction Targets, https://goo.gl/s4CYvb

2.3 Municipal Carbon Budget

In determining a municipal budget for greenhouse gas emissions, there are again a number of methodologies that can be employed. Most simply, it is possible to divide the national carbon budget according to population so that a municipality with a bigger population would be given a larger budget than a smaller municipality. However, this neglects a number of important factors that influence a municipality's ability to reduce emissions.

In developing a science-based target for Wollongong, Ironbark has applied the following considerations:

- 1. Australia's current carbon budget at September 2018 is calculated as 7.26 Gt CO_2 -e. This is the CCA's national carbon budget minus all emissions that have occurred since the budget was derived, per the National Greenhouse Gas Inventory.
- The carbon budget is adjusted to account for the sources considered in Wollongong's community emissions profile (stationary energy, transport, agriculture, solid waste and wastewater). This is done by applying the proportions of each sector from the most recent National Greenhouse Gas Inventory.
 - This means that sectors which have not yet been modelled (land use change and forestry, industrial processes and product use) are not included in the budget, but can easily be added as the data become available.
- This adjusted national carbon budget is then scaled down to the municipal-level based on the percentage of emissions for the included sector that occurred in Wollongong according to the most recent data.





2.4 Scaling the Budget

Once a total carbon budget for Wollongong was calculated, further scaling factors are applied. This is to ensure the allocation of budgets across Australian municipalities is fair and provides the greatest chance of success.

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2.4.1 SEIFA Scaling

The municipal carbon budget is scaled to account for socio-economic differences using the Socio-Economic Index for Areas (SEIFA) as follows:

- Municipalities with a higher than average SEIFA score are allocated a larger share of the national carbon budget.
- Municipalities with a lower than average SEIFA score are allocated a smaller share of the national carbon budget.
- This allows us to account for the fact that councils with a highly disadvantaged community are expected to find it more difficult to reduce emissions.

2.4.2 Scaling for Growth

The municipal carbon budget is then scaled to account for projected population growth as follows:

- Municipalities with a higher than average growth rate are allocated a larger share of the national carbon budget.
- Municipalities with a lower growth rate are allocated a smaller share of the national carbon budget.
- This accounts for the fact that councils experiencing higher growth rates are expected to find it more difficult to reduce emissions.



3. Targets

3.1 Science-Derived Target for Wollongong

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In October 2018 Wollongong's science-derived target was calculated by Ironbark. The outcomes are in Table 1.

Table 1: Scaled science-derived target for Wollongong, as calculated in October 2018

Remaining budget for Wollongong (kt CO ₂ -e)	49,185
Remaining years without change (years)	18.2
Required linear annual reduction (t CO2-e)	74,251
Required linear rate of reduction (p.a.)	2.7%

The Remaining budget for Wollongong is 49,815 kt CO2-e.

The *Remaining years without change* (18.2 years) calculates how long this carbon budget would last, based on the emissions released in the 2017/18 financial year.

The Required annual reduction and Required rate of reduction shows that Wollongong's emissions need to reduce by 74 kt CO2-e (2.7%) per year until 2050, if the carbon budget is to be used in a linear fashion over this time period. To give an idea of the scale of action required, Sunshine Coast Council's 15MW solar farm has saved just under 30 kt CO2-e in the 1.5 years since its installation.

When re-calculated in 2019, the remaining budget in tCO₂-e had changed. This is due to reductions in the overall budget available based on emissions released nationally drawing from the Australian carbon budget. It is also because of changes to data sources, data sets and methodologies. Ironbark is committed to ensuring methods are regularly updated to remain in line with best practice and to utilise the more relevant, accurate and transparent data available. These changes applied to all muncipalities.

Whilst the numbers for the carbon budget are quite different, the remaining years without change and % reduction required are similar. This is because the updates that have been applied to the calculation of the science-derived target also apply to the calculation of the Wollongong community emissions profile.





4. Next Steps

4.1 How to Use a Science-derived Target

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The methodology that Ironbark uses to develop science-derived targets has been designed to allow all municipalities the greatest possibility of success. Whilst the targets are challenging, they are targets that *must* be met in order to avoid catastrophic climate change and represent the true scale of action that is required within each community. This target should not be considered aspirational, rather it should be considered essential to avoiding the negative effects on Wollongong's community, environment and economy.

Whilst understanding the necessity of meeting this target, it is also important to understand Council's level of accountability. Reducing greenhouse gas emissions must be a whole of community effort and actions taken by state and federal governments and emissions intensive industries will be key in ensuring Australia stays within its national carbon budget. Council may advocate for and support these actions or engage in collaborative planning with key stakeholders, but ultimately is not solely responsible for meeting the full municipal emissions target.

In engaging with stakeholders, it is important that the communication of the science-derived target is undertaken strategically. Whilst aspirational targets have been used to educate and motivate for many years, the science-derived target can be most useful as a tool for climate planning and understanding relevant carbon budgets and timeframes.

4.2 Monitoring a Science-derived Target



Historically, success in achieving action towards targets may have been measured by the reduction of a municipal greenhouse gas profile. However, this is not the approach that we currently recommend, due to the potential fluctuation of the emissions profile related to factors entirely outside of Council's influence, such as the state electricity emissions factor. Instead, targeted monitoring on specific greenhouse gas mitigation activities can provide Council with a measure of success in the effectiveness of programs and greenhouse gas emissions reductions.

4.3 Action Planning for Community Emissions Mitigation

The community emissions profile previously developed by Ironbark Sustainability for Wollongong, coupled with the science-derived target presented in this report are important tools for climate planning. Used together, they allow Council to understand the scale of the impact of their municipality, the breakdown of sectors responsible for the emissions and the magnitude of the reductions needed. They provide the necessary foundation that advances and



enables Council to engage specific sectors or stakeholders in actions to reduce emissions and develop a plan to reduce emissions.

Item 6 - Attachment 1 - City of Wollongong Science Derived Targets for

When considering community emissions mitigation against a science-derived target, it is clear that the scale of reductions required is exceptionally high. For this reason, it's important for Council to carefully consider how best to leverage resources. Most often, direct action by Council will not be the most efficient way towards achieving the target. However, there are a number of ways that Council can engage and work with stakeholders and other levels of government to facilitate the required emissions reductions.

In Ironbark's experience, there are twelve key interventions that councils can employ to support the reduction of community emissions. These are:

- 1. Administration and strategy
- 2. Advocacy
- 3. Development of new policy or regulation
- 4. Education
- 5. Facilitation
- 6. Monitoring and reporting
- 7. New implementation of policy or regulation
- 8. Performance or supply contracting
- 9. Provision of incentive schemes or grants
- 10. Provision of loan schemes
- 11. Purchase and deployment
- 12. Strategic planning

4.3.1 Ironbark's Community Action Planning Tool

Ironbark has developed a Community Action Planning Tool (CAPT), which allows us to develop a list of actions that will target a specific emissions source and sector. CAPT is a natural extension to the work we have been doing to develop community emissions profiles and provides a more complete solution to the community-scale carbon management system. CAPT is capable of:

- Calculating the best action list for a specific municipality, down to the estimated spend (or in reverse, if councils have a predetermined budget, CAPT will be able to estimate how much abatement can be achieved)
- Representing uncertainty of outcome, a critical component for mutually aggregate
 actions that can have either a guaranteed outcome (such as installing solar on
 councils' own assets) to ones that cannot be certain at all (such as advocacy for
 closing down coal power plants). This uncertainty is represented in a "descending
 confidence" table, that maps the amount of carbon a program will mitigate against
 the probability of achieving success.



Grouping of all identified activities into "actions", which are activities that actively reduce emissions, and "interventions", which are activities that a stakeholder undertakes to effect the action. Examples of an action is "install EV charging infrastructure in public-accessible locations", and corresponding interventions may be "finance and deploy", and "facilitation".

CAPT is specifically designed for councils, and our intent is for the tool to quantify all the interventions currently being planned or implemented by councils across Australia. As we expand this resource, more and more of the initiatives we are seeing across the country will be available for objective comparison and application to your municipality. Please get in touch to find out more about how to be involved.

Further Resources 4.4

The following resources may also be useful in developing and assessing actions for Wollongong's community emissions mitigation planning:

- The Rocky Mountain Institute's website (www.rmi.org) has a number of useful resources, including The Carbon-Free City Handbook (2007), which reveals 22 actions and associated resources for cities globally to move toward climate-neutrality and see results within a year.
- The World Bank's CURB Tool is an interactive tool that is designed to help cities take action on climate by mapping out different action plans and evaluating their cost, feasibility, and impact. See https://bit.ly/1SeZoS2.
- Beyond Zero Emissions is an Australian think tank that has a number of publications covering municipal-wide emissions reduction solutions (https://bit.ly/2QDcoWz), as well as a Local Government Climate Review (2018).
- Energy Innovation LLC (www.energyinnovation.org) is an energy and environmental policy firm based in the United States with a number of useful resources on designing carbon solutions. Among other things, they have developed free online computer model to help design packages of policies to reduce carbon emissions (https://www.energypolicy.solutions/). Although it is not yet pre-populated with Australian data, the model provides a good visualization of key policy settings and their impacts in other regions like the US and Canada.
- The Global Covenant of Mayors is beginning to collate data on emissions, targets and actions at: https://www.globalcovenantofmayors.org/global-covenant-cities-data



Attachment 2: Australian GCoM Councils Emissions Reduction Targets

Council	Emissions Reduction Target		
ACT	Net zero emissions by 2045		
Adelaide	Matching state target of zero net emissions by 2050		
Byron	30% by 2020		
Darebin	Carbon neutral by 2020		
Glen Eira	Net zero emissions from the community by 2050 Net zero emissions from council operations by 2030		
Hobart	Zero net carbon emissions by 2020		
Hobsons Bay	Zero net greenhouse gas emissions by 2020 Zero net emissions community by 2030		
Joondalup	Corporate target: Reduce net greenhouse gas emissions by 5% per capita below 2012/13 emissions by 2018/19		
Mandurah	Carbon neutral 2020		
Manningham	Council: 100% carbon neutral by 2020 Community: 20% GHG reductions		
Maribyrnong	No target found		
Melbourne	Zero net emissions by 2020		
Melton (Australia)	Zero net emissions from council operations by 2025		
Melville (Australia)	48% emission reduction from council operations by 2025		
Moreland	Zero carbon community by 2040		
Mornington Peninsula Shire (Australia)	Zero net carbon emissions for council operations by 2021 Minimum community greenhouse gas emission reductions target of 2.9% annually		
Mount Barker (Australia)	No target found		
Newcastle (Australia)	30% carbon footprint reduction by 2020 for council operations 30% reduction in per capita carbon emissions below 2008 levels		
()	30 % reduction in per capita carbon emissions below 2000 levels		
Penrith	40% reduction in greenhouse gas emissions by 2030		
, ,	. ,		
Penrith	40% reduction in greenhouse gas emissions by 2030 Reduce City of Perth operational emissions by 30% by 2030 Work with the community to achieve 30% reduction in city-wide GHG		
Penrith Perth (Australia)	40% reduction in greenhouse gas emissions by 2030 Reduce City of Perth operational emissions by 30% by 2030 Work with the community to achieve 30% reduction in city-wide GHG emissions by 2030 Zero net council carbon emissions by 2020		
Penrith Perth (Australia) Port Phillip (Australia)	40% reduction in greenhouse gas emissions by 2030 Reduce City of Perth operational emissions by 30% by 2030 Work with the community to achieve 30% reduction in city-wide GHG emissions by 2030 Zero net council carbon emissions by 2020 50% reduction in per capita community carbon emissions by 2020		
Penrith Perth (Australia) Port Phillip (Australia) Sydney	40% reduction in greenhouse gas emissions by 2030 Reduce City of Perth operational emissions by 30% by 2030 Work with the community to achieve 30% reduction in city-wide GHG emissions by 2030 Zero net council carbon emissions by 2020 50% reduction in per capita community carbon emissions by 2020 Net zero emissions by 2050 The goal of reducing corporate greenhouse gas emissions to 20% below 1996 levels by 2010 The goal of reducing community greenhouse gas emissions per capita to		



File: TR-471 Doc: IC19/556

ITEM 7 COLLINS CREEK FLOOD STUDY 2019

The Collins Creek Flood Study (2019) has been finalised following public exhibition between 17 June 2019 to 19 July 2019. It is recommended Council adopt the Collins Creek Flood Study (2019) which will inform land use planning and planning certificates.

The study improves the accuracy and reliability of flood levels and flood behaviour in the combined Collins Creek Catchment. This catchment includes the sub-catchments of Collins Creek, Bellambi Lake, Bellambi Gully, Farrahars Creek, and Whartons Creek.

The reports and flood models for the Collins Creek Flood Study (2019) will be placed on the NSW Flood data portal so that they can be publicly accessed. This will lead to a greater understanding of flood behaviour and risk and wiser decision making.

RECOMMENDATION

- 1. That the Collins Creek Flood Study (2019) be adopted.
- 2. Persons who made submissions be thanked and advised of Council's decision.

REPORT AUTHORISATIONS

Report of: Mike Dowd, Manager Infrastructure Strategy + Planning

Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

- 1 Executive summary Collins Creek Flood Study 2019
- 2 Community Engagement report Collins Creek Flood study 2019
- 3 Submissions key themes and Council's responses

BACKGROUND

The NSW Government's Floodplain Development Manual provides a framework to ensure the sustainable use of floodplain environments and incorporates the NSW Flood Prone Policy. Under the Policy, the management of flood liable land remains the responsibility of Local Government with State Government subsidising flood mitigation works to alleviate existing problems and providing specialist technical advice to assist Councils in performing their floodplain management responsibilities.

The Policy provides for technical and financial support by the State Government through five stages -

- 1 Flood Study Determines the nature and extent of flooding.
- 2 Floodplain Risk Management Study Evaluates risks and management options for the floodplain in respect of both existing and proposed development.
- 3 Floodplain Risk Management Plan Involves formal adoption by Council of a plan of management for the floodplain.
- 4 Implementation of the Plan voluntary house purchase, flood readiness and response plans, construction of flood mitigation works to protect existing development and use of planning controls (LEP, DCP) to ensure new development is compatible with the flood hazard.
- 5 Review reviews are recommended on average every 5 years and are also generally recommended after significant flood events, policy changes, or land use changes and where impediments to floodplain management plan implementation exist that warrant a review.



In 2017, Catchment Simulation Solutions was commissioned by Wollongong City Council (WCC) to review the Collins Creek Flood Study (2011) to take into consideration Council's updated Conduit Blockage Policy (2016). The review incorporates new survey data, more detailed modelling techniques, the updated blockage factors, and additional development within the catchment.

The results show that the revised 1% AEP flood levels are very similar to the 2011 Flood

Study levels across most of the floodplain. There are negligible (i.e. within 0.1m) flood level differences across 60% of the floodplain, higher flood levels across 15% of the floodplain, and lower flood levels across 25% of the floodplain. In areas where there are more significant differences (i.e. not within 0.1m), the revised 1% AEP flood levels are more commonly lower than higher than the 2011 Flood Study levels.

Attachment 1 to this report provides an executive summary of the final report recommended for adoption by Council.

PROPOSAL

The Collins Creek Flood Study (2019) be adopted. After adoption, the following actions will be undertaken -

- Update the flood planning levels Planning and Environment
- Update of the relevant Section 10.7 planning certificate Planning and Environment
- Provide flood level information advice in accordance with the new study results Infrastructure + Works

CONSULTATION AND COMMUNICATION

On the 28th of May 2019, the draft flood study was presented to the Northern Floodplain Risk Management Committee who recommended public exhibition of the draft report.

The final draft Flood Study report went on public exhibition between 17 June 2019 to 19 July 2019. A weekend community drop-in session at the Bulli Senior Citizens Centre on Saturday 22 June from 9:30am – 11am was attended by 55 community members. A second drop-in session was held at the Bulli Surf Lifesaving Club on Tuesday 25 June from 4pm – 5:30pm and was attended by 39 community members.

A letter to over 5,300 residents and property owners in flood affected areas (all properties within the extent of the probable maximum flood) was mailed out to advise of the public exhibition process and seek feedback on the document.

Notices of the public exhibition were published in the local newspaper on 19 and 26 June 2019. Hard copies of the Flood Study were placed in the Library and PDFs were available through Council's "Have Your Say" page. 148 people viewed the Website's project page. 96 people downloaded the documents from the Website. There were a total of 30 submissions throughout the exhibition period.

Comments from the submissions and at drop in sessions related to -

- Perceived causes of flooding
- Flooding impacts on property
- Flood mitigation options
- Flood mitigation work in the catchment
- Creek maintenance
- Development
- Responsibility for managing flood risk
- Insurance premiums



Persons who made a submission were thanked and advised of this matter being reported to Council for adoption.

A community engagement report is provided in attachment 2 and outlines in more detail the process and outcomes of the consultation.

Attachment 3 provides responses to all key themes raised during the consultation.

The comments provided can be addressed through on-going education on floodplain management, or considered as part of the future review of the floodplain risk management study and plan for the catchment, they do not have any direct relation to the draft flood study report and did not result in changes to the draft report that was presented to the Northern Floodplain Risk Management Committee.

The committee has been advised of the outcomes of the public exhibition and has not raised any objection to Council adopting the final report.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We value and protect our environment". It specifically delivers on the following –

Community Strategic Plan	Delivery Program 2018-2021	Operational Plan 2019-20
Strategy	3 Year Action	Operational Plan Actions
1.1.3 The potential impacts of natural disasters, such as those related to flood and landslips are managed and risks are reduced to protect life, property and the environment	1.1.3.2 Establish effective urban stormwater and floodplain management programs	Develop and implement Floodplain Risk Management Plans

FINANCIAL IMPLICATIONS

The Collins Creek Flood Study (2019) has cost \$107,628 excl. GST

CONCLUSION

The Collins Creek Flood Study (2019) was prepared with the cooperation, assistance and support of many stakeholders, including community members and State government representatives and the Northern Floodplain Risk Management Committee.

The study improves the accuracy and reliability of flood levels and flood behaviour in the Collins Creek Catchment. The reports and flood models for the Collins Creek Flood Study (2019) will be placed on the NSW Flood data portal so that they can be publicly accessed. This will lead to a greater understanding of flood behaviour and risk and wiser decision making.

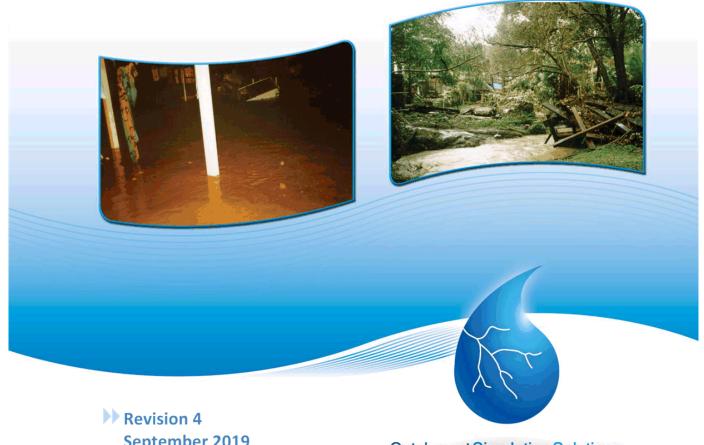
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Collins Creek Flood Study

Final Report

Volume 1 of 2: Report & Appendices



September 2019

Catchment Simulation Solutions





EXECUTIVE SUMMARY

Introduction

The Collins Creek Flood Study area is located within the Wollongong City Council Local Government Area and covers a total area of 14 km². As shown in **Figure E1**, the study area incorporates five major catchments, namely:

- Bellambi Lake;
- Bellambi Gully;
- Farrahars Creek;
- Collins Creek; and
- Whartons Creek.

Flooding across the study area has been experienced on a number of occasions with the most notable floods occurring on 20 October 1987, 30 April 1988 and 17 August 1998. The August 1998 flood, in particular, inundated a number of properties and caused significant damage to public and private property.

In recognition of the significant impact that flooding has had on the community, Wollongong City Council prepared the 'Combined Catchment of Whartons, Collins and Farrahars Creeks, Bellambi Gully and Bellambi Lake Flood Study' (Lyall & Associates) in 2011. The 2011 flood study defined design flood behaviour for a range of design floods based upon catchment conditions and Council policy at that time.

However, since the flood study was prepared in 2011, Council has adopted a revised blockage policy (referred to as the 2016 blockage policy) and additional development has also occurred across each of the catchments. These changes have prompted Council to review and update the flood study for the Collins Creek area. This report documents the outcomes of the flood study review.

Flood Models

The flood results documented in the 2011 Flood Study were based upon hydrologic and hydraulic computer models of each catchment that were developed specifically for the flood study. Each model was reviewed as part of the current study to ensure they were developed in accordance with modern best practice and would provide the best possible description of flood behaviour across the full study area.

In general, the models were found to be suitable. However, some updates were completed as part of the current study to improve the definition of flood behaviour provided by the models. This included a reduced grid size in the hydraulic model as well as a more detailed description of the variation in land use in both the hydrologic and hydraulic models. In addition, sections of the hydraulic model were expanded to include areas that were omitted



from the 2011 flood study. It was these updated flood models that formed the basis for this flood study.

Impact of Catchment Development and 2016 Blockage Policy

A range of "scenarios" were developed as part of this flood study to quantify the impact of catchment and policy updates on flood behaviour (as defined in the 2011 Flood Study). The scenarios included:

- Scenario ID Base: reflects 2011 catchment conditions and Council's 2009 blockage policy (i.e., what was adopted as part of the 2011 flood study)
- Scenario ID 1: includes updates to reflect the 2016 blockage policy;
- Scenario ID 2A and 2B: includes updates to reflect catchment development since 2011.

Table E1 summarises each of the scenarios that were investigated as part of this flood study. **Table E1** also highlights which variable was altered as part of each scenario.

Table E1 Summary of Modelled Scenarios

SCENARIO ID	CATCHMENT DEVELOPMENT SCENARIO	TOPOGRAPHIC DATASET	BLOCKAGE POLICY	CLIMATE CHANGE CONDITIONS
BASE ¹	2011	2005/2007 ALS	2009	-
1	2011	2005/2007 ALS	2016	-
2A	2013	2013 LiDAR	2016	-
2B	2017	2013 LiDAR + additional ground survey for individual developments	2016	-
3	To be considered as part of the future Floodplain Risk Management Study			

Note:

Scenario ID: 3 was originally intended to address the potential impacts of the 2016 version of Australian Rainfall and Runoff (ARR2016). However, additional ARR2016 information that was to inform this component were not sufficiently advanced to allow this assessment to be included in the current study. As a result, the ARR2016 assessment is to be considered as part of the future Floodplain Risk Management Study.

The flood models were used to simulate a range of design floods for each scenario. This included the 20%, 10%, 5%, 2%, 1%, 0.5% and 0.2% AEP floods as well as the PMF. A range of flood maps were prepared for each scenario to illustrate the flood results for each scenario. A selection of flood maps for Scenario 2B are included at the end of this Executive Summary for the 20% AEP flood, 1% AEP flood and the probable maximum flood (PMF):

- Figures ES2 to ES4 show peak flood levels;
- Figures ES5 to ES7 show peak floodwater depths;
- Figures ES8 to ES10 show peak flow velocities;
- Figures ES11 to ES12 show flood hazard.

 $^{^{}m 1}$ "BASE" case reflects catchment development and blockage as defined in the 2011 Flood Study



As outlined above, Scenario ID: 2B reflects 2017 catchment conditions and Council's 2016 blockage policy. Accordingly, the results presented in **Figures ES2** to **ES12** reflect the updated, best description of design flood behaviour across the Collins Creek study area. However, it should be noted that the 2016 Blockage Policy makes provision for two different blockage scenarios (i.e., "design" and "risk management" blockage scenarios). **Figures ES2** to **ES12** reflect the results from the "risk management" blockage scenario.

The results from each of the scenarios were compared so the impact of each variable could be quantified. The outcomes of this review determined that:

- Scenario ID1 (2016 blockage policy). The 2016 blockage policy results in reductions in flood levels relative to the previous (i.e., 2009) blockage policy upstream of most hydraulic structures (e.g., bridges and culverts). The magnitude of the differences varies based on the size of the structure opening and the height of the overlying road/rail embankment but is most commonly between 0.1 and 0.5 metres. Flood levels downstream of most structures remain largely unchanged.
- Scenario ID2 (catchment development). Catchment development that has occurred since the 2011 flood study produce changes in flood behaviour that are typically very localised (i.e., contained in close proximity to the development areas) and do not have a significant and/or widespread impact on flood levels. The lack of sensitivity is considered to be associated with the fact that large scale developments have included appropriate stormwater management systems to help ensure there are no adverse floods impacts.

As noted above, the 2016 blockage policy includes two different blockage scenarios. A review of the flood level results from the "design" blockage and "risk management" blockage simulations showed that the flood level differences were most commonly less than 0.15 metres and were concentrated upstream of hydraulic structures. Due to the relatively small and localised differences between the flood level results and the significant number of additional flood simulations and flood maps that need to be documented, it is recommended that Council assess the merit of having two sets of blockage factors.

As shown in **Figure ES11**, areas of high hazard flood (e.g., ≥H4) are typically concentrated in defined watercourses during the 1% AEP flood. The flood hazard across most "built up" areas is estimated to be less than H3 during the 1% AEP flood indicating that floodwaters are unlikely to pose a significant hazard to people across most of the study area (however, there is still potential for floodwaters to mobilise cars). Nevertheless, there are some localised areas where higher hazard conditions are estimated during the 1% AEP flood including several streets where high velocity flood flows are anticipated. Furthermore, **Figure ES12** shows that during the PMF, a much larger area would be exposed to H4 or higher hazard indicating that floodwaters during particularly large floods are likely to pose a significant risk to vehicles, people and, in some cases, buildings/structures.

Climate Change

A range of additional scenarios were also developed to assess the potential impact of climate change (refer **Table E2**). This included scenarios to assess the impact of increases in rainfall intensity (Scenario ID: 4A), increases in sea level (Scenario ID: 4B and 4C) as well as increases



in rainfall intensity <u>and</u> sea level (Scenario ID: 4D and 4E). All climate change simulations employed the Scenario 2B model as the "base".

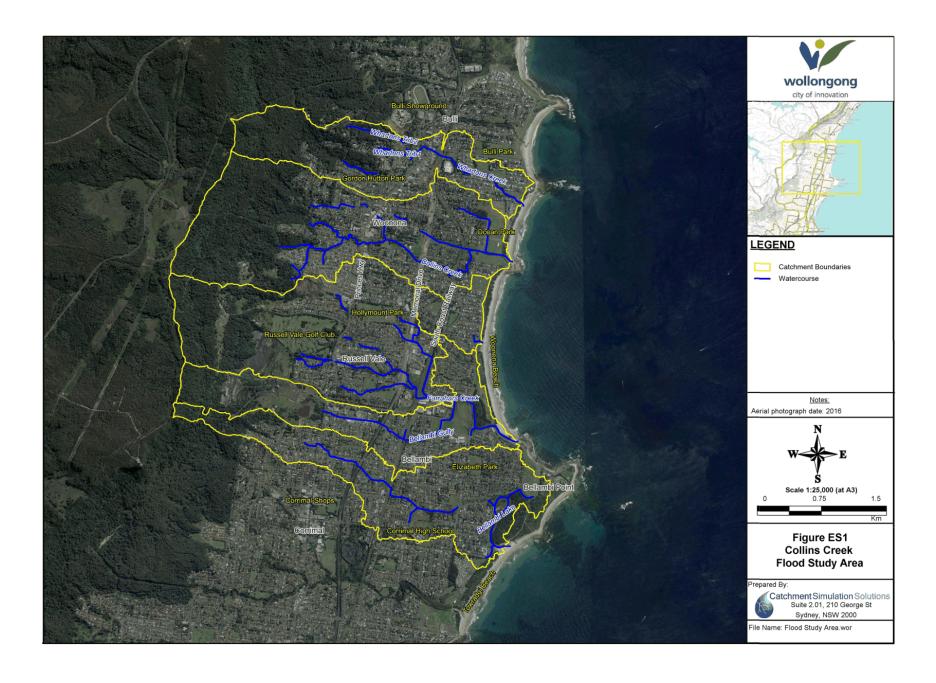
Table E2 Summary of Climate Change Scenarios

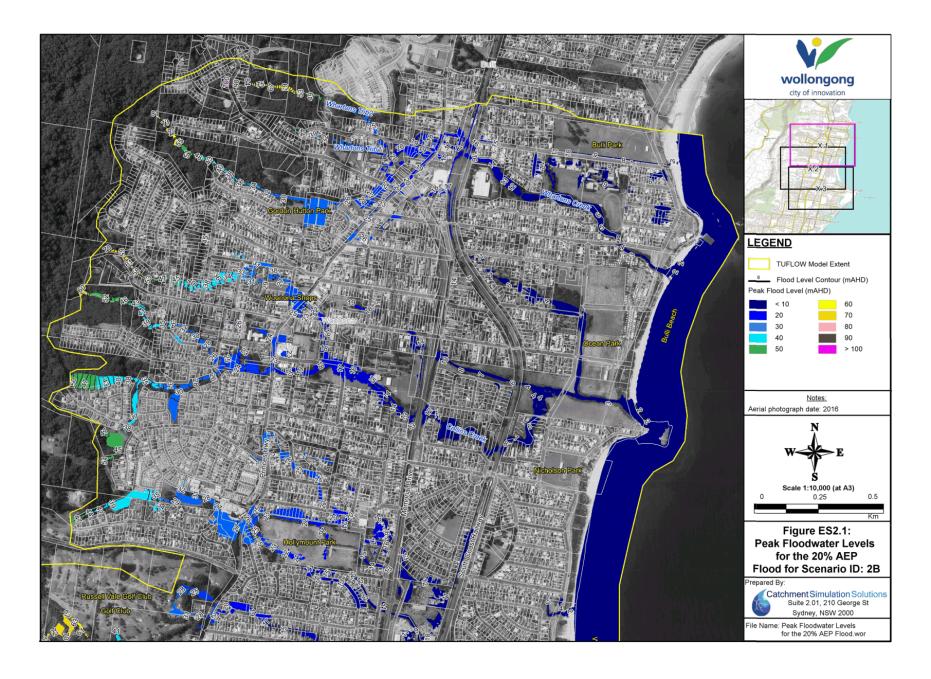
SCENARIO ID	CATCHMENT DEVELOPMENT SCENARIO	TOPOGRAPHIC DATASET	BLOCKAGE POLICY	CLIMATE CHANGE CONDITIONS
4A	2017	2013 LiDAR + additional ground survey for individual developments	2016	20% increase in rainfall intensity
4B	2017	2013 LiDAR + additional ground survey for individual developments	2016	0.4m Sea Level Rise
4C	2017	2013 LiDAR + additional ground survey for individual developments	2016	0.9m Sea Level Rise
4D	2017	2013 LiDAR + additional ground survey for individual developments	2016	20% increase in rainfall intensity <i>plus</i> 0.4m Sea Level Rise
4E	2017	2013 LiDAR + additional ground survey for individual developments	2016	20% increase in rainfall intensity <i>plus</i> 0.9m Sea Level Rise

The results of the climate change simulations showed that climate change is predicted to increase flood levels across the study area. More specifically:

- Sea level increases are predicted to increase flood levels along the coastal foreshore areas as well as across some estuarine areas. Sea level increases are not predicted to increase the flood affectation across the more elevated sections of each catchment (i.e., the majority of the study area).
- Increases in rainfall intensity are predicted to increase flood levels along most major waterways including the more elevated sections of the study area. Flood levels are predicted to increase by more than 0.1 metres at most locations. However, more significant increases are predicted in the vicinity of major hydraulic structures.

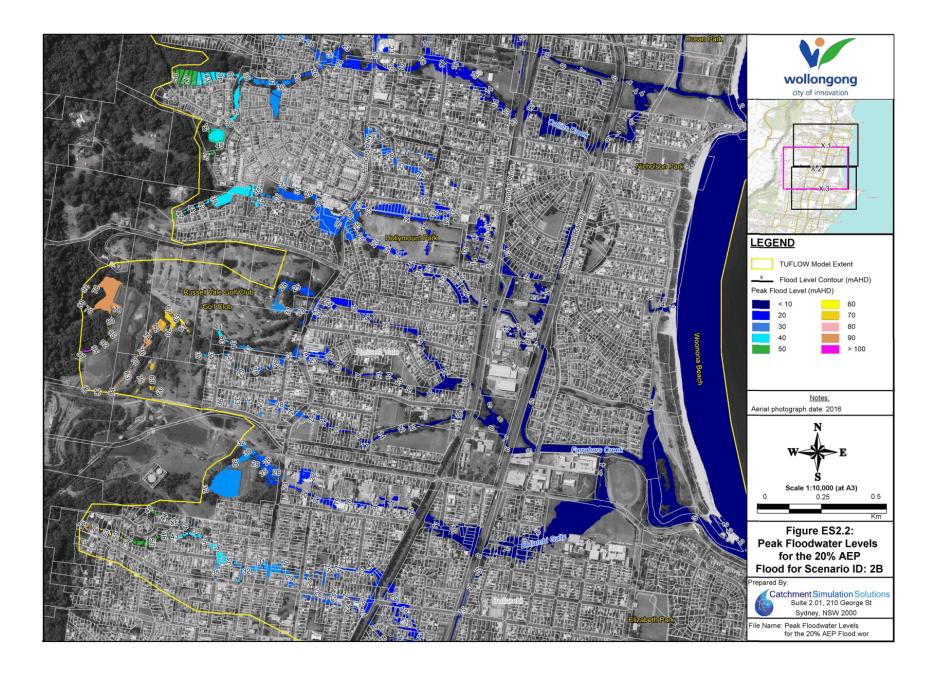




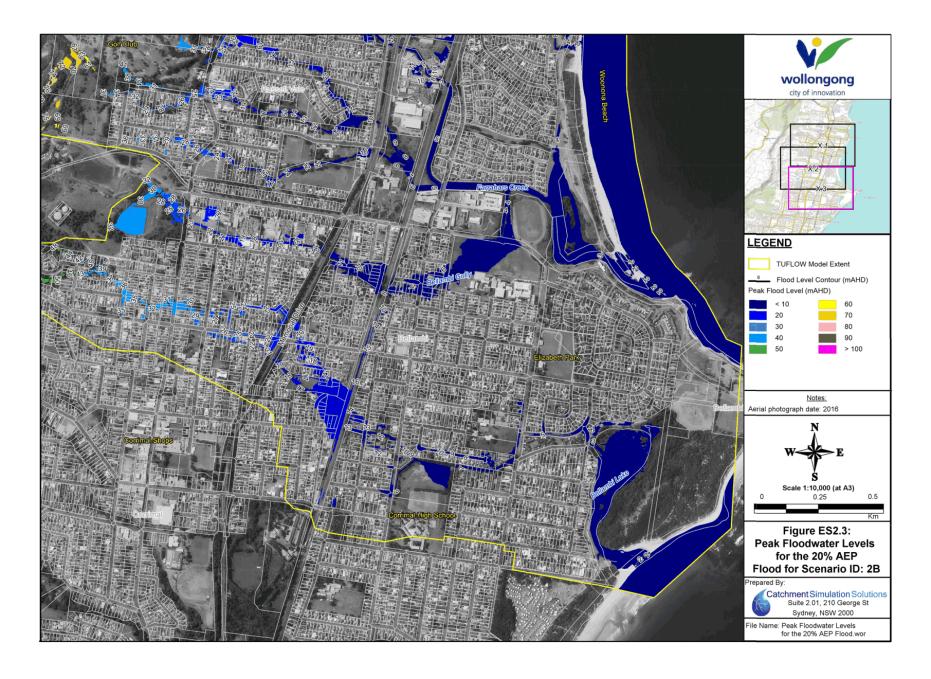


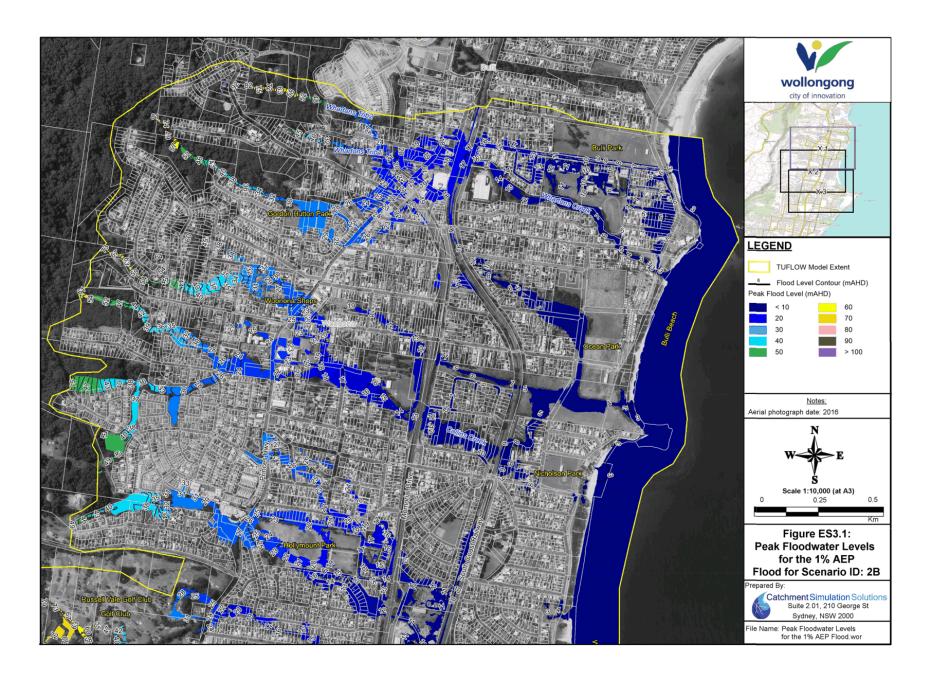




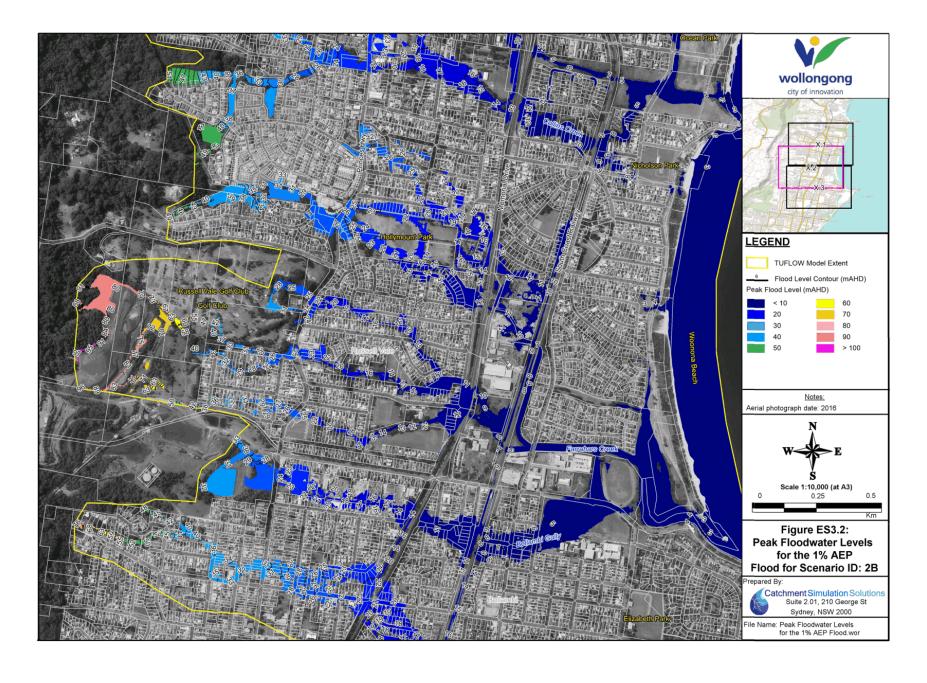






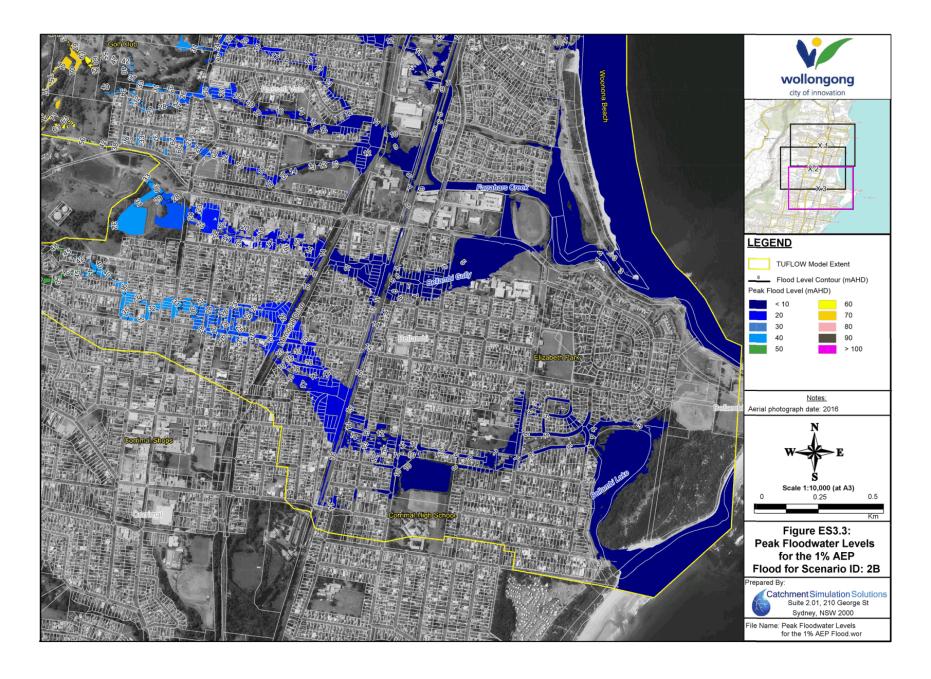




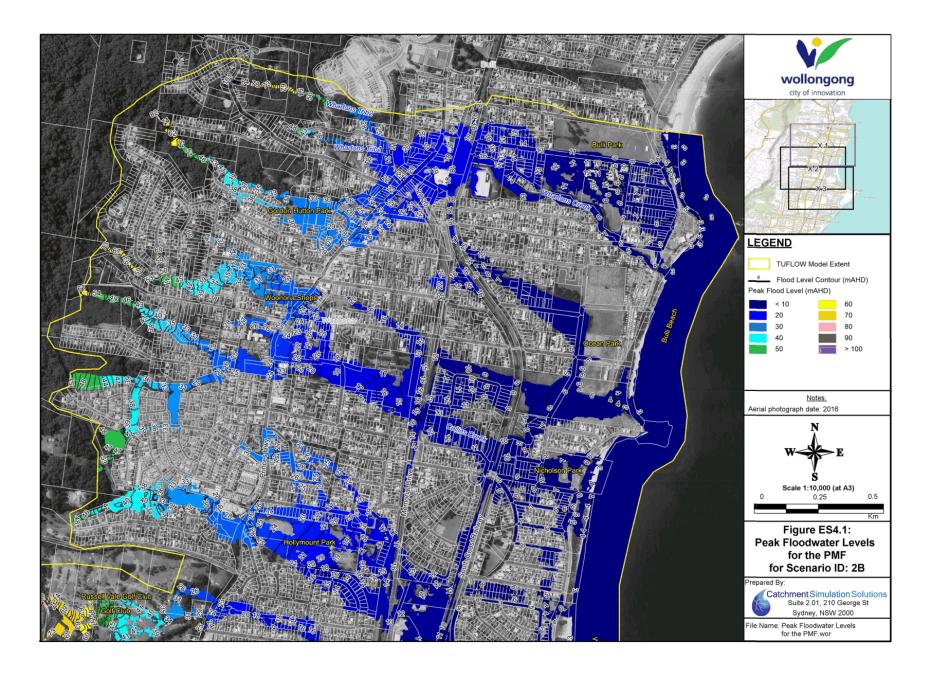






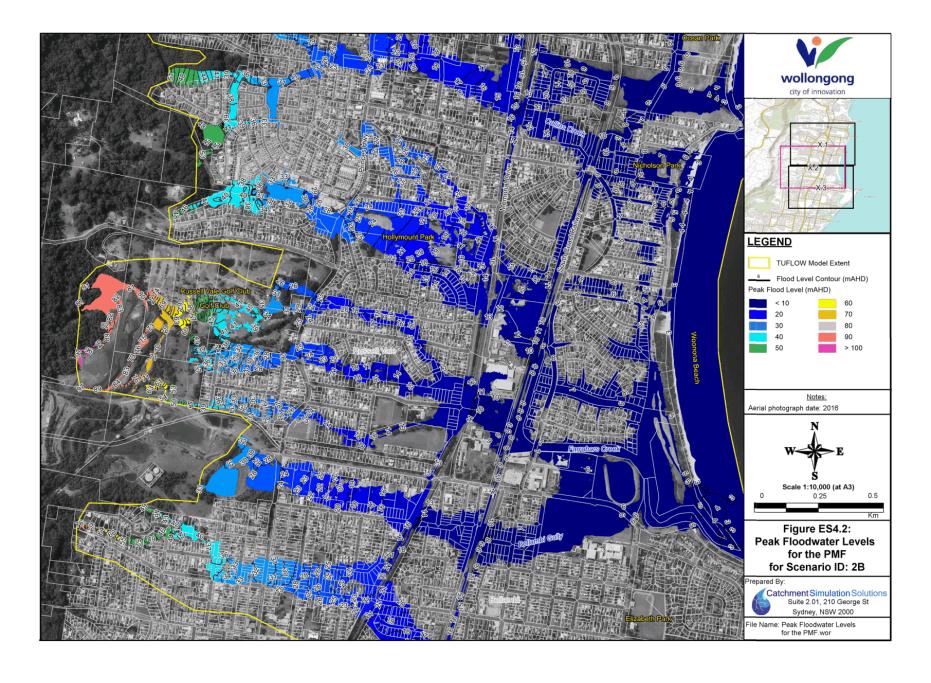




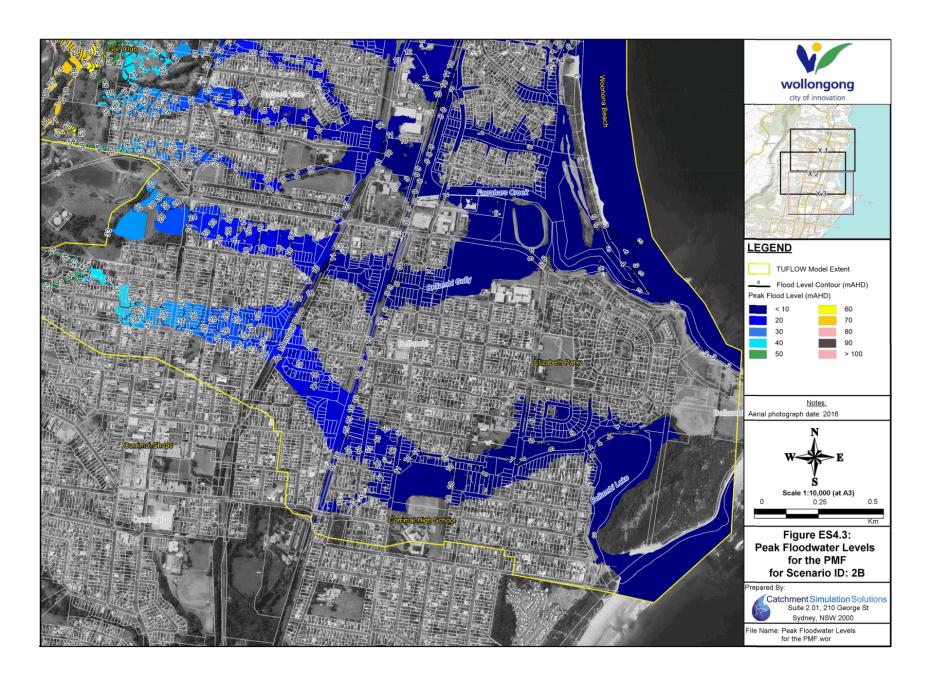






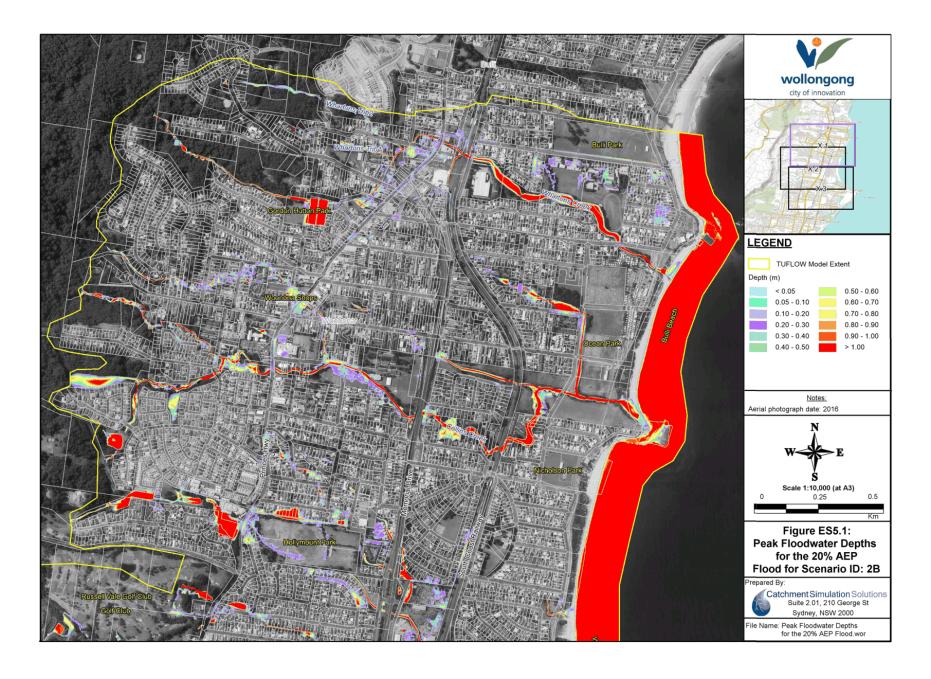






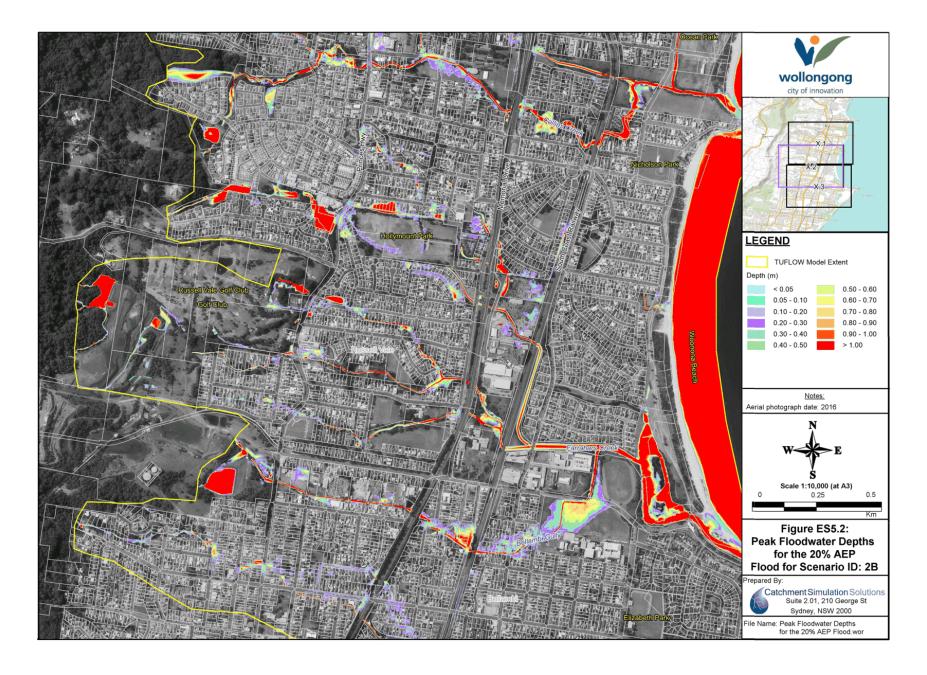




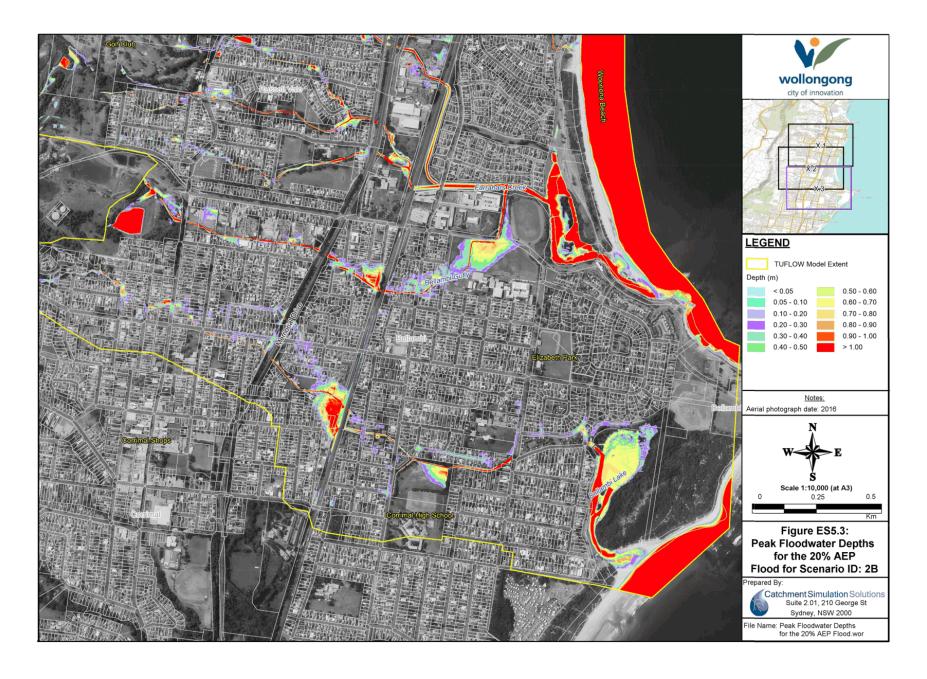








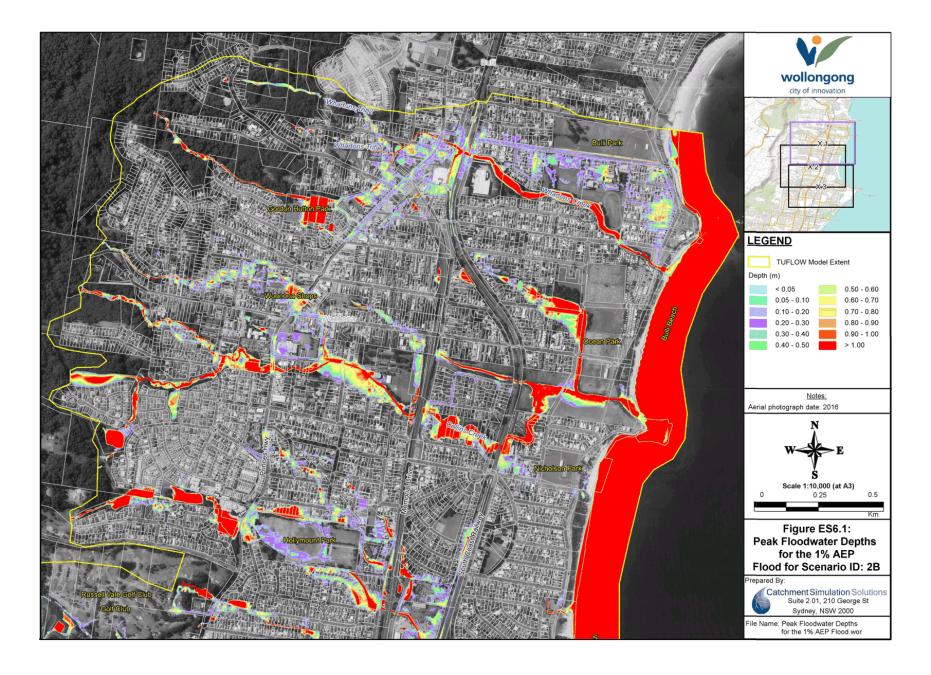


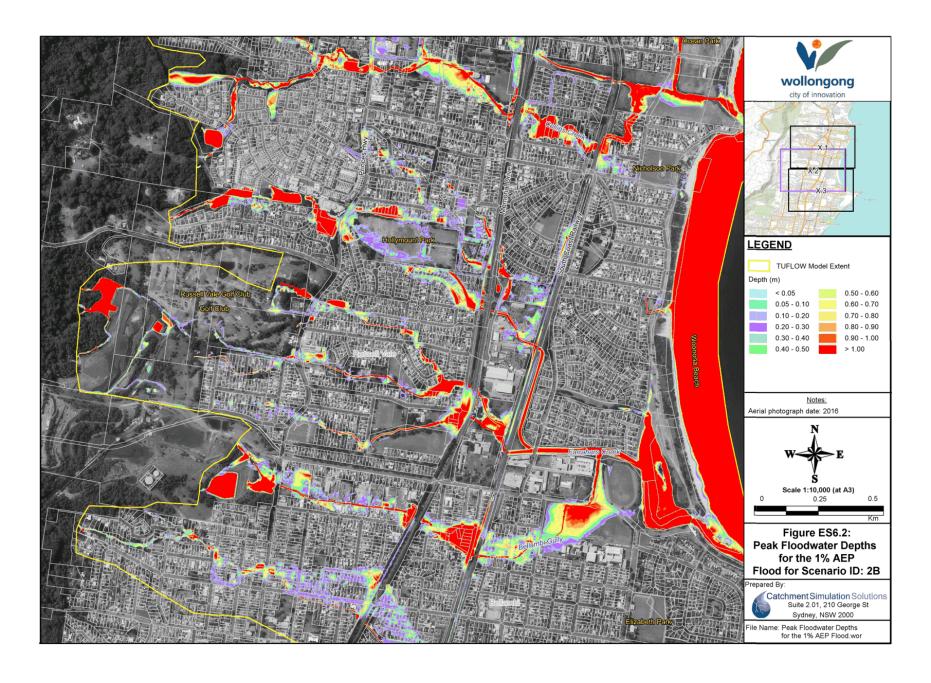




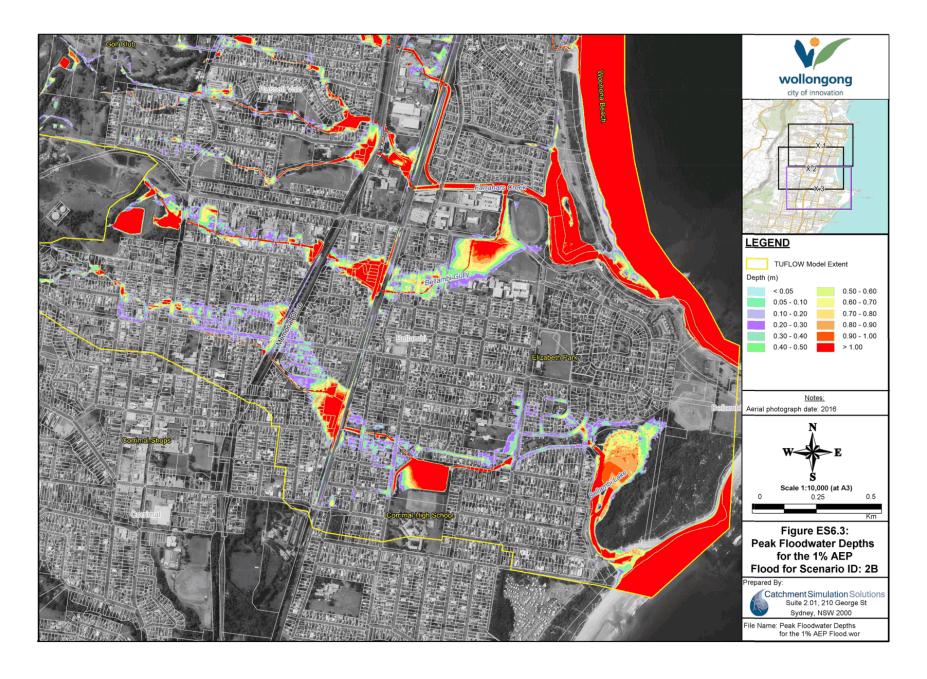
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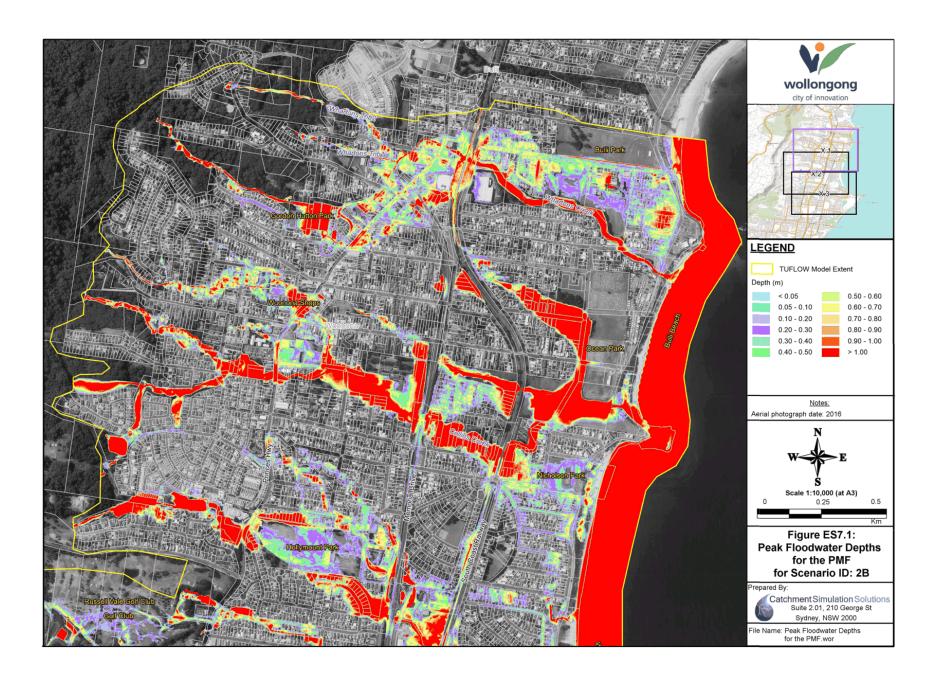


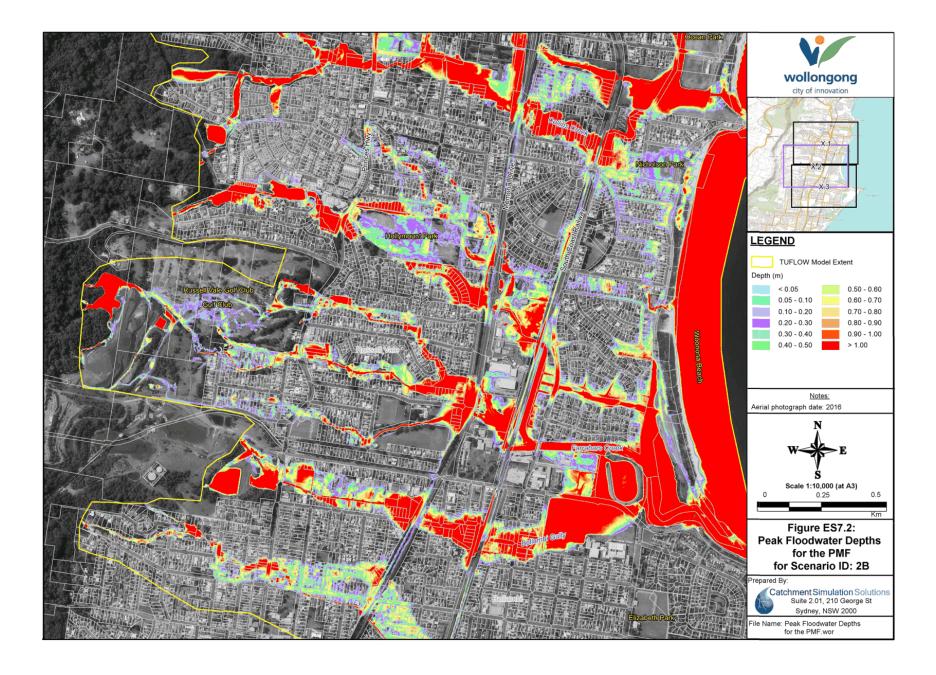




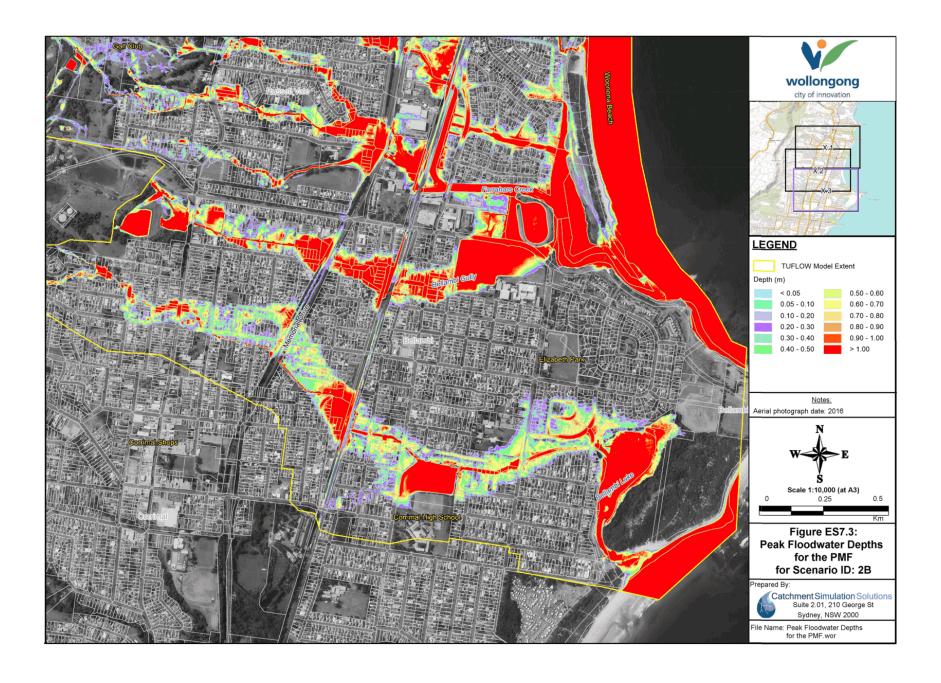


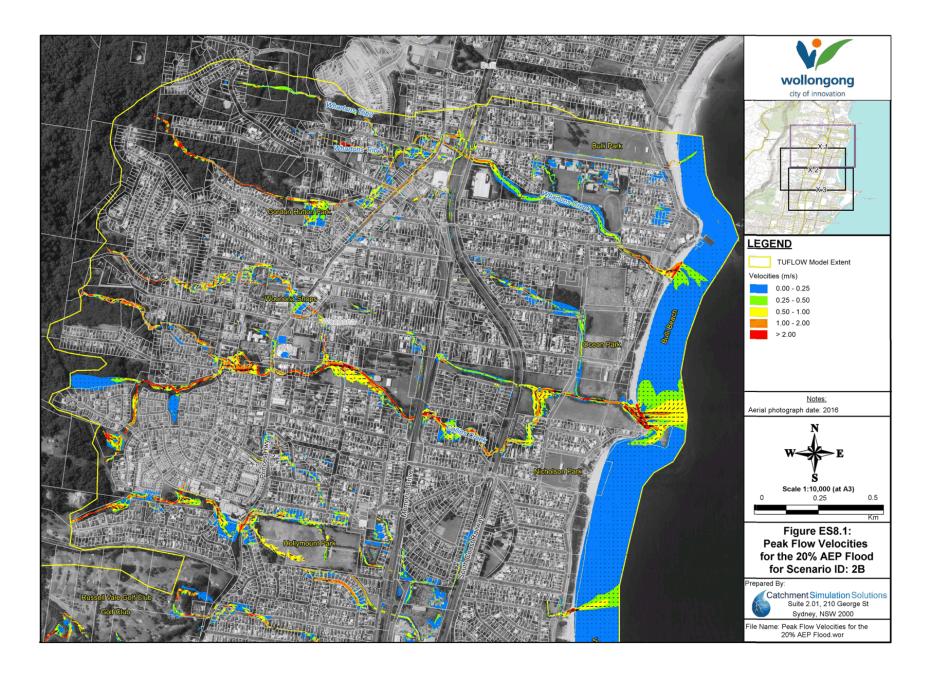


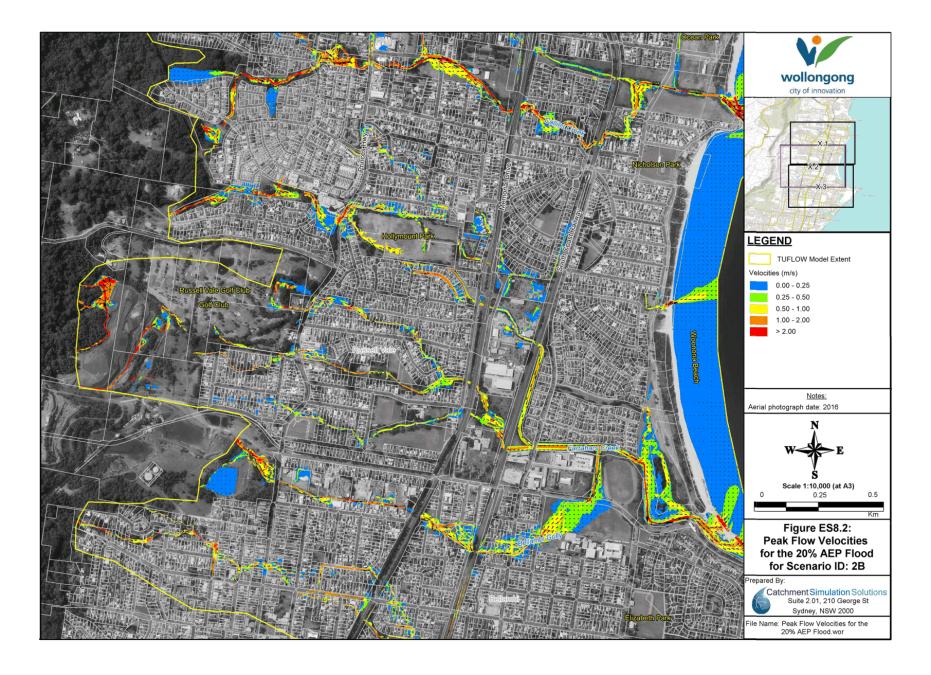


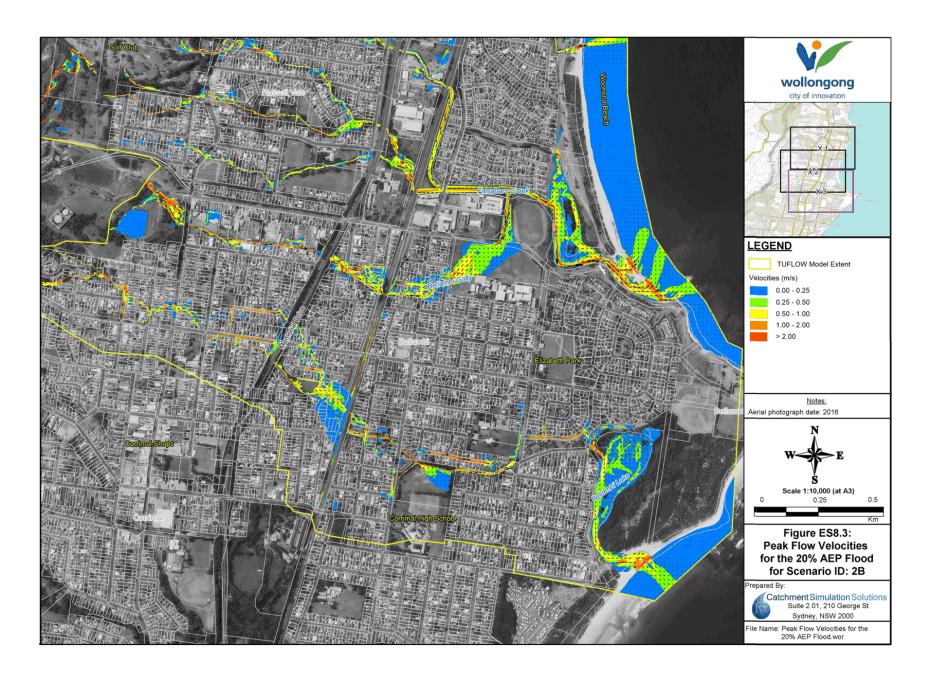




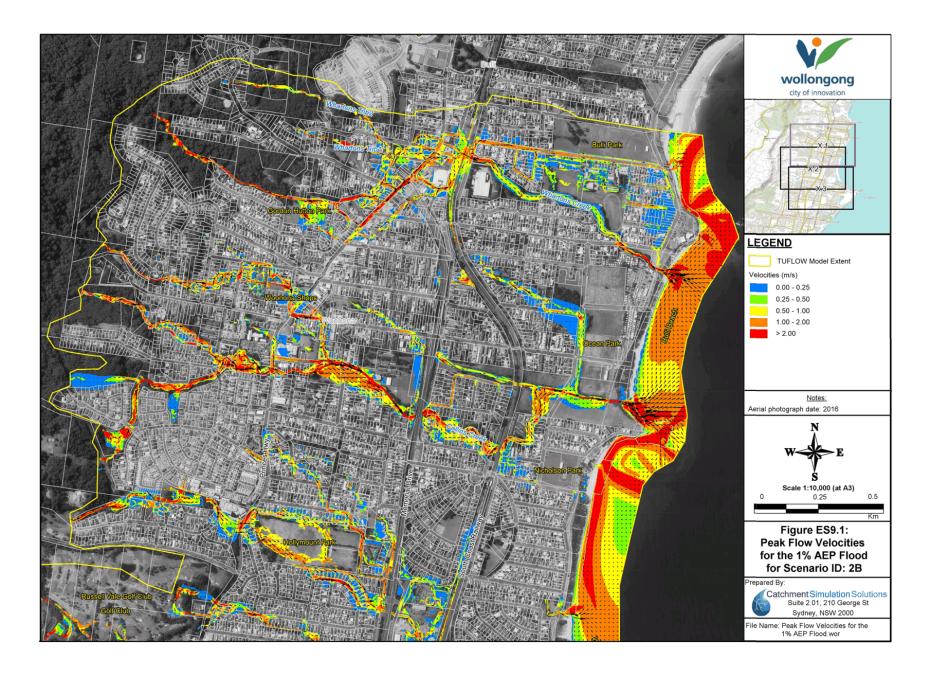


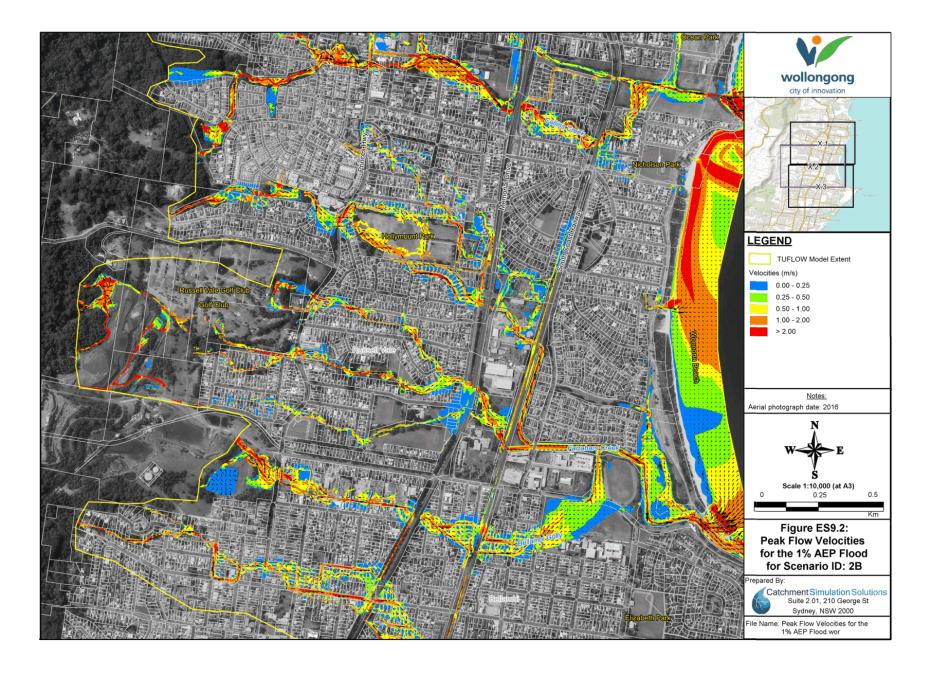




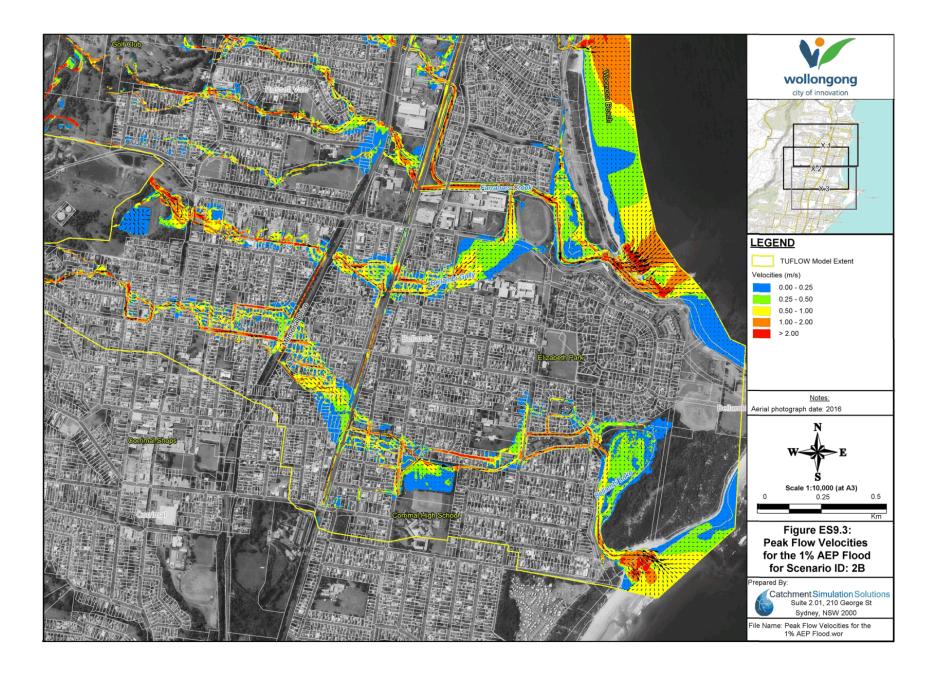


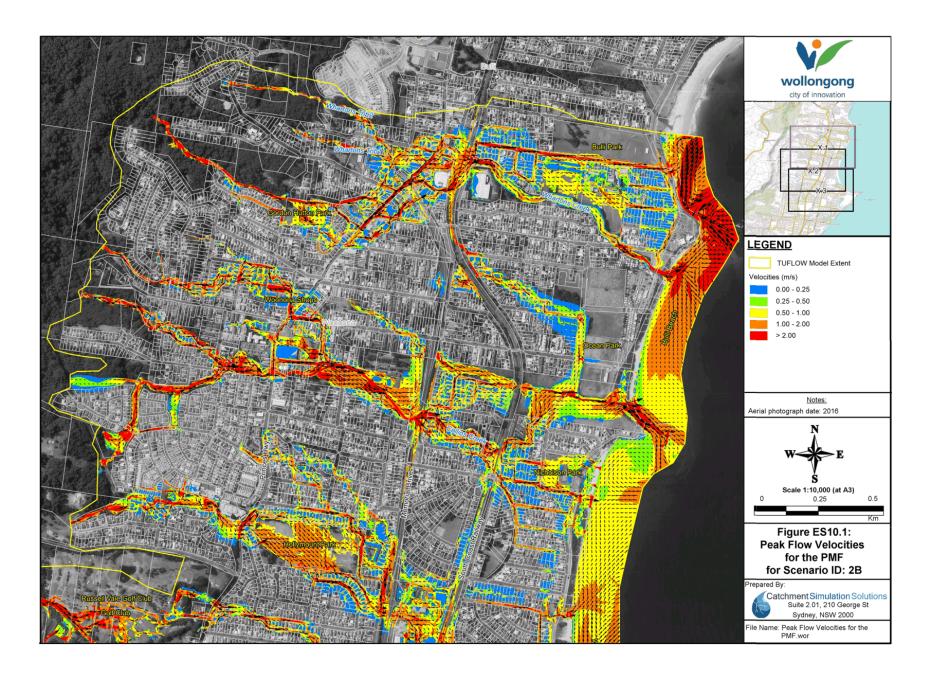




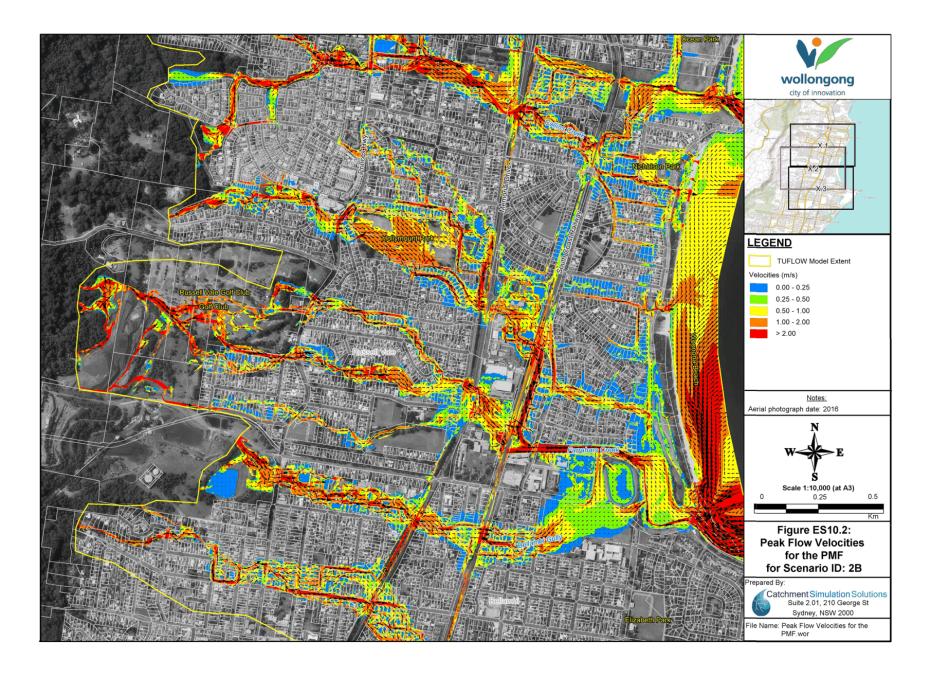


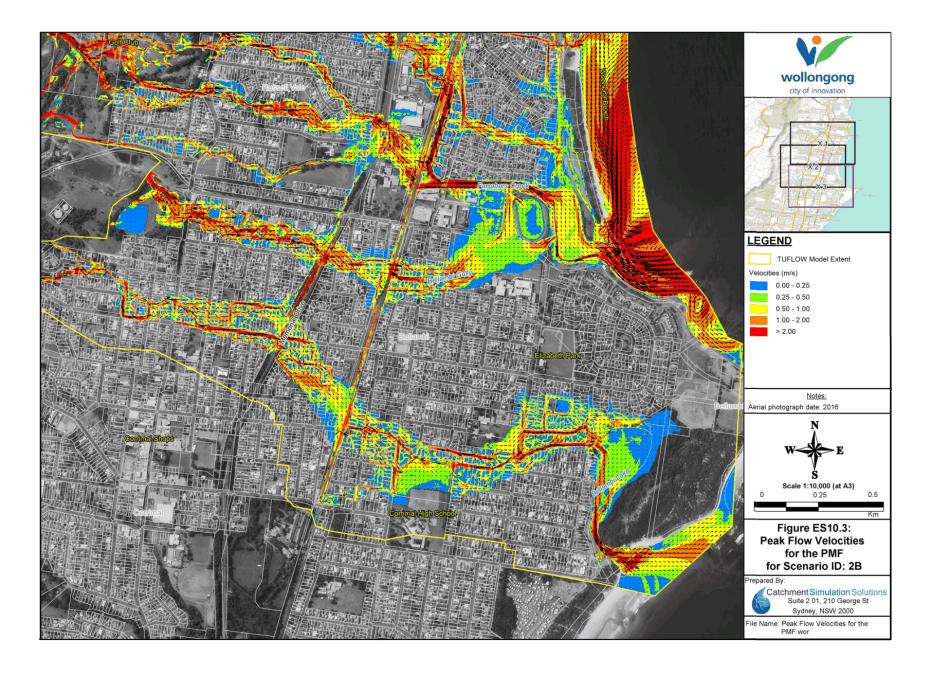




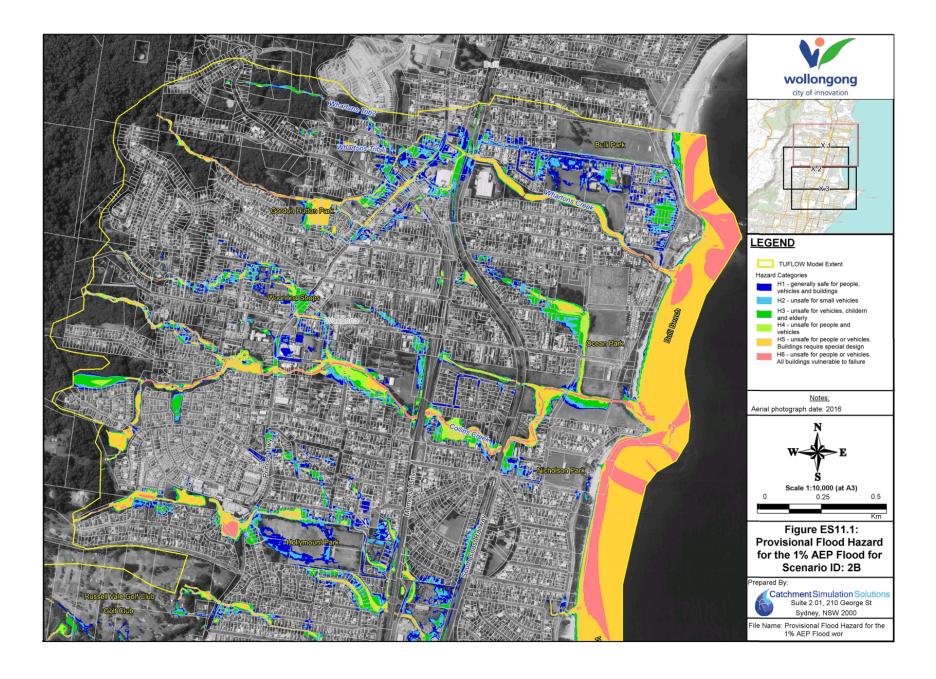




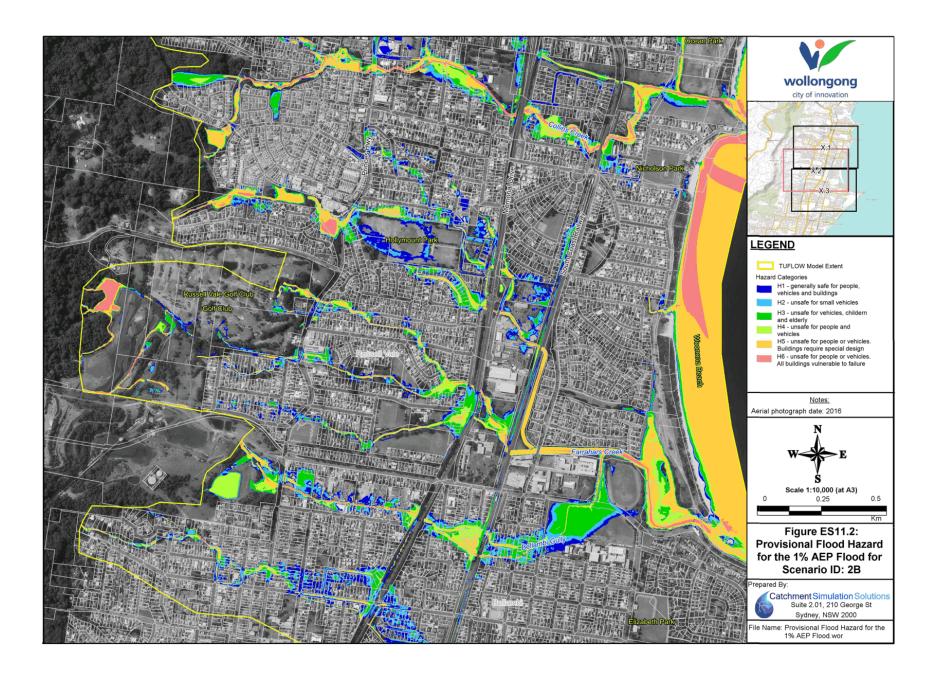


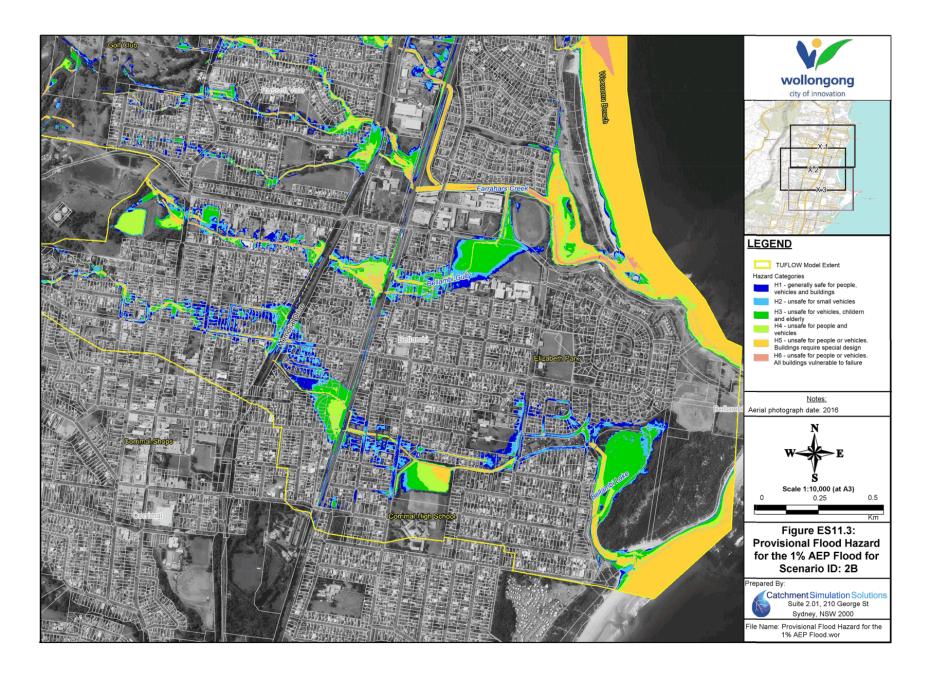


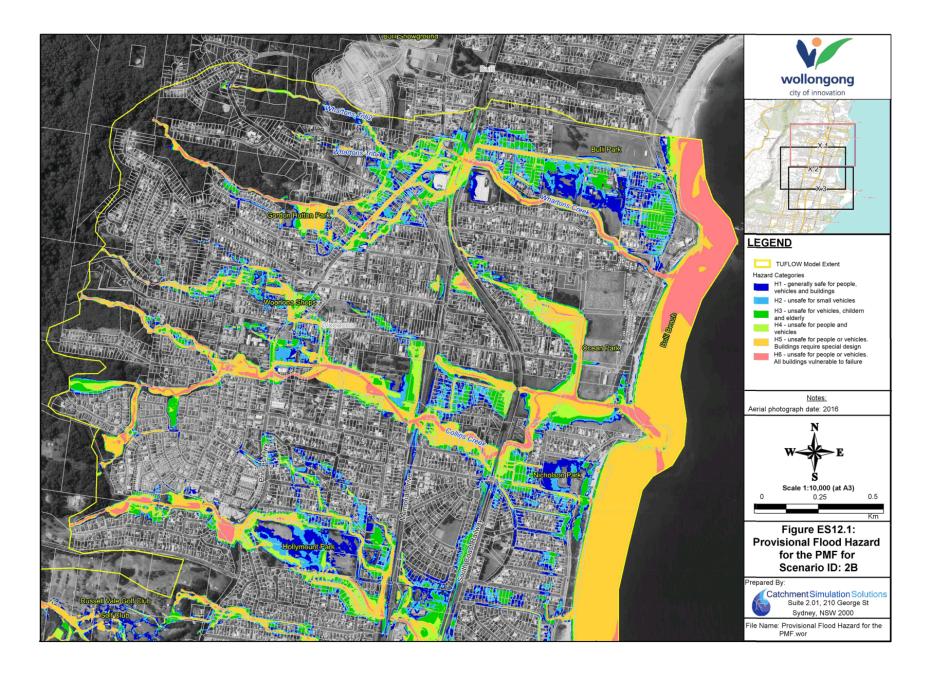




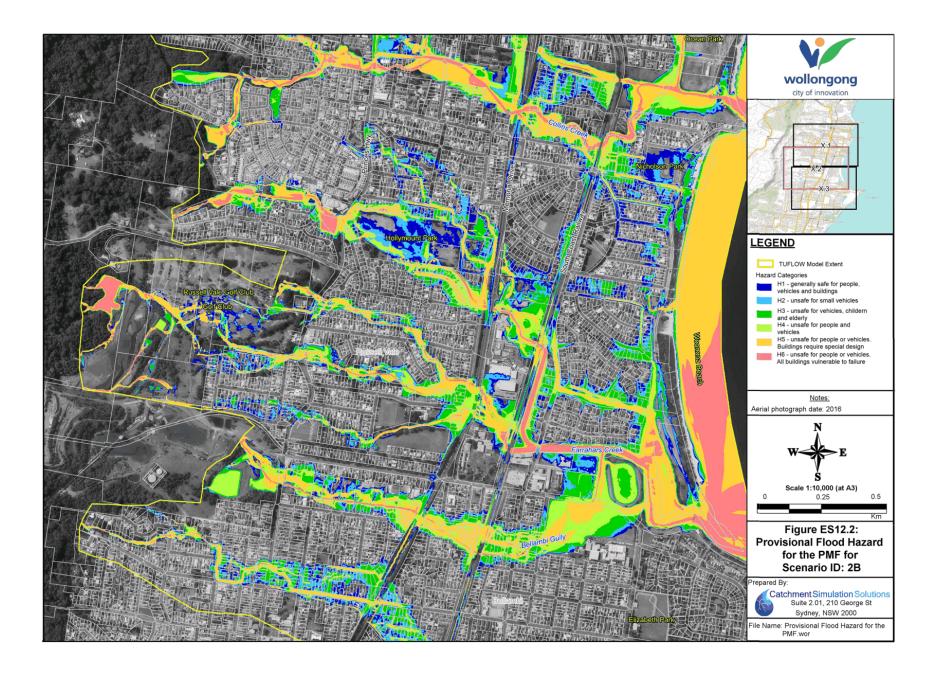


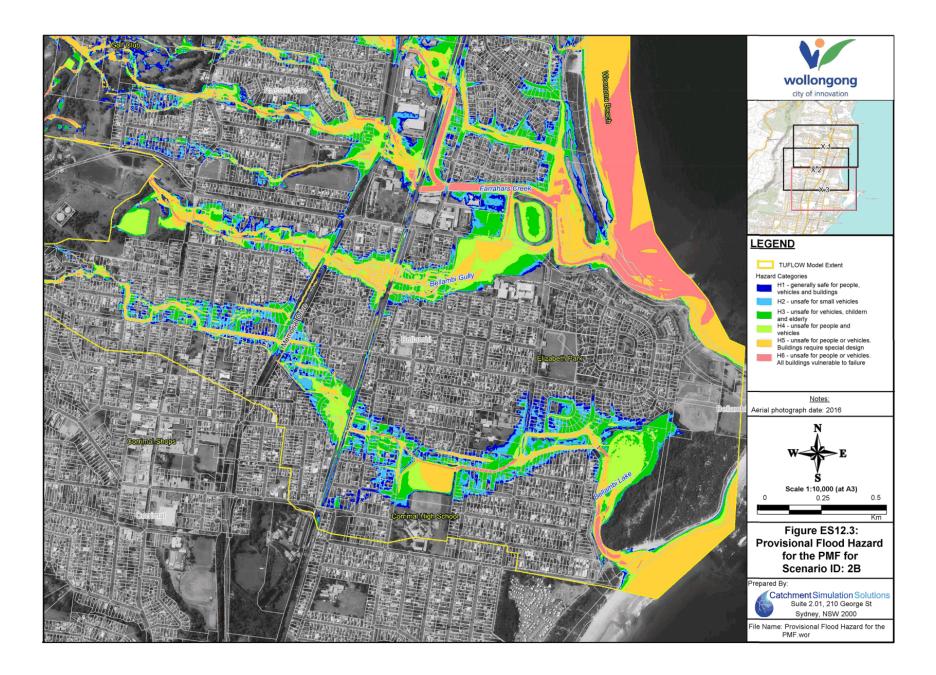












study 2019

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Item 7 - Attachment 2 - Community Engagement report - Collins Creek Flood

COLLINS CREEK FLOOD STUDY

ENGAGEMENT REPORT

AUGUST 2019 Z19/160135





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study 2019

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The information in this report is based on data collected from community members who chose to be involved in engagement activities and therefore should not be considered representative.

This report is intended to provide a high-level analysis of the most prominent themes and issues. While it's not possible to include all the details of feedback we received, feedback that was relevant to the project has been provided to technical experts for review and consideration.



Executive Summary

Council is responsible for planning and managing flood prone lands in our area and has updated the Collins Creek Flood Study as part of this commitment. The community contributed valuable information at the start of the study, with Council receiving more than 500 submissions about the flooding and drainage problems they've experienced on their properties. A report on the draft Flood Study was prepared with information on how it was updated and what the results are. The updated Study explains the ways flooding happens in the Collins Creek catchment. It uses Council's revised Blockage Policy, which was updated in 2016. It also uses improved information, such as recent data from land and waterway surveying. We've considered development that has occurred since the previous Flood Study (2011), an extended network of stormwater pits and pipes and used more detailed modelling techniques. We've also extended the mapping to capture additional flood-prone areas that were not previously mapped.

Council's engagement team worked collaboratively with a technical consultant to share the updated Study with the community and key stakeholders. During the public exhibition period, 17 June to 19 July 2019, Council sent letters to more than 5,300 residents and property owners in the catchment area (Appendix A) inviting them to learn more about the review. Emails with this information were sent to community, education, Register of Interest (flood), business, government and emergency services' stakeholders. The information was also available at Council's Customer Service Centre. Copies of the draft report (Appendix E), a Frequently Asked Questions sheet (Appendix B) and Feedback Form (Appendix C) were made available at Corrimal Library, as well as information sessions at Bulli Senior Citizens Centre on 22 June 2019 and Bulli Surf Lifesaving Club on 25 June 2019. They were also included on the project webpage (Appendix D). Notices of the exhibition were published in the Advertiser on 19 and 26 June 2019. A media release was distributed on 19 June 2019. The community were invited to provide feedback via Council's website, Customer Service Centre and at the community information sessions.

There were 30 submissions. Some comments were provided at the drop-in information sessions which were attended by a total of 94 community members. A suggestion was made about how to make flood modelling easier to understand. A concern was raised that the Study does not extend into the Wollongong Coal Russell Vale mine site and that it should also address water quality, not just quantity. A request was made to correct the way a creek was displayed on the aerial map, as there was a concern this would impact property values.

Other comments related to the perceived causes of flooding, how flooding impacts people's own property, creek maintenance and suggestions for flood mitigation options. Some were unaware of flood mitigation work that has happened, is in progress or planned for the catchment. Concerns were expressed that development has, or may in future, increase flood impacts on people's properties. The potential impact of the Flood Study on insurance premiums, property values and the development potential of privately-owned land was raised. It was commented that development should not be allowed on flood-prone land and



that landowners should bear the responsibility of managing flood risk on their land. Interest was expressed by a property owner in participating in the Voluntary Purchase Scheme.



Background

Wollongong City Council is committed to finding solutions to reduce the social and economic damages of flooding. In 2016, new national guidelines (Australian Rainfall and Runoff 2016) were released to better inform flood modelling, with a focus on estimating flood behaviour. Council also updated its Blockage Policy, and the combination of the updated policy and guidelines saw Council resolve to review and update its flood studies. The Collins Creek Flood Study is one of 10 studies to undergo review. This catchment is located in Woonona, Russell Vale, Bellambi and Corrimal.

The Collins Creek Catchment Flood Study and Floodplain Risk Management Study and Plan were completed by Council in 2011 and 2014 respectively. These studies identified the risk within the Collins Creek catchment and the steps that can be taken to manage this risk now and into the future.

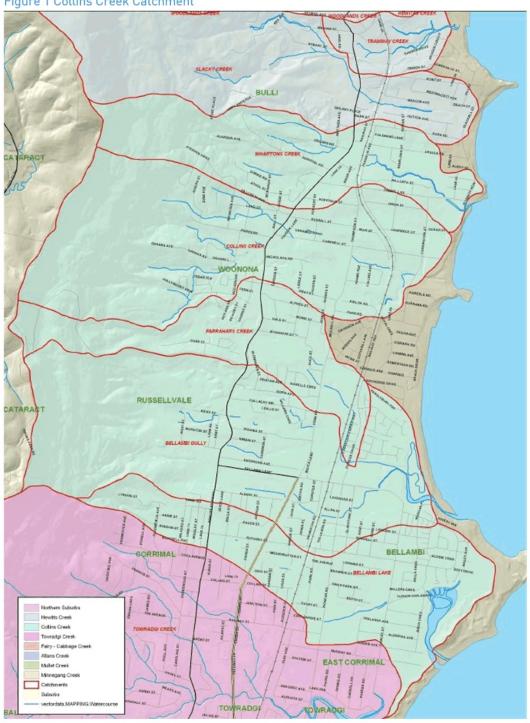
Since these studies, Council has explored several flood mitigation measures, and new developments have seen the catchment's land use change. As part of this review, the study area was extended to capture 2 sub-catchments not included in the previous study. The combination of these factors along with Council's updated Blockage Policy and consideration of an extended stormwater network meant there was a possibility there could be changes to the extent and behaviour of flooding. Council is completing a review of the 2011 study to ensure it is based on the latest available knowledge and information.

Community engagement to gather reports on residents' flooding and drainage problems in recent years was conducted in October - December 2017, which included some collection of historic flood data in the catchment. The community submitted feedback by completing a questionnaire. The collected data was used to update the computer models used to simulate the flooding in the catchment, and to update flood maps which provide a visual illustration of the flood risk in the catchment.

At the Northern Floodplain Risk Management Committee meeting on 28 May 2019, the public exhibition of the draft Collins Creek Flood Study was unanimously supported. The outcomes of the exhibition and resulting amendments to the Study will be reported to the Northern Floodplain Risk Management Committee and Council in view of adopting it in 2019.

study 2019

Figure 1 Collins Creek Catchment





Item 7 - Attachment 2 - Community Engagement report - Collins Creek Flood study 2019

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Methods

Our Stakeholders



Our Methods

Table 1: Details of Communication and Engagement Methods

Methods	Details of Methods
Communication Methods	
Presentation	Information about the proposal was presented at the Floodplain Risk Management Committee (Northern) meeting on 28 May 2019
The Advertiser	Details of the public exhibition, information sessions and Engagement HQ webpage were included in Council's Community Update pages on 19 & 26 June
Media release	A media release was made available for media outlets
Email to key stakeholders	An email and FAQ were sent to key stakeholders identified through an analysis process
Register of Interest	An email was sent to all participants with registered interest in 'Flood'
Info packs	Frequently asked question sheets and hardcopy feedback forms were made available at Corrimal Library and Customer Service. Hardcopies of the draft report were also made available at Corrimal Library.
Letter	A letter about the public exhibition, information sessions and how to submit feedback (via phone, email, in person or post) was mailed to local residents and property owners
Frequently Asked Questions	Responses to questions about updates to the Study and floodplain risk management were distributed with the letter and emails, published on the project webpage and distributed at the information sessions.



Item 7 - Attachment 2 - Community Engagement report - Collins Creek Flood study 2019

Methods	Details of Methods	
Communication Methods (continued)		
Video	The Flooding in Wollongong video was used on the Engagement HQ webpage and a flood modelling video was screened at information sessions and on the Engagement HQ webpage	
Engagement Methods		
Engagement HQ Website Feedback Form	 An online survey tool was used to capture participant's feedback. The page also hosted background info and supporting documents. Frequently Asked Questions with information on the Study and flood risk management News Feed for updates on project progress Document Library with the Report Flood modelling video Flooding in Wollongong video A hard copy feedback form was made available at libraries and engagement activities. 	
Community Information Sessions	Two drop-in sessions were held to provide the community with information on the work undertaken to date and findings of the Report. The Report, flood modelling maps, flood modelling video and images of flood mitigation work taking place in the catchment were displayed along with the FAQ and feedback forms. Floodplain management engineers working on the Study were on hand to answer questions.	

Results

All stakeholders and the wider community were invited to provide feedback on the draft Study. This section provides details on the participation at engagement activities (Table 2), and the feedback received during the exhibition period.

Engagement Participation

Details of the number of participants for each engagement activity are presented in Table 2.

Table 2: Engagement participation results

Engagement Activities	Participation
Northern Floodplain Risk Management Committee Meeting	10
Drop-in Community Information Session at Bulli Senior Citizens Centre	55
Drop-in Community Information Session at Bulli Surf Lifesaving Club	39
 Online Participation Aware – Total number of users who viewed the project page Informed – Total number of users who clicked a hyperlink, e.g. to download a document Engaged – Total number of users who actively contributed to the project, e.g. submitted feedback via the online form 	148 96 3

Submission Results

There were a total of 30 submissions; 9 emails (including 1 group submission from an Owners Corporation committee), 3 online forms and 15 hardcopy forms. Three late submissions were accepted. Discussions from drop-in sessions are also presented in this section.

Feedback relating to the flood study included a suggestion for how to make flood modelling easier to understand. A concern was raised that the Study does not extend into the Wollongong Coal mine site in Russell Vale and that it should also address water quality, not just quantity. There was a concern that the way Collins Creek was displayed on the aerial map would impact property values.

The whole of the Russell Vale mine site should be included in the Study... The Russell Vale mine, Russell Vale slag heap and the Russell Vale Golf Course are large polluting areas that require special attention, or the consequences will be similar to the problems caused in the 1998 floods.

Understanding modelling will be easier with select examples e.g 15 min rainfall of half a metre is modelled 1%AEP

> The aerial study or satellite survey shows the Collins Creek above my property and all our neighbourhood properties. Affects property values and needs to be corrected.

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Other feedback themes were:

Perceived causes of flooding

A range of reasons for what people perceived to be the cause of flooding was presented.

Item 7 - Attachment 2 - Community Engagement report - Collins Creek Flood

At some stage, the course of the creek which comes down the escarpment was altered which seems now to affect this address

Inadequate culvert design at the rear of my property is causing flood issues at my property

Floodwater can't escape through the blocked culvert in Franklin Ave. The supermarket car park sends water down Ursula Rd, through Bulli High and residents' homes.

The creek can't drain properly because it is choked with weeds and rubbish

Flooding impacts own property

Examples were shared about how flooding directly impacts resident's own property. There was a focus on what could be done to reduce the impacts.

Could you please send me some flood mitigation information for my actual house?

I am interested in knowing what has been done or is planned to be done regarding the inundation during an extremely heavy and consistent deluge affecting my property. Hopefully you have plans to rectify this problem. for the future

Flood mitigation options

A range of potention options for mitigating flood impacts on people's own properties and those adjoining was suggested.

Upgrading the drainage in our street would go a long way in giving peace of mind for the future A detention capability upstream of High Street would be useful to limit impacts on our and adjacent properties

Flood mitigation work in the catchment

Some were unaware of what flood mitigation work has been done, is in progress or was planned for the catchment.

Is there ever to be any attention paid to prevention of the next over-due flooding of Ursula Road to Trinity Row?

I've complained about water coming onto my property in Russell St Woonona from Hopetoun St for 40 years and nothing has been done

Creek maintenance

Requests were made for creek maintenance on private land, Council land or where the landowner was not identified.

Please continue removing creek line exotic species restricting flows such as coral trees and planting with suitable native species.

The privately-owned creek/drainage channel behind my property is full of reeds, plants and rubbish. Can Council help in requiring landowners to clean it up?

The creek at the back of my property needs cleaning. Big trees & noxious weed.

Council used to clean the creeks out with a bulldozer once a year. It started flooding when they stopped. If we go back to something as simple as this, it could fix all our problems.

Development

Concerns were expressed about that development has, or may in future, increase flood impacts on people's properties. There was a concern that the study would impact the development potential of privately-owned land.

The creek flows through land that was sold to developers. Residents don't know what's happening. They sprayed poison on weeds last year, but nothing done since.

The Edgewood Estate development has increased flooding on my property.

Council's report has sterilised our lot from being able to build a dual occupancy to help fund our retirement.

Responsibility for managing flood risk

It was commented that development shouldn't be allowed on flood-prone land. It was also suggested that landowners who take the risk of buying or building property on flood-prone land should bear the responsibility for managing flood impacts on their properties.

Historical records show this land was always marked as [flood prone]. People think they can outsmart mother nature, but regardless of what you do, mother nature will wear it down. Build on land that doesn't require extensive works!

People should've done their research before buying flood-prone properties. Council shouldn't have permitted building on these sites but despite this, it's the responsibility of the homeowners and whoever sold them the property.

Insurance premiums

Concerns were raised about the impact of the flood study on home insurance premiums.

Z19/160135 Collins Creek Flood Study – Community Engagement Report

Figure 2: Community information session at Bulli Surf Lifesaving Club 25 June 2019





Appendix A: Stakeholder Letter



WOLLONGONG CITY COUNCIL

Address 41 Burelli Street Wollongong • Post Locked Bag 8821 Wollongong DC NSW 2500

Phone [02] 4227 7111 • Fax [02] 4227 7277 • Email council@wollongong.nsw.gov.au

Web www.wollongong.nsw.gov.au • ABN 83 339 525 429 - 651 flagpalamed

«PAFBSP»

«Owner» «StreetNoandAddress» «SuburbStatePostcode»

Our Ref File Date Z19/126739 CCE-040.010.01.296 17 June 2019

Dear Sir/Madam

COLLINS CREEK FLOOD STUDY PUBLIC EXHIBITION

I'm writing to provide you with an update on the Collins Creek Flood Study. The community contributed valuable information to the study, with Council receiving hundreds of submissions about the flooding and drainage problems they've experienced on their properties. There is now a draft report of the Flood Study with information on how it was done and what the results are.

The updated Study explains the ways flooding happens in the Collins Creek catchment, located in Woonona, Russell Vale, Bellambi and Corrimal. Enclosed is a Frequently Asked Questions (FAQ) sheet that provides more information about the Study and how we manage flood risk.

We'll be sharing the report with the community during the public exhibition from 17 June to 19 July 2019. Come along to one of our drop-in community information sessions where the floodplain engineers working on the Study will be able to answer your questions. These are drop-in sessions, so you can come in at any time.

Weekend Session Saturday 22 June 2019, drop in anytime between 9:30am - 11am

Bulli Senior Citizens Centre, 8 Hospital Rd, Bulli

Mid-week Session Tuesday 25 June 2019, drop in anytime between 4pm – 5:30pm

Bulli Surf Lifesaving Club, 1 Trinity Row, Bulli

If you'd like to attend and have accessibility or mobility requirements, or need an interpreter, please contact me to let me know how we can support your attendance. If you'd like to learn more but are unable to attend a session, information and a form to provide feedback online will be available on our website www.wollongong.nsw.gov.au until Friday 19 July 2019. The report will also be available to view at Corrimal Library, with copies of the FAQ, feedback forms and reply-paid envelopes available for people to take.

Following our conversations with the community, the Collins Creek Flood Study will go to Council for adoption. After that, we can start working on a Floodplain Risk Management Study that looks at what the risks and damages from floods might be, and what we could do to mitigate (reduce) those risks. We'll again be inviting the community to contribute to that process when the time comes.

Please contact me should you require further information.

This letter is authorised by

Jen Lysle-van Dyk Engagement Officer Wollongong City Council Telephone (02) 4227 7111

Appendix B: Frequently Asked Questions



As part of our commitment to managing flood and stormwater risks in our region, we've updated the Collins Creek Flood Study and are letting the community know what's changed.

Let us know your thoughts before Friday 19 July 2019

Why is the Flood Study being reviewed and what's changed?

From time to time, flood models are reviewed and predicted levels may change. For the Collins Creek Flood Study, we've considered Council's revised Blockage Policy. We have improved information, such as recent data from land and waterway surveying. We've considered an extended network of pits and pipes and used more detailed modelling techniques. We've also extended the mapping to capture additional flood-prone areas that were not previously mapped.

We've found that Council's revised blockage policy typically provides lower flood levels upstream of key culverts. The consideration of pits and pipes also resulted in some areas where there was shallow flooding before to no longer be flood affected, as the model recognises that the pits and pipes will carry some of the floodwaters. There are a few new areas that have been captured by the flood mapping, as the model was extended to include additional areas of the catchment. Generally, 60%, of the areas that were identified as flood prone by the last flood studies haven't had a change in flood levels, 25% of the area had reduction in flood levels and about 15% had an increase in flood levels (that includes the newly mapped areas). On the difference maps presented in the report, the areas with reduction are shown in bluish colours and the area of increase are shown with warm colours (yellow, orange).

What about historical floods?

At the start of the Collins Creek Flood study review, we sent out more than 6,000 brochures and questionnaires asking the community about the floods they have experienced in the past. We received over 500 responses. Many people reported having experienced a flood in the past and specifically in August 1998. Those residents that have reported flooding are captured by the flood extend of our flood maps which gives us additional confidence in our results. The 1998 flood in this area was not as big as a 1% Annual Exceedance Probability (AEP) flood, which would explain why some areas are within the mapped flood extent while residents haven't been impacted by a flood to date. A 1% AEP flood means there is a 1% chance of a flood of this size or larger occurring at a particular location in any given year.

What happens next?

After we've completed the flood study, we'll review the Floodplain Risk Management Study to look at what the risks/damages from floods might be and what we could do to mitigate (reduce) those risks. Next, we'll review the Floodplain Risk Management Plan, to give us a prioritised plan of flood mitigation measures proposed for the catchment. Then we'll roll out the Plan! Every 5-10 years, we go back to the beginning of this process and start with a review of the flood study to consider new survey data, policy changes, recent major flood events and changes in the catchment such as flood mitigation works or new development.

www.wollongong.nsw.gov.au

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What flood mitigation work is Council doing in this catchment?

We've purchased the two houses that were identified in the Collins Creek Floodplain Risk Management Study and Plan for Voluntary Purchase.

We're progressing the detailed design of structures that help stop debris from blocking drains at Gordon Hutton Park (Woonona) and Albert St (next to Memorial Drive, Bellambil, with construction expected in the next 2 years.

We've progressed the design of a swale in West St (Russell Vale) and are in the process of negotiating access with the owner of the land so that the swale can be constructed

The Ursula Road Flood Mitigation Scheme in Bulli is progressing well. Investigations have shown that increasing the culverts under Franklin Avenue and/or installing a deflection levee on the northern bank of Whartons Creek would reduce flooding to properties located in this area. We're now assessing other drainage options downstream of this area.

We're progressing flood mitigation investigations in Bellambi around Gladstone Street. We'll soon go out and talk with the community in this area about this project.

How does Council manage flood risk?

Each year, Council spends millions of dollars on stormwater and floodplain management. Our team of flood experts prepare flood studies and floodplain risk management studies that help us understand the flood behaviour for a particular catchment and see if there are any ways of reducing flooding risk in an area.

Floodplain risk management studies include a plan of potential solutions aimed at reducing the existing and

future flood risk. Examples of these solutions include:

- · Emergency response plans based on detailed understanding of flood behaviour
- · Building new structures that collect and carry stormwater into drains or creeks, such as detention basins and swales, or improving existing ones to better manage stormwater and floods
- Land zoning that says what can and can't be built on flood-prone land
- Voluntary purchase of houses built in high flood risk areas

How do you predict flood levels?

There's a chance that floods of any size will occur in future. As the size of a flood increases, the chances of it occurring becomes smaller. Some rare types of floods may not have occurred for over 100 years, so we have to predict the height of future floods using computer models. These models produce different flood levels and velocities (speeds) for a variety of different-sized floods. To predict flood levels, Council works with experts to establish and operate the computer models. Council also gets valuable community input on historical floods so we can adjust the model and make sure it copies what's happened in the past.

What is a catchment?

An area where water is collected by the natural landscape, usually surrounded by mountains or hills. In a catchment, rainwater run-off eventually flows to a creek, river, dam, lake or ocean.

How will my feedback be used?

At the conclusion of the engagement period, all feedback is read and considered. A report will be produced and provided to Councillors, and they will consider whether to adopt the Flood Study.

Join the conversation

Write Locked Bag 8821, Wollongong DC 2500 Email engagement@wollongong.nsw.gov.au

Phone [02] 4227 7111

Visit www.wollongong.nsw.gov.au

Drop-in Information Sessions:

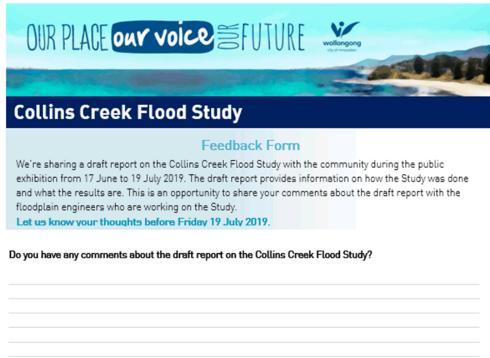
- > Bulli Senior Citizens Centre, Sat 22 June 9:30-11am
- ➤ Bulli Surf Club, Tuesday 25 June 4 5:30pm



Item 7 - Attachment 2 - Community Engagement report - Collins Creek Flood study 2019

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Appendix C: Feedback Form



More overleaf....

Please return completed form to:

Email engagement@wollongong.nsw.gov.au Post Lock In person 41 Burelli Street Wollongong

Post Locked Bag 8821, Wollongong DC 2500

www.wollongong.nsw.gov.au



If there is insufficient man for your comme	ants, please attach any additional sheets to this feedback form.
in there is insufficient room for your comme	inis, please attach any additional sneets to this readback form.
If you would like a reply to your submiss	sion and to be kept informed of progress, please fill in the section below.
Name:	
Address:	
Suburb:	Email:

Privacy Notification:

The purpose for seeking your submission on advertised matters is to better assist Council in its decision making processes. The intended recipients of your submission are officers within Council and those granted lawful access to the information. Your submission may be exhibited on Council's website and included in publicly accessible registers. If you make an anonymous submission, Council will be unable to contact you further. If your submission relates to a development proposal or other relevant planning application, Council is required to disclose on its website all relevant details of political donations or gifts made by you, including your name and address. In limited circumstances, you may apply for suppression of your personal information from a publicly accessible register. Further information is available on Council's website at www.wollongong.nsw.gov.au/pages/privacy.aspx or by phoning Council on [02] 4227 7111

www.wollongong.nsw.gov.au

study 2019

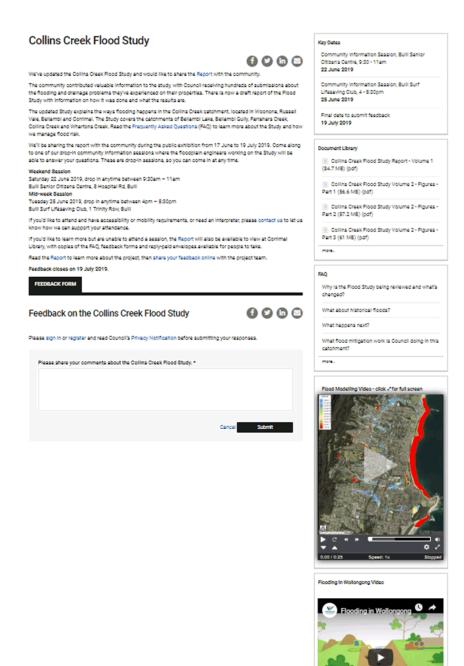
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23 September 2019

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Appendix D: Webpage



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Learn more about Floodplain Management in

Wollangong

study 2019

Appendix E: Flood Study Report

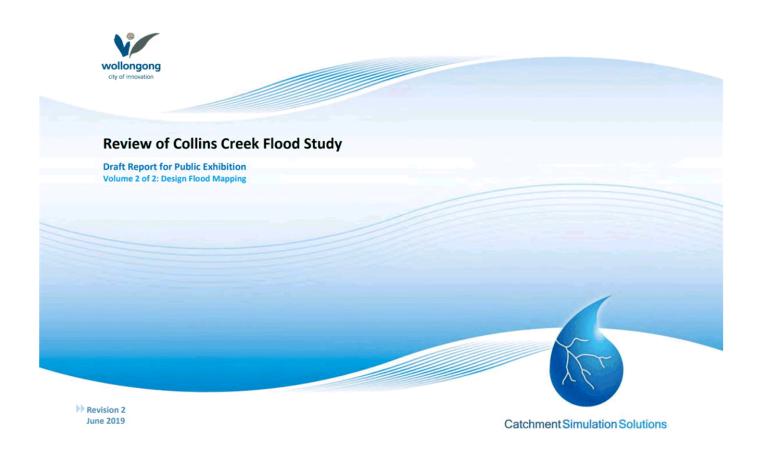


Review of Collins Creek Flood Study

Draft Report for Public Exhibition Volume 1 of 2: Report & Appendices









Collins Creek Flood study 2019

Comments from the submissions and at drop in sessions related to -

Key themes	Council's response
Perceived causes of flooding	The draft flood study takes into consideration factors which may affect flooding such as the alignment and capacity of the existing drainage system (much of which is verified by detailed survey) and the level of vegetation within the waterways. The study also shows that development that has occurred since the 2011 flood study produce changes in flood behaviour that are typically very localised (mostly contained within the developed area) and have a minimal impact on flood levels. The lack of sensitivity is considered to be associated with the flood and stormwater controls placed on developments by Council.
Flooding impacts on residents property	The purpose of a flood study is to describe flood behaviour. Options to reduce flooding on private property will be considered as part of the future review of the floodplain risk management study and plan.
Flood mitigation options	Potential flood mitigation options will be considered as part of the future review of the floodplain risk management study and plan. At that time, consultation will be undertaken with residents to get their thoughts on potential options.
Flood mitigation work in the catchment	Council has undertaken/is currently undertaking various flood mitigation projects in the catchment including the Ursula Road Flood Mitigation Scheme, West Street Flood Mitigation, Bellambi Gully Scheme, debris control structures and the voluntary purchase of severely flood affected properties. Council's website includes information on mitigation works in the catchment.
Requests for creek maintenance	Where maintenance was requested for sections of creek on Council property, they were forwarded to Council's maintenance crews for action. Where it was brought to Council's attention that maintenance was required on private land, residents were advised of their responsibilities in person or by letter.
Potential impacts from existing and future development	The study shows that development that has occurred since the 2011 flood study produce changes in flood behaviour that are typically very localised (mostly contained within the developed area) and have a minimal impact on flood levels. The lack of sensitivity is considered to be associated with the flood and stormwater controls placed on developments by Council. Similar controls would also be applied to future development.
Responsibility for managing flood risk	It was commented that development shouldn't be allowed on flood-prone land, or that the landowner should be responsible for managing their own flood risk. However, the NSW Government's Floodplain Development Manual



	provides a framework to ensure the sustainable use of floodplain environments and incorporates the NSW Flood Prone Policy. Under the Policy, the management of flood liable land remains the responsibility of Local Government. Council's policies are consistent with the framework.
Impact of the flood study on home insurance premiums	Fact sheets on insurance were provided to residents. People were advised that the standard definition of 'flood' for insurance purpose may or may not apply to their properties and that the standard definition does not include overland flows and that overland flows are typically covered as a standard inclusion in home insurance policies. Council doesn't have any say in what and how flood data is used for setting flood premiums. We recommend that homeowners contact their insurer about the flood premium for their property.



File: CST-100.05.032 Doc: IC19/232

ITEM 8

DRAFT PLANNING AGREEMENT: CALDERWOOD HEIGHTS PTY LTD - 347 CALDERWOOD ROAD, CALDERWOOD

Calderwood Heights Pty Ltd has requested that Council enter into a Planning Agreement for a development located within the Shellharbour City Council Local Government Area to facilitate road upgrades at Yallah Marshall Mount in the Wollongong City Council Local Government Area. The Planning Agreement is required to address development contributions payable to Wollongong City Council in accordance with the Calderwood Urban Development Project Major Project Approval MP09_0082.

The Draft Planning Agreement and Explanatory Note are provided as attachments to this report. It is recommended that Council exhibit these documents for community input.

RECOMMENDATION

- 1 The Draft Planning Agreement and Explanatory Note between Wollongong City Council and Calderwood Heights Pty Ltd (Attachments 2 and 3) be exhibited for a minimum period of 28 days.
- 2 Shellharbour City Council be advised that Wollongong City Council and Calderwood Heights Pty Ltd are proposing to enter into a Planning Agreement for the provision of monetary contributions towards Wollongong City Council road upgrades as required by the Calderwood Major Project Approval, and should it determine that DA0290/2018 or any other development application for the subject land be approved, appropriate conditions of consent be included.
- 3 The General Manager be delegated authority to determine, finalise and execute the Planning Agreement, including making minor amendments, after consideration of any issues raised in the public exhibition.

REPORT AUTHORISATIONS

Report of: David Green, Manager City Strategy (Acting)

Authorised by: Chris Stewart, Director Planning and Environment - Future City and Neighbourhoods

(Acting)

ATTACHMENTS

- 1 Site Context Plan
- 2 Draft Planning Agreement
- 3 Explanatory Note

BACKGROUND

Calderwood Urban Development Project - Major Project Approval

On 8 December 2010, the Minister for Planning approved the Calderwood Urban Development Project Concept Plan for the development of approximately 4,800 dwellings, 50 hectares of mixed use land, open space and land for environmental protection (Major Project No.09_0082). The Calderwood release area includes land in both the Shellharbour (593 hectares) and Wollongong Local Government Areas (107 hectares).

Condition C12 of the Concept Plan Approval includes general requirements for local infrastructure contributions and Statement of Commitment #5 states that "the proponent will enter into a Planning Agreement with the relevant Council... if agreed by the Council". This means that Council needs to enter into a Planning Agreement (or adopt a contributions plan) in order to collect contributions from this development.

Wollongong City Council Contributions

On 23 September 2013, the Stage 1 Project Application was approved by the Land and Environment Court, and in the absence of an adopted Contributions Plan or executed Planning Agreement, a condition was imposed requiring the payment of contributions toward Wollongong City Council road upgrades at the rate of \$1,320 per dwelling.

On 15 September 2014, Shellharbour City Council entered into a Planning Agreement with Lend Lease for contributions payable to Shellharbour City Council. This Planning Agreement does not cover contributions payable to Wollongong City Council.

On 31 July 2017, Council endorsed a draft cross boundary Calderwood Section 94 Plan and made a request to the Secretary of the Department of Planning and Environment to assist with its finalisation. The draft Section 94 Plan proposed a local contribution rate of \$6,996 per lot / dwelling towards road upgrades in the Wollongong Local Government Area. This Plan was not adopted by Council.

On 13 December 2017, Council entered into a Planning Agreement with Lend Lease where contributions of \$4,400 per dwelling are payable for the first 4,800 dwellings, and then \$1,000 for the next 1,200 dwellings, with the contributions being allocated to road upgrades at Yallah Marshall Mount.

The above Planning Agreements are between the relevant Council and Lend Lease. However, there are a number of land holdings within the Calderwood release area that are not owned or controlled by Lend Lease. These are referred to as 'non-core lands'.

There are currently three known 'non-core' sites subject to development proposals, including 347 Calderwood Drive, Calderwood, the subject of this report. This site is identified in the site context plan at Attachment 1.

On 6 May 2019, Council considered two similar reports proposing the exhibition of draft Planning Agreements at two other non-core sites at 81 Escarpment Drive, Calderwood and 128 North Macquarie Rd, Calderwood. Council resolved to exhibit both draft Planning Agreements. Both draft Planning Agreements have now been exhibited, finalised and executed.

Shellharbour City Council DA0290/2018

A Development Application (DA0290/2018) has been lodged with Shellharbour City Council for a 455 lot residential subdivision on Lot 1 DP 608238, 347 Calderwood Drive, Calderwood. The site falls within the Calderwood release area and the provisions of the Major Project Approval apply and contributions are required toward roads in the Wollongong local government area.

Council has provided referral advice to Shellharbour City Council requesting that adequate local contribution arrangements are in place prior to the determination of this, or any other, application on the subject land. The appropriate mechanism to facilitate this is a Planning Agreement.

PROPOSAL

A Planning Agreement is a voluntary arrangement between a developer and Council under which the developer is required to dedicate land, pay a monetary contribution or provide any other material public benefit, or a combination of these, to be used for or applied towards the provision of public infrastructure or another public purpose.

In this instance, the developer has proposed to provide a monetary contribution toward road upgrades in the Wollongong City Council Local Government Area.

On 17 October 2018, the applicant provided a Letter of Offer to enter into a Planning Agreement under Section 7.4 of the Environmental Planning and Assessment Act 1979 in connection with Shellharbour City Council DA0290/2018. The offer was based on the provisions of the existing Council and Lend Lease Planning Agreement, being a monetary contribution of \$4,400 per dwelling.

It has been agreed that the total contribution payable under the Planning Agreement will be \$2,186,798.25 (subject to indexation from September 2017 until date of payment). This has been calculated based on an anticipated dwelling yield of 497 at the rate of \$4,400 per dwelling. The



contribution will be payable on a per lot basis prior to the issue of a Subdivision Certificate for each phase in the development, at a rate of \$4,806.15 per lot (\$4,806.15 x 455 lots = \$2,186,798.25).

Council officers considered this proposal reasonable as it would secure the same contributions as would be provided under the existing Planning Agreement with Lend Lease, and overall it is considered that the Planning Agreement will result in a positive outcome for the developer, Council and the community.

CONSULTATION AND COMMUNICATION

Internal:

Development Contributions Coordination Group.

External:

If Council endorses the recommendations of this report the draft Planning Agreement (Attachment 2) and Explanatory Note (Attachment 3) will be exhibited for community input for a minimum period of 28 days.

PLANNING AND POLICY IMPACT

The draft Planning Agreement has been negotiated and prepared in accordance with Council's Planning Agreements Policy (2018), Sections 7.4 to 7.10 of the *Environmental Planning and Assessment Act* 1979 and Clauses 25B – 25E of the *Environmental Planning and Assessment Regulation 2000*.

This report contributes to the delivery of Our Wollongong 2028 goal "We have affordable and accessible transport".

It specifically delivers on core business activities as detailed in the Land Use Planning and Transport Services Annual Service Plans 2019-20.

RISK ASSESSMENT

The proposed Planning Agreement provides a formal instrument to manage and mitigate any risks associated with the development of land within the Shellharbour City Council Local Government Area for which contributions are payable to Wollongong City Council.

Should the Planning Agreement not proceed, the risk exists that the developer will obtain an approval for subdivision development of land without a mechanism for contributions to be paid to Council.

FINANCIAL IMPLICATIONS

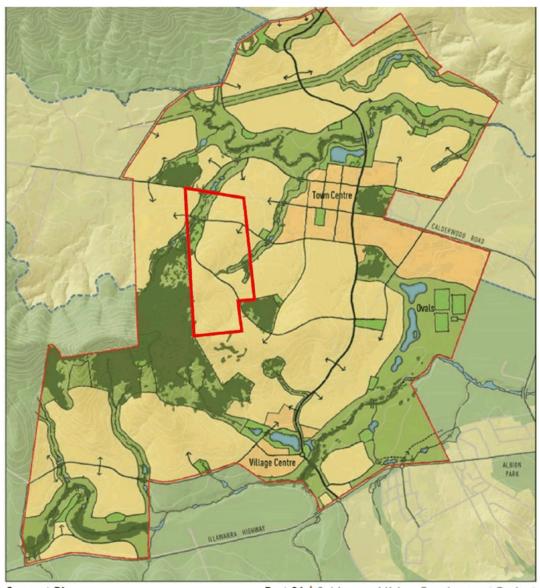
The Planning Agreement will enable monetary contributions to be paid to Wollongong City Council prior to the issue of a Subdivision Certificate by Shellharbour City Council. The funds collected will be held in a restricted account and allocated toward road upgrades in the Yallah Marshall Mount area.

CONCLUSION

Calderwood Heights Pty Ltd has requested that Council enter into a Planning Agreement for the provision of monetary contributions toward road upgrades in the Wollongong City Council Local Government Area. The Planning Agreement is required to address development contributions payable to Wollongong City Council in accordance with the Major Project Approval in association with a development application currently under assessment at Shellharbour City Council.

It is recommended that Council endorse the Draft Planning Agreement for exhibition to enable community input. If there are no significant issues raised during the exhibition period, it is proposed that delegation be issued to the General Manager to determine, finalise and execute the Planning Agreement, including making minor changes.





Concept Plan

Part 3A | Calderwood Urban Development Project



Wollongong City Council

and

Calderwood Heights Pty Ltd



WOLLONGONG CITY COUNCIL
41 Burelli Street, Wollongong NSW 2500
Locked Bag 8821, Wollongong DC NSW 2500

Tel: 02 4227 7111 Fax: 02 4227 7277

Web: www.wollongong.nsw.gov.au
ABN: 63 139 525 939 – GST Registered





DATE

PARTIES WOLLONGONG CITY COUNCIL (ABN 63 139 525 939) of 41 Burelli

Street, Wollongong in the State of New South Wales (Council)

CALDERWOOD HEIGHTS PTY LTD (ABN: 58 623 438 844) of Suite 4005-4006, Level 40, One International Towers, 100 Barangaroo

Avenue, Barangaroo NSW 2000 (Developer)

BACKGROUND

1 The Developer intends to carry out the Development.

- 2 The Land is situated in proximity to the local government area of Council.
- 3 The Developer has made a Development Application with Shellharbour City Council.
- 4 The Developer has offered to provide the Monetary Contributions if the Development is undertaken.

OPERATIVE PROVISIONS

1 DEFINITIONS

The following definitions apply unless the context otherwise requires:

Act means the Environmental Planning and Assessment Act 1979 (NSW).

Assign as the context requires refers to any assignment, sale, transfer,

disposition, declaration of trust over or other assignment of a legal

and/or beneficial interest.

Business Day means any day that is not a Saturday, Sunday, gazetted public holiday

or bank holiday in Sydney, and concludes at 5pm on that day.

Claim against any person any allegation, action, demand, cause of action, suit,

proceeding, judgement, debt, damage, loss, cost, expense or liability howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

Complete, Completed,

Completion

means completed in accordance with the requirements of this document.

Council means Wollongong City Council.

Developer means Calderwood Heights Pty Ltd.

Development means the subdivision of the Land into approximately 455 Lots.

Development

Application

has the same meaning as in the Act.

Development Consent Has the same meaning as in the Act.

GST Law means A New Tax System (Goods and Services Tax) Act 1999

(Commonwealth) and any other Act or regulation relating to the





imposition or administration of the goods and services tax.

Land means the whole of the land contained in Lot 1 DP 608238 as shown at

Appendix A.

Law means all legislation, regulations, by-laws, common law and other

binding order made by any Authority.

Lot means a lot in the Development created on the registration of a plan of

subdivision as part of the Development where the construction of one (1)

or more residential dwellings is permissible.

Mediation Rules means the rules for Mediation as published by the Resolution Institute

and updated from time to time

Monetary Contributions means the monetary contributions set out in Clause 6 and Schedule 2.

Planning Legislation means the Act, the Local Government Act 1993 (NSW) and the Roads

Act 1993 (NSW).

Subdivision Certificate means a subdivision certificate as defined in section 6.4(d) of the Act.

2 INTERPRETATION

The following rules of interpretation apply unless the context requires otherwise:

clauses, annexures

and schedules

a clause, annexure or schedule is a reference to a clause in, or annexure

or schedule to, this document.

reference to statutes a statute, ordinance, code or other law includes regulations and other

instruments under it and consolidations, amendments, re-enactments or

replacements of any of them.

singular includes

plural

the singular includes the plural and vice versa.

person the word 'person' includes an individual, a firm, a body corporate, a

partnership, joint venture, an unincorporated body or association or any

government agency.

executors, administrators, successors

a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by

novation) and assigns.

dollars Australian dollars, dollars, \$ or A\$ is a reference to the lawful currency of

Australia.

calculation of time if a period of time dates from a given day or the day of an act or event, it is

to be calculated exclusive of that day.

reference to a day a day is to be interpreted as the period of time commencing at midnight

and ending 24 hours later.

reference to a group

of persons

a group of persons or things is a reference to any two or more of them

jointly and to each of them individually.





meaning not limited the words 'include', 'including', 'for example' or 'such as' are not used as,

nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the

example relates to that example or examples of a similar kind.

next day if an act under this document to be done by a party on or by a given day is

done after 4.30pm on that day, it is taken to be done on the next day.

next Business Day if an event must occur on a stipulated day which is not a Business Day

then the stipulated day will be taken to be the next Business Day.

Business Day means any day that is not a Saturday, Sunday, gazetted public holiday or

bank holiday in Sydney, and concludes at 5pm on that day.

time of day time is a reference to Sydney time.

headings headings (including those in brackets at the beginning of paragraphs) are

for convenience only and do not affect the interpretation of this document.

agreement a reference to any agreement, Agreement or instrument includes the

same as varied, supplemented, novated or replaced from time to time.

3 OPERATION OF AGREEMENT

3.1 Planning agreement

This document is a planning agreement:

- Within the meaning set out in section 7.4 of the Act; and
- ii Governed by Subdivision 2 of Division 7.1 of Part 7 of the Act.

3.2 Application

This document applies to both the Land and the Development.

3.3 Operation of document

- i Subject to paragraph (ii), this document operates from the date it is executed by both parties.
- ii Clause 6 of this Agreement will only operate if and when Development Consent is granted to the Development.

4 APPLICATION OF SECTION 7.11, SECTION 7.12 AND SECTION 7.24

4.1 Application

- a. This document excludes the application by Council of section 7.11, section 7.12 and section 7.24 of the Act to the Development.
- b. Despite Clause 4.1(a) nothing in this document excludes the application by another consent authority, the Minister, or an accredited certifier, of sections 7.11, 7.12 and 7.24 of the Act to the Development

4.2 Consideration of benefits

Section 7.11(6) of the Act does not apply to the Monetary Contributions that are to be provided pursuant to this document.

5 REGISTRATION OF THIS DOCUMENT

5.1 Registration

This document must be registered on the title of the Land pursuant to section 7.6 of the Act.





5.2 Obligations of the Developer

The Developer must:

- i do all things necessary to facilitate the registration of this document to occur within 30 days of the execution of this document, including but not limited to obtaining the consent of any mortgagee registered on the title of the Land; and
- ii pay any reasonable costs incurred by Council in undertaking that registration; and
- provide Council with a copy of the relevant folio within 10 Business Days of registration of this document.

5.3 Removal from title of the Land

- i Council will do all things necessary to allow the Developer to remove the registration of this document from the title of the Land, or any part of the Land, where the Developer has:
 - a provided all applicable Monetary Contributions.
- ii The Developer must pay any reasonable costs incurred by Council in undertaking that discharge.

6 PROVISION OF CONTRIBUTIONS

6.1 Monetary Contributions

- The Developer must make the Monetary Contributions to Council in accordance with Schedule 2.
- ii. Where Schedule 2 establishes the phasing of payment of the Monetary Contributions to Council by reference to the number of Lots to be created, the Developer agrees to make that Monetary Contribution prior to seeking or procuring the grant of any Subdivision Certificate in relation to those Lots.

6.2 Indexation

i The base contribution rate will be indexed in accordance with the following formula:

Indexed base contribution rate = \$C x (CP2/CP1)

Where:

- \$C is the base contribution rate as set out in Schedule 2 of this document
- CP1 is the Consumer Price Index; All Groups CPI; Sydney at September 2017
- CP2 is the Consumer Price Index; All Groups CPI; Sydney at the time of payment
- ii For the purposes of paragraph (i):
 - a each component of the Monetary Contribution is indexed as at the date it is paid; and
 - b the Index means the Consumer Price Index (All Groups) for Sydney or such other index which replaces it from time to time.

7 WARRANTIES AND INDEMNITIES

7.1 Warranties

The Developer warrants to Council that:

- i it is able to fully comply with its obligations under this document;
- ii it has full capacity to enter into this document; and
- iii there is no legal impediment to it entering into this document, or performing the obligations imposed under it.

7.2 Indemnity





The Developer indemnifies Council in respect of any Claim that may arise as a result of the conduct of the Works, but only to the extent that any such Claim does not arise as a result of the negligent acts or omissions of Council.

8 DETERMINATION OF THIS DOCUMENT

8.1 Determination

This document will determine upon the Developer satisfying all of its obligations under the document.

8.2 Effect of determination

Upon the determination of this document Council will do all things necessary to allow the Developer to remove this document from the title of the whole or any part of the Land as quickly as possible.

9 ASSIGNMENT

9.1 Prohibition

Neither party may Assign their rights under this document without the prior written consent of the other party, acting reasonably.

9.2 Assignment of Land

The Developer must not Assign its interest in the Land, other than a single Lot approved pursuant to a Development Consent and created by the registration of a plan of subdivision, unless:

- Council consents to the Assignment, such consent must not be reasonably withheld or delayed; and
- the proposed assignee enters into an agreement to the satisfaction of Council, acting reasonably, under which the assignee agrees to be bound by the terms of this document with respect to the relevant part of the Land being Assigned.

10 DISPUTE RESOLUTION

10.1 Notice of dispute

- If a dispute between the parties arises in connection with this document or its subject matter (Dispute), then either party (First Party) must give to the other (Second Party) a notice which:
 - a is in writing;
 - b adequately identifies and provides details of the Dispute;
 - c stipulates what the First Party believes will resolve the Dispute; and
 - d designates its representative (**Representative**) with the necessary authority to negotiate and resolve the Dispute.
- The Second Party must, within five (5) Business Days of service of the notice of dispute, provide a notice to the First Party designating as its representative a person with the necessary authority to negotiate and settle the Dispute (the representatives designated by the parties being together, the **Representatives**).

10.2 Conduct pending resolution

The parties must continue to perform their respective obligations under this document if there is a Dispute but will not be required to complete the matter the subject of the Dispute, unless the appropriate party indemnifies the other parties against costs, damages and all losses suffered in completing the disputed matter if the Dispute is not resolved in favour of the indemnifying party.

10.3 Further steps required before proceedings

Subject to clause 10.7 and except as otherwise expressly provided in this document, any Dispute must, as a condition precedent to the commencement of litigation or mediation under clause





10.5, first be referred to the Representatives. The Representatives must endeavour to resolve the dispute within ten (10) Business Days of the date a notice under clause 10.1(ii) is served.

10.4 Disputes for mediation

If the Representatives have not been able to resolve the Dispute, then the parties must agree within five (5) Business Days to refer the matter to mediation under clause 10.5.

10.5 Disputes for mediation

- i If the parties agree in accordance with clause 10.4 to refer the Dispute to mediation:
 - a. the mediation must be conducted by a mediator agreed by the parties;
 - b. in accordance with the Mediation Rules of the Resolution Institution
- ii if the parties cannot agree within five (5) Business Days, then by a mediator appointed by the President of the Law Society of New South Wales for the time being.
- iii If the mediation referred to in paragraph (i) has not resulted in settlement of the Dispute and has been terminated, the parties may agree to have the matter determined by expert determination under clause 10.6.

10.6 Other courses of action

If the mediation referred to in clause 10.5 has not resulted in settlement of the dispute and the mediation has been terminated then either party may take whatever course of action it deems appropriate for the purpose of resolving the Dispute.

10.7 Remedies available under the Act

This clause 10 does not operate to limit the availability of any remedies available to Council under sections 9.45 and 9.46 and Division 9.6 of the Act.

10.8 Urgent relief

This clause 10 does not prevent a party from seeking urgent injunctive or declaratory relief concerning any matter arising out of this document.

11 POSITION OF COUNCIL

11.1 Consent authority

The parties acknowledge that Council is a consent authority with statutory rights and obligations pursuant to the terms of the Planning Legislation.

11.2 Document does not fetter discretion

This document is not intended to operate to fetter:

- i the power of Council to make any Law; or
- ii the exercise by Council of any statutory power or discretion (Discretion).

11.3 Severance of provisions

- No provision of this document is intended to, or does, constitute any unlawful fetter on any Discretion. If, contrary to the operation of this clause, any provision of this document is held by a court of competent jurisdiction to constitute an unlawful fetter on any Discretion, the parties agree:
 - a they will take all practical steps, including the execution of any further documents, to ensure the objective of this clause 11 is substantially satisfied;
 - b in the event that paragraph (a) cannot be achieved without giving rise to an unlawful fetter on a Discretion, the relevant provision is to be severed and the remainder of this document has full force and effect; and
 - c to endeavour to satisfy the common objectives of the parties on relation to the provision of this document which is held to be an unlawful fetter to the extent that it is possible having regard to the relevant court judgment.





ii Where the Law permits Council to contract out of a provision of that Law or gives Council power to exercise a Discretion, then if Council has in this document contracted out of a provision or exercised a Discretion under this document, then to the extent of this document is not to be taken to be inconsistent with the Law.

11.4 No obligations

Nothing in this document will be deemed to impose any obligation on Council to exercise any of its functions under the Act in relation to the Development Consent, the Land or the Development in a certain manner.

12 CONFIDENTIALITY

12.1 Document not confidential

The terms of this document are not confidential and this document may be treated as a public document and exhibited or reported without restriction by any party.

13 GST

13.1 Definitions

Words used in this clause that are defined in the GST Legislation have the meaning given in that legislation.

13.2 Intention of the parties

Without limiting any other provision of this clause 13, the parties intend that:

- Divisions 81 and 82 of the GST Legislation apply to the supplies made under and in respect of this document; and
- ii no additional amounts will be payable on account of GST and no tax invoices will be exchanged between the parties.

13.3 Reimbursement

Any payment or reimbursement required to be made under this document that is calculated by reference to a cost, expense, or other amount paid or incurred will be limited to the total cost, expense or amount less the amount of any input tax credit to which any entity is entitled for the acquisition to which the cost, expense or amount relates.

13.4 Consideration GST exclusive

Unless otherwise expressly stated, all prices or other sums payable or consideration to be provided under this document are GST Exclusive. Any consideration that is specified to be inclusive of GST must not be taken into account in calculating the GST payable in relation to a supply for the purposes of this clause 13.

13.5 Additional amounts for GST

Subject to clause 13.7, if GST becomes payable on any supply made by a party (Supplier) under or in connection with this document:

- any party (Recipient) that is required to provide consideration to the Supplier for that supply must pay an additional amount to the Supplier equal to the amount of the GST payable on that supply (GST Amount);
- ii the GST Amount is payable at the same time as any other consideration is to be first provided for that supply; and
- the Supplier must provide a tax invoice to the Recipient for that supply, no later than the time at which the GST Amount for that supply is to be paid.

13.6 Variation

i If the GST Amount properly payable in relation to a supply (as determined in accordance with clauses 13.5 and 13.7), varies from the additional amount paid by the Recipient under





clause 13.5, then the Supplier will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from, the Recipient. Any payment, credit or refund under this clause 13.6 is deemed to be a payment, credit or refund of the GST Amount payable under clause 13.5.

ii The Supplier must issue an adjustment note to the Recipient in respect of any adjustment event occurring in relation to a supply made under or in connection with this document as soon as reasonably practicable after the Supplier becomes aware of the adjustment event.

13.7 Non-monetary consideration

- iii To the extent that the consideration provided for the Supplier's taxable supply to which clause 13.5 applies is a taxable supply made by the Recipient (the Recipient Supply), the GST Amount that would otherwise be payable by the Recipient to the Supplier in accordance with clause 13.5 shall be reduced by the amount of GST payable by the Recipient on the Recipient Supply.
- iv The Recipient must issue to the Supplier an invoice for any Recipient Supply on or before the time at which the Recipient must pay the GST Amount in accordance with clause 13.5 (or the time at which such GST Amount would have been payable in accordance with clause 13.5 but for the operation of clause 13.7(i)).

13.8 No merger

This clause will not merge on completion or termination of this document.

14 LEGAL COSTS

Each party must pay their own legal costs and disbursements with respect to the preparation, negotiation, formation and implementation of this document.

15 ADMINISTRATIVE PROVISIONS

15.1 Notices

- i Any notice, consent or other communication under this document must be in writing and signed by or on behalf of the person giving it, addressed to the person to whom it is to be given and:
 - a delivered to that person's address;
 - b sent by pre-paid mail to that person's address; or
 - c sent by email to that person's email address.
- ii A notice given to a person in accordance with this clause is treated as having been given and received:
 - a if delivered to a person's address, on the day of delivery if a Business Day, otherwise on the next Business Day;
 - b if sent by pre-paid mail, on the third Business Day after posting; and
 - c if sent by email to a person's email address and a conformation of receipt can be retrieved, on the day it was sent if a Business Day, otherwise on the next Business Day.
- iii For the purpose of this clause the address of a person is the address set out in this document or another address of which that person may from time to time give notice to each other person.

15.2 Entire agreement

This document is the entire agreement of the parties on the subject matter. All representations, communications and prior agreements in relation to the subject matter are merged in and superseded by this document.

15.3 Waiver





The non-exercise of or delay in exercising any power or right of a party does not operate as a waiver of that power or right, nor does any single exercise of a power or right preclude any other or further exercise of it or the exercise of any other power or right. A power or right may only be waived in writing, signed by the parties to be bound by the waiver.

15.4 Counterparts

This document may be executed in any number of counterparts and all of those counterparts taken together constitute one and the same instrument.

15.5 Unenforceability

Any provision of this document which is invalid or unenforceable in any jurisdiction is to be read down for the purposes of that jurisdiction, if possible, so as to be valid or enforceable, and is otherwise capable of being severed to the extent of the invalidity or enforceability, without affecting the remaining provisions of this document or affecting the validity or enforceability of that provision in any other jurisdiction.

15.6 Power of attorney

Each attorney who executes this document on behalf of a party declares that the attorney has no notice of:

- i the revocation or suspension of the power of attorney by the grantor; or
- ii the death of the grantor.

15.7 Governing law

The law in force in the State of New South Wales governs this document. The parties:

- i submit to the exclusive jurisdiction of the courts of New South Wales and any courts that may hear appeal from those courts in respect of any proceedings in connection with this document; and
- ii may not seek to have any proceedings removed from the jurisdiction of New South Wales on the grounds of *forum non conveniens*.





EXECUTED AS AN AGREEMENT	
EXECUTED by and on behalf of WOLLONGONG CITY Officer:	COUNCIL (ABN 63 139 525 939) by its Authorised
Signature of Authorised Person	Signature of Witness
[Print] Name of Authorised Officer	[Print] Name of Witness
Office Held	Date
EXECUTED by Calderwood Heights Pty Ltd (ABN: 58 the Corporations Act 2001 by authority of its directors.	8 623 438 844) in accordance with section 127(1) of
Director Signature	Director / Secretary Signature
[Print] Name of Director	[Print] Name of Director/Secretary
Date	Date

TRIM: Z19/68154





DRAFT PLANNING AGREEMENT

SCHEDULE 1: REQUIREMENTS UNDER SECTION 7.4 OF THE ACT

REQUIREMENT UNDER THE ACT	THIS PLANNING AGREEMENT
Planning instrument and/or Development Application – (Section 7.4(1))	
The Developer has:	
(a) sought a change to an environmental planning instrument.	(a) No.
(b) made, or proposes to make, a Development Application.	(b) Yes.
(c) entered into an agreement with, or is otherwise associated with, a person, to whom paragraph (a) or (b) applies.	(c) No.
Description of land to which this agreement applies – (Section 7.4(3)(a))	Lot 1 DP608238 known as 347 Calderwood Road, Calderwood
Description of development to which this agreement applies – (Section 7.4(3)(b))	the subdivision of the Land into approximately 455 Lots.
Application of section 7.11 of the Act – (Section 7.4(3)(d))	Refer to clause 4.1 of the Planning Agreement.
Applicability of section 7.12 of the Act – (Section 7.4(3)(d))	Refer to clause 4.1 of the Planning Agreement.
Applicability of section 7.24 of the Act – (Section 7.4(3)(d))	Refer to clause 4.1 of the Planning Agreement.
Consideration of benefits under this agreement if section 7.11 applies – (Section 7.4(3)(e))	Refer to clause 4.2 of the Planning Agreement.
Mechanism for dispute resolution – (Section 7.4(3)(f))	Refer to clause 11 of the Planning Agreement.
Enforcement of this agreement (Section 7.4(3)(g))	Refer to clause 5 of the Planning Agreement.
No obligation to grant consent or exercise functions – (Section 7.4(3)(9))	Refer to clause 11 of the Planning Agreement.





SCHEDULE 2: MONETARY CONTRIBUTIONS

Table 1 Monetary Contributions

The Developer must pay the Monetary Contribution in accordance with this clause.

The Monetary Contributions payable are based on the following provisions:

Base contribution rate*	Unit	Timing
\$4,806.15	Each Lot to be created	Prior to the issue of a Subdivision Certificate for that part of the Development that when registered will create that Lot.

^{*} The base contribution rate must be indexed in accordance with clause 6.2.

The Monetary Contribution payable is to be calculated as follows:

Monetary Contribution payable = Rate x Units

Where:

Rate is the indexed base contribution rate calculated in accordance with clause 6.2 Units is the number of Lots to be created

Table 2 Indicative phasing schedule

Phase	Indicative number of Lots to be created	Base contribution rate per Lot	Indicative Monetary Contribution payable per phase
1	183	\$4,806.15	\$879,525.45
2	272	\$4,806.15	\$1,307,272.80
Total	455		\$2,186,798.25

For the avoidance of doubt, prior to the issue of a Subdivision Certificate that will create the last Lot in the Development the Developer must ensure that the total Monetary Contribution of \$2,186,798.25 (plus indexation) has been paid to Council.





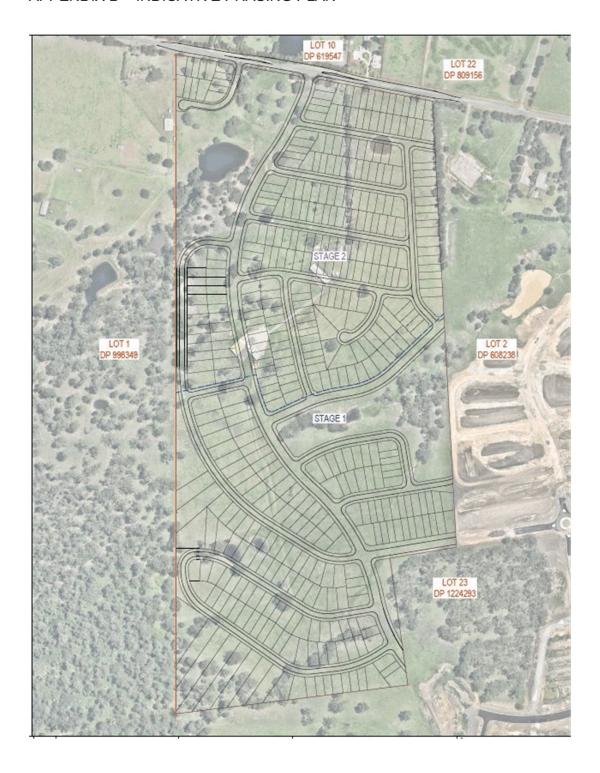
APPENDIX A - LAND







APPENDIX B - INDICATIVE PHASING PLAN







EXPLANATORY NOTE

Explanatory Note - Draft Planning Agreement: 347 Calderwood Road, Calderwood

Introduction

The purpose of this explanatory note is to provide a plain English written summary to support the notification of the draft planning agreement (the **Planning Agreement**) prepared under Subdivision 2 of Division 7.1 of Part 7 of the *Environmental Planning and Assessment Act 1979* (the **Act**). This explanatory note has been prepared jointly by the parties in accordance with clause 25E of the *Environmental Planning and Assessment Regulation* 2000 (the **Regulation**). This explanatory note is not to be used to assist in construing the agreement.

Parties to the Planning Agreement

The parties to the Planning Agreement are:

- 1. Wollongong City Council ABN 38 755 709 681 (the Council); and
- 2. Calderwood Heights Pty Ltd ABN 58 623 438 844 (the **Developer**).

Description of the Subject Land

The Planning Agreement applies to:

Lot 1 DP 608238 known as Calderwood Road, Calderwood NSW 2527 (Subject Land).

It should be noted that the Subject Land is located within the Shellharbour Local Government Area.

Description of Proposed Development

The Developer is seeking to subdivide the Subject Land into 455 residential lots and has lodged Development Application DA0290/2018 with Shellharbour City Council (**Proposed Development**).

Summary of objectives, nature and effect of the proposed Planning Agreement

The Subject Land is included within the area of Concept Approval MP09_0082 granted by the Minister for Planning under the former section 75W of the Act.

The Concept Approval requires the Developer to make contributions towards the provision of local infrastructure in both the Shellharbour and Wollongong Local Government Areas. Accordingly, the Developer has made an offer to Wollongong City Council to enter into the Planning Agreement in connection with the Proposed Development.

The Planning Agreement provides that the Developer will make a monetary contribution of \$4,806.15 for each lot to be created on the Subject Land, prior to the issue of a subdivision certificate for each phase.

Assessment of the Merits of the Draft Planning Agreement

Wollongong City Council and the Developer have assessed the Planning Agreement, and both hold the view that the provisions of the Planning Agreement provide a reasonable means of achieving the public purpose set out above.

The Developer's offer to contribute towards the provision of local infrastructure will have a positive public impact as funds from the Developer will be available towards the provision of infrastructure in Wollongong.

The Planning Purpose of the Draft Planning Agreement

In accordance with section 7.4(2) of the Act, the Planning Agreement has the following public purpose:

the provision of transport or other infrastructure relating to land.

The Planning Agreement will enable monetary contributions to be paid to Wollongong City Council prior to the issue of a Subdivision Certificate by Shellharbour City Council. The funds collected will be held in a restricted account and allocated toward road upgrades in the Wollongong City Council local government area.

How the Planning Agreement promotes the public interest and objects of the Act

The Planning Agreement promotes the objects of the Act by encouraging:

• the promotion of the orderly and economic use and development of land (section 1.3(c)).

The Planning Agreement promotes the public interest by ensuring that an appropriate contribution is made towards the provision of infrastructure required to meet the needs that arise from development of the Land.



File: PP-2018/8 Doc: IC19/520

ITEM 9 DRAFT PLANNING PROPOSAL 4 YENDA AVENUE BULLI PP-2018/8

A draft Planning Proposal request has been submitted for 4 Yenda Avenue, Bulli which seeks to enable a Centre-based Child Care Facility on the property. The Centre-based Child Care Facility would be made permissible through an amendment to Schedule 1 as an additional permitted use on the site. The proposal has been reviewed by the Wollongong Local Planning Panel which supported the proposal, but raised concern about evacuation of children in the event of a flood or bushfire. This issue is addressed in the report.

This report presents the preliminary assessment of the draft Planning Proposal request and recommends that Council resolve to submit a draft Planning Proposal to the NSW Department of Planning, Industry and Environment seeking a Gateway Determination to enable public exhibition.

RECOMMENDATION

- A draft Planning Proposal be submitted to the NSW Department of Planning, Industry and Environment for 4 Yenda Avenue (Lot 105 DP 264639) Bulli seeking a Gateway determination to amend Schedule 1 of Wollongong Local Environmental Plan 2009 to permit a Centre-based Child Care Facility.
- 2 A detailed Flood Management Plan and Bushfire Management Plan be submitted by the applicant if the proposal obtains a "Gateway" approval and prior to public exhibition.
- 3 The draft Planning Proposal, including the Flood Management Plan and Bushfire Management Plan be exhibited for 28 days.
- 4 The Department of Planning, Industry and Environment be requested to issue authority to the General Manager to exercise plan making delegation in accordance with Council's resolution of 26 November 2012.

REPORT AUTHORISATIONS

Report of: David Green, Manager City Strategy (Acting)

Authorised by: Chris Stewart, Director Planning and Environment - Future City and Neighbourhoods

(Acting)

ATTACHMENTS

- 1 Site Map
- 2 Wollongong Local Planning Panel Recommendation

BACKGROUND

In July 2018 a Planning Proposal request was submitted by the landowner for 4 Yenda Avenue, Bulli (Lot 105 DP 264639). The site is approximately 2.36 hectares in size and is currently zoned E3 Environmental Management. The site is bounded by properties zoned E3 Environmental Management to the north, east and west, and R2 Low Density Residential to the south (Attachment 1).

The site contains a dwelling house, farm sheds and a swim school facility with car parking. The swim school was approved in 2004 (DA-2004/224). Native vegetation is present along the southern and northern boundaries. Woodlands Creek is located on the low lying northern portions of the site. The site contains a vegetated watercourse. The site assessment identified patches of Acacia Scrub (MU56a), Wet Sclerophyll Forest – Escarpment Blackbutt Forest – (MU16) and weeds and exotics. No threatened flora species are recorded on the site.

The site inspection undertaken in October 2018 identified several hollow-bearing trees within the stands of vegetation marked as high and moderate ecological value. Both the vegetation and hollows have the potential to provide habitat for a number of threatened species, and are proposed to be retained within the riparian area with no works proposed in any vegetated areas.



PROPOSAL

The draft Planning Proposal request includes an indicative floor plan for the Centre-based Child Care Facility which utilises the existing structure of the swim school. To facilitate the proposed development, the draft Planning Proposal request seeks to amend Schedule 1 of the Wollongong Local Environmental Plan 2009 to include an additional permitted use for Lot 105 DP 264639, 4 Yenda Avenue Centre-based Child Care Facility.

Access to the site is proposed to remain via a driveway from Yenda Avenue which is accessible from George Road. Full urban reticulation services (power, gas, sewer, water and telecommunications) are provided to the site.

The following key issues are relevant to the evaluation of the Planning Proposal request -

Traffic generation

A capacity assessment of the existing road network to accommodate the additional traffic generated by the new development has not been conducted. However, the proposed new development is expected to have less impact than the existing use (i.e. swim school). Should the additional permitted use be approved, any subsequent development application would need to be supported by a detailed assessment of traffic impacts, car parking, site servicing/manoeuvring and waste collection. Any proposed access to the site would need to comply with Australian Standards AS2890.1 and Wollongong Development Control Plan 2009 to provide adequate grades, widths and safe sight distances.

Consistency with Illawarra Escarpment Strategic Management Plan 2015

The Planning Proposal request is generally consistent with the Planning Principles contained within the Illawarra Escarpment Strategic Management Plan (2015) and Illawarra Escarpment Lands Urban Review Strategy (2007). The Office of Environment and Heritage (OEH) did not object to the preliminary Planning Proposal and requested OEH be given the opportunity to review the final Planning Proposal, as required under s3.25 of the Environmental Planning & Assessment Act 1979.

Bushfire

A bushfire assessment was undertaken by Peterson Bushfire (2018) in accordance with *Planning for Bushfire Protection 2006* (PBP) and consisted of desktop analysis and a site inspection. The assessment of the site identified three areas of vegetation that are mapped as bushfire hazards.

The primary vegetation area is to the north and north-west of the site is the primary bushfire hazard area and is identified as bushfire prone. The primary threat area is vegetation classified as Escarpment Blackbutt Forest with rainforest understorey and is associated with the riparian corridor which traverses the northern portion of the site at a distance of 50m. The second area of vegetation is on the north-east, associated along a tributary of Woodlands Creek, the plantings are classified as 'low hazard' due to the narrow width (approximately 10m) and small area. The plantings are situated on the floodplain of Woodlands Creek. The third area is the eastern portion of the site with regrowth of native eucalypts and noxious weeds, the stands are disconnected from the vegetation on the other portions of the site and are no wider than 50m. The remnants are not mapped as bushfire prone vegetation on Council mapping, and are classified as 'low hazard'.

The bushfire assessment provided the following recommended mitigation measures to ensure suitability of part of the subject lands for the Special Fire Protection Purpose development –

- Asset Protection Zones -
 - North: 50m consists of cleared flood plain (60m required)
 - North-east: 50m Consists of cleared area and access way (30m required)
 - East: 30m weed infestation and understorey to be managed. (30m required)
- Proposed works on existing buildings to achieve BAL-12.5 requirements
- A static water supply of 10,000 be made available in accordance with PBP 2006



- Services and infrastructure to the site to comply Planning for Bushfire Protection 2006
- Access for firefighting operations to be constructed in accordance with the specifications of Section 4.1.3 (1) of *Planning for Bushfire Protection 2006.*

The NSW Rural Fire Service (RFS) raised no objection to the proposal during the preliminary notification period, however noted that Asset Protection Zones (APZs) conditioned with the special fire purpose development of the swim school facility (DA-2004/224) are to be complied with. The APZs recommended by Peterson Bushfire (2018) are considered to be satisfactory with regard to the conditions of DA-2004/224. The RFS will be provided with further opportunities to comment at the development application and detailed subdivision stage.

The Wollongong Local Planning Panel raised concern about bushfire risk and requested the preparation of a detailed Bushfire Management Plan.

Flooding

The access driveway to the site passes close to Woodlands Creek and could be inundated during a flood event. Although the facility would not be affected, the evacuation route could be affected. It is anticipated that flood events would be of a short duration. NSW Office of Environment and Heritage (now Biodiversity and Conservation; Department of Planning, Industry and Environment) had no comment at the preliminary stage of the proposal, but would have further opportunity to comment should the Planning Proposal proceed to a "Gateway" determination.

The Wollongong Local Planning Panel raised concern about flooding and requested the preparation of a Flood Management Plan.

Geotechnical

The site is mapped as being subject to suspected land instability. Any subsequent development application requiring excavations would be required to submit geotechnical advice indicating no adverse impacts to the site, site conditions, surrounding development or environment.

Heritage

An Aboriginal Heritage Information Management System (AHIMS) search was undertaken, with no recorded Aboriginal Heritage sites or Aboriginal places declared in or near the site. The proposal does not seek to alter existing site conditions.

No European or Cultural heritage items are located on or near the site. The proposal intends to utilise existing developed areas of the site. The proposal is considered to not impact upon any heritage items or items of cultural significance.

Foreshore Building Line

The lot is identified as being located within the Foreshore Building Line of Woodlands Creek. However, the building for the child care centre is located outside of this area. Furthermore, the building is connected to potable water, sewerage and stormwater services. Therefore, it is unlikely any additional impacts upon the environment within foreshore building will occur as a result of the proposed amended use to the site. Matters regarding the Foreshore Building Line will be required to be addressed should the Planning Proposal progress.

Visual Impact

The proposed development is to be located within an existing approved structure upon the site. Furthermore, the Planning Proposal does not seek to intensify land use upon the site or impact upon the existing vegetation. The visual impact has been considered in relation to the existing residential setting south of the lot and being situated within a depression in the lower reaches of the escarpment. No additional or negative visual impacts are likely to occur from the additional permitted use upon the site within the existing building. However, potential visual impact on the site will be considered at the development application stage with respect to the principles and strategies outlined in the IESMP (2015).



CONSULTATION AND COMMUNICATION

Preliminary consultation was carried out in July 2018 as part of the assessment of the draft Planning Proposal request, which involved referrals to Roads and Maritime Services, NSW Rural Fire Service, the Office of Environment and Heritage, Department of Primary Industries – Water, and relevant internal divisions of Council.

State Authority comments provided on the Planning Proposal request were as follows -

Issues Raised	Council Officer Response
NSW Rural Fire Service (RFS):	
No objection to the proposed rezoning. Future development will be required to provide Asset Protection Zones as per the plan in the Bushfire Assessment report prepared by Peterson Bushfire and as required under previous Special Fire Protection Purpose development approval under DA-2014/244.	Noted.
Office of Environment & Heritage (OEH):	
Did not object to the preliminary Planning Proposal and will comment should the Proposal progress	Noted.
Department of Industries – Natural Resources Access Regulator (Previously Water NSW):	Noted.
Raised no objection to the proposal.	

Three community submissions received following the preliminary notification of the draft planning proposal were as follows -

	Concern	Council Comment
1	concerned about Traffic, Parking and Pedestrian impacts associated with a Centre-Based Child Care	The site is accessed from Yenda Avenue which joins George Avenue. George Avenue is a no through road which services a residential area from Lawrence Hargrave Drive to the escarpment. The existing street network is of a typical residential street design and is considered to adequately service the residential and other existing uses within the locality.
	Facility	The site is considered to be able to support the existing use of a residence and a swim school facility with access gained from Yenda Avenue. The proposal to permit an additional permitted use of a Centre-base Child Care Facility with indicative plans to convert the swim school building to a child care centre would not intensify existing traffic movements or parking requirements on the site.
		Currently the site supports an approximate maximum of 346 movements on an average weekday in its use of a swim school and residence. Approximate calculations for the indicative plans of a Child Care Centre would involve an approximate maximum of 160 movements on an average weekday. The site would therefore be reducing overall approximate average daily traffic movements.
		Parking and pedestrian access are considered to be able to be supplied and the site is considered to be able to comply with Council, RFS and Australian Standards for parking, access and evacuations.
		It is noted that the specific development requirements relating to a Centre-base Child Care Facility are considered during a development application. The planning proposal stage is responsible for determining the sites suitability for supporting uses, and as such it is considered that the site and locality can support the traffic, parking and pedestrian access for a Centre-based Child Care Facility.



	Concern	Council Comment	
2	Two submissions were concerned about potential noise impacts on surrounding residential area	The noise generated on the site as part of the existing use is considered to be mitigated within the buildings and with the appropriate screening on the southern boundary of the site. The existing use of the site is considered to create a greater level of noise than a Child Care Centre potentially would upon the adjacent E3 Environmental Management zoned land. Child Care Centres of all types are permissible and encouraged within residential areas, and therefore it is not considered to be inappropriate for the site.	
		It is noted that noise impacts associated with a specific development are not formally considered under the assessment of a planning proposal – with more detailed consideration and assessment taking place during the development application stage.	
3	One submission was concerned about hours of Operation, and impact upon surrounding residents	The site currently hosts a swim school facility which operates between 7am and 6.30pm on weekdays and 7am to 12pm on Saturdays. The planning proposal application was accompanied by an indicative hours of operation plan which indicates weekday operations from 7am till 6pm.	
		The proposal currently under assessment does not formally consider the hours of operation, however the indicative hours of operation are similar to the existing use and existing hours of operation.	
		The proposal is not considered to be inappropriate for the locality due to the permissibility of Child Care Centres within adjoining residential zones, which allows similar and in some instances more intensive hours of operation than indicated within this proposal.	
4	One submission was concerned about health and Safety of Children	The health and safety of children is considered as part of the assessment of a development application. It is considered that the site would be able to cater for the health and safety of the children within a child care facility.	
	within close proximity to bushlands	The NSW RFS has indicated in previous approvals for the site that the site is capable of providing compliant and safe access from the site in the event of a bushfire. The access road on the site was subject to a detailed flood and stormwater analysis which indicated that the road is not subject to flooding, and therefore evacuation is possible at flood planning levels.	
5	One submission was concerned about the	The proposal under assessment cannot determine impacts on the aesthetic value of land.	
	impact on aesthetic value of adjoining land and subject site	The indicative proposal however is to utilise the existing buildings on the site, with alterations (Children's playground) proposed on the northern aspect which is not visible from any adjoining properties.	
6	One submission questioned the legality of buildings and zonings	A desktop assessment and site inspection determined that the buildings on the site have relevant approvals and have been constructed in accordance with their respective approvals.	
		The site is zoned E3 Environmental Management, the planning proposal has been lodged to include a Centre-based Child Care Facility in the Additional Permitted Use Schedule 1 of the Wollongong Local Environmental Plan 2009 which allows a use not specified in the permissible uses for a specific zone on an specified site(s).	
7	One submission was concerned about	The existing swim school facility is proposed to be reused for the child care facility, thus not requiring any further construction on the site.	
	overdevelopment of the site	The sites zoning and site conditions permit development, as such the proposal site is capable of facilitating the existing development on the site.	
		Further consideration to existing site conditions and development on the site in relation to further construction is appropriately considered during the development application stage.	



	Concern	Council Comment
		The proposal is not considered to be inappropriate in this regard.
8	One submission was concerned about evacuation of site in the event of bushfire	The evacuation of the site during a bushfire has been considered as part of previous approvals on the site, and within this application. The proposal is considered to adequately address concerns for evacuation management. Further details and specific evacuation plans are required at the Development Application stage.
		The planning proposal assessment requires that the site is capable of facilitating the development. The NSW RFS was consulted as part of the preliminary notification of the planning proposal, and identified the use as a Special Fire Protection Purpose development. It was noted by the NSW RFS that the site has a previous approval for a Special Fire Protection Purpose development (swim school), and as such did not object to the planning proposal subject to previous approvals conditions being complied with.
		The Wollongong Local Planning Panel was also concerned about bushfire risk. The Panel noted that with the swim school that parents and children come for a lesson then leave. Whereas with a child care centre, the children are on-site all day. The Panel was concerned that evacuation of the children.

WOLLONGONG LOCAL PLANNING PANEL RECOMMENDATION

This report was considered by the Wollongong Local Planning Panel on 7 August 2019. The panel noted concerns over access via land impacted by flood and bushfire constraints. The Panel have recommended that a Flood Management Plan and Bushfire Management Plan to be submitted prior to the proposal being sent to the NSW Department of Planning, Industry and Environment for a "Gateway" determination. The Panel's advice is at Attachment 2.

While the Wollongong Local Planning Panel recommends that a detailed Flood Management Plan and Bushfire Management Plan be submitted prior to "Gateway" determination, the intent of a "Gateway" determination is to determine if the proposal warrants further consideration and identifies the further work or studies required prior to exhibition. In this case, Council could resolve to send the Planning Proposal to "Gateway" with a recommendation that the further studies are to be completed if the NSW Department of Planning, Industry and Environment issues a "Gateway" approval and prior to exhibition.

PLANNING AND POLICY IMPACT

This report is consistent with the vision and objectives of the Illawarra-Shoalhaven Regional Plan 2015. The proposal particularly meets the directions 1.1, 1.4, 3.2 and 5.1.

This report is consistent with the aims and objects of State Environmental Planning Policy (Educational Establishments and Child Care Facilities) 2017. The proposal seeks to permit a Centre-based Child Care Facility on the subject lot. The NSW Department of Planning and Environment has projected the demand for 2,700 additional child care facilities across NSW; and, with Wollongong's population increase projections; demand for child care facilities will continue to rise the LGA.



This report contributes to the delivery of Wollongong 2028 objective "Our natural environment, waterways and terrestrial areas are protected, managed and improved", under the Community Goal "We value and protect our environment". It specifically delivers on the following –

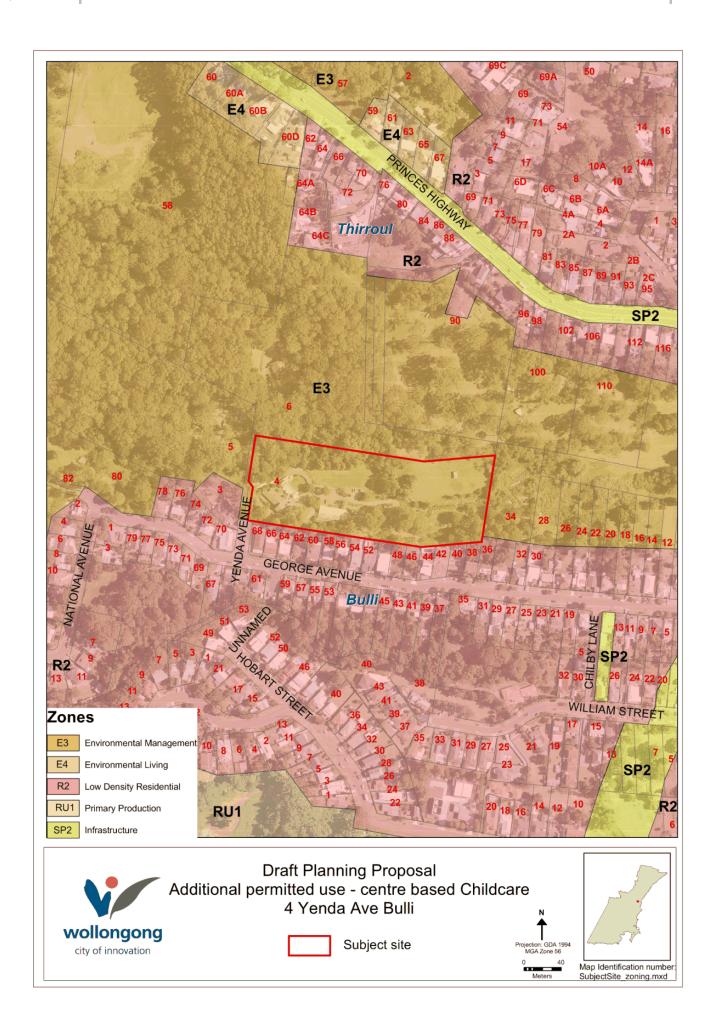
Community Strategic Plan Delivery Program 2018-2021 Operational		Operational Plan 2018-2021
Strategy	3 Year Action	Operational Plan Actions
1.3.1 Manage land uses to strengthen urban areas and improve connectivity to train	1.3.1.1 Impacts from development on the environment are assessed, monitored and	1.3.1.1.1 Assess new developments and planning proposals for environmental impacts
stations and key transport routes	mitigated	1.3.1.1.2 Engage with other tiers of government, the development/building industry and the broader community to achieve improved development outcomes.

CONCLUSION

A Planning Proposal seeking to amend Schedule 1 on the Wollongong Local Environmental Plan 2009 to include the provision for a Centre-based Child Care Facility as additional use upon the site at 4 Yenda Avenue Bulli has been assessed. The strategic merit of the planning proposal has been considered, which included examining the surrounding land uses, environmental constraints and the need for child care facilities in the immediate area. Submissions received from the community and internal and external reference groups have been considered in determine the suitability in recommending the progression of the Planning Proposal.

It is recommended that Council resolve to prepare a draft Planning Proposal for Lot 105 DP 264639 Yenda Avenue, Bulli and submit it to the NSW Department of Planning, Industry and Environment seeking a Gateway determination to allow the further studies and subsequent public exhibition.







ADVICE

WOLLONGONG CITY COUNCIL - WOLLONGONG LOCAL PLANNING PANEL (WLPP)

Item 9 - Attachment 2 - Wollongong Local Planning Panel Recommendation

DATE OF MEETING	7 August 2019	
PANEL MEMBERS	Robert Montgomery (Chair), Mark Carlon and Sue Hobley	
STAFF IN ATTENDANCE	David Green (Land Use Planning Manager), Jon Bridge (Senior Strategic Project Officer)	
PROPERTY	4 Yenda Avenue Bulli	

Wollongong Local Planning Panel (WLPP) meeting held at Corrimal Community Centre Meeting Room, Short Street Corrimal, opened at 1:12pm, adjourned from 1:20pm to 2:10 and closed at 3:20pm. Panel deliberations continued after the meeting closed.

CONFLICT OF INTEREST

None of the Panel members had any conflict of interests relating to the matter.

ITEM 1

Planning proposal amend the Additional Permitted Use Schedule to include "centre-based child care facility" at 4 Yenda Avenue Bulli.

PUBLIC SUBMISSIONS

As the Panel is providing advice only to Council on the planning proposal, the Panel meeting was not open to members of the public. No representative of the applicant attended the Panel.

PANEL CONSIDERATION

The Panel inspected the site prior to the meeting.

The Panel acknowledges that a centre based child care facility may be appropriate in the locality based on population growth and demand for such facilities in the area. While there appears to be sufficient area within the subject land to accommodate such a facility, concern is raised about the suitability of the site for a child care centre due to the risks of flooding and bushfire. The Panel considers this to be the sole obstacle to its support of the planning proposal.

The Panel notes that the driveway access to the site traverses both the flood prone, and bushfire risk section of the site. The Panel considers that the proponent has not demonstrated how these significant risks will be managed in terms of general safety and in particular the safe evacuation of the occupants in time of flood or bushfire threat, noting that the facility may serve infants and toddlers among others.

Notwithstanding preliminary advice from Rural Fire Services raising no objection to the planning proposal, the Panel is not inclined to support the proposal unless compliance with Planning for Bushfire 2006 for a future child care facility can be demonstrated. In particular, concern is raised as to whether the existing access driveway is capable of compliance.

ADVICE TO COUNCIL

The Wollongong Local Planning Panel recommends to Council that the following matters should be addressed by the applicant prior to Council deciding whether to submit the draft Planning Proposal for land known as 4 Yenda Avenue Bulli to the Department of Planning and Environment (DPE) for a Gateway Determination:

- 1. A flood management plan be submitted which details how the safety of child care centre staff and children will be assured during a flood event. The plan should include the following information:
 - · details of flood warning systems and warning times;
 - Flood characteristics, ie depth, velocity, hazard and location of flood waters;



- the likely time that the site will be isolated by floodwater;
- whether evacuation is required, or if staying in place is recommended based on the flooding characteristics.
- If evacuation is required, details of evacuation of the building, including timing, logistics and evacuation route.
- 2. A detailed bushfire management plan be submitted which includes the following information:
 - A review of whether the existing access complies or is capable of compliance with Planning for Bushfire 2006; and
 - Details of evacuation of the building, including timing, logistics and evacuation route.
- 3. The Panel acknowledges that this level of detail would generally be submitted with a development application, however, in the circumstances of this site-specific proposal, it is considered imprudent for the planning proposal to proceed unless it can be demonstrated that the natural hazard risks of the site can be suitably managed for the establishment of a child care centre on the land.

Voting: 3/0



File: CST-100.07.039 Doc: IC19/564

ITEM 10

DRAFT COMMUNITY PARTICIPATION PLAN - ENVIRONMENTAL PLANNING AND ASSESSMENT ACT

Community Participation Plans (CPPs) are a new requirement under the *Environmental Planning and Assessment Act 1979* (the Act). A CPP outlines how and when planning authorities engage with the community across their planning functions. Council is required to have the final version of the CPP published on the NSW Planning Portal by 1 December 2019.

A draft Community Participation Plan (CPP) has been prepared for exhibition. The CPP will replace Wollongong Development Control Plan 2009 – Appendix 1 Public Notification and Advertising Procedures, which currently outlines how Council exhibits development applications.

RECOMMENDATION

- 1 The Draft Community Participation Plan be exhibited for a minimum period of 28 days.
- 2 The exhibition material include advice that the Wollongong Development Control Plan 2009 Appendix 1 Public Notification and Advertising Procedures is proposed to be repealed, upon the commencement of the Community Participation Plan.

REPORT AUTHORISATIONS

Report of: David Green, Manager City Strategy (Acting)

Authorised by: Chris Stewart, Director Planning and Environment - Future City and Neighbourhoods

(Acting)

ATTACHMENTS

1 Draft Community Participation Plan

BACKGROUND

Wollongong Development Control Plan 2009 – Appendix 1 Public Notification and Advertising Procedures, currently outlines how, when and for what period Council exhibits development applications and modifications.

On 1 March 2018, amendments to the Environmental Planning and Assessment Act 1979 (the Act) commenced including a requirement for all councils to prepare a Community Participation Plan (CPP) by 1 December 2019. In October 2018, the (then) Department of Planning and Environment exhibited a draft Community Participation Plan for that organisation, and as a template. The stated purpose of a CPP is to provide a single document that the community can access that sets out all of council's community participation requirements under the planning legislation, including all minimum mandatory exhibition timeframes.

Currently councils outline community participation requirements in multiple documents including a notification development control plan and community engagement plan or strategy prepared under section 402 of the Local Government Act 1993. This includes information setting out specific exhibition timeframes (sometimes referred to as notification periods) for types for development applications.

The State requires councils to transfer all its planning functions community participation requirements (sometimes referred to as notification, advertising or submission periods) from Development Control Plans to their CPP or a community engagement strategy prepared to meet the CPP requirement.

Planning functions include the exhibition of development applications, draft Planning Proposals and draft Planning Policies. The CPP only applies to planning functions and not other exhibition requirements, for example draft Plans of Management exhibited under the Local Government Act 1993.



Council has the option to prepare a standalone CPP or include the requirements in a community engagement plan/strategy prepared under the Community Strategic Plan (section 402 of the Local Government Act 1993).

The CPP should be clear about what is meant by public exhibition, which could be described as -

- Giving notice to individual land owners / occupiers
- Determining an appropriate exhibition timeframe
- Advertising the exhibition notice, including how submissions can be made
- Making documents publicly available

A CPP should include all other non-mandatory community participation commitments including when extended public exhibition will occur or targeted consultation.

The CPP should set out, as a minimum, the following -

Schedule 1 to the EP&A Act	Minimum Community Participation Requirement	
Draft community participation plans	28 days	
Draft local strategic planning statements	28 days	
Planning proposals for local environmental	28 days or -	
plans subject to a gateway determination	a If a different period of public exhibition is specified in the gateway determination for the proposal—the period so specified, or	
	b If the gateway determination specifies that no public exhibition is required because of the minor nature of the proposal—no public exhibition.	
Draft development control plans	28 days	
Draft contribution plans	28 days	
Application for development consent (other	14 days or -	
than for complying development certificate, for designated development or for State significant development)	a If a different period of public exhibition is specified for the application in the relevant community participation plan—the period so specified, or	
	b If the relevant community participation plan specifies that no public exhibition is required for the application—no public exhibition.	
Application for development consent for designated development	28 days	
Application for modification of development consent that is required to be publicly exhibited by the regulations	The period (if any) determined by the consent authority in accordance with the relevant community participation plan.	
Environmental impact statement obtained under Division 5.1	28 days	

On 23 July 2018 Council adopted the Community Engagement Policy which details how, why and when Council engages with the community on all projects. Despite Council having this overarching policy, Council is still required to prepare a CPP.



PROPOSAL

A draft Community Participation Plan (CPP) has been prepared (Attachment 1). The draft CPP incorporates all Council planning functions, whereas Appendix 1 Public Notification and Advertising Procedures of the DCP related solely to Development Assessment and Determinations. The draft CPP incorporates key elements from the Wollongong Development Control Plan 2009 – Appendix 1. The draft CPP has been prepared under Council's overarching Community Engagement Policy and does not duplicate the information in the policy.

As required by the Department of Planning, Industry and Environment (the Department), the CPP has been written in plain language to make an easily understood document that will encourage community participation in planning.

The draft CPP is structured in a sequence which reflects the notification process. Planning functions are firstly defined with information provided that is pertinent to that category. The CPP then explains how members of the community can participate in the planning functions of the Council. This includes details on how to make submissions and what information should be included. Details on how Council will respond and provide information on determinations follows.

Links are provided within the draft CPP to relevant pages of Council's, and the Department's website. This allows community members easy access to further detail on certain topics, without needing to repeat definitions and processes not required within the CPP. The principles of Community Engagement are also incorporated into the document, without replicating the entirety of the Community Engagement Strategy.

This makes the CPP a much easier plan to navigate than the previous notification policy, as it is more user friendly, and therefore inclusive.

The draft plan includes Sections 13 - Matrix notification requirements for Development Applications and Section 1.3 - Applications for which notification/advertising is not required from Appendix 1. They have been revised and updated, in consultation with Managers from Development Assessment and Compliance, and are included as Schedules 2 and 3 respectively.

One important change is the removal of the requirement to advertise certain applications in the newspaper. Integrated and Designated developments will remain advertised development, however other types of development applications will not. As exists presently, there remains the ability for a Development Application to be advertised, at the relevant Area Managers discretion, if the wider community would benefit.

In resources provided by the Department, to assist Councils in the preparation of their CPPs, it was suggested that newspaper advertisements should not be committed to within the CPP. The Department is investigating making notification requirements online rather than newspaper publication. The draft CPP reflects this and additional notification is required, for certain development categories, to offset the removal of newspaper advertising for some planning functions. It is noted that local newspapers are no longer available in some parts of the Local Government Area.

The key changes to the notification requirements are detailed as follows -

• Some development categories have been updated to increase the level of written notification, to offset the removal of newspaper advertising for certain DAs. Where in Appendix 1 a Development Application may have required written notice to adjoining land and newspaper advertisement, such development categories have been updated to include or consider written notice to neighbouring land also. This is either at Managers' discretion, for lower impact development categories (such as ancillary structures) or is mandatory for those likely to attract more public interest (such as multidwelling housing). This will ensure that those community members most likely to be interested in the potential impacts of a development application are notified. It also allows Managers' discretion for development categories with variable impacts



- Updated legend for Notification requirements Matrix to reflect new requirements
- Designated and Integrated Development Added to matrix. Activity application removed as they are not normally notified. This is reflected in Schedule 3
- Ancillary structures amended to include the requirement that -
 - They will only be advertised if they are less than 0.9m from side and rear property boundaries.
 - They not be advertised if they have -
 - A maximum height of 3.5m above natural ground level
 - A maximum wall/eave height of up to 2.7m above natural ground level and a minimum 0.9m setback from any side or rear property boundary
- Development descriptions updated to align with the definitions contained within the Wollongong LEP 2009 land use table. Development Descriptions align with the Land Use Matrix. For instance, Bed & Breakfast Accommodation has been removed as it is covered by the higher order definition Tourist & Visitor Accommodation.
- Minor changes to development categories to remove unnecessary wording.
- Dwelling houses category amended to avoid conflicts with schedule 3 carried over from Section 1.3 of Appendix 1.
- All measurements standardised and expressed as metres.
- References to sections of the Environmental Planning and Assessment Act 1979 have been updated to reflect new numbering which commenced 1 March 2018.

CONSULTATION AND COMMUNICATION

The draft Community Participation Plan was prepared in consultation with the Development Assessment and Certification Division and the Community Development and Engagement Team.

If Council endorses the draft Community Participation Plan, it will be exhibited for a minimum period of 28 days.

Copies will be available on Council's website and at Council's Administration Centre and libraries. Following the exhibition period, a report on submissions will be prepared for Council's consideration, along with a recommendation regarding adoption.

PLANNING AND POLICY IMPACT

The CPP is required to be adopted by 1 December 2019. If not, all development applications are required to be notified.

This report contributes to the delivery of Our Wollongong 2028 goal "We are a connected and engaged community".

It specifically delivers on core business activities as detailed in the Land Use Planning Service Plan 2019-20.

CONCLUSION

The Community Participation Plan is an important policy for the Council and incorporated overdue updates to Appendix 1 of the Wollongong DCP 2009.

It is recommended that the draft Community Participation Plan (2019) (Attachment 1) be exhibited for community comment.



Draft Community Participation Plan

The Community Participation Plan (CPP) outlines how Council will inform and engage with the community about planning and development matters. The CPP also provides information on how you, as the community, can participate in planning matters. Other matters, not directly related to planning, are covered by Council's Community Engagement Policy.

The CPP applies to all land within the Wollongong Local Government Area (LGA). The CPP sets out Council's exhibition requirements, as required by the Local Government Act 1993 and the Environmental Planning and Assessment Act 1979.

This plan replaces the Wollongong Development Control Plan 2009 – Appendix 1 Public Notification and Advertising Procedures, which currently outlines how Council exhibits development applications. The CPP provides notification and engagement requirements for all planning matters, including -

- Development Application (DA) determinations
- Preparation of strategic plans
- Other relevant planning policies
- Decisions made by the Local Planning Panel.

The CPP reflects Council's community engagement objectives which we use to guide our notification strategies when inviting the community to participate in local planning.

Community Engagement

Community engagement is how we reach out and encourage you, our community, to talk with us about the plans, projects and policies we develop on your behalf, for the LGA. It is about asking and listening to the community to help us make decisions. We recognise that the community has an interest, and a right, to be informed about planning matters and given opportunities to participate in strategic planning for the LGA.

Community Engagement is important, it -

- Informs decision making
- Builds relationships and trust
- Strengthenscommunity
- Builds a sense of belonging
- Keeps the community informed.

Our commitment to community engagement is detailed in Council's <u>Community</u> <u>Engagement Policy</u>. We are committed to the following principles for community engagement -

- We aim to be flexible
- We will be inclusive
- We believe community engagement is important for good governance
- · We aim to effectively plan each engagement
- · We will give you feedback.



Public Exhibition

There are mandatory and non-mandatory consultation requirements for planning matters that are to be publically exhibited. Mandatory requirements for community participation are set out by Section 2.6 of the Environmental Planning & Assessment Act 1979 (EP&A Act) and the Environmental Planning & Assessment Regulation 2000. This includes the minimum exhibition periods, public notification obligations and the requirement to provide reasons for planning decisions made, such as for development assessments.

Schedule 1 below contains the minimum time that a matter must be exhibited for-

Schedule 1 of the EP&A Act	Minimum Community Participation Requirement	
Draft Community Participation Plans	28 days	
Draft Local Strategic Planning Statements	28 days	
Planning Proposals for Local Environmental Plans subject to a Gateway Determination	28 daysor – a If a different period of public exhibition is specified in the gateway determination for the proposal – the period so specified, or b If the gateway determination specifies that no public exhibition is required because of the minor nature of the proposal – no public exhibition.	
Draft Development Control Plans and amendments	28 days	
Draft Development Contribution Plansand amendments	28 days	
Application for Development Consent (other than for Complying Development Certificate, for Designated Development or for State Sgnificant Development)	a If a different period of public exhibition is specified for the application in the relevant community participation plan – the period so specified, or b If the relevant community participation plan specifies that no public exhibition is required for the application – no public exhibition.	
Application for Development Consent for Designated Development	30 days	
Application for Modification of Development Consent that is required to be publicly exhibited by the Regulations	14 daysor - The period (if any) determined by the consent authority in accordance with the relevant Community participation plan.	
Application for Development Consent for Nominated Integrated Development and threatened species development	28 days	
Application for Development Consent for Integrated Development	14 days	
Environmental Impact Statement obtained under Section 5.1	28 days	



The notification period for development applications is listed in Schedule 2, at the end of this policy. Clause 17 in Schedule 1 to the EP&A Act states that if a particular matter has a different exhibition or notification period that applies under Part 1 of Schedule 1, the longer period applies.

If a planning matter needs to be exhibited, Council may do any, or all, of the following -

- Make documents publicly available
- Determine an appropriate exhibition timeframe (where non-mandatory)
- Give notice to individual land owners/ occupiers
- Advertise the exhibition notice and advise how submissions can be made
- Utilise social media
- Hold an information session or workshop.

Plan Making and Strategic Planning

Council, via planning controls manages how most land in the LGA is used, protected, or developed. This includes things like where new roads or buildings should go, or how many houses can be built in a certain area. Development also includes activities like holding a big event, running a business or demolishing a building.

We have development controls to make sure buildings and public areas are safe, well designed, and meet planning rules set by the State Government.

When Council prepares a new policy, such as Planning Proposals, <u>Local Environmental Plans</u> (LEPs), <u>Development Control Plans</u> (DCPs) and <u>Development Contributions Plans</u> we will seek comments from the community. The community will also be consulted, in line with the EP&A Act, when Council seeks to amend a policy, or rezone a parcel of land.

Development Applications

A Development Application is a formal request for consent to carry out a proposed development, such as erecting a building, subdividing land, and or changing the use of land.

Council is committed to listening to community concerns that may arise from Development Applications (DAs). We aim to ensure that all parties can be confident of an impartial, fair, and transparent assessment process.

DAs have different classifications and these determine the length of the notification period: ranging from no exhibition or short exhibition for minor proposals and longer exhibition periods for more complex DAs. The length of time a Development Application is notified, if required, is specified in Schedule 2 at the end of this policy. Schedule 3 lists Development Application types which do not require notification. This is generally due to their minor nature. Development not mentioned in the schedules will only be notified at the discretion of the responsible Assessing Officer, or Area Manager.

There are <u>types of development</u>, such as Exempt and Complying, which do not need to be notified by Council. They are assessed under various state policies and not processed by Council.



If a DA needs to be notified or advertised, the applicant will be charged a notification fee, in accordance with Council's adopted fees and charges.

Before you lodge a DA, we recommended that you discuss your proposal with adjacent landowners. This allows any potential issues to be discussed early on in the process, and may allow some matters to be addressed before the DA is lodged.

Keeping You Informed

How you will be notified

Council will write to you if you are likely to be affected by a development application, or policy. This includes land owners, occupants, neighbours, businesses and the general public. This is so everyone has a chance to raise any concerns, provide support, make a comment or provide useful information before a planning decision is made.

Please note that exhibition timeframes vary in length. Some timeframes are prescribed in legislation and others are at our discretion. The typical minimum mandatory exhibition timeframes are provided in **Schedule 1**. Council is able to extend a notification/exhibition timeframe for longer than the minimum, as considered necessary.

1 Development Applications

If a complete DA is lodged, it will normally be notified within a few days of lodgement. If more information is required from the applicant, the notification will be delayed until this information is received. Generally, written notification of an application will be limited to directly adjoining property owners and occupants. However, some notifications may extend beyond this to include those within the immediate locality. For major applications, the notification area may be extended, depending upon the nature and potential environmental impacts associated with the proposal.

A Development Application may need to be re-notified, if during the assessment the design changes substantially, or additional supporting information is supplied. The decision to re-notify will be at the discretion of the responsible Assessing Officer and Area Manager.

For certain DAs, correspondence may be forwarded to a public authority (i.e. government departments/statutory authorities) from which formal concurrence or approval is required, or where Council seeks specialist advice on a particular part of the application from that authority. If you think you should have been notified about a DA, but did not receive a letter, please call us and let us know.

Where a DA may, in the opinion of Council, affect property owners of land outside Wollongong City Local Government Area (LGA), Council will contact the neighbouring Council.

Where the Development Application has an associated Planning Agreement, the Draft Planning Agreement will be reported to Council for endorsement and exhibited for a minimum period of 28 days.



If a Development Application is subject to an appeal in the NSW Land and Environment Court (LEC), or if a refused DA is subject to a Review of Determination via Section 8.2 of the EP&A Act, and you sent in a submission, you will be notified of the application and the outcome.

Christmas Period

DAs received after close of business on the Friday before Christmas (25 December) and before the second Monday in January will be placed on public exhibition for 31 days.

For applications where the Environmental Planning and Assessment Regulation 2000 stipulates a maximum notification / advertising period, ie -

- a Applications under Section 8.2 of the Environmental Planning and Assessment Act 1979 (Clause 113A of the Environmental Planning and Assessment Regulation 2000), and
- b Applications for modification of development consent under Sections 4.55 and 4.56 to which Clause 119 of the Environmental Planning and Assessment Regulation 2000 applies.

Council will not commence this notification until the second Monday in January, the following year.

2 Planning Proposals

A planning proposal is a request to change how land is zoned so certain types of development can go ahead. When Council prepares or assesses a Planning Proposal, the public will be notified as soon as possible, to measure community interest. For minor proposals, the Planning Proposal may not be notified until Council receives the Gateway Determination from the Department of Planning, Industry and Environment. This will inform Council of the minimum level of consultation required. The exhibition of new or amended Planning Proposal will not be started, or finish, during school holidays.

Before submitting a Planning Proposal to Council, we recommend a proponent discuss the planning proposal with adjacent landowners. This allows any potential issues to be discussed early on in the process, and may allow some matters to be addressed before it is considered by Council.

A report on issues raised in submissions will be considered by Council, following exhibition. If you wrote a submission, Council will let you know the report dates and resolutions. You may also have opportunity to address Councillors at Council meetings, through a Public Access Forum.

Public hearings may be held for some Planning Proposals, such as the reclassification of community land to operational land. Where the Planning Proposal has an associated Planning Agreement, the Draft Planning Agreement will be reported to Council for endorsement and exhibited for a minimum period of 28 days.

If there are significant changes to a Planning Proposal before it is adopted, and you were originally notified or wrote to us, you will be notified of those changes. Minor changes are unlikely to be re-notified. Specific detail on The Gateway Process and the making of Local Environmental Plans can be found on the Department of Planning and Environment's web site and in Council's Planning Proposal Policy.



3 Planning Policies

Planning policies are prepared by Council to inform and guide development decisions within the LGA, such as Development Control Plans. They are regularly updated, and we generally invite the community to comment on new policies, or changes to existing policies, before they are put into place. Notification may include community surveys and workshops, or we may ask you to visit Council's website, review the documents and provide comment. We will tailor community engagement strategies in the lead up to notification and exhibition, to ensure a targeted process.

When Council makes or amends a Planning Policy, the public will generally be notified when the draft policy is ready for public exhibition. The exhibition timeframe depends on the type of document prepared or updated, as well as the level of community interest. Schedule 1 lists the minimum mandatory timeframes for the various planning functions. When we prepare some policies, we may seek community input before the policy is drafted, to ensure that the community has the opportunity to help inform the plan. The exhibition of new or amended Planning Policy will not be started, or finish, during school holidays.

Following exhibition of a draft policy, we will review all submissions received and the draft policy will be updated to incorporate any relevant or necessary changes.

When a new, or amended, planning policy is to be adopted this will be advised on Council's website.

How you can participate

Submissions – Have Your Say

Anyone with an interest in a planning matter is welcome to make a submission, but this has to be done in writing. If you're objecting or supporting, you need to give a clear reason why, e.g. how the proposed development impacts on you or your property. We also encourage people to share positive suggestions or recommendations to improve the final outcome.

Submissions are public documents, and other people can view them on request, so make sure you read our <u>privacy statement</u> before you comment.

You are required to tell us if you have made a reportable political donation or gift. It is an offence not to disclose relevant information under the Environmental Planning and Assessment Act 1979. It is also an offence to make a false disclosure statement. Under the Local Government Act 1993, submissions must be made available for public inspection and will not remain confidential. If you wish to suppress personal details within your submission, a statutory declaration must be completed along with a request to suppress the information. These requests are considered and determined in accordance with the Privacy and Personal Information Protection Act 1998.



All submissions received within the notification period will be considered when the notification period finishes. Comments on social media will not be treated as submissions. Any of the following methods of submission are acceptable -

Personal delivery

Council's Customer Service Centre, Ground Floor Administration Building, 41 Burelli Street Wollongong, between 9am and 5pm weekdays;

Post

Locked Bag 8821, Wollongong, NSW 2500

E-mail

council@wollongong.nsw.gov.au

On-line

A submission may be made for each exhibited application directly via the online Application tracking page

Submissions must be received by close of business on the last day of the notification period and include the following information -

- a Addressed to the GENERAL MANAGER
- b Application Number and location, or policy name
- c Address of the property; subject of the application
- d Your address; (so we can inform you of the outcome)
- e Date of submission
- f State the reasons for support or objection expressed in the submission. You may include maps and photos
- g Solutions to issues or suggestions for ways the plans could be amended to provide a better outcome
- h Reply postal address and daytime contact telephone number.

In certain circumstances, the relevant Area Manager may approve an extension to the closing date for submissions. However, extensions will generally only occur when it is considered reasonable that more time be permitted. This may be to allow stakeholders the opportunity to thoroughly review the proposal and any accompanying specialist report(s), prior to making any submission. Such extensions will appear on the relevant website.

Where you can view proposals on notification

If you're a neighbour of a proposal that needs to be notified, we will send you a letter that explains how you can review the relevant documents.

For everyone else, you can find information about items on exhibition and that are open for comment via the following -

- The <u>View an Application</u> page on our website
- Council's Have Your Say online community engagement site
- Council's Customer Service Centre, Ground Floor Administration Building, 41
 Burelli Street Wollongong, between 9am and 5pm weekdays
- For some DAs, information may be available in your nearest library branch.
- Current LEP Proposals on The Department of Planning website
- Newspaper (Designated development only)



Responding

When we receive your submission, we will write to you confirming that it has been received, within 14 days. If there are numerous names on the submission, or it is a petition, we will send the letter to the head signatory. This letter will not respond to any issues raised in the submission.

If a proposal is amended while it is being considered, any person who has expressed written interest in the application may be contacted about the amendments. This is at the Assessing Officer/Area Manager's discretion. Minor amendments are generally not re-notified.

All submissions received within the notification period will be considered, and referenced in the relevant report. If a submission is received after the closing date specified, it may not possible to consider it in the assessment. Individual replies to questions raised in submissions cannot be guaranteed.

Decisions

All <u>Development Determinations and Assessment Reports</u> are available on Council's website. If you were notified about a DA, or you wrote a submission, you will be contacted advising the decision made. We will also tell you where you can review the reasons for the decision, and how submissions were taken into account.

Decisions made by the Wollongong <u>Local Planning Panel</u> and the <u>Southern Regional Planning Panel</u> are available on their respective web pages. If you made a submission, or addressed the panel, you will be notified of the decision. You can also view the decision, assessment report and panel commentary on the respective web pages.

Planning proposals can be tracked on The Department of Planning's <u>online tracking</u> <u>system</u>.



Schedule 2 - Notification Requirements Matrix

LEGEND NOTES -

- ✓ Notification / Consultation required
- x Notification / Consultation not required
- At the discretion of the Area Development Manager

Development Description	Written notice to Adjoining Land	Written notice to Neighbouring Land in Proximity to the Site	Notification Period (Calendar Days commencing on the day after first notice published in the notification letter)
Development involving a variation to a development standard	1	1	14 Days
Designated Development	1	1	30 Days
Nominated Integrated Development	1	/	30 Days
Integrated	/	/	14 Days
Advertising Structures / Signs	1	/	14 Days
Agriculture	/	•	14 Days
Amusement Centres	1	/	14 Days
Ancillary structures less than 0.9m from side and rear property boundaries.	1	•	14 Days
Animal Boarding or Training Establishment	1	1	14 Days
Any structures encroaching on building alignment (front, rear or secondary for comer allotments)	1	•	14 Days
Any application associated with/or without a Building Certificate seeking to legitimise illegal works	1	•	14 Days
Attached Dwellings	1	•	14 Days
Boarding Houses	1	/	14 Days
Boat building and repair facilities	1	•	14 Days
Boat Launching Ramps	1	•	14 Days
Boat Sheds	1	•	14 Days
Brothels (Sex Services Premises)	1	/	14 Days
Business Premises	1	•	14 Days
Camping Grounds	1	/	14 Days
Car Parks	/	/	14 Days
Caravan Parks	1	/	14 Days
Cemeteries	1	✓ ·	14 Days
Centre-based Child Care Facilities	1	✓	14 Days
Charter and tourism boating facilities	1	/	14 Days
Commercial Premises	1	/	14 Days
Community Facilities	/	✓ ·	14 Days
Crematoria	/	✓ /	14 Days
Drainage Works/ Rood Mitigation Works	/	•	14 Days
Dual Occupancies	/	•	14 Days



Development Description	Written notice to Adjoining Land	Written notice to Neighbouring Land in Proximity to the Site	Notification Period (Calendar Days commencing on the day after first notice published in the notification letter)
Dwelling-houes (where not specified in Schedule 3) New dwelling-houses regardless of side setback Alterations & additions to existing dwelling-houses	1	•	14 Days
Earthworks (Excavation or Land Filling Works)	✓	•	14 Days
Educational Establishments	✓	✓	14 Days
Emergency Service Facilities	✓	•	14 Days
Entertainment Facilities	/	✓	14 Days
Environmental facilities	✓	/	14 Days
Environmental Protection Works	✓	•	14 Days
Exhibition Homes & Exhibition Villages	✓	•	14 Days
Extractive Industries	✓	✓	14 Days
Farm Buildings	✓	х	14 Days
Forestry	✓	•	14 Days
Function Centres	/	✓	14 Days
Group Homes	/	✓ /	14 Days
Helipad	/	/	14 Days
Heliport (or Air Transport Facilities)	✓	1	14 Days
Health Services Facility or Consulting Rooms	✓	1	14 Days
Heavy Industrial Storage Establishments	✓	•	14 Days
Home-based Child Care	/	•	14 Days
Home Business	/	•	14 Days
Hospitals (where Council is the consent authority)	1	1	14 Days
Hostels	/	✓	14 Days
Industrial Retail Outlet	✓	•	14 Days
Industrial Training Facility	✓	•	14 Days
Industries	/	/	14 Days
Information and Education Facilities	✓	/	14 Days
Intensive Livestock Agriculture	✓	/	14 Days
Intensive Plant Agriculture	✓	/	14 Days
Light Industries	/	/	14 Days
Markets	✓	/	14 Days
Medical Centres	1	/	14 Days
Multi-Dwelling Housing	/	✓	14 Days
Mixed Use Development	/	/	14 Days
Neighbourhood Shops	✓	/	14 Days
Office Premises	/	•	14 Days
Open Cut Mining	/	✓	14 Days
Passenger Transport Facilities	/	✓	14 Days
Places of Public Worship	/	1	14 Days



Development Description	Written notice to Adjoining Land	Written notice to Neighbouring Land in Proximity to the Site	Notification Period (Calendar Days commencing on the day after first notice published in the notification letter)
Port Facilities	✓	/	14 Days
Public Administration Buildings	✓	•	14 Days
Public Utility Undertakings	✓	•	14 Days
Pubsand Registered Clubs	/	1	14 Days
Recreation Areas	✓	•	14 Days
Recreation Facilities (Indoor)	✓	/	14 Days
Recreation Facilities (Major)	✓	/	14 Days
Recreation Facilities (Outdoor)	✓	/	14 Days
Residential Flat Buildings	/	✓	14 Days
Respite Day Care Centres	1	•	14 Days
Restricted Premises	/	/	14 Days
Rural Supplies	✓	•	14 Days
Rural Industries	1	•	14 Days
Secondary Dwellings	✓	•	14 Days
Semi-detached Dwellings	✓	•	14 Days
Seniors Housing / Residential Care Facilities	1	•	14 Days
Service Station	/	/	14 Days
Shop Top Housing	/	•	14 Days
Storage Premises	1	•	14 Days
Subdivision	/	/	14 Days
Swimming Pools with a setback from any side or rear property boundary less than 900mm	1	•	14 Days
Swimming Pools located less than 3m from any side or rear property boundary with a pool coping greater than 0.3m wide and a height greater than 0.6m above natural ground level.	1	•	14 Days
Telecommunications & Radio- communications Facilities	✓	✓	14 Days
Temporary Uses of Land	1	•	14 Days
Tourist and Visitor Accommodation	✓	/	14 Days
Transport Depot	1	/	14 Days
Vehicle Body Repair Shop	1	✓	14 Days
Vehicle Repair Station	✓	✓	14 Days
Veterinary Hospitals	1	✓	14 Days
Warehouse or Distribution Centre	1	•	14 Days
Waste or Resource Management Facility	/	✓	14 Days
Waste or Resource Transfer Station	/	1	14 Days
Water Recreation Structures	/	/	14 Days
Water Supply System	1	/	14 Days
Wholesale Supplies	/	•	14 Days



Schedule 3 - Applications for which notification / advertising is not required

The following applications will not be notified -

- 1 Activity Applications under section 68 of the Local Government Act 1993
- 2 Alterations to a building that are internal only and are not visible from any adjoining property
- 3 Minor amendments to undetermined Development Applications which are, in the opinion of Council, unlikely to impact any adjoining property.
- 4 Ancillary structures with
 - a A maximum height of 3.5m above natural ground level
 - b A maximum wall/eave height of 2.7 m above natural ground levl and a minimum 0.9m setback from any side or rear property boundary.
- 5 Applications where insufficient information has been provided with the application, or Section 4.55 Applications which are to be refused for that reason
- Balconies, decks, patios, terraces or verandahs which are greater than 3m from side and rear property boundaries and less than 1m in height from natural ground level.
- 7 Building Certificate applications
- 8 Bushfire hazard reduction work
- 9 Business identification signage applications
- 10 Change of use of premises from a commercial office to another commercial office or shop; shop to another shop or commercial office; light industry to light industry
- 11 Community events carried out by or on behalf of Council on Council owned or controlled land for a maximum 5 days duration and an anticipated attendance of less than 100 people
- 12 Complying development as referred to in either: Schedule 3 of Wollongong Local Environmental Plan 2009 or a State Policy
- 13 Demolition works for any building or structure (except where the demolition work is proposed upon a site which contains an item of environmental heritage or the site is within a Heritage Conservation Area)
- 14 Exempt development as referred to in either: Schedule 2 of Wollongong Local Environmental Plan 2009, State Environmental Planning Policy or any State Code.
- 15 First use of an approved light industry building; warehouse distribution building.
- 16 Innovation Campus development proposals which are consistent with the Wollongong Innovation Campus Master Plan as approved by Council.
- 17 Kiosk identified within any Plan of Management for a specific public reserve.
- 18 Manufactured home placement within an approved manufactured home estate.
- 19 Modification of development consent under Section 4.55 (1) of the Environmental Planning and Assessment Act 1979 (i.e. modifications involving the proposed correction of a minor error, misdescription or miscalculation only).
- 20 Modification of a development consent under Section 4.55 (1A) of the Environmental Planning and Assessment Act 1979 (i.e. minimal environmental impact) and where it involves one of following scenarios
 - a Internal alterations and / or additions to a dwelling-house or semi-detached dwelling, and
 - b Minor external changes which, in the opinion of Council, will not cause any adverse impact upon any adjoining properties.



- 21 Moveable dwelling installation or placement upon a site within an approved caravan park (excluding any camping ground site).
- 22 Rainwatertankswhich
 - i Have a maximum storage capacity of 20,000 litres
 - ii A maximum 3.5m height above natural ground level and
 - iii Are located at least 3 metres from any side or rear property boundary.
- 23 Section 4.55 modification that was previously notified and the amendment to the application differs only in a minor nature and in the opinion of Council is unlikely to cause any adverse impact upon any adjoining property.
- 24 Single storey dwelling-houses with a setback of at least 0.9m from any side or rear property boundary.
- 25 Single storey Dwelling-houses alterations or additions with a minimum setback from any side or rear property boundary at or greater than 0.9m.
- 26 Two Storey Dwelling-houses, with a setback greater than 1.5m from any side or rear property boundary.
- 27 Solar heating or photovoltaic cells on the roof of any residential dwelling, commercial office building or industrial building.
- 28 Strata subdivision of an existing or approved development, except where the building is affected by the operation of State Environmental Planning Policy No. 10 Retention of Low Cost Rental Accommodation.
- 29 Torrens title subdivision of an existing or previously approved development.
- 30 Torrens title subdivision involving minor boundary adjustments which are not exempt development.
- 31 Tree Management Orders (TMOs).



File: PR-005.04.80.017 Doc: IC19/459

ITEM 11

THIRROUL SURF LIFE SAVING CLUB INC - REQUEST FOR WAIVER OF FEES FOR LICENCE AGREEMENT

A request has been received from Thirroul Surf Life Saving Club Inc to waive fees payable in respect of a proposed licence agreement for the occupation of the Crown land by the Club. This request is submitted for Council's determination.

RECOMMENDATION

The fees payable in respect of the proposed licence agreement, being the preparation of lease and licence agreements fee and the licence fee (payable annually), not be waived.

REPORT AUTHORISATIONS

Report of: Lucielle Power, Manager Property + Recreation (Acting)

Authorised by: Kerry Hunt, Director Community Services - Creative and Innovative City

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

Council has received a request from Thirroul Surf Life Saving Club Inc [the Club] to waive the annual Community and Sporting Group Licence Fee and Licence Preparation Fee in relation to its licence agreement for Council's surf club located on Crown land known as part Thirroul (R89099) Trust.

Council has been working with each of the surf life saving clubs in our local government area to finalise all lease arrangements on land owned and managed by Council, including Crown land. Council has worked rigorously over a number of years with external stakeholders, including extensive consultation with Surf Life Saving Illawarra and Surf Life Saving New South Wales [SLSNSW] to finalise a template surf club draft lease acceptable to all parties. This template is now finalised and several surf clubs within our local government area have been granted 21 year lease tenures.

Council has progressed leases/licences with eight of the 17 surf clubs to date. Of the leases that have been finalised, seven of the eight surf clubs have agreed to payment of the fees as per Council's Fees and Charges. The exception relates to Wollongong City Surf Lifesaving Club who only occupies a small percentage of the total floor space of the building and contributes to outgoings on a pro rata basis. The remaining nine surf clubs are currently under negotiation and will be required to pay the fees as per Council's Fees and Charges. Negotiations to date have not encountered any objection to the payment of these fees with the exception of Thirroul Surf Life Saving Club.

On 1 July 2018, the way in which Council administered the control and management of its Crown reserves, including the land upon which the Thirroul Surf Life Saving Club is constructed, was significantly altered. As part of these changes, Council is required to adopt appropriate plans of management in accordance with the legislation. These must be adopted prior to the granting of most leases and licences, including the 21 year surf club lease. An exception to this is Section 2.20 of the *Crown Lands Management Act 2016* which permits certain short term licences whilst plans of management are being developed. This short term licence for a 12 month period is currently being developed whilst Council is continuing to prepare and finalise the draft plan of management affecting the Crown reserve to which the Club currently operates. Once finalised Council will have the ability to grant the preferred 21 year lease.

There is a development application active in respect of the premises. The development application requires owner's consent. Council, as Crown Land Manager, can issue owner's consent pursuant to the *Crown Land Management Act 2016* (enacted 1 July 2018), however subject to Council's policies cannot do so until the licence agreement is executed. Extensive correspondence has been entered into with the Club to clarify this position.



SLSNSW has recently been recognised as an emergency service as has been the case with majority of the state based surf life saving bodies nationally. SLSNSW remains a not-for-profit organisation and has not become a government agency. There is largely no material change to operations, other than some potential additional support services being offered. Where additional services are required to support other organisations outside of the core role as surf lifesavers, additional resources will be requested to undertake this. It should be noted that being recognised as an approved emergency service does not alter the Club's status under Council's Community and Sporting Group Rentals Policy and therefore Council's Fees and Charges would apply. SLSNSW will remain a not-for-profit organisation and is not becoming a government agency and as such there is neither mandate nor expectation on clubs to deliver emergency support services 24/7 as this remains on an opt-in basis. As per the policy, any variation to these fees and charges requires a report to Council for determination.

PROPOSAL

Thirroul Surf Life Saving Club on 6 May 2019 requested a waiver of fees on the grounds that -

- It is now recognised as an approved emergency service and training agent by the Federal Government
- Other surf life saving clubs have not paid the licence fees and licence preparation fees.

The Club also raised concerns that its development application was being delayed from processing until signing of the agreement.

By way of response, the Club was advised by Council that -

- A licence agreement does need to be in place to not only secure tenure for the Club but for Council, as Crown Land Manager, to comply with its legislative requirements. Once the licence is executed then owner's consent can be issued in respect of the development application. This response is consistent with both the Surf Lifesaving Building Management Policy and the Community and Sporting Group Rentals Policy
- Other surf clubs have paid the community and sporting group licence fee and the licence preparation fee in relation to their licence agreements once the agreements have been finalised. There are some agreements which are yet to be finalised however will be subject to the fees and charges as conditions of their respective leases.

Whilst the change in legislation notes SLSNSW as an emergency service, the Club occupying the premises fundamentally remains a not-for-profit organisation and therefore should still be considered under this policy.

The Club was advised that the waiver of fees would be considered on the information provided to date and, whilst Council has internal processes to follow and adhere to, we do not seek to tie up the development application process with this matter as it may take some time. Council requested the Club to proceed with the licence proposal in its original form and that the waiver of the fees would be considered as a separate matter. In the event the request for waiver of fees was successful, Council would apply this retrospectively and, if applicable, a refund will be raised. This approach will ensure the development application process can progress without impediment. The Club chose not to abide by this recommendation.

The Club was also informed that, pursuant to the Community and Sporting Group Rentals Policy, any request from an organisation to pay an alternative amount other than that stipulated in Council's Fees and Charges will be formally reported to Council for determination.

In an effort to minimise disturbance to the Club's operations, Council officers are continuing to liaise with the Club to work towards a mutually acceptable resolution in respect of the terms and conditions in the licence proposal.

CONSULTATION AND COMMUNICATION

Thirroul Surf Life Saving Club representatives in respect of the proposal for a licence agreement and the request by the Club for waiver of fees

SLSNSW in the development of the agreed document including payment of the applicable fees in accordance with the adopted fees and charges

Recreation Services

Legal Services

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "Participation in recreational and lifestyle activities is increased".

It specifically delivers on core business activities as detailed in the Service Plan 2019-20 - 'Provide statutory services to appropriately manage and maintain our public spaces'.

Two adopted policies relevant to this report are -

- Community and Sporting Group Rentals Council Policy
- Surf Life Saving Buildings Management Policy

The payment of the licence fee and the licence preparation fee are standard charges required to be made to Council pursuant to the Community and Sporting Group Rentals Council Policy.

FINANCIAL IMPLICATIONS

Council's adopted Fees and Charges for 2019/2020 include charges for -

Preparation of Lease and Licence Agreements (Community and Sporting Groups)

• Licence Fee (payable annually)

\$705.00

If this waiver is applied consistently for other surf clubs and community groups it could result in a significant reduction in income to Council noting the amount of surf clubs and community groups occupying Council owned land throughout the local government area.

CONCLUSION

Council acknowledges the valuable contribution made to the community by the Club, its members and volunteers. In good faith and in an effort to minimise disturbance to the Club's operations, Council officers will continue to negotiate with the Club to achieve a mutually agreeable resolution in respect of the terms and conditions in the licence.

As the fees are adopted by Council and incorporated in our fees and charges, the request for the waiver of the annual licence fee and the licence preparation fee is submitted to Council for determination.

The requirement for the payment of these fees has been applied to other surf life saving clubs that are now under lease/licence agreement. If a determination was made to waive the above fees, other surf clubs and community groups may request consistency across the board and request that these fees also be waived for their respective clubs. If this were to occur, it could result in a loss of income of the preparation fee for each surf club as well as a loss of the annual licence fee per surf club.



File: LCS-015.116 Doc: IC19/555

ITEM 12

PUBLIC EXHIBITION PROPOSED FEES AND CHARGES 2019/20 - BALGOWNIE VILLAGE COMMUNITY CENTRE

This report provides advice on the outcome of the exhibition of fees and charges for the hire of Balgownie Village Community Centre and seeks Council approval to adopt these for the 2019/2020 financial year.

Balgownie Village Community Centre is returning to Council's management as the community group that has managed the facility on behalf of Council since 1992 has rescinded its licence.

RECOMMENDATION

Council adopt the Balgownie Village Community Centre Fees and Charges for 2019/2020.

REPORT AUTHORISATIONS

Report of: Jenny Thompson, Manager Library and Community Services

Authorised by: Kerry Hunt, Director Community Services - Creative and Innovative City

ATTACHMENTS

- 1 Balgownie Village Community Centre Proposed Fees and Charges 2019/20
- 2 Engagement Report Balgownie Village Community Centre Fees and Charges 2019/20

BACKGROUND

Balgownie Village Community Centre Inc. (BVCCinc) has managed Balgownie Village Community Centre (BVCC) under a licence agreement with Wollongong City Council since 1992.

On 24 June 2019 Council was informed by BVCCinc of its decision to cease operations as of 30 September 2019 due to the management committee's inability to continue. BVCCinc will hand back the licence to manage BVCC as of this date. Council will commence management of hall hire/bookings from 1 September 2019 enabling the committee to wind up the organisation during this period.

CURRENT SITUATION

To assist in the smooth transition of management, a communications strategy has been developed and regular hirers have been informed by BVCCinc. of its decision to hand back the licence. Council's Community Facilities Team has also contacted regular hirers to reassure them their bookings will be honoured and meetings were held with these individuals and groups in August 2019 to discuss the changes at the centre.

The proposed fees for hire of BVCC have been benchmarked against other, similarly sized, rooms within the Council community facilities portfolio, taking into consideration building condition and levels of utilisation.

On 30 July 2019, Executive endorsed the public exhibition of the proposed fees and charges for hire of BVCC for a period of 28 days.

The proposed fees were placed on public exhibition for a period of 28 days concluding on 4 September 2019. No submissions were received during the exhibition period.

PROPOSAL

Council adopt the scheduled fees and charges for hire of the Balgownie Village Community Centre Fees and Charges - 2019/2020.

CONSULTATION AND COMMUNICATION

Finance Division regarding the process for adoption of fees and charges

Existing hirers of Balgownie Village Community Centre

The proposed fees and charges were placed on public exhibition for a period of 28 days commencing 7 August 2019. During this period there were 20 visits to Council's Have Your Say website, the document was downloaded eight times and nil submissions were received.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "Wollongong is a creative and vibrant city". Strategy 3.3.1 - Provide access for communities to quality local spaces and places to meet, share and celebrate.

It specifically delivers on core business activities as detailed in the Community Facilities Service Plan 2019-20.

FINANCIAL IMPLICATIONS

Adoption of the proposed fees and charges for hire of Balgownie Village Community Centre will provide income to Council which will assist in defraying the operating costs of the facility.

CONCLUSION

wollongong

The proposed fees and charges have been on public exhibition for a period of 28 days. As no comments or feedback have been received, it is recommended Council adopt these fees and charges for the 2019/2020 financial year.



Attachment 1

Balgownie Village Community Centre Proposed Fees 2019/20

Fee Name	Pricing Structure Code	GST Y/N	Amount incl GST
COMMUNITY FACILITIES – BALGOWNIE VILLAGE COMMUNITY CENTRE			
HALL/ANNEXE			
Hourly rate – Function	Sub	Υ	40.00
Hourly rate – Non Profit	Sub	Υ	10.00
Hourly rate – Other	Sub	Υ	19.00
CWA ROOM			
Hourly rate – Function	Sub	Υ	33.00
Hourly rate – Non Profit	Sub	Υ	8.50
Hourly rate – Other	Sub	Y	16.50
OFFICE			
Hourly rate – Other	Sub	Y	8.00
Half Day rate – Other (9am – 1pm, 1pm – 5pm).	Sub	Υ	16.00
Full Day rate – Other (9am – 5pm).	Sub	Υ	26.50
Hourly rate – Non Profit	Sub	Υ	7.00
Half Day rate – Non Profit (9am – 1pm, 1pm – 5pm).	Sub	Y	13.00
Full Day rate – Non Profit (9am – 5pm).	Sub	Υ	20.50

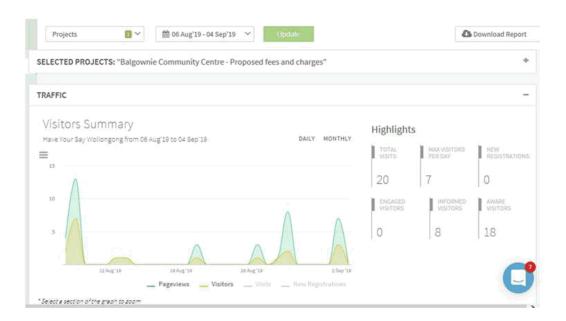
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Item 12 - Attachment 2 - Engagement Report - Balgownie Village Community Centre - Fees and Charges - 2019/20

Attachment 2

Engagement Report Balgownie Village Community Centre Fees and Charges - 2019/2020





File: FI-230.01.480 Doc: IC19/511

ITEM 13 TENDER T18/46 PROVISION OF DESIGN AND TECHNICAL SERVICES TO COUNCIL

Council's existing Design and Technical Services panel, which is now nearing expiry, was established to provide a list of consultants which have been assessed, are engaged under Council contract, and could be called upon by Council during periods of high workload which exceed the internal capacity of Council or when the provision of specialist services is required.

This report recommends acceptance of a tender for the Provision of Design and Technical Services to Council in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005. Twenty (20) panels of specialist disciplines in design and technical services will be engaged for a period of one year with four options for extensions of one year each, with such extensions exercisable at Council's sole discretion.

RECOMMENDATION

- 1 In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept the tenders shown below in Tables A T for the Provision of Design and Technical Services to Council for a period of one year with the option to extend annually for a further four years at the sole discretion of Council.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Glenn Whittaker, Manager Project Delivery
Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

Council uses a range of consultant design and technical services to supplement its internal design resources to design and investigate Council's infrastructure projects. Council has an increasing demand for various specialist disciplines of design consultants due to the increase in both the number and complexity of the projects in the future infrastructure delivery program. The establishment of panels creates a list of preapproved consultants in identified disciplines, with Council contracts in place, at competitive prices while reducing the lead time for engagement of consultant teams.

A previous panel of consultants (T14/16) has operated successfully since July 2015 and is now in its last year of optional extension and requires a refresh due to a number of changes in the consultant field. This new panel will commence operation in December 2019 and includes additional specialist disciplines. In addition, the panel has been refined to now include a reserve list for each discipline to enable a simple method of refreshing the panel if consultants merge, cease trading or do not perform satisfactorily.

Tenders were invited for this project by the open tender method with a close of tenders of 10.00 am on 4 June 2019.



One hundred and ninety-eight (198) tenders were received by the close of tenders. The Tender Assessment Panel determined that ten (10) of the tenders were non-compliant and not able to be further assessed. The remaining tenders have been scrutinised and assessed by a Tender Assessment Panel constituted in accordance with Council's Procurement Policies and Procedures and comprising representatives of the Project Delivery, Finance, Governance and Customer Service and Infrastructure Strategy and Planning Divisions.

The Tender Assessment Panel assessed all tenders in accordance with the following assessment criteria and weightings as set out in the formal tender documents:

Mandatory Criteria

- 1 Satisfactory references from referees for previous projects of similar size and scope
- 2 Agreement to specification requirements

Assessable Criteria

- 1 Cost to Council 25%
- 2 Demonstrated strengthening of the local economic capacity 5%
- 3 Demonstrated experience and satisfactory performance in providing consultant services of a similar size and scope (including past experience with Council) 50%
- 4 Staff qualifications and experience 20%

The assessment of cost to Council was based on a typical project undertaken by Council which took into account a range of hourly rates, travelling and other costs.

The mandatory assessment criteria have been met by the recommended tenderers.

The Tender Assessment Panel utilised a weighted scoring method for the assessment of tenders which allocates a numerical score out of 5 in relation to the level of compliance offered by the tenders to each of the assessment criteria as specified in the tender documentation. The method then takes into account pre-determined weightings for each of the assessment criteria which provides for a total score out of 5 to be calculated for each tender. The tender with the highest total score is considered to be the tender that best meets the requirements of the tender documentation in providing best value to Council. Following the above analysis, it is recommended that the twenty (20) tender panels be established for the provision of design and technical services as per the recommendation to this report.

PROPOSAL

Council should authorise the establishment of twenty (20) tender panels for the provision of design and technical services in accordance with the technical specification developed.

The recommended tenderers have satisfied the Tender Assessment Panel that they are capable of undertaking the consulting works to Council's standards and in accordance with the technical specification.

Referees nominated by the recommended tenderer have been contacted by the Tender Assessment Panel and expressed satisfaction with the standard of work and methods of operation undertaken on their behalf.

CONSULTATION AND COMMUNICATION

- 1 Members of the Tender Assessment Panel
- 2 Nominated Referees

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal 5 "We have a healthy community in a liveable city".

It specifically delivers on core business activities as detailed in the Infrastructure Planning and Support Service Plan 2019-20.

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council's Procurement Policies and Procedures and the Local Government Act 1993.

FINANCIAL IMPLICATIONS

It is proposed that the individual design or technical service costs be funded from the project allocation within the appropriate Council Budget when that service is provided.

CONCLUSION

The establishment of the design consultant panels will ensure competitive pricing is obtained and reduces the timeframes involved in tendering individual projects.

Council should endorse the recommendations of this report.

Summary of Results of Tender Assessment and Ranking of Tenders

TABLE A - SUMMARY OF TENDER ASSESSMENT - Multidisciplinary Design (Civil)

Panel Contractors

Arcadis Australia Pacific Pty Ltd SMEC Australia Pty Ltd Calibre Professional Services Pty Ltd GHD Pty Ltd J. Wyndham Prince Pty Ltd Advisian Pty Ltd

Reserve Panel Contractors

Murphy Udayan Group Pty Ltd trading as MU Group Consulting Pty Ltd Cardno (NSW/ACT) Pty Ltd Beca Pty Ltd

TABLE B – SUMMARY OF TENDER ASSESSMENT – Multidisciplinary (Buildings & Architecture)

Small/medium projects (estimated construction cost up to \$2 million)

Panel Contractors

Tilment Pty Ltd T/A Edmiston Jones

Z and M Popovic Architects and Heritage Consultants trading as ZMP Architects and Heritage Consultants Lacoste + Stevenson Pty Ltd trading as Lacoste + Stevenson Architects

Elemental Architecture Pty Ltd trading as Sam Crawford Architects

BKA Architecture Pty Ltd

JPA & D Australia Pty Ltd

Choi Ropiha Fighera Pty Ltd

BHI Architects Pty Ltd

Regional Workshop Pty Ltd trading as Webber Architects



TABLE B – SUMMARY OF TENDER ASSESSMENT – Multidisciplinary (Buildings & Architecture) (Continued)

Small/medium projects (estimated construction cost up to \$2 million)

Reserve Panel Contractors

Thomson Adsett Pty Ltd
CCG Architects Pty Ltd
GHD Pty Ltd
Borst and Co Architecture Pty Ltd
Conybeare Morrison International Pty Ltd trading as CM+
Figgis Jefferson Tepa Pty Ltd
Collins and Turner Pty Ltd
Lucktime Pty Ltd trading as Imagescape Design Studio Pty Ltd
Wesley Hindmarch trading as Local Architect South Coast
Archer Office Pty Ltd
Nordon Jago Architects Pty Ltd
Studio Takt Pty Ltd trading as Takt Studio for Architecture

TABLE C – SUMMARY OF TENDER ASSESSMENT – Multidisciplinary (Buildings & Architecture)

Medium/large projects (greater than estimated construction cost \$1million)

Panel Contractors

Lacoste + Stevenson Pty Ltd trading as Lacoste + Stevenson Architects
Thomson Adsett Pty Ltd
Tilment Pty Ltd trading as Edmiston Jones
NBRS and Partners Pty Ltd
Brewster Hjorth Pty Ltd trading as Brewster Hjorth Architects

Reserve Panel Contractors

CCG Architects Pty Ltd Michael Davies Architecture Pty Ltd Terroir Pty Ltd Choi Ropiha Fighera Pty Ltd Stewart Architecture Pty Ltd Hames Sharley Pty Ltd



TABLE D - SUMMARY OF TENDER ASSESSMENT - Civil Design

Panel Contractors

Indesco South Coast Pty Ltd trading as Indesco Pty Ltd Footprint (NSW) Pty Ltd
J. Wyndham Prince Pty Ltd
Shire Civil Design
Barker Ryan Stewart Pty Ltd
Cardno (NSW/ACT) Pty Ltd

Reserve Panel Contractors

Talis Consultants Pty Ltd
Murphy Udayan Group Pty Ltd trading as MU Group Consulting Pty Ltd
Group Development Services Pty Ltd
AT&L Associates Pty Ltd
CHRISP Consulting Pty Ltd
Warren Smith and Partners Pty Ltd as Trustee for W S Partners Unit Trust
Sabai Consulting Pty Ltd

TABLE E - SUMMARY OF TENDER ASSESSMENT - Structural Design

Panel Contractors

SMEC Australia Pty Ltd Cardno (NSW/ACT) Pty Ltd Advisian Pty Ltd Bonacci Group (NSW) Pty Ltd GHD Pty Ltd Westlake Punnett and Associates Pty Ltd Jones Nicholson Pty Ltd Northrop Consulting Engineers Pty Ltd

Reserve Panel Contractors

ROC Engineering Design Pty Ltd
Murphy Udayan Group Pty Ltd trading as MU Group Consulting Pty Ltd
Arcadis Australia Pacific Pty Ltd
Meinhardt Australia Pty Ltd
Tonkin Consulting Pty Ltd
Taylor Thomson Whitting (NSW) Pty Ltd as Trustee for the Taylor Thom

Taylor Thomson Whitting (NSW) Pty Ltd as Trustee for the Taylor Thomson Whitting NSW Trust Leckring Pty Ltd trading as MIEngineers



TABLE F - SUMMARY OF TENDER ASSESSMENT - Hydraulic Design

(includes Sydney Water Service Coordinator)

Panel Contractors

Arrow Consulting Engineers Pty Ltd

Meinhardt Australia Pty Ltd

Erbas and Associates Pty Ltd

Jones Nicholson Pty Ltd

GHD Pty Ltd

ACOR Consultants Pty Ltd

Warren Smith and Partners Pty Ltd as Trustee for W S Partners Unit Trust

SCP Consulting Pty Ltd

NDY Management Pty Limited trading as Norman Disney & Young

Integral Group Consulting Engineers Pty Ltd

LandTeam Australia Pty Ltd

Northrop Consulting Engineers Pty Ltd

KF Williams and associates Pty Ltd

Building Services Engineers Pty Ltd

Cardno (NSW/ACT) Pty Ltd

Reserve Panel Contractors

SMEC Australia Pty Ltd VOS Group Pty Ltd

TABLE G - SUMMARY OF TENDER ASSESSMENT - Mechanical Design

Panel Contractors

Barry C Smith and Associates Pty Ltd Cardno (NSW/ACT) Pty Ltd NDY Management Pty Ltd trading as Norman Disney & Young Arrow Consulting Engineers Pty Ltd Crowley Consulting Pty Ltd GHD Pty Ltd

TABLE G – SUMMARY OF TENDER ASSESSMENT – Mechanical Design (Continued)

Reserve Panel Contractors

EPES Pty Ltd trading as EPES Consulting Engineers Rapley Consulting Engineers Pty Ltd Erbas and Associates Pty Ltd ACOR Consultants Pty Ltd Building Services Engineers Pty Ltd Meinhardt Australia Pty Ltd Jones Nicholson Pty Ltd



TABLE H – SUMMARY OF TENDER ASSESSMENT – Electrical Design

Panel Contractors

Paul Anthony Electrical Pty Ltd
ARA Electrical High Voltage Services Pty Ltd
SMEC Australia Pty Ltd
GHD Pty Ltd
Barry C Smith and Associates Pty Ltd
Cardno (NSW/ACT) Pty Ltd
Edwards U Pty Ltd trading as Ausconnex
Jones Nicholson Pty Ltd

Reserve Panel Contractors

Meinhardt Australia Pty Ltd
Sam Al Maraee trading as AZ Engineering Consultancy Pty Ltd
ArconaTech Pty Ltd
Peter Mascioli trading as Lightpoint Consulting Services
ACOR Consultants Pty Ltd
Arrow Consulting Engineers Pty Ltd
Northrop Consulting Engineers Pty Ltd

TABLE I – SUMMARY OF TENDER ASSESSMENT – Coastal Engineering

Panel Contractors

Cardno (NSW/ACT) Pty Ltd Haskoning Australia Pty Ltd Advisian Pty Ltd Baird Australia Pty Ltd ATF Baird Australia Unit Trust BMT Eastern Australia Pty Ltd trading as BMT GHD Pty Ltd

Reserve Panel Contractors

Manly Hydraulics Laboratory Horton Coastal Engineering Pty Ltd SMEC Australia Pty Ltd Molino Stewart Pty Ltd as trustee for Molino Stewart Unit Trust



TABLE J - SUMMARY OF TENDER ASSESSMENT - Landscape Architecture

Panel contractors

Corkery Consulting Pty Ltd
Clouston Associates Australia Pty Ltd
Taylor Brammer Landscape Architects Pty Ltd
LSA Design Pty Ltd
Flame Tree Landscape Design
Gallagher Studio Pty Ltd
James Mather Delaney Design Pty Ltd
Cardno (NSW/ACT) Pty Ltd
Black Beetle Pty Ltd

Reserve panel contractors

Indesco South Coast Pty Ltd trading as Indesco Pty Ltd
Distinctive Gardens and Interiors Pty Ltd trading as Distinctive Living Design
Tilment Pty Ltd trading as Edmiston Jones
Tract Consultants Pty Ltd as Trustee for the Tract Consultant Unit Trust
HASSELL Ltd trading as HASSELL
DSB Landscape Architects Pty Ltd
NBRS and Partners Pty Ltd
Spackman Mossop Michaels Pty Ltd

TABLE K – SUMMARY OF TENDER ASSESSMENT – Stormwater Design

Panel contractors

J. Wyndham Prince Pty Ltd

Advisian Pty Ltd

Cardno (NSW/ACT) Pty Ltd

Rhelm Pty Ltd

Engeny Management Pty Ltd ATF Engeny M Trust trading as Engeny Water Management

Footprint (NSW) Pty Ltd

Bradley Ashe trading as Ashe Civil Engineering and Design

GHD Pty Ltd

Arcadis Australia Pacific Pty Ltd

Manly Hydraulics Laboratory

LandTeam Australia Pty Ltd

WMAwater Pty Ltd

Reserve panel contractors

Molino Stewart Pty Ltd as trustee for Molino Stewart Unit Trust

SMEC Australia Pty Ltd

Murphy Udayan Group Pty Ltd trading as MU Group Consulting Pty Ltd

KF Williams and Associates Pty Ltd

BG&E Pty Ltd

Haskoning Australia Pty Ltd

Taylor Thomson Whitting (NSW) Pty Ltd as Trustee for the Taylor Thomson Whitting NSW Trust

Tonkin Consulting Pty Ltd

Calibre Professional Services Pty Ltd

AT&L Associates Pty Ltd

BMT Eastern Australia Pty Ltd trading as BMT



TABLE L - SUMMARY OF TENDER ASSESSMENT - Drafting Services

Panel contractors

Gary Melleuish trading as Gary Melleuish - Drafting Services

Z and M Popovic Architects and Heritage Consultants trading as ZMP Architects and Heritage Consultants Peter Lukin trading as Lukin Design

Bradley Ashe trading as Ashe Civil Engineering and Design

Troutman Asset Integrity Pty Limited as Trustee for TAI Discretionary trust.

SMEC Australia Pty Ltd

Footprint (NSW) Pty Ltd

Jones Nicholson Pty Ltd

Allen Price & Scarratts Pty Ltd

Bonacci Group (NSW) Pty Ltd

Marko Matkovic trading as MIMA Group

Borst and Co Architecture Pty Ltd

Reserve panel contractors

BG&E Pty Ltd Shire Civil Design Triaxial Consulting Pty Ltd Cardno (NSW/ACT) Pty Ltd Rapley Consulting Engineers Pty Ltd Indesco South Coast Pty Ltd trading as Indesco Pty Ltd

TABLE M - SUMMARY OF TENDER ASSESSMENT - Geotechnical Services

Panel contractors

SMEC Australia Pty Ltd GHD Pty Ltd Douglas Partners Pty Ltd Cardno (NSW/ACT) Pty Ltd Terrainsight Pty Ltd Jeffery and Katauskas Pty Ltd trading as JK Geotechnics

Reserve panel contractors

SLR Consulting Australia Pty Ltd trading as SLR Consulting Advisian Pty Ltd Asset Geotechnical Engineering Pty Ltd Golder Associates Pty Ltd ACT Geotechnical Engineers



TABLE N - SUMMARY OF TENDER ASSESSMENT - Environmental Science/Engineering

Panel contractors

Sur Mer Pty Ltd as Trustee for Sound Wood Trust trading as Moore Trees

Eco Logical Australia Pty Ltd

SMEC Australia Ptv Ltd

Clearsafe Environmental Solutions Pty Ltd

Brett Enman Trading as Earthwise Environmental Consultants

Ecoplanning Pty Ltd

Biosis Pty Ltd

Advisian Pty Ltd

Zoic Environmental Pty Ltd

Niche Environment and Heritage Pty Ltd

Wilkinson Murray Pty Ltd

Talis Consultants Pty Ltd

Molino Stewart Pty Ltd as Trustee for Molino Stewart Unit Trust

GHD Pty Ltd

Mara Consulting Pty Ltd

Reserve panel contractors

Engeny Management Pty Ltd as Trustee for Engeny M Trust, trading as Engeny Water Management

BMT Eastern Australia Pty Ltd trading as BMT

Arcadis Australia Pacific Pty Ltd

SLR Consulting Australia Pty Ltd trading as SLR Consulting

Rhelm Pty Ltd

Haskoning Australia Pty Ltd

Cardno (NSW/ACT) Pty Ltd

TABLE O - SUMMARY OF TENDER ASSESSMENT - Survey/Spatial Services

Panel contractors

JRK Surveys Pty Ltd

Masters Surveying

SMEC Australia Pty Ltd

LandTeam Australia Pty Ltd

KF Williams and associates Pty Ltd

S and L Keatley Pty Ltd trading as Keatley Surveyors

Cardno (NSW/ACT) Pty Ltd

Reserve panel contractors

AAM Pty Ltd

NSW Government Public Works Advisory

Allen Price & Scarratts Pty Ltd

Group Development Services Pty Ltd

ADW Johnson Pty Ltd

Craig & Rhodes Pty Ltd



TABLE P - SUMMARY OF TENDER ASSESSMENT - Quantity Surveyor Services

Panel contractors

Mitbrand NSW ACT Pty Ltd trading as Mitchell Brandtman MBMpl Pty Ltd Altus Group Cost Management Pty Ltd Leckring Pty Ltd trading as MIEngineers Muller Pty Ltd ATF Muller Unit Trust trading as Muller Partnership

Arcadis Australia Pacific Pty Ltd

Reserve panel contractors

Xmirus Pty Ltd Construction and Remediation Advisory Services Pty Ltd trading as CARAS Civcon Solutions Beca Pty Ltd

TABLE Q - SUMMARY OF TENDER ASSESSMENT - Land Contamination Services

Panel contractors

Clear Safe Environmental Solutions SMEC Australia Pty Ltd Brett Enman trading as Earthwise Environmental Consultants Cardno (NSW/ACT) Pty Ltd Zoic Environmental Pty Ltd Douglas Partners Pty Ltd

Reserve panel contractors

GHD Pty Ltd Arcadis Australia Pacific Pty Ltd Golder Associates Pty Ltd

TABLE R - SUMMARY OF TENDER ASSESSMENT - Location of Underground Utility Services

Panel contractors

Laneyrie Electrical Pty Ltd
VAC Group Operations Pty Ltd trading as VAC Group/Earth Radar Utilities
Durkin Construction Pty Ltd
V-Mark Survey Pty Ltd trading as Australian Locating Services
Cardno (NSW/ACT) Pty Ltd previously SureSearch

Reserve panel contractors

N/A



TABLE S - SUMMARY OF TENDER ASSESSMENT - Materials Assessment, Testing & Remediation

Panel contractors

GHD Pty Ltd

SMEC Australia Pty Ltd

Building and Construction Research and Consulting Pty Ltd trading as BCRC

Corrosion Control Engineering Pty Ltd

Remedial Technology Pty Ltd

Reserve panel contractors

ACOR Consultants Pty Ltd BG&E Pty Ltd ICD Asia Pacific Pty Ltd

Aegis Value Engineering Pty Ltd trading as Aegis

TABLE T - SUMMARY OF TENDER ASSESSMENT - Building Compliance Advice

Panel contractors

Daniel David Bedwell trading as Obvius Access Consultants BCA Logic Pty Ltd Northwest Professional Services Pty Ltd Aegis Value Engineering Pty Ltd trading as Aegis ACOR Consultants Pty Ltd

Reserve panel contractors

N/A



File: FI-230.01.541 Doc: IC19/503

ITEM 14 TENDER T19/26 RIBBONWOOD KURRAJONG KITCHEN REFURBISHMENT

This report recommends acceptance of a tender for the Kurrajong Hall Kitchen Refurbishment works at the Ribbonwood Community Centre, Princes Highway, Dapto in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

The proposed works to Kurrajong Hall Kitchen requires the demolition and removal of existing kitchen equipment and furnishings, and the supply, installation and fit out of a new stainless-steel food preparation and kitchen components. Completed works include demolition, disposal, installation of new flooring and tiles, benches, sinks, appliances, repainting walls and service connections. The kitchen will be fully compliant with all relevant food safety legislation and guidelines, and the Disability Discrimination Act (DDA) compliant access.

RECOMMENDATION

- In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept the tender of Sullivans Constructions for Ribbonwood Kurrajong Hall 1 kitchen refurbishment, in the sum of \$139,716, excluding GST.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Mark Roebuck, Manager City Works

Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

1 Location Plans

BACKGROUND

The Kurrajong Hall Kitchen is located in the Ribbonwood Centre, Dapto. The proposed refurbishment works will modernise the kitchen using the existing layout and will include new floor coverings, stainless steel bench tops, sinks and appliances.

The proposed works ensure that Council facilities are compliant with legislative requirements and that they offer community spaces with a high level of amenity, quality and compliance.

The tender specifications outlined the requirements for the works to be undertaken between January and February 2020. The purpose of this construction period is to minimise the impacts on the licensee and hirers.

Tenders were invited for this project by the open tender method with a close of tenders of 10.00am on 20 August 2019.

Six (6) tenders were received by the close of tender and all tenders have been scrutinised and assessed by a Tender Assessment Panel constituted in accordance with Council's Procurement Policies and Procedures and comprising representatives of Governance + Customer Service, Library + Community Services, Infrastructure Strategy + Planning, and City Works Divisions.

The Tender Assessment Panel assessed all tenders in accordance with the following assessment criteria and weightings as set out in the formal tender documents:



Mandatory Criteria

- 1 Satisfactory references from referees for previous projects of similar size and scope;
- 2 Financial assessment acceptable to Council which demonstrates the tenderer's financial capacity to undertake the works.

Assessable Criteria

- 1 Cost to Council 40%
- 2 Appreciation of scope of work, construction methodology and demonstrable environmental policies and procedures 10%
- 3 Demonstrated experience and satisfactory performance 5%
- 4 Staff qualifications and experience 10%
- 5 Proposed subcontractors 5%
- 6 Proposed schedule 20%
- 7 Demonstrated WHS management system 5%
- 8 Demonstrated strengthening of Local Economic Capacity 5%.

The mandatory assessment criteria have been met by the recommended tenderer.

The Tender Assessment Panel utilised a weighted scoring method for the assessment of tenders which allocates a numerical score out of 5 in relation to the level of compliance offered by the tenders to each of the assessment criteria as specified in the tender documentation. The method then takes into account pre-determined weightings for each of the assessment criteria which provides for a total score out of 5 to be calculated for each tender. The tender with the highest total score is considered to be the tender that best meets the requirements of the tender documentation in providing best value to Council.

Table 1 below summarises the results of the tender assessment and the ranking of tenders.

TABLE 1 - SUMMARY OF TENDER ASSESSMENT

Name of Tenderer	Ranking
Sullivans Constructions	1
Batmac Constructions Pty Ltd	2
Joss Facility Management	3
Elite Commercial Solutions Pty Ltd	4
Adaptive Interiors	5
AJ Grant Group	6



PROPOSAL

Council should authorise the engagement of Sullivans Constructions to carry out the Ribbonwood Kurrajong Hall kitchen refurbishment in accordance with the scope of works and technical specifications developed for the project.

The recommended tenderer has satisfied the Tender Assessment Panel that it is capable of undertaking the works to Council's standards and in accordance with the technical specification.

Referees nominated by the recommended tenderer have been contacted by the Tender Assessment Panel and expressed satisfaction with the standard of work and methods of operation undertaken on their behalf.

CONSULTATION AND COMMUNICATION

- 1 Members of the Tender Assessment Panel;
- 2 Nominated Referees.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 "We have a healthy community in a liveable city." It specifically delivers on the following:

Community Strategic Plan	Delivery Program 2018-2021	Operational Plan 2019-20
Strategy	3 Year Action	Operational Plan Actions
5.5.1 Public facilities in key locations and transport routes are maintained and clean, accessible and inviting to our community and visitors.	5.5.1.3 Coordinator an access improvement program through pre-planning and renewal activities.	Establish a program to ensure Disability Discrimination Act compliance is integrated with Council asset management plans.

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council's Procurement Policies and Procedures and the Local Government Act 1993.

The risk of the project works or services is considered low based upon Council's risk assessment matrix and appropriate risk management strategies will be implemented.

FINANCIAL IMPLICATIONS

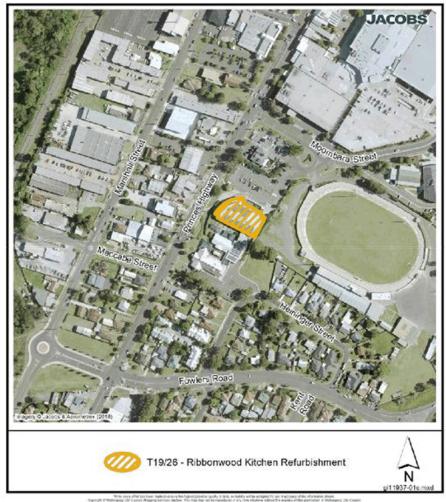
It is proposed that the total project be funded from the following source/s as identified in the Annual Plan –

Operational Plan 2019-2020

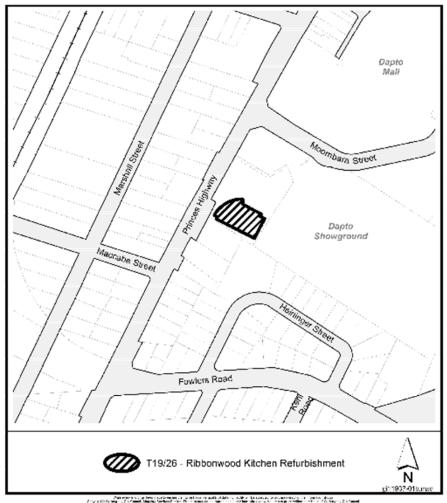
CONCLUSION

The recommended tenderer Sullivans Constructions has submitted an acceptable tender for this project and Council should endorse the recommendations of this report.









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File: FI-914.05.001 Doc: IC19/588

ITEM 15

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

PRESENTER: Audit Office of NSW - Financial Statements

Council officers have prepared the draft 2018-2019 Annual Financial Statements in accordance with the Local Government Act 1993 (as amended) and the Regulations, the Australian Accounting Standards and the Local Government Code of Accounting Practice and Financial Reporting.

The draft Financial Statements were presented to the Audit, Risk and Improvement Committee on 17 September 2019. At that meeting, the Audit, Risk and Improvement Committee resolved that the General Purpose Financial Statements and the Special Purpose Financial Statements be recommended to Council for endorsement and the signing of the Statements by the Lord Mayor, Deputy Lord Mayor and Management.

The Statements have been reviewed by Council's Auditors, Audit Office of NSW, and are presented to Council for an opinion to be formed in the prescribed format (as attached). The Audit Office of NSW will address the meeting to provide an overview of their Audit Report for the year ended 30 June 2019.

RECOMMENDATION

- The Annual Financial Statements be endorsed and an opinion be formed in the prescribed format (as per Attachments 2 and 3) on the General Purpose Financial Statement and the Special Purpose Financial Statement.
- The audited Financial Statements, together with the Auditor's report, Executive Summary (Attachment 4) and Financial Commentary (Attachment 5) be presented to the public at the next Council meeting.

REPORT AUTHORISATIONS

Report of: Brian Jenkins. Chief Financial Officer

Authorised by: Renee Campbell, Director Corporate Services - Connected + Engaged City

ATTACHMENTS

- 1 Annual Financial Statements 2018-2019
- 2 Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose Financial Statements
- 3 Statement by the Lord Mayor, Deputy Lord Mayor and Management on the Special Purpose Financial Statements
- 4 Executive Summary
- 5 Financial Commentary 2018-2019
- 6 Flowchart of the Annual Financial Statement Approval and Audit Process

BACKGROUND

The Local Government Act 1993 (as amended) requires Council to prepare financial statements for each year and refer them for audit as soon as practicable after the end of that year.

A council's financial statements must include:

- 1 A General Purpose Financial Statement;
- 2 Any other matter prescribed by the regulations, and
- A statement in the approved form by the Council as to its opinion on the General Purpose Financial Statement.



The Annual Financial Statement Approval and Audit Process is outlined in Attachment 6 of this report. This process is largely governed by the requirements of the Local Government Act 1993 (as amended) having regard to the timing of Council meetings. In accordance with this process, the Audit, Risk and Improvement Committee recommends to the Council whether the Financial Statements should be signed based on the Committee's assessment of them.

An Executive Summary (Attachment 4) and Financial Commentary (Attachment 5) to the Statements are also prepared to provide an overview of the Financial Statements. The Executive Summary and Financial Commentary are not audited.

PROPOSAL

Section 413 of the Local Government Act 1993 (as amended) requires the Council to form an opinion as to whether Council's Annual Financial Statements have been drawn up in accordance with the Local Government Act and associated Codes and Australian Accounting Standards as prescribed by the Regulations. The Statements have been reviewed by Council's Auditors, Audit Office of NSW, and are presented to Council for an opinion to be formed in the prescribed format (see Attachments 2 and 3). Subsequent to these Statements being signed, Council's Auditor will present its Audit Report to Council.

Following the signing of the opinions and receiving the Auditor's Report, a copy of the Audited Financial Statements will be submitted to the Office of Local Government in accordance with Section 417(5) of the Local Government Act 1993 (as amended).

Section 418 of the Local Government Act 1993 (as amended) requires that Council, as soon as practical after receiving a copy of the Auditor's Reports, fix a date for a meeting at which it proposes to present its Audited Financial Statements, together with the Auditor's Reports, to the public. The Council must give public notice of the date of the meeting. Consequently, an advertisement is scheduled to appear in The Advertiser on Wednesday, 9 October 2019.

Section 420 of the Local Government Act 1993 provides that any person may make submissions to the Council with respect to the Financial Statements and/or the Auditor's Reports and those submissions must be made in writing and lodged with the Council within seven days of the public meeting. The date of the Council meeting (public meeting) is the next Council meeting as resolved by Council.

CONSULTATION AND COMMUNICATION

The Audit Office of NSW have been consulted throughout the preparation of the Annual Financial Statements. The audit staff have been helpful in ensuring compliance with all accounting requirements.

A set of draft Financial Statements were presented to the Audit, Risk and Improvement Committee on 17 September 2019. At the meeting, the Audit, Risk and Improvement Committee resolved:

- 1 The draft Annual Financial Statements for the year ended 30 June 2019 were noted and accepted.
- The General Purpose Financial Reports be recommended to Council for endorsement and the signing of the Statement by the Lord Mayor, Deputy Lord Mayor and Management, made pursuant to Section 413[2][c] of the Local Government Act 1993 (as amended).
- 3 The Special Purpose Financial Reports be recommended to Council for endorsement and the signing of the Statement by the Lord Mayor, Deputy Lord Mayor and Management, made pursuant to the Local Government Code of Accounting Practice and Financial Reporting.

Through their review of the draft Financial Statements the Audit, Risk and Improvement Committee made the following recommendations:

- Minor updates to formatting and grammar in the Executive Summary and Financial Commentary (page 9).
- Additional detail in the financial overview within the Financial Commentary to explain the results and the nature of the one-off transactions causing the deficit in the Net Operating Result Before Capital Grants and Contributions (page 1).



• Disclosures to explain the larger variances in the Notes to the Financial Statements (Note 3b, Note 4a & Note 5).

Executive, senior managers and significant senior officers were requested to ensure that all relevant information with regards to the 2018-2019 transactions relating to their area/s of responsibility had either been entered into the financial records or disclosed to the Chief Financial Officer.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2022 goal 'We are a connected and engaged community'. It specifically delivers on the following:

	Community Strategic Plan Strategy	Deli	very Program 2018-2021 3 Year Action	Operational Plan 2019-20 Operational Plan Actions
4.3.2	technology, assets and	4.3.2.1	Effective and transparent financial management	Monitor and review achievement of Financial Strategy
	people) are effectively managed to ensure long term financial sustainability		systems are in place	Continuous budget management is in place, controlled and reported
	·			Provide accurate and timely financial reports monthly, quarterly and via the annual statement
				Manage and further develop a compliance program to promote awareness and compliance with Council's procurement policies and procedures and other related policies

RISK ASSESSMENT

The Annual Financial Statements are required to be prepared in accordance with the Local Government Act 1993 (as amended), the Local Government Code of Accounting Practice and Financial Reporting and the Australian Accounting Standards. Council has professionally qualified staff to ensure compliance with the reporting requirements.

Council staff have also undertaken additional training in specialised areas. A higher level of assurance is attained from the Audit Office of NSW review.

Further to this, Council's Executive, senior management and relevant senior officers each signed a document giving the necessary assurances that:

- No matters or occurrences have come to their attention in respect to their areas of responsibility that would materially affect the Financial Statements or disclosures therein, or which are likely to materially affect the future results or operations of the Council; and
- 2 Should any such matters or occurrences come to their attention after the date of signing the document, the Chief Financial Officer be immediately advised.

Consequently, there is considered to be a low risk of any material errors or omissions in reporting.

FINANCIAL IMPLICATIONS

Council is now presented with a set of draft Financial Statements that have been prepared in accordance with the Australian Accounting Standards and other professional pronouncements and the Local Government Code of Accounting Practice and Financial Reporting.



A preliminary pre-audit result was presented to Council on 2 September 2019 as part of the Draft Quarterly Review Statement June 2019. The Annual Financial Statements 2018/19 reflect the following variances to the preliminary pre-audit result:

- A late adjustment of \$10 thousand increasing expenses from continuing operations.
- Rates and annual charges income includes the pensioner subsidies received within the Financial Statements which were reported under Grants & Contributions in the Quarterly Review Statement. This is the result of a change in reporting requirements for the Financial Statements.

The Financial Statements for 30 June 2019 shows a positive operating result when compared to original budget however changes to the budget during the year resulted in an unfavourable operating result compared to the current budget as reported through the Draft Quarterly Review Statement. The Operating Result [pre capital] has been impacted by a number of large abnormal transactions primarily related to accounting treatment and valuation of employee liabilities. Large variations in this result are associated with the application of revised discount factors reflecting current interest expectations that have contributed to an increase in valuation of employee leave liabilities (\$5.2M), the reassessment of prior year workers' compensation claims to reflect broader community valuation trends (\$2.0M), the reclassification of capital expenditure as operational (\$1.7M) and asset disposal costs relating to the replacement of infrastructure assets (\$6.8M).

CONCLUSION

The Financial Statements will be presented to the public at the next Council meeting pending Council forming an opinion that they have been drawn up in accordance with the Local Government Act and associated Codes and Australian Accounting Standards as prescribed by the Regulations.



ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2019







GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2019





Financial Statements 2019

General Purpose Financial Statements

for the year ended 30 June 2019

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Overview

Wollongong City Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

41 Burelli Street Wollongong NSW 2500

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- · principles to be applied when making decisions,
- · principles of community participation,
- · principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

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

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.wollongong.nsw.gov.au.



Financial Statements 2019

General Purpose Financial Statements

for the year ended 30 June 2019

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

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

- the Local Government Act 1993 (NSW) (as amended) and the regulations made thereunder,
- · the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board,
- · the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

- · present fairly the Council's operating result and financial position for the year,
- · 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 23 September 2019.

Gordon Bradbery Lord Mayor 23 September 2019 David Brown

Deputy Lord Mayor

23 September 2019

Greg Doyle General Manager 23 September 2019 Brian Jenkins
Responsible Accounting Officer
23 September 2019



Financial Statements 2019

Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018 1
	Income from continuing operations			
	Revenue:			
197,686	Rates and annual charges	3a	199,524	193,429
	User charges and fees	3b	32.793	34.805
34,967 4,572	Interest and investment revenue	3c	5,069	5,162
10,062	Other revenues	3d	12,125	10,551
19,837	Grants and contributions provided for operating purposes	3e, 3f	12,125 28,856	,
,	Grants and contributions provided for capital purposes		,	29,384
53,752		3e, 3f	59,656	40,637
	Other income:			_
_	Fair value increment on investment properties	11	220	5
_	Net share of interests in joint ventures and associates using the equity method	17	291	803
320,876	Total income from continuing operations		338,534	314,776
	Everyone from continuing energtions			
440.000	Expenses from continuing operations		100 115	407.040
112,838	Employee benefits and on-costs	4a	122,445	107,843
3,310	Borrowing costs	4b	3,337	3,819
55,983	Materials and contracts	4c	57,432	53,709
64,508	Depreciation and amortisation	4d	61,781	60,067
37,360	Other expenses	4e 5	34,571	40,211
	Net losses from the disposal of assets	0	6,856	361
273,999	Total expenses from continuing operations		286,422	266,010
46,877	Operating result from continuing operations		52,112	48,766
46,877	Net operating result for the year		52,112	48,766
46,877	Net operating result attributable to council		52,112	48,766
(6,875)	Net operating result for the year before grants and contrib provided for capital purposes	utions	(7,544)	8,129

⁽¹⁾ The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement

The above Income Statement should be read in conjunction with the accompanying notes.



Financial Statements 2019

Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018 1
Net operating result for the year (as per Income Statement)		52,112	48,766
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result Gain (loss) on revaluation of IPP&E	10	196,818	5,692
Total items which will not be reclassified subsequently to the operating result		196,818	5,692
Amounts which will be reclassified subsequently to the operating result when conditions are met	specific		
Gain(/loss) on revaluation of equity instruments at fair value through other comprehensive income		(32)	_
Total items which will be reclassified subsequently to the operating result when specific conditions are met		(32)	
Total other comprehensive income for the year		196,786	5,692
Total comprehensive income for the year		248,898	54,458
Total comprehensive income attributable to Council		248,898	54,458

⁽¹⁾ The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



Financial Statements 2019

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018 1
ASSETS			
Current assets			
Cash and cash equivalent assets	6(a)	25,187	26,491
Investments	6(b)	114,579	109,162
Receivables	7	36,620	27,036
Inventories	8a	337	306
Other	8b	11,879	10,666
Total current assets		188,602	173,661
Non-current assets			
Investments	6(b)	15,056	22,115
Inventories	8a	5,948	5,835
Infrastructure, property, plant and equipment	10	2,565,095	2,317,081
Investment property	11a	5,000	4,780
Intangible assets	12	440	388
Investments accounted for using the equity method	17	2,929	2,638
Total non-current assets	0	2,594,468	2,352,837
TOTAL ASSETS	_	2,783,070	2,526,498
LIABILITIES			
Current liabilities			
Payables	13	30,006	26,754
Income received in advance	13	5,014	3,256
Borrowings	13	7,934	7,716
Provisions	14	58,214	50,377
Total current liabilities		101,168	88,103
Non-current liabilities			
Payables	13	385	700
Borrowings	13	17,497	25,039
Provisions	14	47,054	44,566
Total non-current liabilities		64,936	70,305
TOTAL LIABILITIES		166,104	158,408
Net assets		2,616,966	2,368,090
EQUITY			
Accumulated surplus	15a	1,463,845	1,411,338
Revaluation reserves	15a	1,153,065	956,752
Other reserves	15a	56	
Council equity interest		2,616,966	2,368,090
Total equity		2,616,966	2,368,090

⁽¹⁾ The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



Statement of Changes in Equity

for the year ended 30 June 2019

		20)19				20	18 ¹	
		IPP&E						Investment	
	Accumulated	revaluation		Total		Accumulated	revaluation		Total
\$ '000 Note	s surplus	reserve	Reserve	equity		surplus	reserve	Reserve	equity
Onanian balance	4 444 220	056.750		2 262 000	6	1 200 005	000.050		2 252 257
Opening balance	1,411,338	956,752	_	2,368,090		1,389,905	962,952	_	2,352,857
Correction of prior period errors		-	_	- 4		(30,652)	(8,573)	_	(39,225)
Adoption of new accounting standards – not retrospective 150	(110)	_	88	(22)		_	_	-	_
Restated opening balance	1,411,228	956,752	88	2,368,068	N.	1,359,253	954,379	_	2,313,632
Net operating result for the year	52,112	_		52,112		48,766	_	_	48,766
Restated net operating result for the period	52,112			52,112	W	48,766	_	_	48,766
Other comprehensive income									
 Gain (loss) on revaluation of IPP&E 		196,818		196,818		_	5,692	_	5,692
 Gain(/loss) on revaluation of equity instruments at fair value through other comprehensive income) T	(32)	(32)		-	-	-	_
Other comprehensive income		196,818	(32)	196,786		_	5,692	_	5,692
Total comprehensive income	52,112	196,818	(32)	248,898		48,766	5,692	_	54,458
Transfers between equity items	505	(505)	_	_		3,319	(3,319)	_	
Equity – balance at end of the reporting period	1,463,845	1,153,065	56	2,616,966		1,411,338	956,752	_	2,368,090

⁽¹⁾ The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



Wollongong City Council

Statement of Cash Flows

for the year ended 30 June 2019

Original unaudited				
budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
	Cash flows from operating activities			
	Receipts			
197,421	Rates and annual charges		198,536	193,451
34,967	User charges and fees		35,009	35,362
4,572	Investment and interest revenue received		4,859	5,426
63,420 9,598	Grants and contributions Bonds, deposits and retention amounts received		74,808 3,060	50,700 591
9,596	Other		25,603	23,198
	Payments		20,000	20,100
(110,458)	Employee benefits and on-costs		(116,018)	(107,925)
(92,522)	Materials and contracts		(76,382)	(65,774)
(1,089)	Borrowing costs		(1,096)	(1,263)
_	Bonds, deposits and retention amounts refunded Other	. •	(907) (33,844)	(1,543) (52,022)
105,909	Net cash provided (or used in) operating activities	16b	113,628	80,201
100,000	not each provided (or dood in) operating determine		113,020	00,201
	Cash flows from investing activities	_		
	Receipts			
(205)	Sale of infractive property plant and aguinment		61,106	67,557
1,795	Sale of infrastructure, property, plant and equipment Payments		1,920	10,923
_	Purchase of investment securities		(59,267)	(54,661)
(97,962)	Purchase of infrastructure, property, plant and equipment		(110,578)	(93,506)
_	Purchase of real estate assets		(113)	(44)
	Purchase of intangible assets		(285)	
(96,372)	Net cash provided (or used in) investing activities		(107,217)	(69,731)
	Cash flows from financing activities Payments			
(7,692)	Repayment of borrowings and advances		(7,715)	(7,513)
(7,692)	Net cash flow provided (used in) financing activities		(7,715)	(7,513)
1,845	Net increase/(decrease) in cash and cash equivalents		(1,304)	2,957
131,797	Plus: cash and cash equivalents – beginning of year	16a	26,491	23,534
133,642	Cash and cash equivalents – end of the year	16a	25,187	26,491
100,042	oderrand oderroquivalente ond or the your			20,401
	Additional Information: plus: Investments on hand – end of year	6(b)	129,635	121 277
122 642	Total cash, cash equivalents and investments	O(D)		131,277 157 769
133,642	rotal cash, cash equivalents and investments		154,822	157,768

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

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Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 23 September 2019. Council has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity for the purposse of preparing these financial statements. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts.

Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- · Statement of cash flows
- Note 21 Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019. Those newly adopted standards which had an impact on reported position, performance and/or disclosures have been discussed in Note 15.

(b) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of infrastructure, property, plant and equipment and investment property.

(c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of investment properties refer Note 11
- (ii) estimated fair values of infrastructure, property, plant and equipment refer Note 10
- (iii) estimated tip remediation provisions refer Note 14
- (iv) employee benefit provisions refer Note 14.

Significant judgements in applying the council's accounting policies

(i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables - refer Note 7.



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Wollongong City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

Monies and other assets received by Council

(a) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), 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.

(b) The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (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 reports.

The following Trust monies and properties are held by Council but not considered to be under the control of Council and therefore are excluded from these financial statements:

- · WCC Trust Account (deposits from sale of land/properties due to unpaid rates)
- · Lord Mayor's Relief Fund
- Art Gallery (bequeaths/donations)
- Environment Foundation Gift Trust

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

New accounting standards and interpretations issued not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by Council).

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial positon and cash flows) are set out below:

AASB 16 Leases

AASB 16 will result (for the year ending 30 June 2020 and beyond) in all operating leases being recognised on the balance sheet by Council with the distinction between operating and finance leases removed.

Under the new standard, a financial liability (ie. a lease liability) and an asset (ie. a right to use the leased item) will be recognised for nearly all arrangements where Council commits itself to paying a rental fee for the use of a specific asset.

The only exceptions are short-term and low-value leases which are exempt from the accounting (but not disclosure) requirements of AASB 16 - Leases.

Council staff have reviewed all of Council's leasing arrangements over the last 12 months taking into consideration the new lease accounting rules in AASB 16 (applicable from 1 July 2019). Further investigation of the waste services contracts in consultation with suppliers is required to determine potential inclusion.



Financial Statements 2019

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

AASB 16 will (on the whole) affect Council's accounting for existing operating lease agreements that are in place as at 30 June 2019.

At the end of this reporting period, Council has non-cancellable operating lease commitments of \$1,273,319 - refer Note 18.

No portion of these commitments relate to short-term leases or low value leases.

Council anticipates it will recognise lease liabilities (on its balance sheet) of \$1,148,929 (after adjustments for prepayments and accrued lease payments recognised as at 30 June 2019) and also recognise complimentary right-of-use assets (on its balance sheet) totalling \$1,148,929 on 1 July 2019.

From a financial position standpoint, as a result of recognising the above lease liabilities and right-of-use assets, Council's net assets (as at 1 July 2019) will remain unchanged, while net current assets will be \$335,056 lower due to the presentation of a portion of the lease liability as a current liability.

From a financial performance standpoint, Council expects that net operating result will be unchanged for the year ending 30 June 2020 as a result of adopting the standard.

Operating cash flows will increase and financing cash flows decrease by approximately \$1,148,929 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

AASB 15 Revenue from Contracts with Customers and associated amending standards.

AASB15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue 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.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Councils should assess each revenue stream but particular impact is expected for grant income and rates which are paid before the commencement of the rating period.

The changes in revenue recognition requirements in AASB15 may cause changes to the timing of revenue recorded in the financial statements as well as additional disclosures. The new standard requires that revenue received under a contract with sufficiently specific performance obligations be recognised when control of the goods or services are transferred to the customer. Where revenue is not connected to a contract with sufficiently specific performance obligations, it will generally be recognised upon receipt. Currently revenue is recognised when it is received, and where income is received in arrears an accrual is made by reference to the stage of completion of the transaction.

AASB 1058 Income of NFP Entities

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions.

Under AASB 1058, the future timing of income recognition will depend on whether the transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service) related to an asset (such as cash or another asset) received by an entity.

AASB 1058 also applies when a council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the council's objective is principally to enable the asset to further the council's objectives.

Upon initial recognition of the asset, this standard requires council to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable accounting standard, such as:

- (a) contributions by owners
- (b) revenue, or a contract liability arising from a contract with a customer
- (c) a lease liability
- (d) a financial instrument, or
- (e) a provision.



Notes to the Figure in Otatana

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

If the transaction is a transfer of a financial asset to enable council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), the council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will then recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

If the transaction does not enable council to acquire or construct a recognisable non-financial asset to be controlled by council, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

It is anticipated that the adoption of AASB 1058 may impact the timing of income recognition relating to some capital grants. Council will also be required to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. Currently volunteer services are not recognised.

AASB 2018-8 Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities

This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below market terms and conditions, principally to enable the entity to further its objectives (for example, concessionary or peppercorn leases).

The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such right-of-use assets at cost rather than fair value) to include additional disclosures in the financial statements to ensure users understand the effects on the financial position, financial performance and cash flows of the entity arising from these leases

As per a NSW Office of Local Government recommendation, Council has elected to measure right-of-use assets (under a concessionary or peppercorn lease) at cost. The standard requires additional disclosures be provided in relation to below market-value leases measured at cost.

Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2018.



Notes to the Financial Statements

for the year ended 30 June 2019

Note 2(a). Council functions/activities – financial information

Income, expenses and assets have been directly attributed to the following functions or activities.

Details of those functions or activities are provided in Note 2(b).

		ncome from operations	Expe continuing	enses from operations	Operating continuing	result from operations		ts included come from operations		al assets held (current and non-current)
\$ '000	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Functions or activities										
Planning and engagement	27,520	13,355	28,058	26,099	(538)	(12,744)	273	1,369	258,471	269,637
Environment	49,350	48,375	61,691	62,198	(12,341)	(13,823)	2,941	1,470	470,695	354,251
Transport services/infrastructure	29,491	17,113	50,189	48,466	(20,698)	(31,353)	26,623	14,130	476,782	430,258
Community services/facilities	8,155	9,033	33,661	32,730	(25,506)	(23,697)	4,732	4,758	37,374	31,089
Recreation and open space	13,954	12,274	47,796	45,762	(33,842)	(33,488)	367	209	79,719	93,723
Regulatory services and safety	8,241	8,417	19,284	18,574	(11,043)	(10,157)	476	521	1,527	1,641
Governance and internal services	194,427	188,042	45,743	32,181	148,684	155,861	16,983	17,281	1,458,502	1,345,899
Contributed Assets	7,396	18,167		<i>#</i> -1	7,396	18,167	_	_	_	_
Total functions and activities	338,534	314,776	286,422	266,010	52,112	48,766	52,395	39,738	2,783,070	2,526,498



Notes to the Financial Statements

for the year ended 30 June 2019

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 and internal services

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

Contributed Assets

Contributed assets relate mainly to the handover of transport and stormwater assets from various subdivisions in the West Dapto area.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations

\$ '000	2019	2018
(a) Rates and annual charges		
Ordinary rates		
Residential	115,655	112,264
Farmland	313	302
Mining	914	897
Business	46,927	45,436
Less: pensioner rebates (mandatory)	(2,902)	(2,885)
Less: pensioner rebates (Council policy)	(377)	(410)
Abandonments	(42)	(94)
Rates levied to ratepayers	160,488	155,510
Pensioner rate subsidies received	1,596	1,551
Total ordinary rates	162,084	157,061
Special rates		
City centre	403	395
Mall	1,107	1,044
Rates levied to ratepayers	1,510	1,439
Total special rates	1,510	1,439
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	34,560	33,601
Stormwater management services	1,831	1,817
Less: pensioner rebates (mandatory)	(797)	(798)
Less: pensioner rebates (Council policy)	(97)	(107)
Abandonments – annual charges 1	(5)	(13)
Annual charges levied	35,492	34,500
Pensioner subsidies received:		
 Domestic waste management 	438	429
Total annual charges	35,930	34,929
TOTAL RATES AND ANNUAL CHARGES	199,524	193,429

Council has used 2016 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy for rates and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates.

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.

⁽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.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(b) User charges and fees		
Specific user charges		
(per s.502 - specific 'actual use' charges)		
Waste management services (non-domestic)	9,632	11,062
Total specific user charges	9,632	11,062
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Contestable building services	386	334
Inspection services	509	507
Planning and building regulation	2,790	2,874
Registration fees	233	252
Section 10.7 certificates (EP&A Act)	517	587
Section 603 certificates (rating certificate)	261	316
Section 611 charges (occupation of land)	192	187
Other	60	45
Total fees and charges – statutory/regulatory	4,948	5,102
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Additional waste services	91	117
Art gallery	11	9
Car parking	852	823
Credit card payment processing fee	139	124
Crematorium and cemeteries	1,495	2,219
Design review meeting application fees	113	150
Golf course	567	549
Health inspections	293	290
Hire charges	601	589
Leaseback fees – Council vehicles	679	710
Library	44	44
Marketing	39	39
Outdoor dining	92	91
Parking meters	1,172	1,262
Pre-lodgement meeting fees	113	127
Recreation	4,152	3,984
Road opening permits	363	271
Stallholder fees	119	103
Tourist parks	7,135	6,961
Tree management requests	85	93
Other	58	86
Total fees and charges – other	18,213	18,641
TOTAL USER CHARGES AND FEES	32,793	34,805

Accounting policy for user charges and fees
User charges and fees are recognised as revenue when the service has been provided.

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Wollongong City Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(c) Interest and investment revenue (including losses)		
Interest on financial assets measured at amortised cost		
 Overdue rates and annual charges (incl. special purpose rates) 	606	597
 Cash and investments 	4,227	4,435
Dividend income relating to investments held at fair value through other comprehensive income	95	_
Fair value adjustments		
 Movements in investments at fair value through profit and loss 	141	130
TOTAL INTEREST AND INVESTMENT REVENUE	5,069	5,162
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	606	597
General Council cash and investments	2,576	2,566
Restricted investments/funds – external:	_	
Development contributions		
- Section 7.11	844	580
Unexpended infrastructure loan	153	226
Other externally restricted assets	890	1,193
Total interest and investment revenue	5,069	5,162

Accounting policy for interest and investment revenue Interest income is recognised using the effective interest rate at the date that interest is earned.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Notes	2019	2018
(d) Other revenues			
Diesel rebate		197	207
Fines		645	700
Fines – parking		2,426	2,336
Insurance claims recoveries		325	302
Legal fees recovery – rates and charges (extra charges)		180	271
Legal settlements		25	50
Outgoings reimbursements		129	125
Reimbursements		295	486
Rental income – investment property	11	389	347
Rental income – other council properties		4,676	4,400
Sales – general		2,183	709
Sponsorship and promotional income		50	71
Other		605	547
TOTAL OTHER REVENUE		12,125	10,551

Accounting policy for other revenue

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Parking fees are recognised as revenue when the service has been provided. Fines are recognised when the penalty has been applied.

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

Sales - general are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance	18,596	18,655		
Total general purpose	18,596	18,655		
Specific purpose				
Arts and culture	79	82	_	_
Buildings	_	-,		600
Community development and support	286	302	_	_
Economic development	_	289	_	_
Emergency services	418	439	-	_
Environmental management and enhancement	2	74	-	_
Environmental programs	58	82	_	_
Floodplain and stormwater management	173	87	1,072	620
Footpaths and cycleways		-	_	454
HACC community transport	2,629	2,591	_	_
Heritage and cultural	19	254	_	31
Library	450	480	_	_
LIRS subsidy	835	992	_	_
Local bus route subsidy	79	56	_	_
Natural area management	197	146	_	_
Parks, gardens and sportsfields	_	60	545	71
People and learning	74	36	_	_
Playgrounds	_	_	_	27
Recreation and culture	_	_	36	41
Strategic city planning	95	59	_	_
Street lighting	700	684	_	_
Transport (other roads and bridges funding)	99	22	21,691	9,517
Transport (roads to recovery)	_	_	1,433	1,408
Voluntary purchase scheme	_	_	1,390	39
Waste performance improvement	216	236	_	_
Wollongong multi service outlet	1,223	1,304	_	_
Total specific purpose	7,632	8,275	26,167	12,808
Total grants	26,228	26,930	26,167	12,808
Grant revenue is attributable to:				
- Commonwealth funding	18,679	22,195	8,266	3,872
- State funding	7,549	4,735	17,901	8,936
g	26,228	26,930	26,167	12,808
				12,000



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(f) Contributions					
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					141
S 7.4 – contributions using planning agreements S 7.11 – contributions towards amenities/services		_	_	17,848	3,915
S 7.12 – fixed development consent levies		_	_	5,805	5,066
Other developer contributions – Calderwood		_	_	-	9
Total developer contributions – cash				23,653	9,131
•				20,000	0,101
Non-cash contributions					40
S 7.12 – fixed development consent levies			~~ 1		49
Planning agreements Total developer contributions non-cash		-4		_	1,433
Total developer contributions non-cash		_			1,482
Total developer contributions	25		_	23,653	10,613
Other contributions:		, and			
Cash contributions					
Floodplain and stormwater management	. 1	299	=	_	-
Heritage/cultural	. 1	_	_	5	_
Roads and bridges		39	52	125	140
RMS contributions (regional roads, block grant)		1,431	1,403	_	-
Buildings		_	_	1,003	282
Community development and support		89	171	_	-
Community services and facilities		561	682	-	-
Parks, gardens and sportsfields		17	43	1,306	109
People and learning Pollution minimisation		74 118	18 85	_	_
Total other contributions – cash					531
Total other contributions – cash		2,628_	2,454	2,439	331
Non-cash contributions					
Bushfire services		_	_	748	730
Dedications – subdivisions (other than by s7.11)		_	_	6,403	15,642
Wollongong City Gallery collection				246	313
Total other contributions – non-cash				7,397	16,685
Total other contributions		2,628	2,454	9,836	17,216
Total contributions		2,628	2,454	33,489	27,829
TOTAL GRANTS AND CONTRIBUTIONS		28,856	29,384	59,656	40,637
					,

Accounting policy for grants and contributions

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset at the date of transfer.

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 un-discharged at reporting date, the unused grant or contribution is disclosed below.



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979*.

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon 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 liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

\$ '000	2019	2018
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	2,637	2,688
Add: operating grants recognised in the current period but not yet spent	1,232	1,237
Add: operating grants received for the provision of goods and services in a future period	-	-
Less: operating grants recognised in a previous reporting period now spent	(575)	(1,288)
Unexpended and held as restricted assets (operating grants)	3,294	2,637
Capital grants		
Unexpended at the close of the previous reporting period	78	361
Add: capital grants recognised in the current period but not yet spent	8	59
Add: capital grants received for the provision of goods and services in a future period	-	_
Less: capital grants recognised in a previous reporting period now spent	(26)	(342)
Unexpended and held as restricted assets (capital grants)	60	78
Contributions		
Unexpended at the close of the previous reporting period	18,990	16,583
Add: contributions recognised in the current period but not yet spent	18,180	3,799
Add: contributions received for the provision of goods and services in a future period	_	_
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate	-	_
Less: contributions recognised in a previous reporting period now spent	(356)	(1,392)
Unexpended and held as restricted assets (contributions)	36,814	18,990



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations

\$ '000	2019	2018
(a) Employee benefits and on-costs		
Employee leave entitlements (ELE)	20,101	12,815
Salaries and wages	99,408	93,529
Superannuation	11,869	11,617
Change in workers compensation provision	2,209	723
Workers compensation – self insurance	1,791	1,425
Fringe benefit tax (FBT)	145	114
Payroll tax	33	47
Training costs (other than salaries and wages)	859	766
Protective clothing	349	298
Labour hire	475	486
Other	364	285
Total employee costs	137,603	122,105
Less: capitalised costs	(15,158)	(14,262)
TOTAL EMPLOYEE COSTS EXPENSED	122,445	107,843

Accounting policy for employee benefits and on-costs

Employee benefit expenses are recorded when the service has been provided by the employee.

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.

Superannuation 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.

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 19 for more information.

\$ '000	Notes	2019	2018
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		1,096	1,263
Total interest bearing liability costs expensed		1,096	1,263
(ii) Other borrowing costs			
Fair value adjustments on recognition of advances and deferred debtors			
- Remediation liabilities	14	1,850	1,989
Amortisation of discount on interest free (& favourable) loans to council		391	567
Total other borrowing costs		2,241	2,556
TOTAL BORROWING COSTS EXPENSED		3,337	3,819

Accounting policy for borrowing costs

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



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(c) Materials and contracts		
Raw materials and consumables	17,208	16,100
Contractor and consultancy costs	94,996	78,793
- Waste Contractor	17,546	16,618
 Road Works Contractor 	3,468	5,789
- Building Contractor	2,360	1,906
- Parks Contractor	2,065	1,817
- Cleaning Contractor	960	957
- Security Contractor	1,120	1,145
Software Maintenance and Support Contractor	4,229	1,825
- Internal audit	144	149
Auditors remuneration ¹	162	141
Legal expenses:		
- Planning and development	-	6
- Other	866	959
Operating leases:		
- Minimum lease payments	327	335
Total materials and contracts	145,451	126,540
Less: capitalised costs	(88,019)	(72,831)
TOTAL MATERIALS AND CONTRACTS	57,432	53,709

Accounting policy for operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee 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.

1. Auditor remuneration

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services		
Audit and review of financial statements	154	133
Remuneration for audit and other assurance services	154	133
Total Auditor-General remuneration	154	133
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Other audit and assurance services	8	8
Remuneration for audit and other assurance services	8	8
Total remuneration of non NSW Auditor-General audit firms	8	8
Total Auditor remuneration	162	141



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2019	2018
(d) Depreciation, amortisation and impairment of			
intangible assets and IPP&E			
Depreciation and amortisation			
Plant and equipment		4,334	4,301
Office equipment		988	695
Furniture and fittings		269	172
Infrastructure:			
- Bridges		1,941	1,918
- Buildings - non-specialised		5,186	5,377
- Buildings - specialised		6,535	5,681
- Footpaths		4,021	3,818
- Other open space/recreational assets		3,668	3,448
- Other structures		582	597
- Roads		20,460	20,224
- Stormwater drainage		10,246	10,165
- Swimming pools		475	475
Other assets:			
- Library books		1,162	1,073
- Other		1,541	1,509
Reinstatement, rehabilitation and restoration assets:			
- Tip assets	10, 14	141	220
Intangible assets	12	232	394
Total gross depreciation and amortisation costs	_	61,781	60,067
Total depreciation and amortisation costs	_	61,781	60,067
TOTAL DEPRECIATION, AMORTISATION AND			
IMPAIRMENT / REVALUATION DECREMENT FOR			
INTANGIBLES AND IPP&E	-	61,781	60,067
THE STATE OF THE S		01,701	00,007

Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 10 for IPPE assets and Note 12 for intangible assets.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

(e) Other expenses		
Advertising	286	309
Bad and doubtful debts	138	(74)
Bank charges	612	497
Contributions/levies to other levels of government		
- Emergency services levy (includes FRNSW, SES, and RFS levies)	287	336
– NSW fire brigade levy	2,769	2,806
– NSW rural fire service levy	480	494
– Waste and environment levy	11,890	15,297
Councillor expenses – mayoral fee	97	95
Councillor expenses – councillors' fees	401	387
Councillors' expenses (incl. mayor) – other (excluding fees above)	128	106
Donations, contributions and assistance to other organisations (Section 356)		
- City Centre management	27	5
- Illawarra Institute of Sport	35	35
- Illawarra Joint Project Organisation	61	53
- Illawarra Performing Arts Centre	999	690
- Illawarra Regional Information Service	88	88
- Illawarra Surf Life Saving	55	53
- Neighbourhood youth program	115	129
– Sponsorship fund	53	53
- Tourism	1,410	1,396
- Wollongong Shuttle Service	350	_
- Other	690	420
Elections	_	966
Insurance	2,737	2,659
Light, electricity and heating	1,987	1,937
Membership fees	213	191
Postage	446	466
Royalty payments	343	336
Rental agreements	57	37
Provision for self insurance claims	(26)	140
Sewerage charges	185	225
Street lighting	3,500	3,116
Telephone and communications	627	754
Valuation fees	447	437
Volunteer reimbursements	280	280
Water rates	735	975
Other	2,689	4,539
Total other expenses	35,191	40,233
Less: capitalised costs	(620)	(22)
TOTAL OTHER EXPENSES	34,571	40,211

Accounting policy for other expenses

Other expenses are recorded on an accruals basis as the Council receives the goods or services.



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2019	2018
Property (excl. investment property)			
Proceeds from disposal – property		30	52
Less: carrying amount of property assets sold/written off	_	(10)	(27)
Net gain/(loss) on disposal		20	25
Plant and equipment	10		
Proceeds from disposal – plant and equipment		1,890	1,621
Less: carrying amount of plant and equipment assets sold/written off	_	(870)	(1,243)
Net gain/(loss) on disposal		1,020	378
Infrastructure	10		
Proceeds from disposal – infrastructure		(7,895)	(2.622)
Less: carrying amount of infrastructure assets sold/written off Net gain/(loss) on disposal		(7,895)	(3,633)
Het gann (1935) on disposal	_	(7,093)	(3,033)
Investments	6(b)		
Proceeds from disposal/redemptions/maturities – investments		61,106	67,557
Less: carrying amount of investments sold/redeemed/matured		(61,106)	(67,557)
Net gain/(loss) on disposal		_	_
Non-current assets classified as 'held for sale'	9		
Proceeds from disposal – non-current assets 'held for sale'		_	9,250
Less: carrying amount of 'held for sale' assets sold/written off			(6,381)
Net gain/(loss) on disposal	_		2,869
Intangible assets			
Proceeds from disposal – intangible assets		_	_
Less: carrying amount of intangible assets sold/written off	_	(1)	_
Net gain/(loss) on disposal		(1)	_
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(6,856)	(361)

Accounting policy for disposal of assets

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
Cash and cash equivalents		
Cash on hand and at bank	1,968	1,390
Cash-equivalent assets		
- Deposits at call	10,218	4,796
- Managed funds	10,001	20,305
- Short-term deposits	3,000	_
Total cash and cash equivalents	25,187	26,491

Accounting policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: 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.

Note 6(b). Investments

			_	
\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Investments				
a. 'Financial assets at fair value through profit and loss'				
- 'Designated at fair value on initial recognition'	47,549	_	43,162	_
b. 'Financial assets at amortised cost' / 'held to maturity' (2018)	67,030	15,000	66,000	22,115
d. 'Financial assets at fair value through other comprehensive income' / 'available for sale financial assets' (2018)	_	56	_	_
Total Investments	114,579	15,056	109,162	22,115
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	139,766	15,056	135,653	22,115
Financial assets at fair value through the profit and	loss			
Managed funds	2,304	_	2,115	_
NCD's, FRN's (with maturities > 3 months)	43,582	_	39,374	_
Mortgage backed securities	1,663	_	1,673	_
Total	47,549		43,162	_
Financial assets at amortised cost / held to maturity	(2018)			
Long term deposits	67,030	15,000	66,000	22,115
Total	67,030	15,000	66,000	22,115
Financial assets at fair value through other compreh (2018)	nensive inco	me / available	for sale finan	cial assets
Unlisted equity securities	_	56	_	_
Total	_	56	_	



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Notes to the Financial Statements for the year ended 30 June 2019

Note 6(b). Investments (continued)

	Dividend
	income
	recognised
Fair value at	during 1/7/18 -
30/06/19	30/6/19

Financial assets designated as at fair value through other comprehensive income

At 1 July 2018, Council designated the investments shown below as financial assets as at fair value through other comprehensive income because these financial assets represent investments that the Council intends to hold for the long-term for strategic purposes. In 2018, these investments were classified as available for sale.

Southern Phones Ordinary & Preference Shares	56	95
Total	56	95

No strategic investments were disposed of during 2019, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Accounting policy for investments

Accounting policy under AASB 9 - applicable from 1 July 2018

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

- · the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Fair value through other comprehensive income - equity instruments

Council has strategic investment in an entitiy over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.



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Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

Other net gains and losses excluding dividends are recognised in Other Comprehensive Income Statement.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in FRNs in the Statement of Financial Position

Accounting policy under AASB 139 – applicable for 2018 comparatives only

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are held at fair value with changes in value taken through profit or loss at each reporting period.

(b) Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

(c) 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 are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables (Note 7) in the Statement of Financial Position. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

(d) 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 are 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. Assets in this category are held at fair value with changes in fair value taken to other comprehensive income.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Income Statement as gains and losses from investment securities.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

Impairment of financial assets

Council assesses at the end of each reporting period 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.

Impairment of available for sale investments

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Note 6(c). Restricted cash, cash equivalents and investments – details

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Total cash, cash equivalents and investments	139,766	15,056	135,653	22,115
attributable to:				
External restrictions	62,601	15,056	52,077	22,115
Internal restrictions	61,203	- 1	68,129	_
Unrestricted	15,962	_	15,447	_
	139,766	15,056	135,653	22,115



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(c). Restricted cash, cash equivalents and investments – details

\$ '000	2019	2018
Details of restrictions		
External restrictions – other		
Developer contributions – general ^A	36,768	18,961
RMS contributions ^B	46	29
Specific purpose unexpended grants ^c	3,354	2,715
Domestic waste management ^D	13,763	12,813
Stormwater management D	1,668	1,265
Unexpended loan ^E	3,470	7,019
Private contributions	5,761	6,064
Special rates levy – Wollongong mall	135	164
Special rates levy – city centre	40	(42)
Local infrastructure renewal scheme round 3 F	1,867	14,721
West Dapto home deposits issued	- -	85
West Dapto home deposit assistance program	10,785	10,398
External restrictions – other	77,657	74,192
Total external restrictions	77,657	74,192
Internal restrictions		
Car parking strategy	1,629	1,061
Darcy Wentworth Park	171	171
Maccabe Park development	1,290	1,140
Sports Priority Program	644	642
Waste Disposal Facility	(638)	2,165
West Dapto Development	5,076	4,759
Strategic Projects	44,015	49,404
Property Investment Fund	8,416	8,276
Southern Phone natural areas	267	266
Lake Illawarra Estuary Management Fund	333	245
Total internal restrictions	61,203	68,129
TOTAL RESTRICTIONS	138,860	142,321

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

⁽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.

⁽D) Domestic Waste Management and 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 year ended 30 June 2019

Note 7. Receivables

2019	2019	2018	2018
Current	Non-current	Current	Non-current
9,023	_	8,035	_
1,543	_	1,459	_
5,942	_	4,688	_
871	_	886	_
1,744	_	2,004	_
16,517	_	8,492	_
1,457	_	_1,701	_
37,097		27,265	
(477)		(229)	_
(477)		(229)	_
36.620		27.036	_
	9,023 1,543 5,942 871 1,744 16,517 1,457 37,097 (477)	Current Non-current 9,023 - 1,543 - 5,942 - 871 - 1,744 - 16,517 - 1,457 - 37,097 -	Current Non-current Current 9,023 - 8,035 1,543 - 1,459 5,942 - 4,688 871 - 886 1,744 - 2,004 16,517 - 8,492 1,457 - 1,701 37,097 - 27,265 (477) - (229) (477) - (229)

Restrictions applicable to receivables

There are no restrictions applicable to the above assets.

\$ '000	2019	2018
Movement in provision for impairment of receivables		
Amount restated through opening retained earnings on adoption of AASB 9	110	_
Balance at the beginning of the year (calculated in accordance with AASB 139)	229	351
+ new provisions recognised during the year	170	_
- amounts already provided for and written off this year	-	(33)
 previous impairment losses reversed 	(32)	(89)
Balance at the end of the period	477	229

Accounting policy for receivables

Recognition and measurement

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

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.



Wollongong City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 7. Receivables (continued)

Impairment

Accounting policy under AASB 9 applicable from 1 July 2018

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presentation that a financial asset is in default when:

 the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held)

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Accounting policy under AASB 139 - applicable for 2018 comparatives only

Where impairment of receivables occurs the carrying amount of the asset is reduced and the amount is recognised in the profit or loss.

Collectability of receivables is reviewed on an ongoing basis. A provision for impairment of receivables account is used to recognise debtors balances that are unlikely to be collected under Council's Debt Recovery and Hardship Assistance Policy. When a receivable, for which an impairment allowance has been recognised, becomes uncollectable in a subsequent period, it is written off against the impairment provision account. Subsequent recoveries of amounts previously written off result in the reversal of write-off transactions.

Rates and annual charges outstanding are secured against the property.



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Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Inventories				
(i) Inventories at cost				
Real estate for resale	_	5,948	_	5,835
Stores and materials	337	_	306	_
Total inventories at cost	337	5,948	306	5,835
TOTAL INVENTORIES	337	5,948	306	5,835
(b) Other assets				
(b) Other deserts				
Prepayments	11,879	-	10,666	_
TOTAL OTHER ASSETS	11,879		10,666	_

(i) Other disclosures

	2019	2019	2018	2018
\$ '000	Current	Non-current	Current	Non-current
(a) Details for real estate development				
11)			
Residential		5,948		5,835
Total real estate for resale		5,948		5,835
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition costs	_	5,835	-	5,791
Development costs		113		44
Total costs		5,948		5,835
Total real estate for resale		5,948		5,835
Movements:				
Real estate assets at beginning of the year	_	5,835	_	5,791
 Purchases and other costs 	_	113	_	44
Total real estate for resale	_	5,948	_	5,835

Accounting policy for inventories and other assets

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. 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.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets (continued)

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.

Note 9. Non-current assets classified as held for sale

Council did not classify any non-current assets as held for sale during the 2018/19 financial year.

(ii) Reconciliation of non-current assets 'held for sale' and disposal groups – i.e. discontinued operations

\$ '000	Assets 'held for sale' 2019	Assets 'held for sale' 2018
Opening balance	_	6,381
Balance still unsold after 12 months:	_	6,381
<u>Less:</u>		
Less: carrying value of assets/operations sold that were re-classified this reporting period		(6,381)
Closing balance of 'held for sale' non-current assets and operations		

Accounting policy for non-current assets classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets arising from employee benefits; financial assets; and investment properties that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.



Wollongong City Council Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Infrastructure, property, plant and equipment

	as at 30/6/2018			Asset movements during the reporting period						as at 30/6/2019						
\$ '000	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense		Adjustments and transfers	Other movements- Transfer to Expense	Other movements - Waste Remediation Reassessme nt	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Conital work in progress	99,074		99,074	35,231	38,340			(51,044)	-	(1,651)				119.950		119,950
Capital work in progress		(00.505)	,	,	30,340	(000)	(4.004)	(51,044)	_			_	_		(40.240)	,
Plant and equipment	42,637	(20,565)	22,072	5,822	_	(869)	(4,334)	- 7		_	_	_	-	42,040	(19,349)	22,691
Office equipment	7,500	(3,755)	3,745	619	-	-	(988)	٦.			7	_	-	8,118	(4,742)	3,376
Furniture and fittings	2,404	(537)	1,867	499	-	-	(269)	-	7	_	- 10)	-	2,904	(807)	2,097
Land:	400.000		400.000		0.40=	(40)	- 40	h.	(4.50)		_		04.050	0.40.040		040 040
- Operational land	162,892	-	162,892	-	2,467	(10)	1 7		(159)		_	_	84,653	249,843	-	249,843
- Community land	226,264	(760)	225,504	-	3,564	-		7	82		-	-	-	229,910	(760)	229,150
- Crown land	108,721	_	108,721	-	_	_		7.7	N 7	_	-	-	_	108,721	_	108,721
- Land under roads (post 30/6/08)	3,983	_	3,983	-	150		-	1	77	_	-	-	1,474	5,684	_	5,684
Infrastructure:																
 Buildings – non-specialised 	202,759	(123,157)	79,602	39	5	(212)	(5,186)	2,958	-	-	-	-	62,666	213,464	(73,592)	139,872
 Buildings – specialised 	319,098	(202,059)	117,039	1,095	147	(1,580)	(6,535)	8,316	(149)	-	-	-	44,959	326,555	(163,263)	163,292
 Other structures 	15,544	(8,935)	6,609	69	99		(582)	149	(9)	-	-	-	1,147	13,971	(6,489)	7,482
- Roads	1,401,990	(849,433)	552,557	9,021	12,707	(4,549)	(20,460)	19,810	913	-	-	-	-	1,426,090	(856,091)	569,999
- Bridges	150,163	(51,637)	98,526	933	1,314	(355)	(1,941)	262	-	-	-	-	-	152,318	(53,579)	98,739
Footpaths	278,315	(142,842)	135,473	1,593	661	(572)	(4,021)	15,022	(966)	-	-	-	-	291,660	(144,470)	147,190
 Stormwater drainage 	931,000	(407,530)	523,470	2,776	3,119	(518)	(10,246)	1,989	46	-	-	-	-	937,821	(417, 185)	520,636
 Swimming pools 	30,218	(22,933)	7,285	-	AU -	-	(475)	_	(479)	_	_	_	_	29,738	(23,407)	6,331
- Other open space/recreational	156,993	(45,549)	111,444	286	810	(110)	(3,668)	1,033	644	_	_	(16)	_	158,109	(47,686)	110,423
assets																
Other assets:				_												
 Heritage collections 	12,842	_	12,842	-	344	-	-	-	-	-	-	-	1,935	15,121	-	15,121
 Library books 	8,158	(3,707)	4,451	1,207	-	-	(1,162)	-	-	-	-	-	-	8,162	(3,666)	4,496
- Other	47,249	(13,048)	34,201	47	265	-	(1,541)	1,505	-	-	-	-	-	49,066	(14,589)	34,477
Reinstatement, rehabilitation and restoration assets (refer Note 14):																
- Tip assets	14,875	(9,151)	5,724	_	_	-	(141)	_	_	_	(58)	_	_	14,817	(9,292)	5,525
Total Infrastructure, property, plant and equipment	4,222,679	(1,905,598)	2,317,081	59,237	63,992	(8,775)	(61,549)	_	_	(1,651)	(58)	(16)	196,834	4,404,062	(1,838,967)	2,565,095

⁽¹⁾ Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. Independent comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Increases in the carrying amounts arising on revaluation are credited to the revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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.

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

It is noted that useful live estimates are unchanged from the 2016 reporting period.

Plant and equipment	Years	Other equipment	Years
Office equipment	6 to 10	Playground equipment	10 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	2 to 10		
Vehicles	3 to 5	Buildings	
Heavy plant/road making equipment	8 to 10	Buildings: masonry	50 to 100
Other plant and equipment	2 to 15	Buildings: other	15 to 40
Stormwater assets	7		
Drains	80 to 100		
Culverts	80 to 100		
Flood control structures	75		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20 to 40	Bulk earthworks	Infinite
Sealed roads: structure	80	Swimming pools	50
Unsealed roads	25	Other open space/recreational assets	10 to 30
Bridge: concrete	80	Other infrastructure	20 to 80

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

30 to 40

80

Land under roads

Bridge: other

Road pavements

Kerb, gutter and footpaths

Diant and aguinment

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

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

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



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Infrastructure, property, plant and equipment (continued)

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.

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting 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 firefighting equipment has been purchased or constructed".

These Rural Fire Service assets are recognised as assets of the Council in these financial statements.

Note 11. Investment property

\$ '000	2019	2018
(a) Investment property at fair value		
Investment property on hand	5,000	4,780
Reconciliation of annual movement:		
Opening balance	4,780	4,775
 Net gain/(loss) from fair value adjustments 	220	5
CLOSING BALANCE – INVESTMENT PROPERTY	 5,000	4,780

(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 2019 revaluations were based on independent assessments made by: Brendan Carr Certified Practising Valuer.

(c) Contractual obligations at reporting date

Refer to Note 18 for disclosures relating to any capital and service obligations that have been contracted.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Investment property (continued)

\$ '000	2019	2018
(d) Leasing arrangements – Council as lessor		
The investment properties are leased to tenants under long-term operating leases with rentals payable monthly.		
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	371	283
Later than 1 year but less than 5 years	720	300
Total minimum lease payments receivable	1,091	583

Leases for Council's investment property are generally of a 5 year term with an option for a further 5 years. Rent is paid monthly in advance with tenants paying 100% of outgoings. Rent reviews are a mix of C.P.I. and market reviews. There is a requirement on tenants to hold \$20m public liability insurance.

(e) Investment property income and expenditure – summary

Rental income from investment property:

- Minimum lease payments		389	347
Direct operating expenses on investment property:			
 that generated rental income 		(140)	(149)
Net revenue contribution from investment property		249	198
plus:			
Fair value movement for year	_	220	5
Total income attributable to investment property		469	203

Accounting policy for investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as a separate line item.

Properties that are under construction for future use as investment properties are regarded as investment property. These are also carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Intangible assets

\$ '000	2019	2018
Intangible assets are as follows:		
Opening values at 1 July		
Gross book value	2,333	2,204
Accumulated amortisation	(1,945)	(1,551)
Net book value – opening balance	388	653
Movements for the year		
- Purchases	285	129
 Amortisation charges 	(232)	(394)
 Gross book value written off 	(113)	_
 Accumulated amortisation charges written off 	112	-
Closing values at 30 june		
Gross book value	2,506	2,333
Accumulated amortisation	(2,066)	(1,945)
		, ,
TOTAL INTANGIBLE ASSETS – NET BOOK VALUE (1)	440	388
The net book value of intensible excets represents:		
The net book value of intangible assets represents: - Software	440	388
- Ookware	440	388
	440	300

Accounting policy for 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 basis over periods generally ranging from three to five 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.



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings

	2019	2019	2018	2018
\$ '000	Current	Non-current	Current	Non-current
Payables				
Goods and services – operating expenditure	3,302	_	7,668	_
Goods and services – capital expenditure Accrued expenses:	3,627	-	9,758	-
 Other expenditure accruals 	18,299	_	6,762	_
Security bonds, deposits and retentions	3,758	_	1,605	_
Agency Funds	385	385	350	700
Other	635	_	611	_
Total payables	30,006	385	26,754	700
Income received in advance				
Payments received in advance	5,014		3,256	_
Total income received in advance	5,014		3,256	_
Borrowings				
Loans – secured 1	7,934	17,497	7,716	25,039
Total borrowings	7,934	17,497	7,716	25,039
TOTAL PAYABLES AND				
BORROWINGS	42,954	17,882	37,726	25,739

⁽¹⁾ Loans are secured over the general rating income of Council. Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 20.

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Payables and borrowings relating to res	tricted assets			
Externally restricted assets				
Loans	7,934	17,497	7,716	25,039
Total payables and borrowings relating to restricted assets	7,934	17,497	7,716	25,039
Total payables and borrowings relating to unrestricted assets	35,020	385	30,010	700
TOTAL PAYABLES AND BORROWINGS	42,954	17,882	37,726	25,739
\$ '000			2019	2018
(b) Current payables and borrowings not a the next twelve months	nticipated to be	e settled within		
The following liabilities, even though classified as c	urrent, are not ex	pected to be settled in	1	
Payables – security bonds, deposits and retentions			3,088	1,205
Total payables and borrowings				



Site Council Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings (continued)

(c) Changes in liabilities arising from financing activities

.,						
	as at 30/6/2018					as at 30/6/2019
\$ '000	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance
Loans – secured	32,755	(7,716)	_	_	392	25,431
TOTAL	32,755	(7,716)	_	_	392	25,431
	as at 30/6/2017			Non-cash	Other	as at 30/6/2018
\$ '000	Opening Balance	Cash flows	Non-cash acquisitions	fair value changes	non-cash movements	Closing balance
Loans – secured	39,701	(7,513)			567	32,755
TOTAL	39,701	(7,513)	7	-	567	32,755
\$ '000					2019	2018
(d) Financing arrangem (i) Unrestricted access lines of credit:		ance date to	the following	1		
Bank overdraft facilities					300	300
Credit cards/purchase cards					835	835
Total financing arrange	ments				1,135	1,135
Drawn facilities as at ba	alance date:					
 Credit cards/purchase car 					100	98
Total drawn financing a	ırrangements				100	98
Undrawn facilities as at	balance date:					
– Bank overdraft facilities – Credit cards/purchase car	rde				300 735	300 737
Total undrawn financin					1,035	1,037
. Star dilatawii ililailoili	g arrangements				1,000	1,037

Additional financing arrangements information

Broachos and defaults

During the current and prior year, there were no defaults or breaches on any of the loans.

Accounting policy for payables and borrowings

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Council comprise trade payables and loans.

Payables 4 3 2

These amounts represent liabilities for goods and services provided to the council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

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



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings (continued)

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective-interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

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

Note 14. Provisions

			100	
	2019	2019	2018	2018
\$ '000	Current	Non-current	Current	Non-curren
Duevielene				
Provisions				
Employee benefits				
Annual leave	10,025	_	9,367	_
Sick leave	167	_	144	-
Long service leave	42,505	680	36,872	517
Other leave	1,097	_	1,037	_
Sub-total – aggregate employee benefits	53,794	680	47,420	517
Asset remediation/restoration:				
Asset remediation/restoration (future works)	2,292	40.647	1,200	40,134
Sub-total – asset remediation/restoration	2,292	40.647	1,200	40.134
0.1	_,		.,	,,,,,,
Other provisions	4.750	F 262	4 207	2.505
Self insurance – workers compensation Self insurance – claims incurred	1,758 370	5,363 364	1,327 430	3,585 330
Sub-total – other provisions	2,128		1,757	3,915
Sub-total – Other provisions	2,120	5,727	1,757	3,915
TOTAL PROVISIONS	58,214	47,054	50,377	44,566
\$ '000			2019	2018
(a) Current provisions not anticipated to be so months	ettled within the r	next twelve		
The following provisions, even though classified as cu in the next 12 months.	ırrent, are not expec	ted to be settled		
Provisions – employees benefits		_	43,517	37,710

43,517

37,710



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Provisions (continued)

(b) Description of and movements in provisions

	Other provisions				
\$ '000	Self Insurance: Claims incurred	Self Insurance: Workers compen- sation	Asset remediation	Total	
2019					
At beginning of year	760	4,912	41,334	47,006	
Additional provisions	_	2,108	_	2,108	
Amounts used (payments)	_	(2,523)		(2,523)	
Remeasurement effects	_	2,624	-	2,624	
Unwinding of discount	_		1,850	1,850	
Unused amounts reversed	(26)	. 🕶	(57)	(83)	
Other) A	-	_	
Expenditure incurred attributable to provisions		-	(188)	(188)	
Total other provisions at end of period	734	7,121	42,939	50,794	
2018					
At beginning of year	620	4,189	44,237	49,046	
Additional provisions	140	1,676	-	1,816	
Amounts used (payments)	-	(1,970)	-	(1,970)	
Remeasurement effects		1,017	(4,863)	(3,846)	
Unwinding of discount	7 T	-	1,989	1,989	
Other	-	_	-	_	
Expenditure incurred attributable to provisions	-		(29)	(29)	
Total other provisions at end of period	760	4,912	41,334	47,006	

Nature and purpose of non-employee benefit provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the open Whytes Gully Waste Disposal Depot and closed Helensburgh Waste Dapto Rehabilitation.

Self-insurance- workers compensation

To recognise liabilities for outstanding claims (uninsured losses) arising from Council's decision to undertake self-insurance for certain risks faced.

Self-insurance - claims incurred

To recognise liabilities for both (i) claims expected to be incurred but not reported and (ii) claims reported and estimated as a result of Council being self insurer up to certain levels of excess.

Accounting policy for provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

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.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Provisions (continued)

Employee benefits

Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods. These amounts include superannuation which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period. The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Asset Remediation/Restoration

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, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

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.

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.

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,



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Provisions (continued)

Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

Self-insurance

Council has decided to self-insure for various risks, including public liability and professional indemnity. A provision for self-insurance has been made to recognise outstanding claims. Council also maintains cash and investments to meet expected future claims; refer to Note 6(c).





Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

Investment revaluation reserve

Changes in the fair value of financial assets are taken through the investment revaluation reserve. The accumulated changes in fair value are transferred to profit or loss when the financial asset is derecognised or impaired.

Available for sale investments revaluation reserve (2018 only)

The available for sale financial investments revaluation reserve is used to account for the fair value movements in all financial assets so classified that remain on had at year end.

Upon sale, amounts in reserves are recognised in the Income Statement (in full) by way of transfer from the reserve.

(b) Correction of errors relating to a previous reporting period

Nature of prior-period error

As part of an on-going inspection program and data cleansing process it was found that IPPE that Council owned had not been recognised (\$16.744M) and IPPE that had been recognised was disposed of in previous years (\$3.623M). In addition, an error in the application of accounting policy to the valuation of Land Under Road required further discounting on the value of these assets (\$25.646M).

These errors relate to an undetermined period making it impractical to restate prior period comparatives. Accordingly, Council has restated the opening balances of the earliest period presented being 30 June 2018.

Adjustments to the comparative figures for the year ended 30 June 2018

Statement of Financial Position

\$ '000	Original Balance 30 June, 2018	Impact Increase/ (decrease)	Restated Balance 30 June, 2018
Asset Classes Adjusted:		,	
Plant and Equipment	22,350	(278)	22,072
Operational Land	170,106	(7,214)	162,892
Community Land	338,951	(4,726)	334,225
Land Under Roads	30,165	(26,182)	3,983
Buildings - non-specialised	79,776	(174)	79,602
Buildings - specialised	117,140	(101)	117,039
Roads	552,342	215	552,557
Footpaths	135,841	(368)	135,473
Stormwater drainage	523,856	(386)	523,470
Other open space/recreational assets	111,455	(11)	111,444
Other Assets Without Variation	483,741	_	483,741
Total assets	2,565,723	(39,225)	2,526,498
Total liabilities	158,408		158,408
Reserves	965,325	(8,573)	956,752
Accumulated Surplus	1,441,990	(30,652)	1,411,338
Total equity	2,407,315	(39,225)	2,368,090
continued on next page			Page 48



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

(c) Changes in accounting policies due to adoption of new accounting standards (not-retrospective)

During the year, Council adopted a number of new accounting standards. The impact of the adoption and associated transition disclosures are shown below.

The Council has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July 2017. As part of the adoption of AASB 9, the Council adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the income statement. In prior year, this information was presented as part of other expenses.
- AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9. These disclosures have been provided for the current year.

The key changes to Council's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except Council has not restated any amounts relating to classification and measurement requirements, including impairment, which have been applied from 1 July 2018.

Classification of financial assets

The financial assets of Council have been reclassified into one of the following categories on adoption of AASB 9, based primarily on the business model in which a financial asset is managed and its contractual cash flow characteristics are:

- measured at amortised cost
- fair value through profit or loss
- fair value through other comprehensive income equity instruments

Measurement of equity instruments

All equity instruments of the Council are measured at fair value under AASB 9 whereas there was a cost exception under AASB 139 that allowed certain unlisted investments to be carried at amortised cost in the absence of a reliable measurement of fair value. Any difference in the previous carrying amount and the fair value is recognised in the opening retained earnings (or other component of equity, as appropriate) at 1 July 2018.

Equity instruments are no longer subject to impairment testing and therefore all movements on equity instruments, classified as fair value through other comprehensive income, are taken to the relevant reserve.

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost. This has resulted in the earlier recognition of credit loss (bad debt provisions).

\$ '000	Investmen t revaluatio n reserve	Accumula ted surplus	Total
Opening equity balances as at 1 July 2018	_	1,411,338	1,411,338
Reclassify investments from 'available for sale' to fair value through other comprehensive income – equity	88	_	88
Increase in expected credit losses for trade receivables	_	(110)	(110)
Adjusted Opening equity balances at 1 July 2018 – AASB 9	88	1,411,228	1,411,316



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

The opening balances for the year ended 30 June 2019 have been adjusted for the recognition of the Southern Phones Ordinary and Preference share at fair value through other comprehensive income as disclosed in Note 6(b) and to restate the opening balance of the provision for impairment of receivables as disclosed in Note 7.

\$ '000	Classific- ation under AASB 139	Classific- ation under AASB 9	Carrying amount under AASB 139	Reclassi- fication	Remeasu- rements	Carrying amount under AASB 9
Financial assets						
Southern Phones Shares	Amortised Cost	FVOCI - equity	_	88	-	88
Receivables	Loans & Receivables	Amortised Cost	27,036	. 4	(110)	26,926
Total financial assets under AASB 9 at 1 July 2018			27,036	88	(110)	27,014



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Statement of cash flows - additional information

\$ '000	Notes	2019	2018
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6(a)	25,187	26,491
Balance as per the Statement of Cash Flows		25,187	26,491
(b) Reconciliation of net operating result to cash provide operating activities	d from		
Net operating result from Income Statement Adjust for non-cash items:		52,112	48,766
Depreciation and amortisation		61,781	60,067
Net losses/(gains) on disposal of assets		6,856	361
Non-cash capital grants and contributions		(7,397)	(18,167)
Losses/(gains) recognised on fair value re-measurements through the P&L			
Investments classified as 'at fair value' or 'held for trading'		(141)	(130)
- Investment property		(220)	(5)
Amortisation of premiums, discounts and prior period fair valuations – Interest exp. on interest-free loans received by Council (previously fair va	dued)	391	567
Unwinding of discount rates on reinstatement provisions	ilueu)	1,850	1,989
Share of net (profits)/losses of associates/joint ventures using the equity m	ethod	(291)	(803)
+/- Movement in operating assets and liabilities and other cash items Decrease/(increase) in receivables	:	(9,832)	(3,383)
Increase/(decrease) in provision for impairment of receivables		138	(122)
Decrease/(increase) in inventories		(31)	(8)
Decrease/(increase) in other current assets		(1,213)	14
Increase/(decrease) in payables		(4,366)	597
Increase/(decrease) in other accrued expenses payable		1,861	(5,947)
Increase/(decrease) in other liabilities		3,655	425
Increase/(decrease) in provision for employee benefits		6,537	9
Increase/(decrease) in other provisions		1,938	(4,029)
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	_	113,628	80,201
(c) Non-cash investing and financing activities			
Developer contributions 'in kind'			1.482
Other dedications		6,403	15,642
Contributed Art Works		246	313
Contributed Bush Fire Assets		748	730
Total non-cash investing and financing activities		7,397	18,167
		,	



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Interests in other entities

	Council's share of net income Council's share of net assets			
\$ '000	2019	2018	2019	2018
Joint ventures	291	803	2,929	2,638
Total	291	803	2,929	2,638

(a) Joint arrangements

(i) Joint ventures

Council has incorporated the following joint ventures into its consolidated financial statements. Included are the total amounts as per the joint venture financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

(a) Net carrying amounts - Council's share

	Nature of relationship	Measurement method	2019	2018
	· · · · · · · · · · · · · · · · · · · ·		2013	2010
Civic West	Joint venture	Equity	2,060	1,584
Civic Risk	Joint venture	Equity	869	1,054
Total carrying amounts – material joint ventures			2,929	2,638

(b) Details

		Principal activity
Civic West Civic Risk	V	Insurance Insurance

(c) Relevant interests and fair values

	Quote fair va		Interes		Interes		Proport voting p	
	2019	2018	2019	2018	2019	2018	2019	2018
Civic West	2,062	1,584	4.4%	3.8%	4.4%	3.8%	9.1%	10.0%
Civic Risk	869	1,054	12.5%	12.4%	12.5%	12.4%	5.9%	6.3%



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Interests in other entities (continued)

	Civic Wo 2019	est 2018	Civic Risl 2019	k 2018
	2019	2018	2019	2010
(d) Summarised financial information for joint ver	ntures			
Statement of financial position				
Current assets				
Cash and cash equivalents	2,961	3,022	1,813	1,158
Other current assets	27,370	19,442	7,216	5,759
Non-current assets	36,522	41,740	5,368	5,989
Current liabilities				
Current financial liabilities (excluding trade and other payables and provisions)	6,657	6,111	4,827	2,690
Other current liabilities Non-current liabilities	740	720	346	299
Non-current financial liabilities (excluding trade and other payables and provisions)	12,116	15,612	2,279	1,448
Net assets	47,340	41,761	6,945	8,469
Reconciliation of the carrying amount				
Opening net assets (1 July)	41,761	37,976	8,468	6,490
Profit/(loss) for the period	5,579	5,913	(1,524)	1,978
Other adjustments to equity		(2,128)	_	_
Closing net assets	47,340	41,761	6,944	8,468
Council's share of net assets (%)	4.4%	3.8%	12.5%	12.4%
Council's share of net assets (\$)	2,060	1,584	869	1,054
Statement of comprehensive income				
Income	6,295	6,076	11,320	9,425
Interest income	3,672	3,261	447	439
Interest expense	(17)	(17)	_	-
Other expenses	(4,371)	(3,408)	(13,291)	(7,886)
Profit/(loss) from continuing operations	5,579	5,912	(1,524)	1,978
Profit/(loss) for the period	5,579	5,912	(1,524)	1,978
Total comprehensive income	5,579	5,912	(1,524)	1,978
Share of income – Council (%)	8.5%	10.1%	12.1%	10.5%
Profit/(loss) – Council (\$)	476	596	(185)	207
Total comprehensive income – Council (\$)	476	596	(185)	207
Summarised Statement of cash flows				
Cash flows from operating activities	2,439	113	2,904	903
Cash flows from investing activities	(2,500)	1,510	(2,250)	(250)
Cash flows from financing activities		(1,537)		_
Net increase (decrease) in cash and cash				
equivalents	(61)	86	654	653

Accounting policy for joint arrangements

Council has determined that it has only joint ventures.

Joint Ventures

Interests in joint ventures are accounted for using the equity method in accordance with AASB128 *Investments in Associates* and *Joint Ventures*. Under this method, the investment is initially recognised as a cost and the carrying amount is increased



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Interests in other entities (continued)

or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition.

If the Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Council discontinues recognising its share of further losses.

The Council's share in the joint venture's gains or losses arising from transactions between itself and its joint ventures are eliminated.

Adjustments are made to the joint venture's accounting policies where they are different from those of the Council for purpose of the consolidated financial statements.

(b) Subsidiaries, joint arrangements and associates not recognised

The following subsidiaries, joint arrangements and associates have not been recognised in this financial report.

		2019	2019
Name of entity/operation	Principal activity/type of entity	Net profit	Net assets
Illawarra Shoalhaven Joint Organisation	Inter-Governmental Collaboration Joint Venture	111	885

Reasons for non-recognition

Council has assessed this operation as not material for recognition in these statements.

		2019	2019
Name of entity/operation	Principal activity/type of entity	Net profit	Net assets
Illawarra District Noxious Weed Authority	Administer Noxious Weeds Act Joint Venture	8	802

Reasons for non-recognition

Council has assessed this operation as not material for recognition in these statements.

Name of entity/operation	Principal activity/type of entity	2019 Net profit	2019 Net assets
Destination Wollongong	Tourism Development & Promotion Associate	(129)	(72)

Reasons for non-recognition

Council has assessed this operation as not material for recognition in these statements.

Name of entity/operation	Principal activity/type of entity	2019 Net profit	2019 Net assets
Illawarra Performing Arts Centre	Theatre & Town Hall Management Associate	50	359

Reasons for non-recognition

Council has assessed this operation as not material for recognition in these statements.



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Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Commitments

\$ '000	2019	2018
(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 and equipment		
Buildings	387	2,957
Infrastructure	17,975	3,399
Land	110	_
Total commitments	18,472	6,356
These expenditures are payable as follows:		
Within the next year	18,289	6,356
Later than one year and not later than 5 years	183	- 0,000
Total payable	18,472	6,356
Sources for funding of capital commitments:		4 004
Unrestricted general funds	6,269	4,881
Section 94 Funds	7,172	_
Future grants and contributions	5,031	1,415
Unexpended grants	_	60
Total sources of funding	18,472	6,356

Details of capital commitments

Buildings include Kembla Terraces Roof and Administration building Fire Panel.

Land includes 16 and 18 Otford Road Otford.

Infrastructure includes Unanderra and Towradgi Beach SLSC Carpark,Blackman Parade Culvert, Harry Graham Drive Stabilisation, Bellambi Rockpool and seawall, Porter Street Shareway, Helensburgh Landfill Rehabilitation, Mt Keira Power Supply, Northcliffe Drive extension, Walker Street Helensburgh Water Main protection, Russell Vale retaining wall, Matron Dunster Park Carpark, Thirroul Pool saltwater intake pipes, Bong Bong Road Traffic signals, West Dapto Access Road,Beaton Park Leisure Centre Filter enclosure.

(b) 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	335	335
Later than one year and not later than 5 years	428	661
Later than 5 years	510	612
Total non-cancellable operating lease commitments	1,273	1,608

b. Non-cancellable operating leases include the following assets:

Lease of land for Dapto Ribbonwood Centre and lease of Warrawong Library.

Conditions relating to finance and 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.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Contingencies and other assets/liabilities not recognised

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

ASSETS NOT RECOGNISED

1. 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 and including 30/6/08.

2. Various Insurances - 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 \$1,123,732 to date. The total of Council's unrecovered claims is currently \$1,173,770. At this time, based on the liquidator's estimated final dividend rates, Council expects to recover a further \$75,000 from the remaining assets of HIH & CIC.

LIABILITIES NOT RECOGNISED

1. Bank Guarantees

Council has provided Bank Guarantees totalling \$610,547 as security over damages for work that may impact a third party.

Council has provided security to Work Cover for outstanding workers compensation claims liability in the form of a bank guarantee to the sum of \$7,711,000.

Council is also Guarantor on a mortgage for a third party of \$180,000.

2. 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 \$1.778M for Council in 2018/19. Council's LTFM includes forecast payments of \$1.828M in 2019/20 and \$1.868M in 2020/21. At this stage there has not been any advice regarding any future extension of the top up payment.

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.

3. 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.

4. Development Contributions

Council levies Development 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.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Contingencies and other assets/liabilities not recognised (continued)

As well, these Plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's General Funds.

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.

5. Greenhouse Park

Council owns and manages a former landfill site at Greenhouse Park. The landfill was constructed prior to contemporary environmental regulations and used as both a putrescible and builders waste landfill. Following the closure of the site as a landfill, remediation of the site has been progressively occurring to transform the site into a natural area.

Council is also working with the EPA and specialised consultants to manage the landfill waste which was placed on the site. Total remediation costs at this stage are unknown and will be dependent on the remediation strategies implemented. Council is currently working with the EPA and specialised consultants to determine the remediation actions required.

6. Helensburgh Landfill Site

Council manages a former landfill site at Helensburgh located off Halls Road/Nixon Place. The landfill was commenced prior to contemporary environmental regulations and was used at various times for both putrescible and builders construction waste. Following the closure of the site as a landfill, Council is required to remediate the site in accordance with EPA requirements and licence conditions. Council is currently working with EPA and specialised consultants to prepare the final design documentation for this project. Final remediation costs at this stage are in the order of \$7.4M to \$11.8M depending on the source of capping materials and the final design solution adopted. Council's current provision is approximately \$4.1M. If a shortfall eventuates this will impact the income statement.

7. Native Title

In January 2018, the National Native Title Tribunal accepted registration of a native title claim that includes the Wollongong LGA. The claim will takesome time to determine. Private freehold land, and certain other land owned by Council is not affected. Council will continue to pursue updates on the progress of the claim.



Wollongong City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 20. Financial risk management

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.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments 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.
- Interest rate risk the risk that movements in interest rates could affect returns and income.
- · Liquidity risk the risk that Council will not be able to pay its debts as and when they fall due.
- 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.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

(a) Market risk – price risk and interest rate risk

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 chnage in interest rates would have been constant throughout the reporting period.

Increase of val	ues/rates	Decrease of values/rates	
Profit	Equity	Profit	Equity
4,755	4,755	(4,755)	(4,755)
1,072	1,072	(1,072)	(1,072)
4,316	4,316	(4,316)	(4,316)
1,146	1,146	(1,146)	(1,146)
	4,755 1,072 4,316	4,755 4,755 1,072 1,072 4,316 4,316	Profit Equity Profit 4,755 4,755 (4,755) 1,072 1,072 (1,072) 4,316 4,316 (4,316)



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial risk management (continued)

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

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

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.

Credit risk profile

Receivables – rates and annual charges

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 and annual charges at higher than market rates which further encourages the payment of debt.

	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2019 Gross carrying amount	- (5,975	1,415	939	2,237	10,566
2018 Gross carrying amount		5,331	1,367	851	1,945	9,494

Receivables - non-rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2019 is determined as follows. The expected credit losses incorporate forward-looking information.

	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2019						
Gross carrying amount	23,982	812	173	157	1,407	26,531
Expected loss rate (%)	0.23%	2.09%	2.31%	7.01%	27.71%	1.80%
ECL provision	55	17	4	11	390	477
2018						
Gross carrying amount	15,753	652	328	82	956	17,771
Expected loss rate (%)	0.53%	2.15%	2.44%	7.12%	23.95%	1.91%
ECL provision	83	14	8	6	229	340



Wollongong City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 20. Financial risk management (continued)

(c) Liquidity risk

Payables and 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 and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

\$ '000	Weighted average interest rate	Without defined maturity	≤1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2019							
Trade/other payables	0.00%	3,758	26,175	385	₽ -	30,318	30,391
Loans and advances	1.50%		8,814	21,947	_	30,761	25,431
Total financial liabilities		3,758	34,989	22,332		61,079	55,822
2018			6				
Trade/other payables	0.00%	1,605	25,194	700	_	27,499	27,454
Loans and advances	1.50%	D -	8,814	27,448	3,313	39,575	32,755
Total financial liabilities		1,605	34,008	28,148	3,313	67,074	60,209



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 25/06/2018 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements must disclose the original budget adopted by Council, the *Local Government Act 1993* requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

Material variations represent those variances between the original budget figure and the actual result that amount to 10% or more.

Variation Key: F = Favourable budget variation, **U** = Unfavourable budget variation.

	2019	2019	2019)	
\$ '000	Budget	Actual	Varian	ce*	
REVENUES					
REVEROES					
Rates and annual charges	197,686	199,524	1,838	1%	F
User charges and fees	34,967	32,793	(2,174)	(6)%	U
Interest and investment revenue	4,572	5,069	497	11%	F
Interest & investment income is greater due to in	creased cash holdings for	a significant part	of the vear due to	timina of de	liver

Interest & investment income is greater due to increased cash holdings for a significant part of the year due to timing of delivery of project and favourable operating performance and positive fair valuation of a number of investment assets.

Other revenues 10,062 12,125 2,063 21% F

Other revenues has a positive variance due to additional land sales (\$1.5M), receipt of an insurance claim (\$0.3M) and a license relating to the lease of an easement of land (\$0.2M).

Operating grants and contributions 19,837 28,856 9,019 45% F

Operating grants is affected by the early receipt of two instalments of the Financial Assistance Grant relating to the 2019/20 financial year (\$9.4M) and additional grants received during the year, partially offset by the timing of grant payments.

Capital grants and contributions 53,752 59,656 5,904 11% F
Capital grants and contributions are impacted by acceleration of the West Dapto Access Strategy (\$11.2M), greater City Wide and City Centre developer contributions (\$4.6M) and additional grants received during the year (\$2.0M). These have been partially offset by lower West Dapto developer contributions (\$9.1M) and lower contributed assets (\$2.8M).

Fair value increment on investment property	-	220	220	00	F
Joint ventures and associates – net profits	-	291	291	∞0	F
EXPENSES					
Employee benefits and on-costs	112,838	122,445	(9,607)	(9)%	U
Borrowing costs	3,310	3,337	(27)	(1)%	U
Materials and contracts	55,983	57,432	(1,449)	(3)%	U
Depreciation and amortisation	64,508	61,781	2,727	4%	F
Other expenses	37,360	34,571	2,789	7%	F
Net losses from disposal of assets This budget variation is largely a result of disposal of civil a	_ ssets that have	6,856 e residual values.	(6,856)	∞0	U



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Material budget variations

	2019	2019	2019		
\$ '000	Budget	Actual	Variance*		
STATEMENT OF CASH FLOWS					
Net cash provided from (used in) operating activities	105,909	113,628	7,719	7%	F
Net cash provided from (used in) investing activities	(96,372)	(107,217)	(10,845)	11%	U

This unfavourable variance has resulted from an increase in the capital program during the financial year with purchase of infrastructure, property, plant and equipment higher than originally anticipated.

Net cash provided from (used in) financing activities (7,692) (7,715) (23) 0% U





Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement

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 and 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) Assets and liabilities that have been measured and recognised at fair values

	Fair value measurement hierarchy					
2019 Recurring fair value measurements	Date of latest Notes valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobserv- able inputs	Total	
Financial assets						
Investments	6(b)					
'Designated at fair value on initial recognition'	30/06/19		_	47,549	47,549	
- 'Financial assets at fair value through other	30/06/19			56	56	
comprehensive income'	00/00/10	,	_	30	30	
Total financial assets			_	47,605	47,605	
Total Illianolal associ				47,000	47,000	
Investment property	11					
Commercial building	30/06/19	_	_	5,000	5,000	
Total investment property		_	_	5,000	5,000	
Infrastructure, property, plant and equipment	10			,		
Roads	30/06/17	_	_	569,999	569,999	
Bridges	30/06/17	_	_	98,739	98,739	
Footpaths	30/06/17	_	_	147,190	147,190	
Stormwater	30/06/17	_	_	520,636	520,636	
Plant and equipment	N/A	_	_	22,691	22,691	
Office equipment	N/A	_	_	3,376	3,376	
Furniture and fittings	N/A	_	-	2,097	2,097	
Operational land	30/06/19	_	_	249,843	249,843	
Community land	30/06/16	_	_	337,871	337,871	
Land under roads	30/06/19	_	-	5,684	5,684	
Buildings	30/06/19	_	_	303,164	303,164	
Other structures	30/06/19	_	_	7,482	7,482	
Swimming pools	30/06/16	_	_	6,331	6,331	
Library books	N/A	_	_	4,496	4,496	
Other open space/recreational assets	30/06/16	_	_	110,423	110,423	
Tip asset	30/06/19	_	_	5,525	5,525	
Works in progress	N/A	_	_	119,950	119,950	
Artworks	30/06/19	_	-	15,121	15,121	
Other	30/06/16	_	_	34,477	34,477	
Total infrastructure, property, plant and						
equipment			_	2,565,095	2,565,095	



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

	Fair value measurement hierarchy					
2018 Recurring fair value measurements	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobserv- able inputs	Tota
Financial assets						
Investments	6(b)					
- 'Designated at fair value on initial recognition'		30/06/18	_	_	43,162	43,16
- 'Financial assets at fair value through other comprehensive income'			-	-	_	
Total financial assets			_	_	43,162	43,16
Investment property	11				4	
Commercial building		30/06/18	_		4,780	4,78
Total investment property			_	. (-	4,780	4,780
Infrastructure, property, plant and equipment	10					
Roads		30/06/17			552,557	552,55
Bridges		30/06/17	_ 2	-	98,526	98,52
Footpaths		30/06/17	-	W -	135,473	135,47
Stormwater		30/06/17	-	-	523,470	523,47
Plant and equipment		30/06/18		. 🔛 -	22,072	22,07
Office equipment		30/06/18	1	_	3,745	3,74
Furniture and fittings		30/06/18	-	_	1,867	1,86
Operational land		30/06/14	-	_	162,892	162,89
Community land	-	30/06/16	-	-	334,225	334,22
Land under roads		30/06/14	=	_	3,983	3,98
Buildings	\ \	30/06/14	_	-	196,641	196,64
Other structures		30/06/16	_	_	6,609	6,60
Swimming pools		30/06/16	_	_	7,285	7,28
Library books	,	30/06/18	_	-	4,451	4,45
Other open space/recreational assets		30/06/16	_	_	111,444	111,44
Tip asset		30/06/18	_	_	5,724	5,72
Works in progress		30/06/18	_	-	99,074	99,07
Artworks		30/06/17	_	-	12,842	12,84
Other		30/06/16			34,201	34,20
Total infrastructure, property, plant and equipment			_	_	2,317,081	2,317,08

Note that capital WIP is not included above since it is carried at cost.



Wollongong City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

(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:

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.



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Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Infrastructure, property, plant and equipment (IPP&E)

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.

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 input 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).

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.



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

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.

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) other factors require professional judgement such as asset condition and useful life. As these inputs can have a significant impact on the fair value the valuation input all Other Open Space / Recreational Assets were considered level 3.



Wollongong City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

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. An internal valuation was undertaken during the 2016 financial year.

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 input 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.

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 using the cost method.

Fair Value Hierarchy – Whytes Gully Waste Disposal Depot will require remediation and restoration works to be carried out during and at the end of its useful life. The cash outflows relating to these remediation and restoration 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 tip asset was considered a Level 3.



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Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

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	
		Monthly valuation using			
Financial Assets	NA Alp Is s	the current price in an	Futame!	Cinners Divinion	
	Monthly	active market for similar	External	Finance Division	
		assets			
		Assessed each year for			
Investment Properties	Annually	material change and	External	Property Division	
investment roperties	Allitually	adjusted accordingly	External		
		Full valuation using			
	5 years			Infrastructure & Strategic Planning Division	
Infrastructure		current unit rates and			
		comparable work.	Internal		
		Assessed each year for			
		material change and			
		adjusted accordingly			
		Assessment of			
		remaining useful life			
Property Plant &		undertaken with		Finance Division	
	Annually	adjustments to	Internal		
Equipment		consumption patterns			
		that may impact fair			
		value			
		Assessment of			
				Finance Division	
		remaining useful life			
Office Equipment &		undertaken with			
Furniture & Fittings	Annually	adjustments to	Internal		
g-		consumption patterns			
		that may impact fair			
		value			
	5 Years	Full valuation every 5			
Operational Land		years or index applied	External	Property Division	
		annually if material			
		Valuer General Land			
		Values or Average Unit			
Community Land	5 Years	Rate for similar	Valuer General / Internal	Property / Finance	
community zama	0 10010	properties if not	Value Corretary Internal	Division	
		available			
		Valuer General Land			
Land Under Roads	5 Years			Finance Division	
		Values or Average Unit	Valuer General / Internal		
		Rate used as proxy to			
		derive en globo rate			
Buildings - Non		Full valuation every 5		Infrastructure &	
Specialised &	5 Years	years or index applied	External / Internal	Strategic Planning	
Specialised	o rears	annually if material	External / Internal	Division / Property	
		-		Division	
Intangibles		Assessment of			
		remaining useful life			
		undertaken with		Finance Division	
	5 Years	adjustments to	Internal		
		consumption patterns			
		that may impact fair			
		value			
Other Structures	5.V	Assessment of			
		remaining useful life		Infrastructure &	
		undertaken with			
	5 Years	adjustments to	Internal	Strategic Planning	
		consumption patterns		Division	
			1		
		that may impact fair value			



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Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Asset Category	Valuation Frequency	Description of Process	Valuer*	Responsibility
Other Open Space /	5 Years	Full valuation every 5	Internal	Infrastructure &
Recreational Assets	5 rears	years or index applied annually if material	mternai	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

^{*}Internal Valuation refers to the utilisation of in-house expertise to value Council's assets.



Wollongong City Council Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

(3) Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

\$ '000	Financial assets	Investment property	IPP&E	Held for sale assets	Total
2018					
Opening balance	43,428	4,775	2,309,628	6,381	2,364,212
Purchases (GBV)	3,348	_	114,042	_	117,390
Disposals (WDV)	(4,057)	_	(8,447)	(6,381)	(18,885)
Depreciation and impairment		_	(59,673)	_	(59,673)
FV gains – other comprehensive income		_	5,692	_	5,692
FV gains – Income Statement ¹	443	5	_	_	448
Prior Period Error		_	(38,768)	_	(38,768)
Waste remediation reassessment	_	_	(4,863)	_	(4,863)
Transfer to expense		_	(73)	_	(73)
Closing balance	43,162	4,780	2,317,538	_	2,365,480
		.,	_,_,_,		_,,,,,,,,
2019					
Opening balance	43,162	4,780	2,317,538	_	2,365,480
Purchases (GBV)	14,299	_	123,228	_	137,527
Disposals (WDV)	(10,021)	_	(8,775)	_	(18,796)
Depreciation and impairment	_	_	(61,549)	_	(61,549)
FV gains – other comprehensive income	_	_	196,361	_	196,361
FV gains – Income Statement ¹	165	220	_	_	385
Prior Period Error	_	_	_	_	_
Waste remediation reassessment	_	_	(58)	_	(58)
Transfer to expense	_	_	(1,651)	_	(1,651)
Closing balance	47,605	5,000	2,565,094	_	2,617,699
-	,	-,	_,,		_,_,,,,,,,,

⁽¹⁾ FV gains recognised in the Income Statement relating to assets still on hand at year end total



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Notes to the Financial Statements

for the year ended 30 June 2019

Note 23. Related Party Transactions

(a) Key management personnel

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

	2019	2010
Compensation:		
Short-term benefits	2,239	2,176
Termination benefits	42	_
Total	2,281	2,176

(b) Other transactions with KMP and their related parties

Council has assessed other transactions with KMP and their related parties as not material for recognition in these statements.

(c) Other related party transactions

\$'000s	Value of transactions during the year	Outstanding balance	Terms and conditions
2019			
Associate			
Marketing, events, business and investment	1,419		Amounts provided under a funding
n LGA		1	agreement.
Event sponsorship & support	71	-	Based on specific events.
LGA Major Events	10	-	Amounts provided under a funding
			agreement.
Partner program	6	_	ag. somem
Merchandise	1	-	
Associate			
Performing Arts Centre Management	1,006	-	Amounts provided under a funding agreement.
Town Hall management	388	-	Amounts provided under a funding
g			agreement.
Community Subsidy	20	-	Amounts provided under a funding
			agreement.
/enue Hire	11	_	9
Asset Maintenance	9	_	
Catering	2	_	
20101119	2		



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Notes to the Financial Statements

for the year ended 30 June 2019

Note 23. Related Party Transactions (continued)

\$'000s	Value of transactions during the year	Outstanding balance	Terms and conditions
2018			
Associate			
Marketing, events, business and investment n LGA	1,376	-	Amounts provided under a funding agreement.
Subsidised office space	146	-	Amounts provided under a funding agreement.
Event sponsorship & support	91	_	Based on specific events.
LGA Major Events	20	-	Amounts provided under a funding agreement.
Feasibility study	8	-	
Visitor guide	4	-	
Partner program		-	
Contribution to Green Bus Service Extension	3	-	
Commission on accommodation bookings Associate	1		
Performing Arts Centre Management	690		Amounts provided under a funding agreement.
Town Hall management	375		Amounts provided under a funding agreement.
Community Subsidy	23		Amounts provided under a funding agreement.
Venue hire	- 11		-3
Ticket purchase	9	-	
Town Hall – evacuation users	6		
Student Transportation	1	, -	



Wollongong City Council Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 24. Events occurring after the reporting date

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

Note 25. Statement of developer contributions

Under the Environmental Planning and Assessment Act 1979, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

Summary of contributions and levies

	as at 30/6/2018			1			as at 30/6	2019
\$ '000	Opening Balance	Contributions received during the Cash		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
Drainage	4,088	2,460	_	146	_	_	6,694	_
Roads	(7,751)	13,247	_	(106)	(6,037)	_	(647)	_
Open space	5,360	1,737	_	174	_	_	7,271	_
Community facilities	1,116	71	_	33	_	_	1,220	_
Administration	(1,177)	302	_	_	(301)	_	(1,176)	_
Public transport	577	31	_	17	_	_	625	_
S7.11 contributions – under a plan	2,213	17,848	_	264	(6,338)	_	13,987	_
S7.12 levies – under a plan	16,266	5,805	_	562	(352)		22,281	_
Total S7.11 and S7.12 revenue under plans	18,479	23,653	_	826	(6,690)	_	36,268	_
S7.11 not under plans	337	_	_	10	_	_	347	_
S7.4 planning agreements	145	_	_	8	_	_	153	_
Total contributions	18,961	23,653	_	844	(6,690)		36,768	_

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Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25. Statement of developer contributions (continued)

	as at 30/6/2018						as at 30/6	/2019
		Contribution received during t		Interest	Expenditure	Internal	Held as	Cumulative internal
\$ '000	Opening Balance	Cash	Non-cash	earned in year	during year	borrowing (to)/from	restricted asset	borrowings due/(payable)
S7.11 Contributions – under a	plan							
CONTRIBUTION PLAN – WEST DAPTO								
Drainage	4,088	2,460	_	146	A 3	_	6,694	-
Roads	(7,751)	13,247	5.00	(106)	(6,037)	_	(647)	-
Open space	5,360	1,737		174	_	_	7,271	-
Community facilities	1,116	71	117	33	-	_	1,220	-
Administration	(1,177)	302		- 1	(301)	_	(1,176)	-
Public transport	577	31		17	_	_	625	-
Total	2,213	17,848	7 - 7	264	(6,338)		13,987	_
S7.12 Levies – under a plan								
CONTRIBUTION PLAN - WOLLONGONG A	, в	. 1						
City Wide	16,818	4,082	-	546	(352)	_	21,094	-
City Centre	(552)	1,723	_	16	_	_	1,187	-
Total	16,266	5,805	_	562	(352)	_	22,281	_

⁽A) The Wollongong City-Wide Development Contributions Plan is a levy based plan that reflects development activity in the Local Government Area excluding areas covered by the West Dapto Section 94 Plan.

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⁽B) Figures provided include amounts collected under the Wollongong City-Wide Development 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 Development Contribution plans. These are transferred and applied towards items within the Section 7.12 Plan works schedule as the Section 7.12 Plan is the replacement for the plans repealed in June 2006.



Wollongong City Council Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25. Statement of developer contributions (continued)

	as at 30/6/2018						as at 30/6	/2019
		Contribution received during the		Interest	Expenditure	Internal	Held as	Cumulative internal
\$ '000	Opening Balance	Cash	Non-cash	earned in year	during year	borrowing (to)/from	restricted asset	borrowings due/(payable)
S7.11 Contributions – not u	nder a plan							
CONTRIBUTION PLAN - CALDERWOO	D A, B, C							
Roads	337	-	_	10	A 3	_	347	_
Total	337	_		10		_	347	_

⁽A) The Calderwood Urban Release Area was historically in the Shellharbour City Local Government Area. However, the Urban Release Are was later expanded during the State Government's major project approval process to include land that straddles the local government boundary, which comprises 107 hectares of land in the Wollongong Local Government Area at Marshall Mount.

S7.4 planning agreements

S7.4 planning agreements Roads 145 8 153 Total 145 8 153

⁽B) In 2013, the Land and Environment Court imposed a development contribution condition on Stage 1 of the Calderwood development within Shellharbour City Council Local Government Area, requiring the payment of a contribution of \$1,320 per lot to Wollongong City Council to be used towards upgrades of Marshall Mount Road and Yallah Road. The payments reflected in the above relate to these court proceedings.

⁽C) Wollongong City Council and Lendlease Communities (Australia) Limited have entered into a Planning Agreement for the remainder of the contributions relating to the Calderwood development. No contributions have been received as a result of the Planning Agreement.



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 26. Financial result and financial position by fund

Council utilises only a general fund for its operations.

Note 27(a). Statement of performance measures – consolidated results

	Amounts Indicator		Prior p	Prior periods		
\$ '000	2019	2019	2018	2017		
1. Operating performance ratio Total continuing operating revenue excluding capital grants and contributions less operating expenses 1, 2 Total continuing operating revenue excluding capital grants and contributions 1	<u>(1,340)</u> 278,226	(0.48)%	2.76%	10.74%	>0.00%	
2. Own source operating revenue ratio Fotal continuing operating revenue excluding all grants and contributions Fotal continuing operating revenue 1	247,336 337,882	73.20%	77.06%	74.75%	>60.00%	
3. Unrestricted current ratio Current assets less all external restrictions 3 Current liabilities less specific purpose liabilities 4	126,001 46,629	2.70x	2.93x	2.65x	>1.50x	
4. Debt service cover ratio Operating result before capital excluding interest and depreciation/impairment/amortisation Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	63,778 11,052	5.77x	6.30x	8.51x	>2.00x	
5. Rates, annual charges, interest and extra charges outstanding percentage Rates, annual and extra charges outstanding Rates, annual and extra charges collectible	10,566 207,770	5.09%	4.66%	5.88%	<10.00%	
6. Cash expense cover ratio Current year's cash and cash equivalents plus all erm deposits Monthly payments from cash flow of operating and inancing activities	107,217 19,663	5.45 mths	5.83 mths	6.90 mths	>3.00 mths	

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

⁽²⁾ Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and associates

⁽³⁾ Refer to Notes 6-8 inclusive. Excludes any real estate and land for resale not expected to be sold in next 12 months.

⁽⁴⁾ Refer to Notes 13 and 14. Excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).



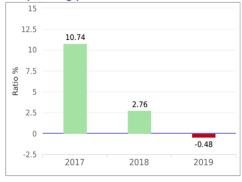
Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 27(b). Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2018/19 result

2018/19 ratio (0.48)%

The 2019 result has been unfavourably impacted by a number of unusual factors that include the change in discount factors applicable to employee leave entitlements (\$5.2M), valuation of workers compensation liability to recognise impact of external valuation trends on Council's active claims (\$2.0M) and the reclassification of capital expenditure for current and prior years (\$2.3M). Without these abnormal variations, this indicator would be 2.9%.

Benchmark: -> 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2018/19 result

2018/19 ratio 73.20%

This result is consistent with previous reporting periods. It is noted that total revenue include non-cash contributed assets which fluctuate from year to year and impact the result.

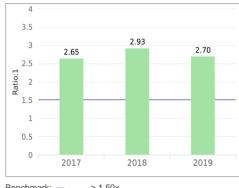
Benchmark: -> 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2018/19 result

2018/19 ratio 2.70x

1. Council's strategy is to maximise the use of available fund s and target a lean unrestricted ratio.

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

Benchmark: -> 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 27(b). Statement of performance measures – consolidated results (graphs)

4. Debt service cover ratio





principal and lease payments

Benchmark: -> 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates, annual charges, interest and extra charges outstanding percentage



Purpose of rates, annual charges, interest and extra charges outstanding

the adequacy of recovery efforts.

To assess the impact of uncollected rates and annual charges on Council's liquidity and Commentary on 2018/19 result

2018/19 ratio 5.09%

Although Council continue to improve the recovery processes for all rate payers, there has been an increase in debt owed to Council by pensioners that Council policy allows

Benchmark: -< 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2018/19 result

2018/19 ratio 5.45 mths

The result of this measure reflects a high level of liquidity in Council's investment portfolio at the end of 2018/19.

Benchmark: -> 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 28. Council information and contact details

Principal place of business:

41 Burelli Street Wollongong NSW 2500

Contact details

Mailing Address:

Locked Bag 8821 Wollongong NSW 2500

Telephone: (02) 4227 7111 Facsimile: (02) 4227 7277

Officers

GENERAL MANAGER

Greg Doyle

RESPONSIBLE ACCOUNTING OFFICER

Brian Jenkins

PUBLIC OFFICER

Todd Hopwood

AUDITORS

Audit Office of New South Wales Level 15, 1 Margaret Street, Sydney, NSW, 2000

Opening hours:

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

Internet: www.wollongong.nsw.gv.au Email: council@wollongong.nsw.gv.au

Elected members

LORD MAYOR

Gordon Bradbery

COUNCILLORS

Ward 1 Leigh Colacino Mithra Cox Janice Kershaw Jenelle Rimmer

Ward 2

Cath Blakey David Brown Tania Brown John Dorahy

Ward 3

Dom Figliomeni Vicky King Ann Martin Cameron Walters

Other information

ABN: 63 139 525 939



Financial Statements 2019

General Purpose Financial Statements

for the year ended 30 June 2019

Independent Auditor's Report

Please upift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).





Financial Statements 2019

General Purpose Financial Statements

for the year ended 30 June 2019

Independent Auditor's Report

Please upift Council's Audit Report PDF (commentary) for inclusion in the GPFS report (via the Home screen).







SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2019





Special Purpose Financial Statements 2019

Wollongong City Council

Special Purpose Financial Statements

for the year ended 30 June 2019

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Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office 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 and 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 more than \$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 and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).



Special Purpose Financial Statements 2019

Special Purpose Financial Statements

for the year ended 30 June 2019

23 September 2019

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 and Costing for Council Businesses A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,

To the best of our knowledge and belief, these 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 23 September 2019.

Gordon Bradbery
Lord Mayor
23 September 2019

Greg Doyle
General Manager

David Brown
Deputy Lord Mayor
23 September 2019

Brian Jenkins
Responsible Accounting Officer

23 September 2019

Page 3



Special Purpose Financial Statements 2019

Income Statement - Waste Disposal

\$ '000	2019	2018
Income from continuing operations		
User charges	27,821	28,716
Other income	516	516
Total income from continuing operations	28,337	29,232
Expenses from continuing operations		
Employee benefits and on-costs	1,905	1,755
Borrowing costs	1,849	1,989
Materials and contracts	2,466	1,533
Depreciation, amortisation and impairment	1,221	1,265
Calculated taxation equivalents	529	393
EPA levy	11,764	15,369
Other expenses	1,903	1,890
Total expenses from continuing operations	21,637	24,194
Surplus (deficit) from continuing operations before capital amounts	6,700	5,038
Surplus (deficit) from continuing operations after capital amounts	6,700	5,038
Surplus (deficit) from all operations before tax	6,700	5,038
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(1,843)	(1,385)
SURPLUS (DEFICIT) AFTER TAX	4,857	3,653
Plus accumulated surplus Plus adjustments for amounts unpaid:	45,500	40,069
- Taxation equivalent payments	529	393
Corporate taxation equivalent	1,843	1,385
Closing accumulated surplus	52,729	45,500
Return on capital %	21.6%	19.2%



Special Purpose Financial Statements 2019

Income Statement - Tourist parks

\$ '000	2019	2018
Income from continuing operations		
User charges	7,153	6,975
Other income	144	128
Total income from continuing operations	7,297	7,103
Expenses from continuing operations		
Employee benefits and on-costs	2,813	2,639
Materials and contracts	1,157	958
Depreciation, amortisation and impairment	1,095	967
Loss on sale of assets	53	28
Calculated taxation equivalents	535	522
Other expenses	1,192	1,169
Total expenses from continuing operations	6,845	6,283
Surplus (deficit) from continuing operations before capital amounts	452	820
Surplus (deficit) from continuing operations after capital amounts	452	820
Surplus (deficit) from all operations before tax	452	820
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(124)	(226)
SURPLUS (DEFICIT) AFTER TAX	328	594
Plus accumulated surplus Plus adjustments for amounts unpaid:	12,018	10,676
- Taxation equivalent payments	535	522
- Corporate taxation equivalent	124	226
Closing accumulated surplus	13,005	12,018
Return on capital %	1.7%	3.4%



Special Purpose Financial Statements 2019

Income Statement - Health & Fitness

\$ '000	2019	2018
Income from continuing operations		
User charges	2,896	2,628
Grants and contributions provided for non-capital purposes	_	16
Other income	95	96
Total income from continuing operations	2,991	2,740
Expenses from continuing operations		
Employee benefits and on-costs	2,521	2,353
Materials and contracts	332	396
Depreciation, amortisation and impairment	54	54
Loss on sale of assets	_	1
Calculated taxation equivalents	176	174
Other expenses	977	995
Total expenses from continuing operations	4,060	3,973
Surplus (deficit) from continuing operations before capital amounts	(1,069)	(1,233)
Surplus (deficit) from continuing operations after capital amounts	(1,069)	(1,233)
Surplus (deficit) from all operations before tax	(1,069)	(1,233)
SURPLUS (DEFICIT) AFTER TAX	(1,069)	(1,233)
Plus accumulated surplus Plus adjustments for amounts unpaid:	(12,055)	(10,996)
- Taxation equivalent payments	176	174
Closing accumulated surplus	(12,948)	(12,055)
Return on capital %	(24.3)%	(29.2)%
Subsidy from Council	1,127	1,344



Special Purpose Financial Statements 2019

Income Statement - Crematorium & Cemeteries

\$ '000	2019	2018
Income from continuing operations		
User charges	1,550	2,296
Other income	9	11
Total income from continuing operations	1,559	2,307
Expenses from continuing operations		
Employee benefits and on-costs	1,431	1,468
Materials and contracts	269	320
Depreciation, amortisation and impairment	9	10
Loss on sale of assets	7	_
Calculated taxation equivalents	173	133
Other expenses	560	561
Total expenses from continuing operations	2,449	2,492
Surplus (deficit) from continuing operations before capital amounts	(890)	(185)
Surplus (deficit) from continuing operations after capital amounts	(890)	(185)
Surplus (deficit) from all operations before tax	(890)	(185)
SURPLUS (DEFICIT) AFTER TAX	(890)	(185)
Plus accumulated surplus Plus adjustments for amounts unpaid:	(827)	(775)
- Taxation equivalent payments	173	133
Closing accumulated surplus	(1,544)	(827)
Return on capital %	(13.6)%	(3.7)%
Subsidy from Council	976	317



Special Purpose Financial Statements 2019

Statement of Financial Position - Waste Disposal

\$ '000	2019	2018
ASSETS		
Current assets		
Investments	_	2,165
Total current assets	_	2,165
Non-current assets		
Receivables	70,160	53,277
Infrastructure, property, plant and equipment	39,543	36,680
Total non-current assets	109,703	89,957
TOTAL ASSETS	109,703	92,122
LIABILITIES		
Current liabilities		
Payables	638	
Total current liabilities	638	_
Non-current liabilities		
Provisions	42,939	36,994
Total non-current liabilities	42,939	36,994
TOTAL LIABILITIES	43,577	36,994
NET ASSETS	66,126	55,128
EQUITY		
Accumulated surplus	52,729	45,500
Revaluation reserves	13,397	9,628
TOTAL EQUITY	66,126	55,128



Special Purpose Financial Statements 2019

Statement of Financial Position - Tourist parks

\$ '000	2019	2018
ASSETS		
Non-current assets		
Receivables	4,127	3,663
Infrastructure, property, plant and equipment	26,480	24,210
Total non-current assets	30,607	27,873
TOTAL ASSETS	30,607	27,873
NET ASSETS	30,607	27,873
EQUITY		
Accumulated surplus	13,005	12,018
Revaluation reserves	17,602	15,855
TOTAL EQUITY	30,607	27,873





Special Purpose Financial Statements 2019

Statement of Financial Position – Health & Fitness

\$ '000	2019	2018
ASSETS		
Non-current assets		
Infrastructure, property, plant and equipment	4,398	4,224
Total non-current assets	4,398	4,224
TOTAL ASSETS	4,398	4,224
LIABILITIES		
Non-current liabilities		
Payables	13,901	13,063
Total non-current liabilities	13,901	13,063
TOTAL LIABILITIES	13,901	13,063
NET ASSETS	(9,503)	(8,839)
EQUITY		
Accumulated surplus	(12,946)	(12,055)
Revaluation reserves	3,443	3,216
TOTAL EQUITY	(9,503)	(8,839)



Special Purpose Financial Statements 2019

Statement of Financial Position - Crematorium & Cemeteries

\$ '000	2019	2018
ASSETS		
Non-current assets		
Infrastructure, property, plant and equipment	6,534	5,021
Total non-current assets	6,534	5,021
TOTAL ASSETS	6,534	5,021
LIABILITIES		
Non-current liabilities		
Payables	4,585	3,494
Total non-current liabilities	4,585	3,494
TOTAL LIABILITIES	4,585	3,494
NET ASSETS	1,949	1,527
EQUITY		
Accumulated surplus	(1,535)	(827)
Revaluation reserves	3,484	2,354
TOTAL EQUITY	1,949	1,527



Special Purpose Financial Statements 2019

Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

Note 1. Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these Special Purpose Financial Statements 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) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in 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 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The Pricing and 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 and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

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

Category 1

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

- a. Waste Disposal: Manages the disposal of solid waste generated within the city.
- b. Tourist Parks: Operation, management & 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)

Nil



Special Purpose Financial Statements 2019

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

(i) Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose 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 - 27.5%

<u>Land tax</u> – the first \$629,000 of combined land values attracts **0**%. For the combined land values in excess of \$629,001 up to \$3,846,000 the rate is **1.6**% **+ \$100**. For the remaining combined land value that exceeds \$3,846,000 a premium marginal rate of **2.0**% applies.

Payroll tax - 5.45% on the value of taxable salaries and wages in excess of \$850,000

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account 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 27.5%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to 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 the SPFS.

The rate applied of 27.5% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and 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 and 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 Council's borrowing rate for its business activities.

continued on next page ... Page 13



Special Purpose Financial Statements 2019

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when 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 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 NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

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

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return 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 1.32% at 30/6/19.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.



Special Purpose Financial Statements 2019

Special Purpose Financial Statements

for the year ended 30 June 2019

Please upift Council's Audit Report PDF (opinion) for inclusion in the SPFS report (via the Home screen).







SPECIAL SCHEDULES for the year ended 30 June 2019





Special Schedules 2019

Special Schedules

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Special Schedules 2019

Wollongong City Council

Permissible income for general rates

for the year ended 30 June 2019

\$ '000		Calculation 2019/20	Calculation 2018/19
Notional general income calculation ¹			
Last year notional general income yield	а	165,477	160,469
Plus or minus adjustments ²	b	730	854
Notional general income	c = a + b	166,207	161,323
Permissible income calculation			
Or rate peg percentage	е	2.70%	2.30%
Or plus rate peg amount	i = c x e	4,488	3,710
Sub-total	k = (c + g + h + i + j)	170,695	165,033
Plus (or minus) last year's carry forward total	I	4	190
Less valuation objections claimed in the previous year	m	(396)	(138)
Sub-total Sub-total	n = (I + m)	(392)	52
Total permissible income	0 = k + n	170,303	165,085
Less notional general income yield	p	170,562	165,477
Catch-up or (excess) result	q = o – p	(259)	(392)
Plus income lost due to valuation objections claimed ⁴		265	396
Less unused catch-up ⁵	8	(4)	_
Carry forward to next year ⁶	t = q + r - s	2	4

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) 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 Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



Wollongong City Council

Special Schedules 2019

Report on Infrastructure Assets

as at 30 June 2019

Estimated cost Estimated cost to bring to the Asset Class Asset Category to bring assets agreed level of 2018/19 20				2018/19		Gross	Assets in condition as a percentage of gross replacement cost					
		to satisfactory standard	service set by	Required naintenance a	Actual maintenance	Net carrying amount	replacement cost (GRC)	1	2	3	4	5
(a) Report	on Infrastructure Assets - \	√alues										
Buildings	Buildings	5,152	6,926	21,298	20,833	303,164	540,019	3.0%	17.1%	78.7%	0.7%	0.6%
	Sub-total	5,152	6,926	21,298	20,833	303,164	540,019	3.0%	17.1%	78.7%	0.7%	0.6%
Other	Other structures	963	1,284	551	539	7,482	13,971	4.6%	18.2%	68.0%	2.4%	6.8%
structures	Sub-total	963	1,284	551	539	7,482	13,971	4.6%	18.2%	68.0%	2.4%	6.8%
Roads	Sealed roads	67,173	89,737	16,943	16,317	569,999	1,426,090	6.7%	10.5%	74.5%	1.4%	7.0%
	Bridges	902	1,203	1,810	1,743	98,739	152,318	12.7%	36.5%	50.0%	0.2%	0.5%
	Footpaths	3,078	6,155	3,465	3,337	147,190	291,660	15.2%	19.7%	63.0%	1.3%	0.8%
	Sub-total	71,153	97,095	22,218	21,397	815,928	1,870,068	8.5%	14.0%	70.7%	1.3%	5.5%
Stormwater	Stormwater drainage	76	101	2,568	2,596	520,636	937,830	4.2%	13.1%	82.6%	0.0%	0.1%
drainage	Sub-total	76	101	2,568	2,596	520,636	937,830	4.2%	13.1%	82.6%	0.0%	0.1%
Open space / recreational	Swimming pools & Open Space/Recreation	6,936	10,377	25,305	26,816	116,754	187,847	2.9%	12.4%	71.8%	6.6%	6.4%
assets	Sub-total	6,936	10,377	25,305	26,816	116,754	187,847	2.9%	12.4%	71.8%	6.6%	6.4%
	TOTAL - ALL ASSETS	84,280	115,783	71,940	72,181	1,763,964	3,549,735	6.2%	14.2%	75.1%	1.1%	3.4%

⁽a) Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

(1) Cost to bring up to 'satisfactory standard' refers to the estimated cost to replace the calculated percentage of each asset type that are below satisfactory. Satisfactory standard is generally defined as condition 2 (see Asset Condition Definitions). As identified through Council's Securing our Future community engagement, for footpaths and shared paths, this is 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 the amount that should be spent to maintain assets in a satisfactory standard and to ensure that the estimated remaining life of the asset is achieved PLUS the new requirement to include the "operating expenses required to keep the asset in a functional state for community use'. During the 2016/17 financial year this process was completely reviewed to ensure inclusion of all labour and materials on all 'asset operation' tasks.

continued on next page ... Page 4



Wollongong City Council

Special Schedules 2019

Report on Infrastructure Assets (continued)

Item 15 - Attachment 1 - Annual Financial Statements 2018-2019

as at 30 June 2019

- (3) Current Annual Maintenance' is the total expenditure incurred during the year to maintain assets. It also includes the actual expenditure on operational costs to keep the asset in a functional state for community use', which includes costs such as mowing, painting, lighting, cleaning, energy supply etc. It does not include operational overheads (e.g. administration staff) or capital expenditure.
- (4) Cost to bring to agreed service level is defined as "The proportion of the GRC that have reached the intervention level based on condition." The outstanding renewal works compared to the total replacement cost of Councils assets. That is calculated as the cost of bringing condition 4 and 5 assets to condition 1.
- (5) 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

Condition of Public Assets

In assessing the condition of Public Assets, Council has considered the existing condition and function of each asset. The results shown for the condition of assets within each category are an average. Therefore, a proportion 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
1	As new
2	Good
3	Fair
4	Poor
5	To be replaced

continued on next page ... Page 5



Special Schedules 2019

Report on Infrastructure Assets (continued)

as at 30 June 2019

	Amounts	Indicator	Prior p	eriods	Benchmark
\$ '000	2019	2019	2018	2017	
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹ Asset renewals ² Depreciation, amortisation and impairment	49,733 53,114	93.63%	104.26%	104.90%	>=100.00%
Infrastructure backlog ratio ¹ Estimated cost to bring assets to a satisfactory standard Net carrying amount of infrastructure assets	<u>84,280</u> 1,763,964	4.78%	5.51%	5.72%	<2.00%
Asset maintenance ratio Actual asset maintenance Required asset maintenance	72,181 71,940	100.34%	98.54%	98.07%	>100.00%
Cost to bring assets to agreed service level Estimated cost to bring assets to an agreed service level set by Council Gross replacement cost	115,783 3,549,735	3.26%	3.47%	3.68%	

^(*) All asset performance indicators are calculated using classes identified in the previous table.

⁽¹⁾ Excludes Work In Progress (WIP)

⁽²⁾ Asset renewals represent the replacement and/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.

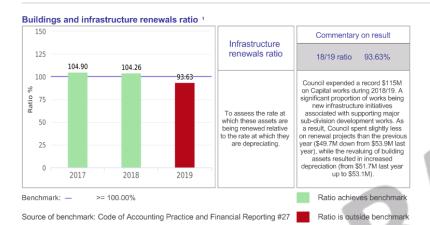


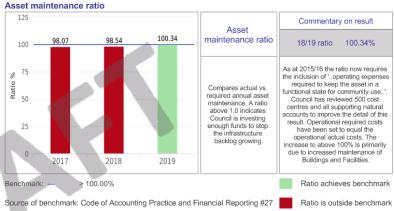
Wollongong City Council

Special Schedules 2019

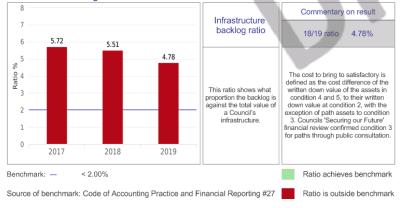
Report on Infrastructure Assets (continued)

as at 30 June 2019

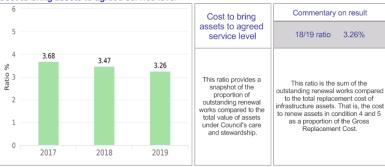




Infrastructure backlog ratio



Cost to bring assets to agreed service level



(1) Excludes Work In Progress (WIP)

430



Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose Financial Statements

Wollongong City Council

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2019





Wollongong City Council

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2019





Wollongong City Council

Financial Statements 2019

General Purpose Financial Statements

for the year ended 30 June 2019

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Overview

Wollongong City Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

41 Burelli Street Wollongong NSW 2500

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- · principles applying to the exercise of functions generally by council,
- · principles to be applied when making decisions,
- · principles of community participation,
- · principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

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

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.wollongong.nsw.gov.au.



Financial Statements 2019

Wollongong City Council

General Purpose Financial Statements

for the year ended 30 June 2019

23 September 2019

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

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

- the Local Government Act 1993 (NSW) (as amended) and the regulations made thereunder,
- · the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board,
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

- · present fairly the Council's operating result and financial position for the year,
- · 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 23 September 2019.

Gordon Bradbery
Lord Mayor
23 September 2019

Greg Doyle
General Manager

David Brown
Deputy Lord Mayor
23 September 2019

Brian Jenkins
Responsible Accounting Officer

23 September 2019



Wollongong City Council

Financial Statements 2019

Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018 1
	la constitución de la constituci			
	Income from continuing operations			
	Revenue:			
197,686	Rates and annual charges	3a	199,524	193,429
34,967	User charges and fees	3b	32,793	34,805
4,572	Interest and investment revenue	3c	5,069	5,162
10,062	Other revenues	3d	12,125	10,551
19,837	Grants and contributions provided for operating purposes	3e,3f	28,856	29,384
53,752	Grants and contributions provided for capital purposes	3e,3f	59,656	40,637
	Other income:			
_	Fair value increment on investment properties	11	220	5
_	Net share of interests in joint ventures and associates using the equity method	17	291	803
320,876	Total income from continuing operations		338,534	314,776
				,
	Expenses from continuing operations		· · · · · · · · · · · · · · · · · · ·	
112,838	Employee benefits and on-costs	4a	122,445	107,843
3,310	Borrowing costs	4b	3,337	3,819
55,983	Materials and contracts	4c	57,432	53,709
64,508	Depreciation and amortisation	4d	61,781	60,067
37,360	Other expenses	4e	34,571	40,211
	Net losses from the disposal of assets	5	6,856	361
273,999	Total expenses from continuing operations	D "	286,422	266,010
46,877	Operating result from continuing operations		52,112	48,766
46,877	Net operating result for the year		52,112	48,766
46,877	Net operating result attributable to council		52,112	48,766
(6,875)	Net operating result for the year before grants and contr provided for capital purposes	ibutions	(7,544)	8,129

⁽¹⁾ The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement

The above Income Statement should be read in conjunction with the accompanying notes.



Wollongong City Council

Financial Statements 2019

Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018 1
Net operating result for the year (as per Income Statement)		52,112	48,766
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result Gain (loss) on revaluation of IPP&E	10	196,818	5,692
Total items which will not be reclassified subsequently to the operating result		196,818	5,692
Amounts which will be reclassified subsequently to the operating result when conditions are met	specific		
Gain(/loss) on revaluation of equity instruments at fair value through other comprehensive income		(32)	-
Total items which will be reclassified subsequently to the operating result when specific conditions are met		(32)	_
Total other comprehensive income for the year		196,786	5,692
Total comprehensive income for the year		248,898	54,458
Total comprehensive income attributable to Council		248,898	54,458

⁽¹⁾ The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



Financial Statements 2019

Wollongong City Council

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018 1
ASSETS			
Current assets			
Cash and cash equivalent assets	6(a)	25,187	26,491
Investments	6(b)	114,579	109,162
Receivables	7	36,620	27,036
Inventories	8a	337	306
Other	8b	11,879	10,666
Total current assets		188,602	173,661_
Non-current assets			
Investments	6(b)	15,056	22,115
Inventories	8a	5,948	5,835
Infrastructure, property, plant and equipment	10	2,565,095	2,317,081
Investment property	11a	5,000	4,780
Intangible assets	12	440	388
Investments accounted for using the equity method	17	2,929	2,638
Total non-current assets		2,594,468	2,352,837
TOTAL ASSETS		2,783,070	2,526,498
LIABILITIES			
Current liabilities			
Payables	13	30,006	26,754
Income received in advance	13	5,014	3,256
Borrowings	13	7,934	7,716
Provisions	14	58,214	50,377
Total current liabilities		101,168	88,103
Total dallolit liabilities		101,100	00,100
Non-current liabilities			
Payables	13	385	700
Borrowings	13	17,497	25,039
Provisions	14	47,054	44,566
Total non-current liabilities		64,936	70,305
TOTAL LIABILITIES		166,104	158,408
Net assets		2,616,966	2,368,090
EQUITY			
Accumulated surplus	15a	1,463,845	1,411,338
Revaluation reserves	15a	1,153,065	956,752
Other reserves	15a	56	-
Council equity interest		2,616,966	2,368,090
Total equity		2,616,966	2,368,090

⁽¹⁾ The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Financial Statements



Wollongong City Council Financial Statements 2019

Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose

Statement of Changes in Equity

for the year ended 30 June 2019

		20)19				20	18 ¹	
\$ '000 Note	Accumulated surplus	IPP&E revaluation reserve		Total equity		Accumulated surplus	IPP&E revaluation reserve		Total equity
Opening balance	1,411,338	956,752	_	2,368,090	Ы	1,389,905	962,952	_	2,352,857
Correction of prior period errors		-	_			(30,652)	(8,573)	_	(39,225)
Adoption of new accounting standards – not retrospective	(110)	_	88	(22)		_	_	_	_
Restated opening balance	1,411,228	956,752	88	2,368,068	M	1,359,253	954,379	_	2,313,632
Net operating result for the year Restated net operating result for the period	52,112 52,112		-	52,112 52,112		48,766 48,766			48,766 48,766
Other comprehensive income - Gain (loss) on revaluation of IPP&E 10		196,818		196,818	-	_	5,692	-	5,692
 Gain(/loss) on revaluation of equity instruments at fair value through other comprehensive income 			(32)	(32)		-	-	-	-
Other comprehensive income		196,818	(32)	196,786	-	_	5,692	-	5,692
Total comprehensive income	52,112	196,818	(32)	248,898	-	48,766	5,692	_	54,458
Transfers between equity items	505	(505)	_	_		3,319	(3,319)	_	_
Equity – balance at end of the reporting period	1,463,845	1,153,065	56	2,616,966		1,411,338	956,752	_	2,368,090

⁽¹⁾ The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and

Management on the General Purpose Financial Statements



Wollongong City Council

Financial Statements 2019

Statement of Cash Flows

for the year ended 30 June 2019

Original unaudited				
budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
2019		140163	2019	2010
	Cash flows from operating activities			
197,421	Receipts Rates and annual charges		198,536	193,451
34,967	User charges and fees		35,009	35,362
4,572	Investment and interest revenue received		4,859	5,426
63,420	Grants and contributions		74,808	50,700
9,598	Bonds, deposits and retention amounts received Other		3,060 25,603	591 23,198
_	Payments		23,003	25, 150
(110,458)	Employee benefits and on-costs		(116,018)	(107,925)
(92,522)	Materials and contracts		(76,382)	(65,774)
(1,089)	Borrowing costs		(1,096)	(1,263)
_	Bonds, deposits and retention amounts refunded Other	~	(907) (33,844)	(1,543) (52,022)
	Net cash provided (or used in) operating	16b	(00,011)	(02,022)
105,909	activities		113,628	80,201
	Cash flows from investing activities			
	Receipts			
(205)	Sale of investment securities		61,106	67,557
1,795	Sale of infrastructure, property, plant and equipment		1,920	10,923
	Payments		(50.007)	(54.004)
(97,962)	Purchase of investment securities Purchase of infrastructure, property, plant and equipment		(59,267) (110,578)	(54,661) (93,506)
(97,902)	Purchase of infrastructure, property, plant and equipment		(110,378)	(93,500)
_	Purchase of intangible assets		(285)	_
(96,372)	Net cash provided (or used in) investing activities		(107,217)	(69,731)
	Cash flows from financing activities			
	Payments			
(7,692)	Repayment of borrowings and advances		(7,715)	(7,513)
(7,692)	Net cash flow provided (used in) financing activities		(7,715)	(7,513)
1,845	Net increase/(decrease) in cash and cash equivalents	S	(1,304)	2,957
131,797	Plus: cash and cash equivalents – beginning of year	16a	26,491	23,534
	Cash and cash equivalents – end of the	16a		,
133,642	year		25,187	26,491
	Additional Information:			
	plus: Investments on hand – end of year	6(b)	129,635	131,277
133,642	Total cash, cash equivalents and investments		154,822	157,768

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

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Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 23 September 2019. Council has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the Local Government Act 1993 (NSW) and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity for the purposse of preparing these financial statements. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts

Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 21 Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019. Those newly adopted standards which had an impact on reported position, performance and/or disclosures have been discussed in Note 15.

(b) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of infrastructure, property, plant and equipment and investment property.

(c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of investment properties refer Note 11
- (ii) estimated fair values of infrastructure, property, plant and equipment refer Note 10
- (iii) estimated tip remediation provisions refer Note 14
- (iv) employee benefit provisions refer Note 14.

Significant judgements in applying the council's accounting policies

(i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables - refer Note 7.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

Monies and other assets received by Council

(a) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), 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.

(b) The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (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 reports.

The following Trust monies and properties are held by Council but not considered to be under the control of Council and therefore are excluded from these financial statements:

- · WCC Trust Account (deposits from sale of land/properties due to unpaid rates)
- Lord Mayor's Relief Fund
- Art Gallery (bequeaths/donations)
- Environment Foundation Gift Trust

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

New accounting standards and interpretations issued not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by Council).

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial positon and cash flows) are set out below:

AASB 16 Leases

AASB 16 will result (for the year ending 30 June 2020 and beyond) in all operating leases being recognised on the balance sheet by Council with the distinction between operating and finance leases removed.

Under the new standard, a financial liability (ie. a lease liability) and an asset (ie. a right to use the leased item) will be recognised for nearly all arrangements where Council commits itself to paying a rental fee for the use of a specific asset.

The only exceptions are short-term and low-value leases which are exempt from the accounting (but not disclosure) requirements of AASB 16 - Leases.

Council staff have reviewed all of Council's leasing arrangements over the last 12 months taking into consideration the new lease accounting rules in AASB 16 (applicable from 1 July 2019). Further investigation of the waste services contracts in consultation with suppliers is required to determine potential inclusion.



Wollongong City Council Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

AASB 16 will (on the whole) affect Council's accounting for existing operating lease agreements that are in place as at 30 June 2019.

At the end of this reporting period, Council has non-cancellable operating lease commitments of \$1,273,319 - refer Note 18.

No portion of these commitments relate to short-term leases or low value leases.

Council anticipates it will recognise lease liabilities (on its balance sheet) of \$1,148,929 (after adjustments for prepayments and accrued lease payments recognised as at 30 June 2019) and also recognise complimentary right-of-use assets (on its balance sheet) totalling \$1,148,929 on 1 July 2019.

From a financial position standpoint, as a result of recognising the above lease liabilities and right-of-use assets, Council's net assets (as at 1 July 2019) will remain unchanged, while net current assets will be \$335,056 lower due to the presentation of a portion of the lease liability as a current liability.

From a financial performance standpoint, Council expects that net operating result will be unchanged for the year ending 30 June 2020 as a result of adopting the standard.

Operating cash flows will increase and financing cash flows decrease by approximately \$1,148,929 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

AASB 15 Revenue from Contracts with Customers and associated amending standards.

AASB15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue 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.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Councils should assess each revenue stream but particular impact is expected for grant income and rates which are paid before the commencement of the rating period.

The changes in revenue recognition requirements in AASB15 may cause changes to the timing of revenue recorded in the financial statements as well as additional disclosures. The new standard requires that revenue received under a contract with sufficiently specific performance obligations be recognised when control of the goods or services are transferred to the customer. Where revenue is not connected to a contract with sufficiently specific performance obligations, it will generally be recognised upon receipt. Currently revenue is recognised when it is received, and where income is received in arrears an accrual is made by reference to the stage of completion of the transaction.

AASB 1058 Income of NFP Entities

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions.

Under AASB 1058, the future timing of income recognition will depend on whether the transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service) related to an asset (such as cash or another asset) received by an entity.

AASB 1058 also applies when a council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the council's objective is principally to enable the asset to further the council's objectives.

Upon initial recognition of the asset, this standard requires council to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable accounting standard, such as:

- (a) contributions by owners
- (b) revenue, or a contract liability arising from a contract with a customer
- (c) a lease liability
- (d) a financial instrument, or
- (e) a provision.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

If the transaction is a transfer of a financial asset to enable council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), the council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will then recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

If the transaction does not enable council to acquire or construct a recognisable non-financial asset to be controlled by council, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

It is anticipated that the adoption of AASB 1058 may impact the timing of income recognition relating to some capital grants. Council will also be required to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. Currently volunteer services are not recognised.

AASB 2018-8 Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities

This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below market terms and conditions, principally to enable the entity to further its objectives (for example, concessionary or peppercorn leases).

The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such right-of-use assets at cost rather than fair value) to include additional disclosures in the financial statements to ensure users understand the effects on the financial position, financial performance and cash flows of the entity arising from these leases

As per a NSW Office of Local Government recommendation, Council has elected to measure right-of-use assets (under a concessionary or peppercorn lease) at cost. The standard requires additional disclosures be provided in relation to below market-value leases measured at cost.

Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2018.

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Wollongong City Council Financial Statements 2019

Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose

Notes to the Financial Statements

for the year ended 30 June 2019

Note 2(a). Council functions/activities – financial information

Income, expenses and assets have been directly attributed to the following functions or activities.

Details of those functions or activities are provided in Note 2(b).

		ncome from operations	Exp. continuing	enses from operations	Operating continuing	result from operations		ts included come from operations		l assets held (current and non-current)
\$ '000	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Functions or activities										
Planning and engagement	27,520	13,355	28,058	26,099	(538)	(12,744)	273	1,369	258,471	269,637
Environment	49,350	48,375	61,691	62,198	(12,341)	(13,823)	2,941	1,470	470,695	354,251
Transport services/infrastructure	29,491	17,113	50,189	48,466	(20,698)	(31,353)	26,623	14,130	476,782	430,258
Community services/facilities	8,155	9,033	33,661	32,730	(25,506)	(23,697)	4,732	4,758	37,374	31,089
Recreation and open space	13,954	12,274	47,796	45,762	(33,842)	(33,488)	367	209	79,719	93,723
Regulatory services and safety	8,241	8,417	19,284	18,574	(11,043)	(10,157)	476	521	1,527	1,641
Governance and internal services	194,427	188,042	45,743	32,181	148,684	155,861	16,983	17,281	1,458,502	1,345,899
Contributed Assets	7,396	18,167	7		7,396	18,167	_	_	_	_
Total functions and activities	338,534	314,776	286,422	266,010	52,112	48,766	52,395	39,738	2,783,070	2,526,498



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

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 and internal services

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

Contributed Assets

Contributed assets relate mainly to the handover of transport and stormwater assets from various subdivisions in the West Dapto area.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations

\$ '000	2019	2018
(a) Rates and annual charges		
Ordinary rates		
Residential	115,655	112,264
Farmland	313	302
Mining	914	897
Business	46,927	45,436
Less: pensioner rebates (mandatory)	(2,902)	(2,885)
Less: pensioner rebates (Council policy)	(377)	(410)
Abandonments	(42)	(94)
Rates levied to ratepayers	160,488	155,510
Pensioner rate subsidies received	1,596	1,551
Total ordinary rates	162,084	157,061
Special rates		
City centre	403	395
Mall	1,107	1,044
Rates levied to ratepayers	1,510	1,439
Total special rates	1,510	1,439
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	34,560	33,601
Stormwater management services	1,831	1,817
Less: pensioner rebates (mandatory)	(797)	(798)
Less: pensioner rebates (Council policy)	(97)	(107)
Abandonments – annual charges ¹	(5)	(13)
Annual charges levied	35,492	34,500
Pensioner subsidies received:		
 Domestic waste management 	438	429
Total annual charges	35,930	34,929
TOTAL RATES AND ANNUAL CHARGES	199,524	193,429

Council has used 2016 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy for rates and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates.

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.

⁽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.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(b) User charges and fees		
Specific user charges		
(per s.502 - specific 'actual use' charges)		
Waste management services (non-domestic) ¹	9,632	11,062
Total specific user charges	9,632	11,062
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Contestable building services	386	334
Inspection services	509	507
Planning and building regulation	2,790	2,874
Registration fees	233	252
Section 10.7 certificates (EP&A Act)	517	587
Section 603 certificates (rating certificate)	261	316
Section 611 charges (occupation of land)	192	187
Other	60	45
Total fees and charges – statutory/regulatory	4,948	5,102
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Additional waste services	91	117
Art gallery	11	9
Car parking	852	823
Credit card payment processing fee	139	124
Crematorium and cemeteries ²	1,495	2,219
Design review meeting application fees	113	150
Golf course	567	549
Health inspections	293	290
Hire charges	601	589
Leaseback fees – Council vehicles	679	710
Library	44	44
Marketing	39	39
Outdoor dining	92	91
Parking meters	1,172	1,262
Pre-lodgement meeting fees	113	127
Recreation	4,152	3,984
Road opening permits	363	271
Stallholder fees	119	103
Tourist parks	7,135	6,961
Tree management requests	85	93
Other	58	86
Total fees and charges – other	18,213	18,641
TOTAL USER CHARGES AND FEES	32,793	34,805
		-

Accounting policy for user charges and fees

User charges and fees are recognised as revenue when the service has been provided.

⁽¹⁾ Non-Domestic waste management services income has reduced in comparison to the prior financial year as a result of commercial customers using alternate facilities.

⁽²⁾ Crematorium operations ceased at the end of the 2017/18 financial year.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

		2018
(c) Interest and investment revenue (including losses)		
Interest on financial assets measured at amortised cost		
 Overdue rates and annual charges (incl. special purpose rates) 	606	597
 Cash and investments 	4,227	4,435
Dividend income relating to investments held at fair value through other comprehensive income	95	_
Fair value adjustments		
 Movements in investments at fair value through profit and loss 	141	130
TOTAL INTEREST AND INVESTMENT REVENUE	5,069	5,162
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	606	597
General Council cash and investments	2,576	2,566
Restricted investments/funds – external:		
Development contributions		
- Section 7.11	844	580
Unexpended infrastructure loan	153	226
Other externally restricted assets	890	1,193
Total interest and investment revenue	5,069	5,162

Accounting policy for interest and investment revenue Interest income is recognised using the effective interest rate at the date that interest is earned.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Notes	2019	2018
(d) Other revenues			
Diesel rebate		197	207
Fines		645	700
Fines – parking		2,426	2,336
Insurance claims recoveries		325	302
Legal fees recovery – rates and charges (extra charges)		180	271
Legal settlements		25	50
Outgoings reimbursements		129	125
Reimbursements		295	486
Rental income – investment property	11	389	347
Rental income – other council properties		4,676	4,400
Sales – general		2,183	709
Sponsorship and promotional income		50	71
Other		605	547
TOTAL OTHER REVENUE		12,125	10,551

Accounting policy for other revenue

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Parking fees are recognised as revenue when the service has been provided. Fines are recognised when the penalty has been applied.

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

Sales - general are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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



Wollongong City Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

Management on the General Purpose Financial Statements

Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance	18,596	18,655		_
Total general purpose	18,596	18,655		_
Specific purpose				
Arts and culture	79	82	_	_
Buildings	_	-,	. =	600
Community development and support	286	302	_	_
Economic development	_	289	_	_
Emergency services	418	439	-	_
Environmental management and enhancement	2	74	-	_
Environmental programs	58	82	-	-
Floodplain and stormwater management	173	87	1,072	620
Footpaths and cycleways		-	_	454
HACC community transport	2,629	2,591	_	-
Heritage and cultural	19	254	_	31
Library	450	480	_	-
LIRS subsidy	835	992	_	_
Local bus route subsidy	79	56	_	_
Natural area management	197	146	_	-
Parks, gardens and sportsfields		60	545	71
People and learning	74	36	_	-
Playgrounds	_	_	_	27
Recreation and culture	_	-	36	41
Strategic city planning	95	59	_	_
Street lighting	700	684	_	_
Transport (other roads and bridges funding)	99	22	21,691	9,517
Transport (roads to recovery)	_	_	1,433	1,408
Voluntary purchase scheme	_	_	1,390	39
Waste performance improvement	216	236	_	_
Wollongong multi service outlet	1,223	1,304		_
Total specific purpose	7,632	8,275	26,167	12,808
Total grants	26,228	26,930	26,167	12,808
Grant revenue is attributable to:				
 Commonwealth funding 	18,679	22,195	8,266	3,872
- State funding	7,549	4,735	17,901	8,936
•	26,228	26,930	26,167	12,808
				,000

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Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(f) Contributions					
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA): Cash contributions					
S 7.4 – contributions using planning agreements		_	_	_	141
S 7.11 – contributions towards amenities/services		_	_	17,848	3,915
S 7.12 – fixed development consent levies		_	_	5,805	5,066
Other developer contributions – Calderwood					9
Total developer contributions – cash		_		23,653	9,131
Non-cash contributions					
S 7.12 – fixed development consent levies		-,	A	-	49
Planning agreements					1,433
Total developer contributions non-cash		$-\epsilon$			1,482
Total developer contributions	25		_	23,653	10,613
Other contributions:	- 1				
Cash contributions	. 1	-			
Floodplain and stormwater management		299	· -	_	_
Heritage/cultural		39	- 52	5 125	140
Roads and bridges RMS contributions (regional roads, block grant)		1,431	1,403	125	140
Buildings		1,451	1,405	1,003	282
Community development and support		89	171	-	
Community services and facilities	P	561	682	_	_
Parks, gardens and sportsfields		17	43	1,306	109
People and learning		74	18	_	-
Pollution minimisation		118	85	_	-
Total other contributions – cash		2,628	2,454	2,439	531
Non-cash contributions					
Bushfire services		_	_	748	730
Dedications – subdivisions (other than by s7.11)		_	_	6,403	15,642
Wollongong City Gallery collection		_	_	246	313
Total other contributions – non-cash			_	7,397	16,685
Total other contributions		2,628	2,454	9,836	17,216
Total contributions		2,628	2,454	33,489	27,829
TOTAL GRANTS AND CONTRIBUTIONS	3	28,856	29,384	59,656	40,637

Accounting policy for grants and contributions

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset at the date of transfer.

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 un-discharged at reporting date, the unused grant or contribution is disclosed below.



Wollongong City Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

Management on the General Purpose Financial Statements

Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the Environmental Planning and Assessment Act 1979.

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon 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 liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

\$ '000	2019	2018
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	2,637	2,688
Add: operating grants recognised in the current period but not yet spent	1,232	1,237
Add: operating grants received for the provision of goods and services in a future period	_	-
Less: operating grants recognised in a previous reporting period now spent	(575)	(1,288)
Unexpended and held as restricted assets (operating grants)	3,294	2,637
Capital grants		
Unexpended at the close of the previous reporting period	78	361
Add: capital grants recognised in the current period but not yet spent	8	59
Add: capital grants received for the provision of goods and services in a future period	-	-
Less: capital grants recognised in a previous reporting period now spent	(26)	(342)
Unexpended and held as restricted assets (capital grants)	60	78
Contributions		
Unexpended at the close of the previous reporting period	18,990	16,583
Add: contributions recognised in the current period but not yet spent	18,180	3,799
Add: contributions received for the provision of goods and services in a future period	-	_
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate	-	_
Less: contributions recognised in a previous reporting period now spent	(356)	(1,392)
Unexpended and held as restricted assets (contributions)	36,814	18,990



Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose Financial Statements

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations

\$ '000	2019	2018
(a) Employee benefits and on-costs		
Employee leave entitlements (ELE) 1	20,101	12,815
Salaries and wages	99,408	93,529
Superannuation	11,869	11,617
Change in workers compensation provision	2,209	723
Workers compensation – self insurance	1,791	1,425
Fringe benefit tax (FBT)	145	114
Payroll tax	33	47
Training costs (other than salaries and wages)	859	766
Protective clothing	349	298
Labour hire	475	486
Other	364	285
Total employee costs	137,603	122,105
Less: capitalised costs	(15,158)	(14,262)
TOTAL EMPLOYEE COSTS EXPENSED	122,445	107,843

Accounting policy for employee benefits and on-costs

Employee benefit expenses are recorded when the service has been provided by the employee.

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

Superannuation 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.

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable - refer to Note 19 for more information.

(1) Employee leave entitlements reflect the current value of the future payments which are discounted based on published long term government bond rates. As the average discount factor has reduced from 2.6% in June 2018 to 1.2% in June 2019, the value of the provision has increased by \$5.2M resulting in a larger than anticipated movement in the provision during 2018-2019.

\$ '000	Notes	2019	2018
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		1,096	1,263
Total interest bearing liability costs expensed		1,096	1,263
(ii) Other borrowing costs			
Fair value adjustments on recognition of advances and deferred debtors			
- Remediation liabilities	14	1,850	1,989
Amortisation of discount on interest free (& favourable) loans to council		391	567
Total other borrowing costs		2,241	2,556
TOTAL BORROWING COSTS EXPENSED		3,337	3,819

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Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

Accounting policy for borrowing costs

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

\$ '000	2019	2018
(c) Materials and contracts		
Raw materials and consumables	17,208	16,100
Contractor and consultancy costs	94,996	78,793
- Waste Contractor	17,546	16,618
- Road Works Contractor	3,468	5,789
- Building Contractor	2,360	1,906
- Parks Contractor	2,065	1,817
- Cleaning Contractor	960	957
- Security Contractor	1,120	1,145
 Software Maintenance and Support Contractor 	4,229	1,825
- Internal audit	144	149
Auditors remuneration ¹	162	141
Legal expenses:		
 Planning and development 	-	6
- Other	866	959
Operating leases:		
- Minimum lease payments	327	335
Total materials and contracts	145,451	126,540
Less: capitalised costs	(88,019)	(72,831)
TOTAL MATERIALS AND CONTRACTS	57,432	53,709

Accounting policy for operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee 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.

1. Auditor remuneration

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services Audit and review of financial statements	154	133
Remuneration for audit and other assurance services	154	133
Total Auditor-General remuneration	154	133
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Other audit and assurance services	8	8
Remuneration for audit and other assurance services	8	8
Total remuneration of non NSW Auditor-General audit firms	8	8
Total Auditor remuneration	162	141_



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Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2019	2018
(d) Depreciation, amortisation and impairment of			
intangible assets and IPP&E			
Depreciation and amortisation			
Plant and equipment		4,334	4,301
Office equipment		988	695
Furniture and fittings		269	172
Infrastructure:			
- Bridges		1,941	1,918
- Buildings - non-specialised		5,186	5,377
- Buildings - specialised		6,535	5,681
- Footpaths		4,021	3,818
- Other open space/recreational assets		3,668	3,448
- Other structures		582	597
- Roads		20,460	20,224
- Stormwater drainage		10,246	10,165
- Swimming pools		475	475
Other assets:			
– Library books		1,162	1,073
- Other		1,541	1,509
Reinstatement, rehabilitation and restoration assets:			
- Tip assets	10,14	141	220
Intangible assets	12	232	394
Total gross depreciation and amortisation costs		61,781	60,067
Total depreciation and amortisation costs	_	61,781	60,067
TOTAL DEPRECIATION, AMORTISATION AND			
IMPAIRMENT / REVALUATION DECREMENT FOR			
INTANGIBLES AND IPP&E	•	61,781	60,067

Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 10 for IPPE assets and Note 12 for intangible assets.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

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Wollongong City Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

Management on the General Purpose Financial Statements

Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and

(e) Other expenses		
Advertising	286	309
Bad and doubtful debts	138	(74)
Bank charges	612	497
Contributions/levies to other levels of government		
- Emergency services levy (includes FRNSW, SES, and RFS levies)	287	336
– NSW fire brigade levy	2,769	2,806
– NSW rural fire service levy	480	494
– Waste and environment levy	11,890	15,297
Councillor expenses – mayoral fee	97	95
Councillor expenses – councillors' fees	401	387
Councillors' expenses (incl. mayor) – other (excluding fees above)	128	106
Donations, contributions and assistance to other organisations (Section 356)		
- City Centre management	27	5
- Illawarra Institute of Sport	35	35
- Illawarra Joint Project Organisation	61	53
- Illawarra Performing Arts Centre	999	690
- Illawarra Regional Information Service	88	88
- Illawarra Surf Life Saving	55	53
- Neighbourhood youth program	115	129
– Sponsorship fund	53	53
- Tourism	1,410	1,396
- Wollongong Shuttle Service	350	_
- Other	690	420
Elections	_	966
Insurance	2,737	2,659
Light, electricity and heating	1,987	1,937
Membership fees	213	191
Postage	446	466
Royalty payments	343	336
Rental agreements	57	37
Provision for self insurance claims	(26)	140
Sewerage charges	185	225
Street lighting	3,500	3,116
Telephone and communications	627	754
Valuation fees	447	437
Volunteer reimbursements	280	280
Water rates	735	975
Other	2,689	4,539
Total other expenses	35,191	40,233
Less: capitalised costs	(620)	(22)
TOTAL OTHER EXPENSES	34,571	40,211

Accounting policy for other expenses

Other expenses are recorded on an accruals basis as the Council receives the goods or services.



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for the year ended 30 June 2019

Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2019	2018
Property (excl. investment property)			
Proceeds from disposal – property		30	52
Less: carrying amount of property assets sold/written off	_	(10)	(27)
Net gain/(loss) on disposal	_	20	25
Plant and equipment	10		
Proceeds from disposal – plant and equipment		1,890	1,621
Less: carrying amount of plant and equipment assets sold/written off	_	(870)	(1,243)
Net gain/(loss) on disposal	_	1,020	378
Infrastructure Proceeds from disposal – infrastructure	10		
Less: carrying amount of infrastructure assets sold/written off ¹		(7,895)	(3,633)
Net gain/(loss) on disposal		(7,895)	(3,633)
Net gann(1033) on disposal	_	(7,093)	(3,033)
Investments	6(b)		
Proceeds from disposal/redemptions/maturities – investments		61,106	67,557
Less: carrying amount of investments sold/redeemed/matured		(61,106)	(67,557)
Net gain/(loss) on disposal		_	_
Non-current assets classified as 'held for sale'	9		
Proceeds from disposal – non-current assets 'held for sale'		_	9,250
Less: carrying amount of 'held for sale' assets sold/written off			(6,381)
Net gain/(loss) on disposal		_	2,869
Intangible assets	12		
Proceeds from disposal – intangible assets	1 200	_	_
Less: carrying amount of intangible assets sold/written off		(1)	_
Net gain/(loss) on disposal	_	(1)	_
The gamm (1999) of the poolar	_		
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS	_	(6,856)	(361)

Accounting policy for disposal of assets

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

⁽¹⁾ The increased expense is the result of replacing assets that have not been fully depreciated and have a book value at the time of replacement. During 2018-2019, the replacement of the roof at Beaton Park Leisure Centre and replacement of roads including Harry Graham Drive have had a significant impact on the losses recognised.



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for the year ended 30 June 2019

Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
Cash and cash equivalents		
Cash on hand and at bank	1,968	1,390
Cash-equivalent assets		
- Deposits at call	10,218	4,796
- Managed funds	10,001	20,305
- Short-term deposits	3,000	_
Total cash and cash equivalents	25,187	26,491

Accounting policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: 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.

Note 6(b). Investments

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Investments				
a. 'Financial assets at fair value through profit and loss'				
Designated at fair value on initial recognition'	47,549	_	43,162	_
b. 'Financial assets at amortised cost' / 'held to maturity' (2018)	67,030	15,000	66,000	22,115
d. 'Financial assets at fair value through other comprehensive income' / 'available for sale financial assets' (2018)	_	56	_	_
Total Investments	114,579	15,056	109,162	22,115
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	120.766	15.056		
EQUIVALENTS AND INVESTIGENTS	139,766	15,056	135,653	22,115
Financial assets at fair value through the profit and	loss			
Managed funds	2,304	_	2,115	_
NCD's, FRN's (with maturities > 3 months)	43,582	_	39,374	_
Mortgage backed securities	1,663	_	1,673	_
Total	47,549	_	43,162	_
Financial assets at amortised cost / held to maturity	(2018)			
Long term deposits	67,030	15,000	66,000	22,115
Total	67,030	15,000	66,000	22,115
Financial assets at fair value through other compreh (2018)	nensive inco	me / available	for sale finan	cial assets
Unlisted equity securities	_	56	_	_
Total	_	56	_	_



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Notes to the Financial Statements for the year ended 30 June 2019

Note 6(b). Investments (continued)

	Dividend
	income
	recognised
Fair value at	during 1/7/18 -
30/06/19	30/6/19

Financial assets designated as at fair value through other comprehensive income

At 1 July 2018, Council designated the investments shown below as financial assets as at fair value through other comprehensive income because these financial assets represent investments that the Council intends to hold for the longterm for strategic purposes. In 2018, these investments were classified as available for sale.

Southern Phones Ordinary & Preference Shares	56	95
Total	56	95

No strategic investments were disposed of during 2019, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Accounting policy for investments

Accounting policy under AASB 9 - applicable from 1 July 2018

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council classifies its financial assets into the following categories - those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Fair value through other comprehensive income – equity instruments

Council has strategic investment in an entitiy over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.



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for the year ended 30 June 2019

Note 6(b). Investments (continued)

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

Other net gains and losses excluding dividends are recognised in Other Comprehensive Income Statement.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in FRNs in the Statement of Financial Position

Accounting policy under AASB 139 – applicable for 2018 comparatives only

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are held at fair value with changes in value taken through profit or loss at each reporting period.

(b) Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

(c) 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 are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables (Note 7) in the Statement of Financial Position. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

(d) 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 are 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. Assets in this category are held at fair value with changes in fair value taken to other comprehensive income.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Income Statement as gains and losses from investment securities.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

Impairment of financial assets

Council assesses at the end of each reporting period 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.

Impairment of available for sale investments

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Note 6(c). Restricted cash, cash equivalents and investments – details

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Total cash, cash equivalents and investments	139,766	15,056	135,653	22,115
attributable to:				
External restrictions	62,601	15,056	52,077	22,115
Internal restrictions	61,203	- 100	68,129	_
Unrestricted	15,962	_	15,447	_
	139,766	15,056	135,653	22,115



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Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(c). Restricted cash, cash equivalents and investments – details

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\$ '000	2019	2018
Details of restrictions		
External restrictions – other		
Developer contributions – general ^A	36,768	18,961
RMS contributions ^B	46	29
Specific purpose unexpended grants ^c	3,354	2,715
Domestic waste management ^D	13,763	12,813
Stormwater management D	1,668	1,265
Unexpended loan ^E	3,470	7,019
Private contributions	5,761	6,064
Special rates levy – Wollongong mall	135	164
Special rates levy – city centre	40	(42)
Local infrastructure renewal scheme round 3 F	1,867	14,721
West Dapto home deposits issued	- 1	85
West Dapto home deposit assistance program	10,785	10,398
External restrictions – other	77,657	74,192
Total external restrictions	77,657	74,192
Internal restrictions		
Car parking strategy	1,629	1,061
Darcy Wentworth Park	171	171
Maccabe Park development	1,290	1,140
Sports Priority Program	644	642
Waste Disposal Facility	(638)	2,165
West Dapto Development	5,076	4,759
Strategic Projects	44,015	49,404
Property Investment Fund	8,416	8,276
Southern Phone natural areas	267	266
Lake Illawarra Estuary Management Fund	333	245
Total internal restrictions	61,203_	68,129
TOTAL RESTRICTIONS	138,860	142,321

⁽A) Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions

⁽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.

⁽D) Domestic Waste Management and 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.



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Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Purpose				
Rates and annual charges	9,023	_	8,035	_
Interest and extra charges	1,543	_	1,459	_
User charges and fees	5,942	_	4,688	_
Accrued revenues				
- Interest on investments	871	_	886	_
- Other income accruals	1,744	_	2,004	_
Government grants and subsidies	16,517	_	8,492	_
Net GST receivable	1,457	_	1,701	_
Total	37,097	_	27,265	_
Less: provision of impairment				
User charges and fees	(477)		(229)	_
Total provision for impairment –				
receivables	(477)_		(229)	_
TOTAL NET RECEIVABLES	36,620		27,036	_

Restrictions applicable to receivables

There are no restrictions applicable to the above assets.

\$ '000	2019	2018
Movement in provision for impairment of receivables		
Amount restated through opening retained earnings on adoption of AASB 9	110	_
Balance at the beginning of the year (calculated in accordance with AASB 139)	229	351
+ new provisions recognised during the year	170	_
 amounts already provided for and written off this year 	_	(33)
- previous impairment losses reversed	(32)	(89)
Balance at the end of the period	477	229

Accounting policy for receivables

Recognition and measurement

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

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.



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Wollongong City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 7. Receivables (continued)

Impairment

Accounting policy under AASB 9 applicable from 1 July 2018

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presentation that a financial asset is in default when:

 the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held)

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

Where impairment of receivables occurs the carrying amount of the asset is reduced and the amount is recognised in the profit or loss.

Collectability of receivables is reviewed on an ongoing basis. A provision for impairment of receivables account is used to recognise debtors balances that are unlikely to be collected under Council's Debt Recovery and Hardship Assistance Policy. When a receivable, for which an impairment allowance has been recognised, becomes uncollectable in a subsequent period, it is written off against the impairment provision account. Subsequent recoveries of amounts previously written off result in the reversal of write-off transactions.

Rates and annual charges outstanding are secured against the property.



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Notes to the Financial Statements for the year ended 30 June 2019

Note 8. Inventories and other assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Inventories				
(i) Inventories at cost				
Real estate for resale	_	5,948	_	5,835
Stores and materials	337	_	306	_
Total inventories at cost	337	5,948	306	5,835
TOTAL INVENTORIES	337	5,948	306	5,835
(b) Other assets				
(b) Other assets				
Prepayments	11,879	-	10,666	_
TOTAL OTHER ASSETS	11,879		10,666	_

(i) Other disclosures

	2019	2019	2018	2018
\$ '000	Current	Non-current	Current	Non-current
(a) Details for real estate development				
		E 040		E 00E
Residential		5,948		5,835
Total real estate for resale		5,948		5,835
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition costs	_	5,835	_	5,791
Development costs	_	113	_	44
Total costs	_	5,948	_	5,835
Total real estate for resale		5,948	_	5,835
Movements:				
Real estate assets at beginning of the year	_	5,835	_	5,791
 Purchases and other costs 	_	113	_	44
Total real estate for resale	_	5,948	_	5,835

Accounting policy for inventories and other assets

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. 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.



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Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets (continued)

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.

Note 9. Non-current assets classified as held for sale

Council did not classify any non-current assets as held for sale during the 2018/19 financial year.

(ii) Reconciliation of non-current assets 'held for sale' and disposal groups – i.e. discontinued operations

\$ '000	Assets 'held for sale' 2019	Assets 'held for sale' 2018
Opening balance	_	6,381
Balance still unsold after 12 months:	_	6,381
<u>Less:</u>		
Less: carrying value of assets/operations sold that were re-classified this reporting period		(6,381)
Closing balance of 'held for sale' non-current assets and operations		

Accounting policy for non-current assets classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets arising from employee benefits; financial assets; and investment properties that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

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Note 10. Infrastructure, property, plant and equipment

		as at 30/6/2018					Asset m	ovements dur	ing the reporting	g period					as at 30/6/2019	
\$ '000	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Other movements- Transfer to Expense	Other movements - Waste Remediation Reassessme nt	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	99,074	_	99,074	35,231	38,340		_	(51,044)	-	(1,651)				119,950		119.950
	42,637		22,072	5,822	30,340	(869)		(31,044)	4			_	_	42.040	(19,349)	22,691
Plant and equipment	7,500	(20,565) (3,755)	3,745	619	_	(/	(4,334) (988)	- 7		_		_	_	8,118	(/	3,376
Office equipment		,	1.867		_	-	. ,	٦			1	_	_		(4,742)	
Furniture and fittings	2,404	(537)	1,867	499	_	_	(269)	_	10.2	_	- 10)	_	2,904	(807)	2,097
Land:	400,000		400.000		0.407	(4.0)	- 40	h	(450)				04.050	040.040		040.040
- Operational land	162,892	(700)	162,892	-	2,467	(10)	- 1		(159)		-	_	84,653	249,843	(700)	249,843
- Community land	226,264	(760)	225,504	-	3,564	-	- 15	7	82		_	_	_	229,910	(760)	229,150
- Crown land	108,721	_	108,721	-	-	_		- 3.7	N 3	_	_	_	-	108,721	-	108,721
- Land under roads (post 30/6/08)	3,983	_	3,983	_	150		-		17		_	_	1,474	5,684	_	5,684
Infrastructure:					- 427										(=======)	
- Buildings - non-specialised	202,759	(123,157)	79,602	39	5	(212)	(5,186)	2,958		_	_	_	62,666	213,464	(73,592)	139,872
 Buildings – specialised 	319,098	(202,059)	117,039	1,095	147	(1,580)	(6,535)	8,316	(149)	-	-	-	44,959	326,555	(163,263)	163,292
- Other structures	15,544	(8,935)	6,609	69	99		(582)	149	(9)	-	-	-	1,147	13,971	(6,489)	7,482
- Roads	1,401,990	(849,433)	552,557	9,021	12,707	(4,549)	(20,460)	19,810	913	-	-	-	-	1,426,090	(856,091)	569,999
- Bridges	150,163	(51,637)	98,526	933	1,314	(355)	(1,941)	262	-	-	-	-	-	152,318	(53,579)	98,739
Footpaths	278,315	(142,842)	135,473	1,593	661	(572)	(4,021)	15,022	(966)	-	-	-	-	291,660	(144,470)	147,190
 Stormwater drainage 	931,000	(407,530)	523,470	2,776	3,119	(518)	(10,246)	1,989	46	-	-	-	-	937,821	(417, 185)	520,636
 Swimming pools 	30,218	(22,933)	7,285	-	A	-	(475)	-	(479)	-	-	-	-	29,738	(23,407)	6,331
 Other open space/recreational 	156,993	(45,549)	111,444	286	810	(110)	(3,668)	1,033	644	-	-	(16)	-	158,109	(47,686)	110,423
assets																
Other assets:				_												
 Heritage collections 	12,842	_	12,842	-	344	-	-	-	-	-	-	-	1,935	15,121	-	15,121
 Library books 	8,158	(3,707)	4,451	1,207	-	-	(1,162)	-	-	-	-	-	-	8,162	(3,666)	4,496
- Other	47,249	(13,048)	34,201	47	265	-	(1,541)	1,505	-	-	-	-	-	49,066	(14,589)	34,477
Reinstatement, rehabilitation and restoration assets (refer Note 14):																
- Tip assets	14,875	(9,151)	5,724	-	-	-	(141)	-	-	-	(58)	-	-	14,817	(9,292)	5,525
Total Infrastructure, property, plant and equipment	4,222,679	(1,905,598)	2,317,081	59,237	63,992	(8,775)	(61,549)	_	_	(1,651)	(58)	(16)	196,834	4,404,062	(1,838,967)	2,565,095

⁽¹⁾ Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

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Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose Financial Statements

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. Independent comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Increases in the carrying amounts arising on revaluation are credited to the revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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.

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

It is noted that useful live estimates are unchanged from the 2016 reporting period.

Plant and equipment	Years	Other equipment	Years
Office equipment	6 to 10	Playground equipment	10 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	2 to 10		
Vehicles	3 to 5	Buildings	
Heavy plant/road making equipment	8 to 10	Buildings: masonry	50 to 100
Other plant and equipment	2 to 15	Buildings: other	15 to 40
	_		
Stormwater assets	,		
Drains	80 to 100		
Culverts	80 to 100		
Flood control structures	75		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20 to 40	Bulk earthworks	Infinite
Sealed roads: structure	80	Swimming pools	50
Unsealed roads	25	Other open space/recreational assets	10 to 30
Bridge: concrete	80	Other infrastructure	20 to 80

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

30 to 40

80 80

Land under roads

Bridge: other

Road pavements

Kerb, gutter and footpaths

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

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

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



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Infrastructure, property, plant and equipment (continued)

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.

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting 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 firefighting equipment has been purchased or constructed".

These Rural Fire Service assets are recognised as assets of the Council in these financial statements.

Note 11. Investment property

\$ '000	2019	2018
(a) Investment property at fair value		
Investment property on hand	5,000	4,780
Reconciliation of annual movement:		
Opening balance	4,780	4,775
 Net gain/(loss) from fair value adjustments 	220	5
CLOSING BALANCE – INVESTMENT PROPERTY	5,000	4,780

(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 2019 revaluations were based on independent assessments made by: Brendan Carr Certified Practising Valuer.

(c) Contractual obligations at reporting date

Refer to Note 18 for disclosures relating to any capital and service obligations that have been contracted.

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Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose Financial Statements

Financial Statements 2019

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Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

\$ '000

Note 11. Investment property (continued)

ş 000	2019	2010
(d) Leasing arrangements – Council as lessor		
The investment properties are leased to tenants under long-term operating leases with rentals payable monthly.		
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	371	283
Later than 1 year but less than 5 years	720	300
Total minimum lease payments receivable	1.091	583

Leases for Council's investment property are generally of a 5 year term with an option for a further 5 years. Rent is paid monthly in advance with tenants paying 100% of outgoings. Rent reviews are a mix of C.P.I. and market reviews. There is a requirement on tenants to hold \$20m public liability insurance.

(e) Investment property income and expenditure – summary

Rental income from investment property:

- Minimum lease payments	389	347
Direct operating expenses on investment property:		
 that generated rental income 	(140)	(149)
Net revenue contribution from investment property	249	198
plus:		
Fair value movement for year	220	5
Total income attributable to investment property	469	203
		203

Accounting policy for investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as a separate line item.

Properties that are under construction for future use as investment properties are regarded as investment property. These are also carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Intangible assets

\$ '000	2019	2018
Intangible assets are as follows:		
Opening values at 1 July		
Gross book value	2,333	2,204
Accumulated amortisation	(1,945)	(1,551)
Net book value – opening balance	388	653
Movements for the year		
- Purchases	285	129
 Amortisation charges 	(232)	(394)
 Gross book value written off 	(113)	_
 Accumulated amortisation charges written off 	112	_
Closing values at 30 june		
Gross book value	2,506	2,333
Accumulated amortisation	(2,066)	(1,945)
		(, , , , , ,
TOTAL INTANGIBLE ASSETS – NET BOOK VALUE (1)	440	388
The not head value of intermible constant represents		
The net book value of intangible assets represents: - Software	440	388
- Sulware		
	440	388

Accounting policy for 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 basis over periods generally ranging from three to five 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.



Management on the General Purpose Financial Statements

Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 13. Payables and borrowings

	2019	2019	2018	2018
\$ '000	Current	Non-current	Current	Non-current
Payables				
Goods and services – operating expenditure	3,302	_	7,668	_
Goods and services – capital expenditure Accrued expenses:	3,627	-	9,758	-
 Other expenditure accruals 	18,299	_	6,762	_
Security bonds, deposits and retentions	3,758	_	1,605	_
Agency Funds	385	385	350	700
Other	635		611	
Total payables	30,006	385	26,754	700
Income received in advance				
Payments received in advance	5,014		3,256	_
Total income received in advance	5,014		3,256	_
Borrowings				
Loans – secured 1	7,934	17,497	7,716	25,039
Total borrowings	7,934	17,497	7,716	25,039
TOTAL PAYABLES AND		7 7		
BORROWINGS	42,954	17,882	37,726	25,739

⁽¹⁾ Loans are secured over the general rating income of Council. Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 20.

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Payables and borrowings relating to res	stricted assets			
Externally restricted assets				
Loans	7,934	17,497	7,716	25,039
Total payables and borrowings relating to restricted assets	7,934	17,497	7,716	25,039
Total payables and borrowings relating to unrestricted assets	35,020	385	30,010	700
TOTAL PAYABLES AND BORROWINGS	42,954	17,882	37,726	25,739
\$ '000			2019	2018
(b) Current payables and borrowings not a the next twelve months	nticipated to be	e settled within		
The following liabilities, even though classified as c	urrent, are not ex	pected to be settled in	ı	
	,		3,088	1,205
Payables – security bonds, deposits and retentions	•		0,000	1,200



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings (continued)

(c) Changes in liabilities arising from financing activities

Solution		as at 30/6/2018					as at 30/6/2019
TOTAL 32,755 (7,716) - - 392 25,44	\$ '000		Cash flows		fair value	non-cash	Closing balance
Section	Loans – secured	32,755	(7,716)	_	_	392	25,431
30/6/2017	TOTAL	32,755	(7,716)	_	_	392	25,431
\$ '000 Balance Cash flows acquisitions changes movements balan Loans – secured 39,701 (7,513) — — 567 32,7 TOTAL 39,701 (7,513) — — 567 32,7 \$ '000 2019 20' (d) Financing arrangements (i) Unrestricted access was available at balance date to the following lines of credit: 300 3 Bank overdraft facilities 1 300 3 Credit cards/purchase cards 835 8 Total financing arrangements 1,135 1,13 Drawn facilities as at balance date: — 100 9 Credit cards/purchase cards 100 9 9 Undrawn financing arrangements 300 30 30 Undrawn facilities as at balance date: — 300 30 Bank overdraft facilities 300 30 Credit cards/purchase cards 735 735					Non-cash	Other	as at 30/6/2018
### TOTAL 39,701 (7,513) - - 567 32,72 \$ '000	\$ '000		Cash flows				Closing balance
### TOTAL 39,701 (7,513) - - 567 32,75 \$ '000	Loans – secured	39.701	(7.513)			567	32,755
(i) Unrestricted access was available at balance date to the following lines of credit: Bank overdraft facilities 1 300 30 Credit cards/purchase cards 835 835 Total financing arrangements 1,135 1,135 Drawn facilities as at balance date: - Credit cards/purchase cards 100 99 Total drawn financing arrangements 100 99 Undrawn facilities as at balance date: - Bank overdraft facilities 300 300 300 - Credit cards/purchase cards 735 735	TOTAL				<u> </u>		32,755
(i) Unrestricted access was available at balance date to the following lines of credit: Bank overdraft facilities 1 300 30 Credit cards/purchase cards 835 835 Total financing arrangements 1,135 1,135 Drawn facilities as at balance date: - Credit cards/purchase cards 100 99 Total drawn financing arrangements 100 99 Undrawn facilities as at balance date: - Bank overdraft facilities 300 300 300 - Credit cards/purchase cards 735 735							
(i) Unrestricted access was available at balance date to the following lines of credit: Bank overdraft facilities 1 300 300 3000 3000 3000 3000 3000 300	\$ '000				7	2019	2018
Drawn facilities as at balance date: - Credit cards/purchase cards Total drawn financing arrangements Undrawn facilities as at balance date: - Bank overdraft facilities - Credit cards/purchase cards 735 735	(i) Unrestricted access w lines of credit: Bank overdraft facilities ¹ Credit cards/purchase cards	as available at bala	ance date to	the following		835	300 835 1,135
— Credit cards/purchase cards 100 9 Total drawn financing arrangements 100 9 Undrawn facilities as at balance date: 300 36 — Bank overdraft facilities 300 36 — Credit cards/purchase cards 735 75						.,	1,100
Total drawn financing arrangements1009Undrawn facilities as at balance date:30036Bank overdraft facilities30036Credit cards/purchase cards735735						100	98
- Bank overdraft facilities 300 31 - Credit cards/purchase cards 735 73	-					100	98
- Credit cards/purchase cards 735 73	Undrawn facilities as at b	palance date:					
							300
						735 1,035	737 1,037

Additional financing arrangements information

During the current and prior year, there were no defaults or breaches on any of the loans.

Accounting policy for payables and borrowings

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Council comprise trade payables and loans.

These amounts represent liabilities for goods and services provided to the council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

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



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings (continued)

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective-interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

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

Note 14. Provisions

	2019	2019	2018	2018
000'	Current	Non-current	Current	Non-current
Provisions	V			
Employee benefits				
Annual leave	10,025	_	9,367	-
Sick leave	167	_	144	-
ong service leave	42,505	680	36,872	517
Other leave	1,097	_	1,037	_
Sub-total – aggregate employee benefits	53,794	680	47,420	517
Asset remediation/restoration:				
Asset remediation/restoration (future works)	2,292	40,647	1,200	40,134
Sub-total – asset remediation/restoration	2,292	40,647	1,200	40,134
Other provisions				
Self insurance – workers compensation	1,758	5,363	1,327	3,585
Self insurance – claims incurred	370	364	430	330
Sub-total – other provisions	2,128	5,727	1,757	3,915
TOTAL PROVISIONS	58,214	47,054	50,377	44,566
\$ '000			2019	2018

(a) Current provisions not anticipated to be settled within the next twelve

The following provisions, even though classified as current, are not expected to be settled in the next 12 months.

Provisions - employees benefits

43,517 37,710 43,517 37,710

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Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Provisions (continued)

(b) Description of and movements in provisions

Other provisions				
\$ '000	Self Insurance: Claims incurred	Self Insurance: Workers compen- sation	Asset remediation	Total
2019				
At beginning of year	760	4,912	41,334	47,006
Additional provisions	_	2,108	_	2,108
Amounts used (payments)	_	(2,523)	_	(2,523)
Remeasurement effects	_	2,624	-	2,624
Unwinding of discount	_	- 4	1,850	1,850
Unused amounts reversed	(26)	. –	(57)	(83)
Other) A	-	_
Expenditure incurred attributable to provisions		-	(188)	(188)
Total other provisions at end of period	734	7,121	42,939	50,794
2018				
At beginning of year	620	4,189	44,237	49,046
Additional provisions	140	1,676	-	1,816
Amounts used (payments)	-	(1,970)	-	(1,970)
Remeasurement effects		1,017	(4,863)	(3,846)
Unwinding of discount	7	-	1,989	1,989
Other	=	_	-	-
Expenditure incurred attributable to provisions	-		(29)	(29)
Total other provisions at end of period	760	4,912	41,334	47,006

Nature and purpose of non-employee benefit provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the open Whytes Gully Waste Disposal Depot and closed Helensburgh Waste Dapto Rehabilitation.

Self-insurance- workers compensation

To recognise liabilities for outstanding claims (uninsured losses) arising from Council's decision to undertake self-insurance for certain risks faced.

Self-insurance - claims incurred

To recognise liabilities for both (i) claims expected to be incurred but not reported and (ii) claims reported and estimated as a result of Council being self insurer up to certain levels of excess.

Accounting policy for provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

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.

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Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Provisions (continued)

Employee benefits

Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods. These amounts include superannuation which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period. The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Asset Remediation/Restoration

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, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

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.

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.

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,



Wollongong City Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Provisions (continued)

Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

Self-insurance

Council has decided to self-insure for various risks, including public liability and professional indemnity. A provision for self-insurance has been made to recognise outstanding claims. Council also maintains cash and investments to meet expected future claims; refer to Note 6(c).





Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

Investment revaluation reserve

Changes in the fair value of financial assets are taken through the investment revaluation reserve. The accumulated changes in fair value are transferred to profit or loss when the financial asset is derecognised or impaired.

Available for sale investments revaluation reserve (2018 only)

The available for sale financial investments revaluation reserve is used to account for the fair value movements in all financial assets so classified that remain on had at year end.

Upon sale, amounts in reserves are recognised in the Income Statement (in full) by way of transfer from the reserve.

(b) Correction of errors relating to a previous reporting period

Nature of prior-period error

As part of an on-going inspection program and data cleansing process it was found that IPPE that Council owned had not been recognised (\$3.623M) and IPPE that had been recognised was disposed of in previous years (\$17.202M). In addition, an error in the application of accounting policy to the valuation of Land Under Road required further discounting on the value of these assets (\$25.646M).

These errors relate to an undetermined period making it impractical to restate prior period comparatives. Accordingly, Council has restated the opening balances of the earliest period presented being 30 June 2018.

Adjustments to the comparative figures for the year ended 30 June 2018

Statement of Financial Position

\$ '000	Original Balance 30 June, 2018	Impact Increase/ (decrease)	Restated Balance 30 June, 2018
Asset Classes Adjusted:			
Plant and Equipment	22,350	(278)	22,072
Operational Land	170,106	(7,214)	162,892
Community Land	338,951	(4,726)	334,225
Land Under Roads	30,165	(26,182)	3,983
Buildings - non-specialised	79,776	(174)	79,602
Buildings - specialised	117,140	(101)	117,039
Roads	552,342	215	552,557
Footpaths	135,841	(368)	135,473
Stormwater drainage	523,856	(386)	523,470
Other open space/recreational assets	111,455	(11)	111,444
Other Assets Without Variation	483,741	_	483,741
Total assets	2,565,723	(39,225)	2,526,498
Total liabilities	158,408	_	158,408
Reserves	965,325	(8,573)	956,752
Accumulated Surplus	1,441,990	(30,652)	1,411,338
Total equity	2,407,315	(39,225)	2,368,090
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Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

(c) Changes in accounting policies due to adoption of new accounting standards (not-retrospective)

During the year, Council adopted a number of new accounting standards. The impact of the adoption and associated transition disclosures are shown below.

The Council has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July 2017. As part of the adoption of AASB 9, the Council adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the income statement. In prior year, this information was presented as part of other expenses.
- AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9. These disclosures have been provided for the current year.

The key changes to Council's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except Council has not restated any amounts relating to classification and measurement requirements, including impairment, which have been applied from 1 July 2018.

Classification of financial assets

The financial assets of Council have been reclassified into one of the following categories on adoption of AASB 9, based primarily on the business model in which a financial asset is managed and its contractual cash flow characteristics are:

- measured at amortised cost
- fair value through profit or loss
- fair value through other comprehensive income equity instruments

Measurement of equity instruments

All equity instruments of the Council are measured at fair value under AASB 9 whereas there was a cost exception under AASB 139 that allowed certain unlisted investments to be carried at amortised cost in the absence of a reliable measurement of fair value. Any difference in the previous carrying amount and the fair value is recognised in the opening retained earnings (or other component of equity, as appropriate) at 1 July 2018.

Equity instruments are no longer subject to impairment testing and therefore all movements on equity instruments, classified as fair value through other comprehensive income, are taken to the relevant reserve.

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost. This has resulted in the earlier recognition of credit loss (bad debt provisions).

\$ '000	Investmen t revaluatio n reserve	Accumula ted surplus	Total
Opening equity balances as at 1 July 2018	_	1,411,338	1,411,338
Reclassify investments from 'available for sale' to fair value through other comprehensive income – equity	88	_	88
Increase in expected credit losses for trade receivables Adjusted Opening equity balances at 1 July 2018 – AASB 9	- 88	(110) 1,411,228	(110) 1,411,316



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

The opening balances for the year ended 30 June 2019 have been adjusted for the recognition of the Southern Phones Ordinary and Preference share at fair value through other comprehensive income as disclosed in Note 6(b) and to restate the opening balance of the provision for impairment of receivables as disclosed in Note 7.

\$ '000	Classific- ation under AASB 139	Classific- ation under AASB 9	Carrying amount under AASB 139	Reclassi- fication	Remeasu- rements	Carrying amount under AASB 9
Financial assets						
Southern Phones Shares	Amortised Cost	FVOCI - equity	-	88	-	88
Receivables	Loans & Receivables	Amortised Cost	27,036	.4	(110)	26,926
Total financial assets under AASB 9 at 1 July 2018			27,036	88	(110)	27,014





Wollongong City Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Statement of cash flows - additional information

Total cash and cash equivalent assets 6(a) 25,187 26,491 Balance as per the Statement of Cash Flows 25,187 26,491 (b) Reconciliation of net operating result to cash provided from operating activities Net operating result from Income Statement 52,112 48,766 Adjust for non-cash items: Depreciation and amortisation 61,781 60,067 Non-cash capital grants and contributions 7,397 (18,167) Losses/(gains) on disposal of assets 6,856 361 Non-cash capital grants and contributions 7,397 (18,167) Losses/(gains) recognised on fair value re-measurements through the P&L: Investments classified as 'at fair value' or 'held for trading' (141) (130) Investment property (220) (5) Amortisation of premiums, discounts and prior period fair valuations Interest exp. on interest-free loans received by Council (previously fair valued) 391 567 Unwinding of discount rates on reinstatement provisions 1,850 1,989 Share of net (profits)/losses of associates/joint ventures using the equity method (291) (803) **H-Movement in operating assets and liabilities and other cash items: Decrease/(increase) in receivables (9,832) (3,383) Increase/(decrease) in provision for impairment of receivables (9,832) (3,383) Increase/(decrease) in other current assets (1,213) 14 Increase/(decrease) in other current assets (1,213)	\$ '000	Notes	2019	2018
Balance as per the Statement of Cash Flows 25,187 26,491 (b) Reconcilitation of net operating result to cash provided from operating activities Net operating result from Income Statement Adjust for non-cash items: Depreciation and amortisation Ret losses/(gains) on disposal of assets Non-cash capital grants and contributions (7,397) (18,167) Losses/(gains) recognised on fair value re-measurements through the P&L: - Investments classified as 'at fair value' or 'held for trading' - Investment property (220) (5) Amortisation of premiums, discounts and prior period fair valuations - Interest exp. on interest-free loans received by Council (previously fair valued) 391 567 Unwinding of discount rates on reinstatement provisions Share of net (profits)/losses of associates/joint ventures using the equity method (291) (803) 4/- Movement in operating assets and liabilities and other cash items: Decrease/(increase) in provision for impairment of receivables (9,832) (3,383) Increase/(decrease) in inventories (31) (8) Decrease/(increase) in inventories (31) (8) Decrease/(increase) in other currein assets (1,213) Increase/(decrease) in other currein assets (1,213) Increase/(decrease) in other liabilities (6,537 (9) Increase/(decrease) in other increase played benefits (6,537 (9) Increase/(decrease) in other provision for employee benefits (6,537 (6) Increase/(decrease) in other provision for employee benefits (6,537 (6) Increase/(decrease) in other provision for employee benefits (6,537 (6) Increase/(decrease) in other provision for employee benefits (6,037 (6) Increase/(decrease) in other provision for employee benefits (6,037 (6) Increase/(decrease) in other provision for employee benefits (6,037 (6) Increase/(decrease) in other provision for employee benefits (6,037 (6) Increase/(decrease) in other provision for employee benefits (6,037 (6) Increase/(decrease) in other provision for employee benefits (6,037 (6) Increase/(decrease) in other provision for employee benefits (6,037 (6) Increase/(decrease) in other prov	(a) Reconciliation of cash assets			
(b) Reconcilitation of net operating result to cash provided from operating activities Net operating result from Income Statement Adjust for non-cash items: Depreciation and amortisation Net losses/(gains) on disposal of assets Non-cash capital grants and contributions (7,397) (18,167) Losses/(gains) on disposal of assets Non-cash capital grants and contributions (7,397) (18,167) Losses/(gains) recognised on fair value re-measurements through the P&L: - Investments classified as 'at fair value' or 'held for trading' (141) (130) - Investment property (220) (5) Amortisation of premiums, discounts and prior period fair valuations - Interest exp. on interest-free loans received by Council (previously fair valued) 391 567 Unwinding of discount rates on reinstatement provisions 1,850 1,989 Share of net (profits)/losses of associates/joint ventures using the equity method (291) (803) */- Movement in operating assets and liabilities and other cash items: Decrease/(Increase) in provision for impairment of receivables (9,832) (3,383) Increase/(decrease) in provision for impairment of receivables (31) (8) Decrease/(Increase) in inventories (31) (8) Decrease/(Increase) in other current assets (1,213) 14 Increase/(decrease) in pother accruded expenses payable (1,366) 5947 Increase/(decrease) in other liabilities (5,547) Increase/(decrease) in provision for employee benefits (5,537) 9 Increase/(decrease) in other provisions (1,938) (4,029) Net cash provided from/(used in) operating activities (c) Non-cash investing and financing activities Developer contributions 'in kind' - 1,482 Contributed Art Works (246) 313 Contributed Bush Fire Assets	Total cash and cash equivalent assets	6(a)	25,187	26,491
Net operating activities Net operating result from Income Statement Adjust for non-cash items: Depreciation and amortisation Net losses/(gains) on disposal of assets Non-cash capital grants and contributions Losses/(gains) recognised on fair value re-measurements through the P&L: - Investments classified as 'at fair value' or 'held for trading' - Investment property - I	Balance as per the Statement of Cash Flows		25,187	26,491
Adjust for non-cash items: Depreciation and amortisation 61,781 60,067 Net losses/(gains) on disposal of assets 6,856 361 Non-cash capital grants and contributions (7,397) (18,167) Losses/(gains) recognised on fair value re-measurements through the P&L: (141) (130) Investments classified as 'at fair value' or 'held for trading' (141) (130) Investment property (220) (5) Amortisation of premiums, discounts and prior period fair valuations (220) (5) Interest exp. on interest-free loans received by Council (previously fair valued) 391 567 Unwinding of discount rates on reinstatement provisions 1,850 1,989 Share of net (profits)/losses of associates/joint ventures using the equity method (291) (803) */- Movement in operating assets and liabilities and other cash items: Decrease/(increase) in receivables (9,832) (3,383) Increase/(decrease) in inventories (9,832) (3,383) Increase/(increase) in receivables (121) (8) Decrease/(increase) in inventories (1,213) (14) Increase/(increase) in other ractured e		rom		
Depreciation and amortisation	Net operating result from Income Statement		52,112	48,766
Net losses/(gains) on disposal of assets Non-cash capital grants and contributions Losses/(gains) recognised on fair value re-measurements through the P&L: - Investments classified as 'at fair value' or 'held for trading' - Investment property (220) (5) Amortisation of premiums, discounts and prior period fair valuations - Interest exp. on interest-free loans received by Council (previously fair valued) 1	•		61.781	60.067
Losses/(gains) recognised on fair value re-measurements through the P&L: - Investments classified as 'at fair value' or 'held for trading' (220) (5) Amortisation of premiums, discounts and prior period fair valuations - Interest exp. on interest-free loans received by Council (previously fair valued) 391 567 Unwinding of discount rates on reinstatement provisions 1,850 1,989 Share of net (profits)/losses of associates/joint ventures using the equity method (291) (803) +/- Movement in operating assets and liabilities and other cash items: Decrease/(increase) in receivables (9,832) (3,383) Increase/(decrease) in receivables (9,832) (3,383) Increase/(increase) in inventories (311) (8) Decrease/(increase) in inventories (1,213) 14 Increase/(increase) in other current assets (1,213) 14 Increase/(decrease) in other current assets (1,213) 14 Increase/(decrease) in other accrued expenses payable (1,366) 597 Increase/(decrease) in other liabilities (5,947) Increase/(decrease) in other receivables (3,655 425) Increase/(decrease) in other revolvision for employee benefits (6,537 9) Increase/(decrease) in other provisions (1,368 (4,029)) Net cash provided from/(used in) operating activities from the Statement of Cash Flows 113,628 80,201 Co Non-cash investing and financing activities Developer contributions 'in kind' - 1,482 Contributed Art Works 246 313 Contributed Bush Fire Assets 748 730	Net losses/(gains) on disposal of assets			361
- Investments classified as 'at fair value' or 'held for trading' (220) (5) - Investment property (220) (5) - Amortisation of premiums, discounts and prior period fair valuations - Interest exp. on interest-free loans received by Council (previously fair valued) 391 567 - Unwinding of discount rates on reinstatement provisions 1,850 1,989 - Share of net (profits)/losses of associates/joint ventures using the equity method (291) (803) - **Head Movement in operating assets and liabilities and other cash items: Decrease/(increase) in receivables (9,832) (3,383) - Increase/(decrease) in provision for impairment of receivables 138 (122) - Decrease/(increase) in inventories (31) (8) - Decrease/(increase) in other current assets (1,213) 14 - Increase/(decrease) in other accrued expenses payable (4,366) 597 - Increase/(decrease) in other liabilities (5,947) - Increase/(decrease) in other liabilities (5,947) - Increase/(decrease) in other provisions 1,938 (4,029) - Increase/(Non-cash capital grants and contributions		(7,397)	(18,167)
- Investment property Amortisation of premiums, discounts and prior period fair valuations - Interest exp. on interest-free loans received by Council (previously fair valued) Unwinding of discount rates on reinstatement provisions Share of net (profits)/losses of associates/joint ventures using the equity method **However in operating assets and liabilities and other cash items: Decrease/(increase) in receivables Decrease/(increase) in provision for impairment of receivables 138 (122) Decrease/(increase) in inventories (31) (8) Decrease/(increase) in inventories (4,366) 597 Increase/(decrease) in payables Increase/(decrease) in other current assets (4,366) 597 Increase/(decrease) in other accrued expenses payable Increase/(decrease) in other liabilities (5,947) Increase/(decrease) in other liabilities (6,537 9) Increase/(decrease) in other provision for employee benefits (6,537 9) Increase/(decrease) in other provisions (4,029) Net cash provided from/(used in) operating activities (c) Non-cash investing and financing activities Developer contributions 'in kind' - 1,482 Other dedications (6,403 15,642 Contributed Art Works 246 313 Contributed Bush Fire Assets	Losses/(gains) recognised on fair value re-measurements through the P&L:	K .		
Amortisation of premiums, discounts and prior period fair valuations Interest exp. on interest-free loans received by Council (previously fair valued) Interest exp. on interest-free loans received by Council (previously fair valued) Interest exp. on interest-free loans received by Council (previously fair valued) Interest exp. on interest-free loans received by Council (previously fair valued) Interest exp. on interest-free loans received by Council (previously fair valued) Interest exp. on interest-free loans received by Council (previously fair valued) Interest exp. on interest-free loans received by Council (previously fair valued) Interest exp. on interest-free loans received by Council (previously fair valued) Interest exp. on interest-free loans received by Council (previously fair valued) Interest exp. on interest previously fair valued) Inter	 Investments classified as 'at fair value' or 'held for trading' 		(141)	(130)
- Interest exp. on interest-free loans received by Council (previously fair valued) Unwinding of discount rates on reinstatement provisions Share of net (profits)/losses of associates/joint ventures using the equity method (291) (803) */- Movement in operating assets and liabilities and other cash items: Decrease/(increase) in receivables (9,832) (3,383) Increase/(decrease) in provision for impairment of receivables Decrease/(increase) in inventories (31) (8) Decrease/(increase) in other current assets (1,213) 14 Increase/(decrease) in payables Increase/(decrease) in other accrued expenses payable Increase/(decrease) in other liabilities (4,366) Increase/(decrease) in provision for employee benefits Increase/(decrease) in other provisions Increase/(decrease) in other provisions Net cash provided from/(used in) operating activities (c) Non-cash investing and financing activities Developer contributions in kind' - 1,482 Other dedications Contributed Art Works Contributed Bush Fire Assets 748 730	- Investment property		(220)	(5)
Unwinding of discount rates on reinstatement provisions Share of net (profits)/losses of associates/joint ventures using the equity method (291) (803) **Howement in operating assets and liabilities and other cash items: Decrease/(increase) in receivables (9,832) (3,383) Increase/(decrease) in provision for impairment of receivables (311) (8) Decrease/(increase) in inventories (1,213) (004	507
Share of net (profits)/losses of associates/joint ventures using the equity method (291) (803) **H/- Movement in operating assets and liabilities and other cash items: Decrease/(increase) in receivables Decrease/(decrease) in provision for impairment of receivables Decrease/(increase) in inventories (31) (8) Decrease/(increase) in other current assets (1,213) 14 Increase/(decrease) in other accrued expenses payable Increase/(decrease) in other liabilities Increase/(decrease) in other liabilities Increase/(decrease) in other liabilities Increase/(decrease) in other provision for employee benefits Increase/(decrease) in other provisions Increase/(decrease) in other provisions Net cash provided from/(used in) operating activities from the Statement of Cash Flows Developer contributions 'in kind' - 1,482 Other dedications Contributed Art Works Contributed Bush Fire Assets 748 730		d)		
### Movement in operating assets and liabilities and other cash items: Decrease/(increase) in receivables (9,832) (3,383) Increase/(decrease) in provision for impairment of receivables 138 (122) Decrease/(increase) in inventories (31) (8) Decrease/(increase) in other current assets (1,213) 14 Increase/(decrease) in payables (4,366) 597 Increase/(decrease) in other accrued expenses payable 1,861 (5,947) Increase/(decrease) in other liabilities 3,655 425 Increase/(decrease) in provision for employee benefits 6,537 9 Increase/(decrease) in other provisions 1,938 (4,029) Net cash provided from/(used in) operating activities from the Statement of Cash Flows 113,628 80,201 (c) Non-cash investing and financing activities Developer contributions 'in kind' - 1,482 Other dedications 6,403 15,642 Contributed Art Works 246 313 Contributed Bush Fire Assets 748 730		od	,	,
Decrease/(increase) in receivables (9,832) (3,383) Increase/(decrease) in provision for impairment of receivables 138 (122) Decrease/(increase) in inventories (31) (8) Decrease/(increase) in other current assets (1,213) 14 Increase/(decrease) in payables (4,366) 597 Increase/(decrease) in other accrued expenses payable 1,861 (5,947) Increase/(decrease) in other liabilities 3,655 425 Increase/(decrease) in provision for employee benefits 6,537 9 Increase/(decrease) in other provisions 1,938 (4,029) Net cash provided from/(used in) operating activities 113,628 80,201 (c) Non-cash investing and financing activities 1,482 Other dedications 6,403 15,642 Contributed Art Works 246 313 Contributed Bush Fire Assets 748 730 Contributed Bush Fire Assets 748 730 Contributed Bush Fire Assets 748 730 Contributed Art Works 748 730 Contributed Art Works 748 730 Contributed Bush Fire Assets 748 730 Contributed Art Works 748 748 Contributed	Shale of het (profits)/1055es of associates/joint ventures using the equity meth	ou	(231)	(003)
Increase Increase In provision for impairment of receivables 138 (122) Decrease Increase Incre	+/- Movement in operating assets and liabilities and other cash items:			
Decrease (increase) in inventories	Decrease/(increase) in receivables		(9,832)	(3,383)
Decrease (increase) in other current assets (1,213) 14 Increase (decrease) in payables (4,366) 597 Increase (decrease) in other accrued expenses payable 1,861 (5,947) Increase (decrease) in other liabilities 3,655 425 Increase (decrease) in provision for employee benefits 6,537 9 Increase (decrease) in other provisions 1,938 (4,029) Net cash provided from (used in) operating activities 113,628 80,201 (c) Non-cash investing and financing activities Developer contributions in kind - 1,482 Other dedications 6,403 15,642 Contributed Art Works 246 313 Contributed Bush Fire Assets 748 730 Total (1,213) 14 (2,366) 597 (4,366) 597 (5,947) (4,366) 597 (4,366) 597 (5,947) (4,029) (4,029) (4,029) (5,947) (4,029) (5,947) (4,029) (5,020) (6,020) (7,020) (7,020) (7,020) (7,020) (8,020) (9,020) (9,020) (9,020) (9,020) (9,020) (9,020) (9,020) (9,020) (9,020) (9,020) (9,020) (9,020) (9,020) (9,020) (Increase/(decrease) in provision for impairment of receivables			(122)
Increase/(decrease) in payables			, ,	(8)
Increase/(decrease) in other accrued expenses payable 1,861 (5,947) Increase/(decrease) in other liabilities 3,655 425 Increase/(decrease) in provision for employee benefits 6,537 9 Increase/(decrease) in other provisions 1,938 (4,029) Net cash provided from/(used in) operating activities 113,628 80,201 (c) Non-cash investing and financing activities Developer contributions 'in kind' - 1,482 Other dedications 6,403 15,642 Contributed Art Works 246 313 Contributed Bush Fire Assets 748 730 Total Contributed Statement of Cash File (1,5947) Contributed Statement of Cash F			,	
Increase/(decrease) in other liabilities 3,655 425 Increase/(decrease) in provision for employee benefits 6,537 9 Increase/(decrease) in other provisions 1,938 (4,029) Net cash provided from/(used in) operating activities from the Statement of Cash Flows 113,628 80,201 (c) Non-cash investing and financing activities Developer contributions 'in kind' - 1,482 Other dedications 6,403 15,642 Contributed Art Works 246 313 Contributed Bush Fire Assets 748 730			,	
Increase/(decrease) in provision for employee benefits 6,537 9 Increase/(decrease) in other provisions 1,938 (4,029) Net cash provided from/(used in) operating activities from the Statement of Cash Flows 113,628 80,201 (c) Non-cash investing and financing activities Developer contributions 'in kind' - 1,482 Other dedications 6,403 15,642 Contributed Art Works 246 313 Contributed Bush Fire Assets 748 730				,
1,938 (4,029) Net cash provided from/(used in) operating activities 113,628 80,201	, ,		,	
Net cash provided from/(used in) operating activities from the Statement of Cash Flows (c) Non-cash investing and financing activities Developer contributions 'in kind' Other dedications Contributed Art Works Contributed Bush Fire Assets 113,628 80,201 1,482 1,482 4,403 15,642 313 730				_
from the Statement of Cash Flows 113,628 80,201 (c) Non-cash investing and financing activities - 1,482 Developer contributions 'in kind' - 1,482 Other dedications 6,403 15,642 Contributed Art Works 246 313 Contributed Bush Fire Assets 748 730	· · · · · · · · · · · · · · · · · · ·	_	1,930	(4,029)
(c) Non-cash investing and financing activities Developer contributions 'in kind' Other dedications Contributed Art Works Contributed Bush Fire Assets - 1,482 6,403 15,642 313 730			113 628	80 201
Developer contributions 'in kind' - 1,482 Other dedications 6,403 15,642 Contributed Art Works 246 313 Contributed Bush Fire Assets 748 730		_	110,020	00,201
Other dedications 6,403 15,642 Contributed Art Works 246 313 Contributed Bush Fire Assets 748 730	(c) Non-cash investing and financing activities			
Other dedications 6,403 15,642 Contributed Art Works 246 313 Contributed Bush Fire Assets 748 730	Developer contributions 'in kind'		_	1.482
Contributed Art Works 246 313 Contributed Bush Fire Assets 748 730	Other dedications		6.403	15,642
	Contributed Art Works			313
Total non-cash investing and financing activities 7,397 18,167	Contributed Bush Fire Assets		748	730
	Total non-cash investing and financing activities		7,397	18,167

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Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose Financial Statements

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Interests in other entities

	Council's share	of net income	Council's share of net assets		
\$ '000	2019	2018	2019	2018	
Joint ventures	291	803	2,929	2,638	
Total	291	803	2,929	2,638	

(a) Joint arrangements

(i) Joint ventures

Council has incorporated the following joint ventures into its consolidated financial statements. Included are the total amounts as per the joint venture financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

(a) Net carrying amounts - Council's share

	Nature of relationship	Measurement method	2019	2018
Civic West	Joint venture	Equity	2,060	1,584
Civic Risk	Joint venture	Equity	869	1,054
Total carrying amounts – material joint ventures			2,929	2,638

(b) Details

		Principal activity
Civic West Civic Risk	V	Insurance Insurance

(c) Relevant interests and fair values

	Quote fair va		Intere		Interes		Proport voting p	
	2019	2018	2019	2018	2019	2018	2019	2018
Civic West	2,062	1,584	4.4%	3.8%	4.4%	3.8%	9.1%	10.0%
Civic Risk	869	1,054	12.5%	12.4%	12.5%	12.4%	5.9%	6.3%



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Interests in other entities (continued)

	Civic Wo 2019	est 2018	Civic Risl 2019	k 2018
	2019	2018	2019	2010
(d) Summarised financial information for joint ver	ntures			
Statement of financial position				
Current assets				
Cash and cash equivalents	2,961	3,022	1,813	1,158
Other current assets	27,370	19,442	7,216	5,759
Non-current assets	36,522	41,740	5,368	5,989
Current liabilities				
Current financial liabilities (excluding trade and other payables and provisions)	6,657	6,111	4,827	2,690
Other current liabilities Non-current liabilities	740	720	346	299
Non-current financial liabilities (excluding trade and other payables and provisions)	12,116	15,612	2,279	1,448
Net assets	47,340	41,761	6,945	8,469
Reconciliation of the carrying amount				
Opening net assets (1 July)	41,761	37,976	8,468	6,490
Profit/(loss) for the period	5,579	5,913	(1,524)	1,978
Other adjustments to equity		(2,128)	_	_
Closing net assets	47,340	41,761	6,944	8,468
Council's share of net assets (%)	4.4%	3.8%	12.5%	12.4%
Council's share of net assets (\$)	2,060	1,584	869	1,054
Statement of comprehensive income				
Income	6,295	6,076	11,320	9,425
Interest income	3,672	3,261	447	439
Interest expense	(17)	(17)	_	-
Other expenses	(4,371)	(3,408)	(13,291)	(7,886)
Profit/(loss) from continuing operations	5,579	5,912	(1,524)	1,978
Profit/(loss) for the period	5,579	5,912	(1,524)	1,978
Total comprehensive income	5,579	5,912	(1,524)	1,978
Share of income – Council (%)	8.5%	10.1%	12.1%	10.5%
Profit/(loss) – Council (\$)	476	596	(185)	207
Total comprehensive income – Council (\$)	476	596	(185)	207
Summarised Statement of cash flows				
Cash flows from operating activities	2,439	113	2,904	903
Cash flows from investing activities	(2,500)	1,510	(2,250)	(250)
Cash flows from financing activities		(1,537)		_
Net increase (decrease) in cash and cash				
equivalents	(61)	86	654	653

Accounting policy for joint arrangements

Council has determined that it has only joint ventures.

Joint Ventures

Interests in joint ventures are accounted for using the equity method in accordance with AASB128 Investments in Associates and Joint Ventures. Under this method, the investment is initially recognised as a cost and the carrying amount is increased



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Interests in other entities (continued)

or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition.

If the Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Council discontinues recognising its share of further losses.

The Council's share in the joint venture's gains or losses arising from transactions between itself and its joint ventures are eliminated.

Adjustments are made to the joint venture's accounting policies where they are different from those of the Council for purpose of the consolidated financial statements.

(b) Subsidiaries, joint arrangements and associates not recognised

The following subsidiaries, joint arrangements and associates have not been recognised in this financial report.

Name of entity/operation	Principal activity/type of entity	2019 Net profit	2019 Net assets
Illawarra Shoalhaven Joint Organisation	Inter-Governmental Collaboration Joint Venture	111	885

Reasons for non-recognition

Council has assessed this operation as not material for recognition in these statements.

		2019	2019
Name of entity/operation	Principal activity/type of entity	Net profit	Net assets
Illawarra District Noxious Weed Authority	Administer Noxious Weeds Act Joint Venture	8	802

Reasons for non-recognition

Council has assessed this operation as not material for recognition in these statements.

Name of entity/operation	Principal activity/type of entity	2019 Net profit	2019 Net assets
Destination Wollongong	Tourism Development & Promotion Associate	(129)	(72)

Reasons for non-recognition

Council has assessed this operation as not material for recognition in these statements.

Name of entity/operation	Principal activity/type of entity	2019 Net profit	2019 Net assets
Illawarra Performing Arts Centre	Theatre & Town Hall Management Associate	50	359

Reasons for non-recognition

Council has assessed this operation as not material for recognition in these statements.

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Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose Financial Statements

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Commitments

\$ '000	2019	2018
(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 and equipment		
Buildings	387	2,957
Infrastructure	17,975	3,399
Land	110	_
Total commitments	18,472	6,356
These expenditures are payable as follows:		
Within the next year	18,289	6,356
Later than one year and not later than 5 years	183	_
Total payable	18,472	6,356
Sources for funding of capital commitments:		<u> </u>
Unrestricted general funds	6,269	4,881
Section 94 Funds	7,172	_
Future grants and contributions	5,031	1,415
Unexpended grants	_	60
Total sources of funding	18,472	6,356
		-,

Details of capital commitments

Buildings include Kembla Terraces Roof and Administration building Fire Panel.

Land includes 16 and 18 Otford Road Otford.

Infrastructure includes Unanderra and Towradgi Beach SLSC Carpark, Blackman Parade Culvert, Harry Graham Drive Stabilisation, Bellambi Rockpool and seawall, Porter Street Shareway, Helensburgh Landfill Rehabilitation, Mt Keira Power Supply, Northcliffe Drive extension, Walker Street Helensburgh Water Main protection, Russell Vale retaining wall, Matron Dunster Park Carpark, Thirroul Pool saltwater intake pipes, Bong Bong Road Traffic signals, West Dapto Access Road, Beaton Park Leisure Centre Filter enclosure.

(b) 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	335	335
Later than one year and not later than 5 years	428	661
Later than 5 years	510	612
Total non-cancellable operating lease commitments	1,273	1,608

b. Non-cancellable operating leases include the following assets:

Lease of land for Dapto Ribbonwood Centre and lease of Warrawong Library.

Conditions relating to finance and 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.

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Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose Financial Statements

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Contingencies and other assets/liabilities not recognised

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

ASSETS NOT RECOGNISED

1. 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 and including 30/6/08.

2. Various Insurances - 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 \$1,123,732 to date. The total of Council's unrecovered claims is currently \$1,173,770. At this time, based on the liquidator's estimated final dividend rates, Council expects to recover a further \$75,000 from the remaining assets of HIH & CIC

LIABILITIES NOT RECOGNISED

1. Bank Guarantees

Council has provided Bank Guarantees totalling \$610,547 as security over damages for work that may impact a third party.

Council has provided security to Work Cover for outstanding workers compensation claims liability in the form of a bank guarantee to the sum of \$7,711,000.

Council is also Guarantor on a mortgage for a third party of \$180,000.

2. 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 \$1.778M for Council in 2018/19. Council's LTFM includes forecast payments of \$1.828M in 2019/20 and \$1.868M in 2020/21. At this stage there has not been any advice regarding any future extension of the top up payment.

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.

3. 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.

4. Development Contributions

Council levies Development 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.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Contingencies and other assets/liabilities not recognised (continued)

As well, these Plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's General Funds.

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.

5. Greenhouse Park

Council owns and manages a former landfill site at Greenhouse Park. The landfill was constructed prior to contemporary environmental regulations and used as both a putrescible and builders waste landfill. Following the closure of the site as a landfill, remediation of the site has been progressively occurring to transform the site into a natural area.

Council is also working with the EPA and specialised consultants to manage the landfill waste which was placed on the site. Total remediation costs at this stage are unknown and will be dependent on the remediation strategies implemented. Council is currently working with the EPA and specialised consultants to determine the remediation actions required.

6. Helensburgh Landfill Site

Council manages a former landfill site at Helensburgh located off Halls Road/Nixon Place. The landfill was commenced prior to contemporary environmental regulations and was used at various times for both putrescible and builders construction waste. Following the closure of the site as a landfill, Council is required to remediate the site in accordance with EPA requirements and licence conditions. Council is currently working with EPA and specialised consultants to prepare the final design documentation for this project. Final remediation costs at this stage are in the order of \$7.4M to \$11.8M depending on the source of capping materials and the final design solution adopted. Council's current provision is approximately \$4.1M. If a shortfall eventuates this will impact the income statement.

7. Native Title

In January 2018, the National Native Title Tribunal accepted registration of a native title claim that includes the Wollongong LGA. The claim will takesome time to determine. Private freehold land, and certain other land owned by Council is not affected. Council will continue to pursue updates on the progress of the claim.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 20. Financial risk management

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.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments 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.
- Interest rate risk the risk that movements in interest rates could affect returns and income.
- · Liquidity risk the risk that Council will not be able to pay its debts as and when they fall due.
- 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.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

(a) Market risk – price risk and interest rate risk

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 chnage in interest rates would have been constant throughout the reporting period.

Increase of val	ues/rates	Decrease of values/rates		
Profit	Equity	Profit	Equity	
4,755	4,755	(4,755)	(4,755)	
1,072	1,072	(1,072)	(1,072)	
4,316	4,316	(4,316)	(4,316)	
1,146	1,146	(1,146)	(1,146)	
	4,755 1,072 4,316	4,755 4,755 1,072 1,072 4,316 4,316	Profit Equity Profit 4,755 4,755 (4,755) 1,072 1,072 (1,072) 4,316 4,316 (4,316)	



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial risk management (continued)

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

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

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.

Credit risk profile

Receivables – rates and annual charges

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 and annual charges at higher than market rates which further encourages the payment of debt.

	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2019 Gross carrying amount	- (5,975	1,415	939	2,237	10,566
2018 Gross carrying amount		5,331	1,367	851	1,945	9,494

Receivables - non-rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2019 is determined as follows. The expected credit losses incorporate forwardlooking information.

	Not yet	0 - 30 days	24 60 4	04 00 1	. 04 -1	
	overdue	overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2019						
Gross carrying amount	23,982	812	173	157	1,407	26,531
Expected loss rate (%)	0.23%	2.09%	2.31%	7.01%	27.71%	1.80%
ECL provision	55	17	4	11	390	477
2018						
Gross carrying amount	15,753	652	328	82	956	17,771
Expected loss rate (%)	0.53%	2.15%	2.44%	7.12%	23.95%	1.91%
ECL provision	83	14	8	6	229	340

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Wollongong City Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial risk management (continued)

(c) Liquidity risk

Payables and 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 and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

\$ '000	Weighted average interest rate	Without defined maturity	≤1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2019			- 177				
Trade/other payables	0.00%	3,758	26,175	385	D .	30,318	30,391
Loans and advances	1.50%		8,814	21,947	_	30,761	25,431
Total financial liabilities		3,758	34,989	22,332	_	61,079	55,822
2018			•				
Trade/other payables	0.00%	1,605	25,194	700	_	27,499	27,454
Loans and advances	1.50%	D -	8,814	27,448	3,313	39,575	32,755
Total financial liabilities		1,605	34,008	28,148	3,313	67,074	60,209

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Material budget variations

Eair value increment on investment property

Council's original financial budget for 18/19 was adopted by the Council on 25/06/2018 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements must disclose the original budget adopted by Council, the *Local Government Act 1993* requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

Material variations represent those variances between the original budget figure and the actual result that amount to 10% or more.

Variation Key: F = Favourable budget variation, **U** = Unfavourable budget variation.

	2019	2019	2019	`	
	2019	2019	2018	,	
\$ '000	Budget	Actual	Varian	ce	
REVENUES					
REVEROES					
Rates and annual charges	197,686	199,524	1,838	1%	F
User charges and fees	34,967	32,793	(2,174)	(6)%	U
Interest and investment revenue	4,572	5,069	497	11%	F
Interest & investment income is greater due to inc	creased cash holdings for	a significant part	of the vear due to	timing of del	liverv

Interest & investment income is greater due to increased cash holdings for a significant part of the year due to timing of delivery of project and favourable operating performance and positive fair valuation of a number of investment assets.

Other revenues 10,062 12,125 2,063 21% F

Other revenues has a positive variance due to additional land sales (\$1.5M), receipt of an insurance claim (\$0.3M) and a license relating to the lease of an easement of land (\$0.2M).

Operating grants and contributions 19,837 28,856 9,019 45% F

Operating grants is affected by the early receipt of two instalments of the Financial Assistance Grant relating to the 2019/20 financial year (\$9.4M) and additional grants received during the year, partially offset by the timing of grant payments.

Capital grants and contributions 53,752 59,656 5,904 11% F
Capital grants and contributions are impacted by acceleration of the West Dapto Access Strategy (\$11.2M), greater City Wide and City Centre developer contributions (\$4.6M) and additional grants received during the year (\$2.0M). These have been partially offset by lower West Dapto developer contributions (\$9.1M) and lower contributed assets (\$2.8M).

Fair value increment on investment property	_	220	220	00	г	
Joint ventures and associates – net profits	-	291	291	∞0	F	
EXPENSES						
Employee benefits and on-costs	112,838	122,445	(9,607)	(9)%	U	
Borrowing costs	3,310	3,337	(27)	(1)%	U	
Materials and contracts	55,983	57,432	(1,449)	(3)%	U	
Depreciation and amortisation	64,508	61,781	2,727	4%	F	
Other expenses	37,360	34,571	2,789	7%	F	
Net losses from disposal of assets	ivil assets that have	6,856	(6,856)	00	U	

This budget variation is largely a result of disposal of civil assets that have residual values.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Material budget variations

	2019	2019	2019	9	
\$ '000	Budget	Actual	Variar	nce	
STATEMENT OF CASH FLOWS					
Net cash provided from (used in) operating activities	105,909	113,628	7,719	7%	F
Net cash provided from (used in) investing activities	(96,372)	(107,217)	(10,845)	11%	U

This unfavourable variance has resulted from an increase in the capital program during the financial year with purchase of infrastructure, property, plant and equipment higher than originally anticipated.

Net cash provided from (used in) financing (23)(7,692)(7,715)0% activities





Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement

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 and 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

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

(1) Assets and liabilities that have been measured and recognised at fair values

			Fair value m	easurement hi	erarchy	
2019	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobserv- able inputs	Tota
Decuming fair value massurements		h 1				
Recurring fair value measurements Financial assets						
Investments	6(b)					
'Designated at fair value on initial recognition'	0(0)	30/06/19			47,549	47,54
- 'Financial assets at fair value through other		30/06/19	_	_	47,549 56	47,54
comprehensive income'		30/00/13	_	_	30	
Total financial assets				_	47.605	47,60
Total Illianolal associ					47,000	47,00
Investment property	11					
Commercial building		30/06/19	_	_	5,000	5,00
Total investment property			_	_	5,000	5,00
Infrastructure, property, plant and equipment	10					
Roads		30/06/17	_	_	569,999	569,99
Bridges		30/06/17	_	_	98,739	98,73
Footpaths		30/06/17	_	_	147,190	147,19
Stormwater		30/06/17	_	_	520,636	520,63
Plant and equipment		N/A	_	_	22,691	22,69
Office equipment		N/A	_	_	3,376	3,37
Furniture and fittings		N/A	_	_	2,097	2,09
Operational land		30/06/19	_	_	249,843	249,84
Community land		30/06/16	_	_	337,871	337,87
Land under roads		30/06/19	_	_	5,684	5,68
Buildings		30/06/19	_	_	303,164	303,16
Other structures		30/06/19	_	_	7,482	7,48
Swimming pools		30/06/16	_	-	6,331	6,33
Library books		N/A	_	-	4,496	4,49
Other open space/recreational assets		30/06/16	_	_	110,423	110,42
Tip asset		30/06/19	_	-	5,525	5,52
Works in progress		N/A	_	_	119,950	119,95
Artworks		30/06/19	_	_	15,121	15,12
Other		30/06/16	_	-	34,477	34,47
Total infrastructure, property, plant and						
equipment			_	_	2,565,095	2,565,09



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

			Fair value m	easurement hi	erarchy	
2018	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobserv- able inputs	Total
Recurring fair value measurements						
Financial assets						
Investments	6(b)					
- 'Designated at fair value on initial recognition'		30/06/18	_	_	43,162	43,162
- 'Financial assets at fair value through other comprehensive income'			-	-	-	-
Total financial assets			_	_	43,162	43,162
Investment property	11					
Commercial building		30/06/18	_	- 4	4,780	4,780
Total investment property			_	A	4,780	4,780
Infrastructure, property, plant and equipment	10					
Roads		30/06/17	. 4	-	552,557	552,557
Bridges		30/06/17		-	98,526	98,526
Footpaths		30/06/17	-	-	135,473	135,473
Stormwater		30/06/17		-	523,470	523,470
Plant and equipment		30/06/18		_ =	22,072	22,072
Office equipment		30/06/18	-	-	3,745	3,745
Furniture and fittings		30/06/18	-	_	1,867	1,867
Operational land		30/06/14	-	-	162,892	162,892
Community land		30/06/16	_	_	334,225	334,225
Land under roads		30/06/14	_	_	3,983	3,983
Buildings		30/06/14	_	_	196,641	196,641
Other structures	١,	30/06/16	_	_	6,609	6,609
Swimming pools	,	30/06/16	_	_	7,285	7,285
Library books	,	30/06/18	_	_	4,451	4,451
Other open space/recreational assets		30/06/16	_	_	111,444	111,444
Tip asset		30/06/18	-	-	5,724	5,724
Works in progress		30/06/18	-	-	99,074	99,074
Artworks		30/06/17	-	_	12,842	12,842
Other		30/06/16			34,201	34,201
Total infrastructure, property, plant and equipment					2,317,081	2,317,081

Note that capital WIP is not included above since it is carried at cost.

Wollongong City Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

(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:

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.

Wollongong City Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Infrastructure, property, plant and equipment (IPP&E)

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.

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 input 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).

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.

Wollongong City Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

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.

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) other 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.

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Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

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. An internal valuation was undertaken during the 2016 financial year.

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 input 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.

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 using the cost method.

Fair Value Hierarchy – Whytes Gully Waste Disposal Depot will require remediation and restoration works to be carried out during and at the end of its useful life. The cash outflows relating to these remediation and restoration 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 tip asset was considered a Level 3.



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Wollongong City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

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	
		Monthly valuation using		,	
[:i- A4-	NA Alp Is s	the current price in an	Futame!	Cinner Divinion	
Financial Assets	Monthly	active market for similar	External	Finance Division	
		assets			
		Assessed each year for			
Investment Properties	Annually	material change and	External	Property Division	
investment i roperties	Ailidany	adjusted accordingly	External	1 Toporty Division	
		Full valuation using			
		current unit rates and		Infrastructure &	
Infrastructure	5 years	comparable work.	Internal	Strategic Planning	
		Assessed each year for		Division	
		material change and		211101011	
		adjusted accordingly			
		Assessment of			
		remaining useful life			
		undertaken with			
Property Plant &	Annually	adjustments to	Internal	Finance Division	
Equipment	,,	consumption patterns			
		that may impact fair			
		value			
		Assessment of			
		remaining useful life			
Office Equipment &		undertaken with			
Furniture & Fittings	Annually	adjustments to	Internal	Finance Division	
· annual o or r minigo		consumption patterns			
		that may impact fair			
		value			
		Full valuation every 5			
Operational Land	5 Years	years or index applied	External	Property Division	
		annually if material			
		Valuer General Land			
		Values or Average Unit			
Community Land	5 Years	Rate for similar	Valuer General / Internal	Property / Finance	
Community Larra	o rouro	properties if not	Value Corretary Internal	Division	
		available			
		Valuer General Land			
Land Under Roads	5 Years	Values or Average Unit	Valuer General / Internal	Finance Division	
		Rate used as proxy to			
		derive en globo rate			
Buildings - Non		Full valuation every 5		Infrastructure &	
Specialised &	5 Years	years or index applied	External / Internal	Strategic Planning	
Specialised	0 . 00.0	annually if material	External / Internal	Division / Property	
Opeoidiloca				Division	
		Assessment of			
		remaining useful life			
		undertaken with			
Intangibles	5 Years	adjustments to	Internal	Finance Division	
J		consumption patterns			
		that may impact fair			
		value			
		Assessment of			
		remaining useful life			
				Infrantructure C	
Other Other tone	F V	undertaken with	lata1	Infrastructure &	
Other Structures	5 Years	adjustments to	Internal	Strategic Planning	
		consumption patterns		Division	
		that may impact fair			
	i .	value			



Wollongong City Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Asset Category	Valuation Frequency	Description of Process	Valuer*	Responsibility	
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	

^{*}Internal Valuation refers to the utilisation of in-house expertise to value Council's assets.

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Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

(3) Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

\$ '000	Financial assets	Investment property	IPP&E	Held for sale assets	Total
2018					
Opening balance	43,428	4,775	2,309,628	6,381	2,364,212
Purchases (GBV)	3,348	_	114,042	_	117,390
Disposals (WDV)	(4,057)	_	(8,447)	(6,381)	(18,885)
Depreciation and impairment		_	(59,673)	_	(59,673)
FV gains – other comprehensive income		_	5,692	_	5,692
FV gains – Income Statement ¹	443	5	_	_	448
Prior Period Error		_	(39,225)	_	(39,225)
Waste remediation reassessment	_	_	(4,863)	_	(4,863)
Transfer to expense		_	(73)	_	(73)
Closing balance	43,162	4,780	2,317,081	_	2,365,023
		.,	_,_,_,		_,,,,,,,
2019					
Opening balance	43,162	4,780	2,317,081	_	2,365,023
Purchases (GBV)	14,299	_	123,229	_	137,528
Disposals (WDV)	(10,021)	_	(8,775)	_	(18,796)
Depreciation and impairment	_	_	(61,549)	_	(61,549)
FV gains – other comprehensive income	_	_	196,818	_	196,818
FV gains – Income Statement ¹	165	220	_	_	385
Prior Period Error	_	_	_	_	_
Waste remediation reassessment	_	_	(58)	_	(58)
Transfer to expense	_	_	(1,651)	_	(1,651)
Closing balance	47,605	5,000	2,565,095	_	2,617,700
-	,	-,	_,_,_,		_,_ ,, ,, ,,

⁽¹⁾ FV gains recognised in the Income Statement relating to assets still on hand at year end total

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Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 23. Related Party Transactions

(a) Key management personnel

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

	2019	2018
Compensation:		
Short-term benefits	2,239	2,176
Termination benefits	42	_
Total	2,281	2,176

(b) Other transactions with KMP and their related parties

Council has assessed other transactions with KMP and their related parties as not material for recognition in these

(c) Other related party transactions

\$'000s	Value of transactions during the year	Outstanding balance	Terms and conditions
2019			
Associate			
Marketing, events, business and investment	1,419		Amounts provided under a funding
in LGA		1	agreement.
Event sponsorship & support	71	_	Based on specific events.
LGA Major Events	10	_	Amounts provided under a funding
2071 Major Evolito			agreement.
Partner program	6	_	agroomona
Merchandise	1	_	
Associate	•		
Performing Arts Centre Management	1,006	-	Amounts provided under a funding agreement.
Town Hall management	388	-	Amounts provided under a funding
			agreement.
Community Subsidy	20	_	Amounts provided under a funding
,			agreement.
Venue Hire	11	_	9
Asset Maintenance	9	_	
Catering	2	_	
Oddoring	2		



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Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 23. Related Party Transactions (continued)

\$'000s	Value of transactions during the year	Outstanding balance	Terms and conditions
2018	aamig me year	Daianoo	Torrito dila contantono
Associate			
Marketing, events, business and investment in LGA	1,376	-	Amounts provided under a funding agreement.
Subsidised office space	146	-	Amounts provided under a funding agreement.
Event sponsorship & support	91	-	Based on specific events.
LGA Major Events	20	-	Amounts provided under a funding agreement.
Feasibility study	8	-	
Visitor guide	4	-	
Partner program	3	-	
Contribution to Green Bus Service Extension	3	-	
Commission on accommodation bookings Associate	1	•	
Performing Arts Centre Management	690		Amounts provided under a funding agreement.
Town Hall management	375		Amounts provided under a funding agreement.
Community Subsidy	23		Amounts provided under a funding agreement.
Venue hire	11		-3
Ticket purchase	9	- 1	
Town Hall – evacuation users Student Transportation	6		

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Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose

Notes to the Financial Statements

for the year ended 30 June 2019

Note 24. Events occurring after the reporting date

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

Note 25. Statement of developer contributions

Under the Environmental Planning and Assessment Act 1979, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

Summary of contributions and levies

	as at 30/6/2018			1			as at 30/6	2019
\$ '000	Opening Balance	Contributions received during the Cash		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
Drainage	4,088	2,460	_	146	_	_	6,694	_
Roads	(7,751)	13,247	_	(106)	(6,037)	_	(647)	_
Open space	5,360	1,737	_	174	_	_	7,271	_
Community facilities	1,116	71	_	33	_	_	1,220	_
Administration	(1,177)	302	_	_	(301)	_	(1,176)	_
Public transport	577	31	_	17	_	_	625	_
S7.11 contributions – under a plan	2,213	17,848	_	264	(6,338)	_	13,987	_
S7.12 levies – under a plan	16,266	5,805	_	562	(352)		22,281	_
Total S7.11 and S7.12 revenue under plans	18,479	23,653	_	826	(6,690)	_	36,268	_
S7.11 not under plans	337	_	_	10	_	_	347	_
S7.4 planning agreements	145	_	_	8	_	_	153	_
Total contributions	18,961	23,653	_	844	(6,690)		36,768	_

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Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25. Statement of developer contributions (continued)

	as at 30/6/2018						as at 30/6	/2019
		Contribution received during t		Interest	Expenditure	Internal	Held as	Cumulative internal
\$ '000	Opening Balance	Cash	Non-cash	earned in year	during year	borrowing (to)/from	restricted asset	borrowings due/(payable)
S7.11 Contributions – under a p	olan							
CONTRIBUTION PLAN – WEST DAPTO								
Drainage	4,088	2,460	_	146	4	_	6,694	_
Roads	(7,751)	13,247	5.00	(106)	(6,037)	_	(647)	_
Open space	5,360	1,737		174	-	_	7,271	_
Community facilities	1,116	71	1 1	33		_	1,220	_
Administration	(1,177)	302		- 1	(301)	_	(1,176)	-
Public transport	577	31		17	_	_	625	_
Total	2,213	17,848	7 - 7	264	(6,338)		13,987	_
S7.12 Levies – under a plan								
CONTRIBUTION PLAN - WOLLONGONG AS		. 1						
City Wide	16,818	4,082	-	546	(352)	_	21,094	_
City Centre	(552)	1,723	_	16	_	_	1,187	_
Total	16,266	5,805	_	562	(352)	_	22,281	_

⁽A) The Wollongong City-Wide Development Contributions Plan is a levy based plan that reflects development activity in the Local Government Area excluding areas covered by the West Dapto Section 94 Plan.

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^{. 1.3.1.3.2} provides include announts contents approved prior to 2006 that contained conditions for contributions to be made, under now repealed Development Contribution plans. These are transferred and applied towards items within the Section 7.12 Plan works schedule as the Section 7.12 Plan is the replacement for the plans repealed in June 2006. (B) Figures provided include amounts collected under the Wollongong City-Wide Development Plan as well as contributions received from relevant development consents approved prior to 2006 that contained conditions for contributions to



Wollongong City Council Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25. Statement of developer contributions (continued)

	as at 30/6/2018						as at 30/6/	2019
		Contribution received during to		Interest	Expenditure	Internal	Held as	Cumulative internal
\$ '000	Opening Balance	Cash	Non-cash	earned in year	during year	borrowing (to)/from	restricted asset	borrowings due/(payable)
S7.11 Contributions – not un	der a plan							
CONTRIBUTION PLAN - CALDERWOOD) A, B, C							
Roads	337	-	_	10	4 3	_	347	_
Total	337			10		_	347	_

⁽A) The Calderwood Urban Release Area was historically in the Shellharbour City Local Government Area. However, the Urban Release Are was later expanded during the State Government's major project approval process to include land that straddles the local government boundary, which comprises 107 hectares of land in the Wollongong Local Government Area at Marshall Mount.

S7.4 planning agreements

S7.4 planning agreements Roads 145 8 153 Total 145 8 153

⁽B) In 2013, the Land and Environment Court imposed a development contribution condition on Stage 1 of the Calderwood development within Shellharbour City Council Local Government Area, requiring the payment of a contribution of \$1,320 per lot to Wollongong City Council to be used towards upgrades of Marshall Mount Road and Yallah Road. The payments reflected in the above relate to these court proceedings.

⁽C) Wollongong City Council and Lendlease Communities (Australia) Limited have entered into a Planning Agreement for the remainder of the contributions relating to the Calderwood development. No contributions have been received as a result of the Planning Agreement.



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Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 26. Financial result and financial position by fund

Council utilises only a general fund for its operations.

Note 27(a). Statement of performance measures – consolidated results

	Amounts	Indicator	Prior p	periods	Benchmark
\$ '000	2019	2019	2018	2017	
Operating performance ratio					
Total continuing operating revenue excluding capital					
grants and contributions less operating expenses 1,2	(1,340)	(0.48)%	2.76%	10.74%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	278,226	, ,,,,			
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all	0.47.000				
grants and contributions ¹ Total continuing operating revenue ¹	247,336 337,882	73.20%	77.06%	74.75%	>60.00%
Total continuing operating revenue	337,882				
3. Unrestricted current ratio		. 1			
Current assets less all external restrictions ³	126,001	2.70x	2.93x	2.65x	>1.50x
Current liabilities less specific purpose liabilities 4	46,629	2.17 0.0	2.00X	2.00%	- 1.00X
4. Debt service cover ratio			,		
Operating result before capital excluding interest and	6				
depreciation/impairment/amortisation 1	63,778	5.77x	6.30x	8.51x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	11,052				
contowing costs (income otalement)					
5. Rates, annual charges, interest and extra					
charges outstanding percentage	40.000				
Rates, annual and extra charges outstanding	10,566	5.09%	4.66%	5.88%	<10.00%
Rates, annual and extra charges collectible	207,770				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all	407.047				
term deposits	107,217	5.45 mths	5.83 mths	6.90 mths	>3.00 mths
Monthly payments from cash flow of operating and financing activities	19,663	muis	111115	1111115	1111115

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

⁽²⁾ Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and

⁽³⁾ Refer to Notes 6-8 inclusive. Excludes any real estate and land for resale not expected to be sold in next 12 months.

⁽⁴⁾ Refer to Notes 13 and 14. Excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).



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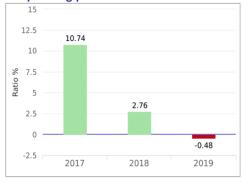
Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 27(b). Statement of performance measures – consolidated results (graphs)





Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2018/19 result

2018/19 ratio (0.48)%

The 2019 result has been unfavourably impacted by a number of unusual factors that include the change in discount factors applicable to employee leave entitlements (\$5.2M), valuation of workers compensation liability to recognise impact of external valuation trends on Council's active claims (\$2.0M) and the reclassification of capital expenditure for current and prior years (\$2.3M). Without these abnormal variations, this indicator would be 2.9%.

Benchmark: -> 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2018/19 result

2018/19 ratio 73.20%

This result is consistent with previous reporting periods. It is noted that total revenue include non-cash contributed assets which fluctuate from year to year and impact the result.

Ratio achieves benchmark Ratio is outside benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

3. Unrestricted current ratio



Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2018/19 result

2018/19 ratio 2.70x

1. Council's strategy is to maximise the use of available fund s and target a lean unrestricted ratio.

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

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

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5.77x

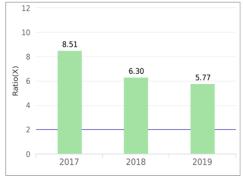
Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 27(b). Statement of performance measures – consolidated results (graphs)

4. Debt service cover ratio





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

Commentary on 2018/19 result

2018/19 ratio

The result indicates that Council can adequately service its outstanding debt.

Benchmark: -> 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates, annual charges, interest and extra charges outstanding percentage



Purpose of rates, annual charges, interest and extra charges outstanding

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

Commentary on 2018/19 result

2018/19 ratio 5.09%

Although Council continue to improve the recovery processes for all rate payers, there has been an increase in debt owed to Council by pensioners that Council policy allows

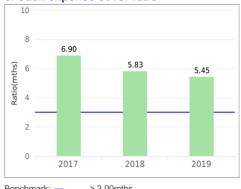
Benchmark: -< 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2018/19 result

2018/19 ratio 5.45 mths

The result of this measure reflects a high level of liquidity in Council's investment portfolio at the end of 2018/19.

Benchmark: -> 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark



Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose Financial Statements

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Wollongong City Council

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for the year ended 30 June 2019

Note 28. Council information and contact details

Principal place of business:

41 Burelli Street Wollongong NSW 2500

Contact details

Mailing Address:

Locked Bag 8821 Wollongong NSW 2500

Telephone: (02) 4227 7111 Facsimile: (02) 4227 7277

Officers

GENERAL MANAGER

Greg Doyle

RESPONSIBLE ACCOUNTING OFFICER

Brian Jenkins

PUBLIC OFFICER

Todd Hopwood

AUDITORS

Audit Office of New South Wales Level 15, 1 Margaret Street, Sydney, NSW, 2000

Opening hours:

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

Internet: www.wollongong.nsw.gv.au Email: council@wollongong.nsw.gv.au

Elected members

LORD MAYOR

Gordon Bradbery

COUNCILLORS

Ward 1 Leigh Colacino Mithra Cox Janice Kershaw Jenelle Rimmer

Ward 2

Cath Blakey David Brown Tania Brown John Dorahy

Ward 3

Dom Figliomeni Vicky King Ann Martin Cameron Walters

Other information

ABN: 63 139 525 939



Wollongong City Council

Financial Statements 2019

General Purpose Financial Statements

for the year ended 30 June 2019

Independent Auditor's Report

Please upift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).





Wollongong City Council

Financial Statements 2019

General Purpose Financial Statements

for the year ended 30 June 2019

Independent Auditor's Report

Please upift Council's Audit Report PDF (commentary) for inclusion in the GPFS report (via the Home screen).



Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and

Management on the General Purpose Financial Statements

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Wollongong City Council

SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2019





Wollongong City Council Special Purpose Financial Statements 2019

Special Purpose Financial Statements

for the year ended 30 June 2019

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Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office 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 and 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 more than \$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 and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).



Wollongong City Council

Special Purpose Financial Statements 2019

Special Purpose Financial Statements

for the year ended 30 June 2019

23 September 2019

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 and Costing for Council Businesses A Guide to Competitive Neutrality',
- · the Local Government Code of Accounting Practice and Financial Reporting,

To the best of our knowledge and belief, these 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 23 September 2019.

Gordon Bradbery
Lord Mayor
23 September 2019

Greg Doyle
General Manager

David Brown
Deputy Lord Mayor
23 September 2019

Brian Jenkins
Responsible Accounting Officer

23 September 2019



Special Purpose Financial Statements 2019

Wollongong City Council

Income Statement - Waste Disposal

\$ '000	2019	2018
Income from continuing operations		
User charges	27,821	28,716
Other income	516	516
Total income from continuing operations	28,337	29,232
Expenses from continuing operations		
Employee benefits and on-costs	1,905	1,755
Borrowing costs	1,849	1,989
Materials and contracts	2,466	1,533
Depreciation, amortisation and impairment	1,221	1,265
Calculated taxation equivalents	529	393
EPA levy	11,764	15,369
Other expenses	1,903	1,890
Total expenses from continuing operations	21,637	24,194
Surplus (deficit) from continuing operations before capital amounts	6,700	5,038
Surplus (deficit) from continuing operations after capital amounts	6,700	5,038
Surplus (deficit) from all operations before tax	6,700	5,038
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(1,843)	(1,385)
SURPLUS (DEFICIT) AFTER TAX	4,857	3,653
Plus accumulated surplus Plus adjustments for amounts unpaid:	45,500	40,069
- Taxation equivalent payments	529	393
Corporate taxation equivalent	1,843	1,385
Closing accumulated surplus	52,729	45,500
Return on capital %	21.6%	19.2%



Wollongong City Council

Special Purpose Financial Statements 2019

Income Statement - Tourist parks

Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and

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\$ '000	2019	2018
Income from continuing operations		
User charges	7,153	6,975
Other income	144	128
Total income from continuing operations	7,297	7,103
Expenses from continuing operations		
Employee benefits and on-costs	2,813	2,639
Materials and contracts	1,157	958
Depreciation, amortisation and impairment	1,095	967
Loss on sale of assets	53	28
Calculated taxation equivalents	535	522
Other expenses	1,192	1,169
Total expenses from continuing operations	6,845	6,283
Surplus (deficit) from continuing operations before capital amounts	452	820
Surplus (deficit) from continuing operations after capital amounts	452	820
Surplus (deficit) from all operations before tax	452	820
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(124)	(226)
SURPLUS (DEFICIT) AFTER TAX	328	594
Plus accumulated surplus Plus adjustments for amounts unpaid:	12,018	10,676
- Taxation equivalent payments	535	522
- Corporate taxation equivalent	124	226
Closing accumulated surplus	13,005	12,018
Return on capital %	1.7%	3.4%



Special Purpose Financial Statements 2019

Wollongong City Council

Income Statement – Health & Fitness

\$ '000	2019	2018
Income from continuing operations		
User charges	2,896	2,628
Grants and contributions provided for non-capital purposes	_	16
Other income	95	96
Total income from continuing operations	2,991	2,740
Expenses from continuing operations		
Employee benefits and on-costs	2,521	2,353
Materials and contracts	332	396
Depreciation, amortisation and impairment	54	54
Loss on sale of assets	_	1
Calculated taxation equivalents	176	174
Other expenses	977	995
Total expenses from continuing operations	4,060	3,973
Surplus (deficit) from continuing operations before capital amounts	(1,069)	(1,233)
Surplus (deficit) from continuing operations after capital amounts	(1,069)	(1,233)
Surplus (deficit) from all operations before tax	(1,069)	(1,233)
SURPLUS (DEFICIT) AFTER TAX	(1,069)	(1,233)
Plus accumulated surplus Plus adjustments for amounts unpaid:	(12,055)	(10,996)
- Taxation equivalent payments	176	174
Closing accumulated surplus	(12,948)	(12,055)
Return on capital %	(24.3)%	(29.2)%
Subsidy from Council	1,127	1,344



Special Purpose Financial Statements 2019

Wollongong City Council

Income Statement - Crematorium & Cemeteries

Management on the General Purpose Financial Statements

Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and

\$ '000	2019	2018
Income from continuing operations		
User charges	1,550	2,296
Other income	9	11
Total income from continuing operations	1,559	2,307
Expenses from continuing operations		
Employee benefits and on-costs	1,431	1,468
Materials and contracts	269	320
Depreciation, amortisation and impairment	9	10
Loss on sale of assets	7	_
Calculated taxation equivalents	173	133
Other expenses	560	561
Total expenses from continuing operations	2,449	2,492
Surplus (deficit) from continuing operations before capital amounts	(890)	(185)
Surplus (deficit) from continuing operations after capital amounts	(890)	(185)
Surplus (deficit) from all operations before tax	(890)	(185)
SURPLUS (DEFICIT) AFTER TAX	(890)	(185)
Plus accumulated surplus Plus adjustments for amounts unpaid:	(827)	(775)
- Taxation equivalent payments	173	133
Closing accumulated surplus	(1,544)	(827)
Return on capital %	(13.6)%	(3.7)%
Subsidy from Council	976	317



Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose Financial Statements

Special Purpose Financial Statements 2019

Wollongong City Council

Statement of Financial Position - Waste Disposal

\$ '000	2019	2018
ASSETS		
Current assets		
Investments		2,165
Total current assets	_	2,165
Non-current assets		
Receivables	70,160	53,277
Infrastructure, property, plant and equipment	39,543	36,680
Total non-current assets	109,703	89,957
TOTAL ASSETS	109,703	92,122
LIABILITIES		
Current liabilities		
Payables	638	_
Total current liabilities	638	_
Non-current liabilities		
Provisions	42,939	36,994
Total non-current liabilities	42,939	36,994
TOTAL LIABILITIES	43,577	36,994
NET ASSETS	00.400	FF 100
NET ASSETS	66,126	55,128
EQUITY		
Accumulated surplus	52,729	45,500
Revaluation reserves	13,397	9,628
TOTAL EQUITY	66,126	55,128



Special Purpose Financial Statements 2019

Wollongong City Council

Statement of Financial Position - Tourist parks

\$ '000	2019	2018
ASSETS		
Non-current assets		
Receivables	4,127	3,663
Infrastructure, property, plant and equipment	26,480	24,210
Total non-current assets	30,607	27,873
TOTAL ASSETS	30,607	27,873
NET ASSETS	30,607	27,873
EQUITY		
Accumulated surplus	13,005	12,018
Revaluation reserves	17,602	15,855
TOTAL EQUITY	30,607	27,873





Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose Financial Statements

Special Purpose Financial Statements 2019

Wollongong City Council

Statement of Financial Position – Health & Fitness

\$ '000	2019	2018
ASSETS		
Non-current assets		
Infrastructure, property, plant and equipment	4,398	4,224
Total non-current assets	4,398	4,224
TOTAL ASSETS	4,398	4,224
LIABILITIES		
Non-current liabilities		
Payables	13,901	13,063
Total non-current liabilities	13,901	13,063
TOTAL LIABILITIES	13,901	13,063
NET ASSETS	(9,503)	(8,839)
EQUITY		
Accumulated surplus	(12,946)	(12,055)
Revaluation reserves	3,443	3,216
TOTAL EQUITY	(9,503)	(8,839)



Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose Financial Statements

Special Purpose Financial Statements 2019

Wollongong City Council

Statement of Financial Position – Crematorium & Cemeteries

\$ '000	2019	2018
ASSETS		
Non-current assets		
Infrastructure, property, plant and equipment	6,534	5,021
Total non-current assets	6,534	5,021
TOTAL ASSETS	6,534	5,021
LIABILITIES		
Non-current liabilities		
Payables	4,585	3,494
Total non-current liabilities	4,585	3,494
TOTAL LIABILITIES	4,585	3,494
NET ASSETS	1,949	1,527
EQUITY		
Accumulated surplus	(1,535)	(827)
Revaluation reserves	3,484	2,354
TOTAL EQUITY	1,949	1,527



Special Purpose Financial Statements 2019

Wollongong City Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

Note 1. Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these Special Purpose Financial Statements 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) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in 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 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The Pricing and 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 and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

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

Category 1

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

- a. Waste Disposal: Manages the disposal of solid waste generated within the city.
- b. Tourist Parks: Operation, management & 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)

Nil

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Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose Financial Statements

Special Purpose Financial Statements 2019

Wollongong City Council

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

(i) Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Finanncial 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 - 27.5%

Land tax - the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,321,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,321,000 a premium marginal rate of 2.0% applies.

Payroll tax - 5.45% on the value of taxable salaries and wages in excess of \$850,000

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account 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 27.5%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional - that is, it is payable to 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 the SPFS.

The rate applied of 27.5% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and 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 and 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 Council's borrowing rate for its business activities.

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Special Purpose Financial Statements 2019

Wollongong City Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when 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 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 NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

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

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return 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 1.32% at 30/6/19.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.



Wollongong City Council

Special Purpose Financial Statements 2019

Special Purpose Financial Statements

for the year ended 30 June 2019

Please upift Council's Audit Report PDF (opinion) for inclusion in the SPFS report (via the Home screen).









Wollongong City Council

SPECIAL SCHEDULES for the year ended 30 June 2019





Wollongong City Council

Special Schedules 2019

Special Schedules

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Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose Financial Statements

Special Schedules 2019

Wollongong City Council

Permissible income for general rates

for the year ended 30 June 2019

\$ '000		Calculation 2019/20	Calculation 2018/19
Notional general income calculation ¹			
Last year notional general income yield	а	165,477	160,469
Plus or minus adjustments ²	b	730	854
Notional general income	c = a + b	166,207	161,323
Permissible income calculation			
Or rate peg percentage	е	2.70%	2.30%
Or plus rate peg amount	i = c x e	4,488	3,710
Sub-total	k = (c + g + h + i + j)	170,695	165,033
Plus (or minus) last year's carry forward total	I	4	190
Less valuation objections claimed in the previous year	m	(396)	(138)
Sub-total	n = (I + m)	(392)	52
Total permissible income	o = k + n	170,303	165,085
Less notional general income yield	р	170,562	165,477
Catch-up or (excess) result	q = o – p	(259)	(392)
Plus income lost due to valuation objections claimed ⁴		265	396
Less unused catch-up ⁵	S	(4)	_
Carry forward to next year ⁶	t = q + r - s	2	4

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) 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 Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this

Financial Statements



Wollongong City Council

Special Schedules 2019

Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose

Report on Infrastructure Assets

as at 30 June 2019

Asset Class	Asset Category	Estimated cost to bring assets		2018/19	2018/19		Gross	Assets		ition as a		
		to satisfactory standard	service set by	Required maintenance	Actual maintenance	Net carrying amount	replacement cost (GRC)	1	2	3	4	5
(a) Report	on Infrastructure Assets -	Values										
Buildings	Buildings	5,152	6,926	21,298	20,833	303,164	540,019	3.0%	17.1%	78.7%	0.7%	0.6%
	Sub-total	5,152	6,926	21,298	20,833	303,164	540,019	3.0%	17.1%	78.7%	0.7%	0.6%
Other	Other structures	963	1,284	551	539	7,482	13,971	4.6%	18.2%	68.0%	2.4%	6.8%
structures	Sub-total	963	1,284	551	539	7,482	13,971	4.6%	18.2%	68.0%	2.4%	6.8%
Roads	Sealed roads	67,173	89,737	16,943	16,317	569,999	1,426,090	6.7%	10.5%	74.5%	1.4%	7.0%
	Bridges	902	1,203	1,810	1,743	98,739	152,318	12.7%	36.5%	50.0%	0.2%	0.5%
	Footpaths	3,078	6,155	3,465	3,337	147,190	291,660	15.2%	19.7%	63.0%	1.3%	0.8%
	Sub-total	71,153	97,095	22,218	21,397	815,928	1,870,068	8.5%	14.0%	70.7%	1.3%	5.5%
Stormwater	Stormwater drainage	76	101	2,568	2,596	520,636	937,830	4.2%	13.1%	82.6%	0.0%	0.1%
drainage	Sub-total	76	101	2,568	2,596	520,636	937,830	4.2%	13.1%	82.6%	0.0%	0.1%
Open space / recreational	Swimming pools & Open Space/Recreation	6,936	10,377	25,305	26,816	116,754	187,847	2.9%	12.4%	71.8%	6.6%	6.4%
assets	Sub-total	6,936	10,377	25,305	26,816	116,754	187,847	2.9%	12.4%	71.8%	6.6%	6.4%
	TOTAL - ALL ASSETS	84,280	115,783	71,940	72.181	1,763,964	3,549,735	6.2%	14.2%	75.1%	1.1%	3.4%

⁽a) Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

(1) Cost to bring up to 'satisfactory standard' refers to the estimated cost to replace the calculated percentage of each asset type that are below satisfactory. Satisfactory standard is generally defined as condition 2 (see Asset Condition Definitions). As identified through Council's Securing our Future community engagement, for footpaths and shared paths, this is 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 the amount that should be spent to maintain assets in a satisfactory standard and to ensure that the estimated remaining life of the asset is achieved PLUS the new requirement to include the "operating expenses required to keep the asset in a functional state for community use'. During the 2016/17 financial year this process was completely reviewed to ensure inclusion of all labour and materials on all 'asset operation' tasks.

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Wollongong City Council

Special Schedules 2019

Report on Infrastructure Assets - Values (continued)

as at 30 June 2019

- (3) Current Annual Maintenance' is the total expenditure incurred during the year to maintain assets. It also includes the actual expenditure on operational costs to keep the asset in a functional state for community use', which includes costs such as mowing, painting, lighting, cleaning, energy supply etc. It does not include operational overheads (e.g. administration staff) or capital expenditure.
- (4) Cost to bring to agreed service level is defined as "The proportion of the GRC that have reached the intervention level based on condition." The outstanding renewal works compared to the total replacement cost of Councils assets. That is calculated as the cost of bringing condition 4 and 5 assets to condition 1.
- (5) 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

Condition of Public Assets

In assessing the condition of Public Assets, Council has considered the existing condition and function of each asset. The results shown for the condition of assets within each category are an average. Therefore, a proportion 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
1	As new
2	Good
3	Fair
4	Poor
5	To be replaced

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Special Schedules 2019

Wollongong City Council

Report on Infrastructure Assets (continued)

as at 30 June 2019

	Amounts	Indicator	Prior p	eriods	Benchmark
\$ '000	2019	2019	2018	2017	
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹ Asset renewals ² Depreciation, amortisation and impairment		93.63%	104.26%	104.90%	>=100.00%
Infrastructure backlog ratio ¹ Estimated cost to bring assets to a satisfactory standard Net carrying amount of infrastructure assets	84,280 1,763,964	4.78%	5.51%	5.72%	<2.00%
Asset maintenance ratio Actual asset maintenance Required asset maintenance	72,181 71,940	100.34%	98.54%	98.07%	>100.00%
Cost to bring assets to agreed service level Estimated cost to bring assets to an agreed service level set by Council Gross replacement cost	115,783 3,549,735	3.26%	3.47%	3.68%	

^(*) All asset performance indicators are calculated using classes identified in the previous table.

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⁽¹⁾ Excludes Work In Progress (WIP)

⁽²⁾ Asset renewals represent the replacement and/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.

Financial Statements

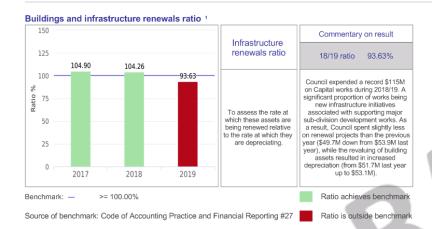


Special Schedules 2019

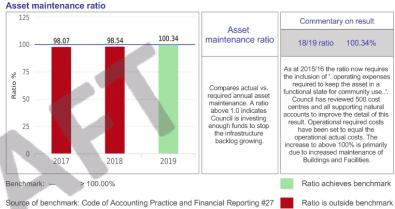
Wollongong City Council

Report on Infrastructure Assets (continued)

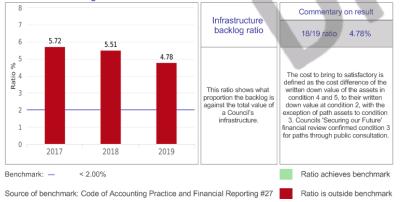
as at 30 June 2019



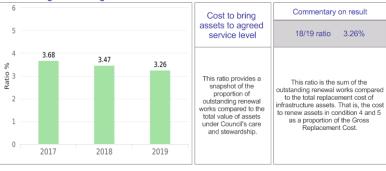
Item 15 - Attachment 2 - Statement by the Lord Mayor, Deputy Lord Mayor and Management on the General Purpose



Infrastructure backlog ratio



Cost to bring assets to agreed service level



(1) Excludes Work In Progress (WIP)



Special Purpose Financial Statements 2019

Wollongong City Council

Special Purpose Financial Statements

for the year ended 30 June 2019

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 and Costing for Council Businesses A Guide to Competitive Neutrality'
- the Local Government Code of Accounting Practice and Financial Reporting,

To the best of our knowledge and belief, these 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 23 September 2019.

Gordon Bradbery	David Brown
Lord Mayor	Deputy Lord Mayor
23 September 2019	23 September 2019
Greg Doyle	Brian Jenkins
General Manager	Responsible Accounting Officer





EXECUTIVE SUMMARY

As General Manager of Wollongong City Council, I present the Annual Financial Statements for 2018-2019. These statements continue to reflect Council's transformation in recent years to an organisation which is financially stable having the capacity to manage short, medium and longer term challenges.

The Income Statement shows a net operating surplus of \$52.1 million compared to a surplus of \$48.8 million in 2017-2018. The net operating result before capital grants and contributions was a deficit of \$7.5 million. While this result compares to a surplus of \$8.1 million in 2017-2018, the result was impacted by a large number of valuation adjustments primarily related to external economic conditions on long term accounting estimates. We are confident that our underlying financial performance is on track and remains sustainable.

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 2019 was \$2.78 billion. During 2018-2019, Council completed capital works of \$115.8 million including the construction and acquisition of \$64.0 million of new assets and \$51.8 million for the renewal of existing assets. The program includes projects such as the continuation of West Dapto Access Works including the extension of Fowlers Road to Fairwater Drive, new waste cells at Whytes Gully, our first synthetic football field at lan McLennan Park, additional sections of the Grand Pacific Walk, Stanwell Park Beach Kiosk, power supply to Mt Keira, Wombarra Rock Pool Refurbishment, and various upgrades to community centres, amenities and buildings at Council parks, gardens and sports fields across the Local Government Area.

Council maintains a strong position in cash and investments, with holdings of \$155 million at 30 June 2019 [\$158 million in 2017-2018]. \$139 million of Council's cash [\$142 million in 2017-2018] is restricted in its use to specific purposes by external bodies, legislation and Council resolution.

Council's unrestricted current ratio decreased from 2.93:1 in 2017-2018 to 2.70:1 in 2018-2019. This ratio, which measures Council's liquidity and ability to satisfy short-term obligations, is above the Local Government Benchmark of >1.5:1. Council's strategy is to better utilise cash and target a lean unrestricted cash ratio, however significant cash assets held for future waste facility requirements are included in this ratio. The measure is expected to remain above the benchmark until payments are required.

Rates and Annual Charges outstanding increased from 4.66% in 2017-2018 to 5.09% in 2018-2019. Although Council continue to improve the recovery processes for all rate payers, there has been an increase in debt owed to Council by pensioners that Council policy allows.

Council continues to have relatively low levels of borrowing and did not undertake any additional borrowings in 2018-19. This contrasts to recent years where borrowings under attractive and/or subsidised terms for specific works have been sought. Low debt levels remain a financial strength of Council and adds flexibility in making financial decisions for the future. The 2018-2019 debt service ratio decreased slightly to 3.28% compared to 3.34% in 2017-2018. This change is the result of increased income from continuing operations rather than a shift in borrowing levels. This ratio remains positive in comparison to the Local Government benchmark of <10% and is within Council's financial strategy to operate within a ratio of <4%.

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

Greg Doyle General Manager

Wollongong City Council





Financial Commentary 2018-2019





Financial Commentary 2018-2019

2018-2019 FINANCIAL OVERVIEW

This report provides an overview of Council's 2018-2019 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° 27). The Statements are independently audited by the Audit Office of NSW, 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; Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.

The 2018-2019 Financial Statements shows a positive Net Operating Result of \$52.1M. This result includes grants and contributions for capital purposes which increases the asset base of Council however is not considered to truly reflect the underlying operating performance of the organisation.

The Net Operating Result before Grants and Contributions for Capital Purposes was a deficit of \$7.5M which is below Council's targeted position of a small surplus result. The 2018-2019 result has been impacted by a number of significant one off non-cash adjustments related to valuation of employee leave and workers compensation provisions, loss on disposal of assets (assets renewed that had remaining book value, not sold), and reclassification of prior year capital works-in-progress (WIP) to operational expense. These adjustments alone were reported in Council's June Quarterly Review to have negatively impacted the result by \$15.7M. These variations do not change the underlying capacity of the organisation over a period of time, and while there are also some positive one off items reported, Council considers our underlying financial performance to be on track to meet financial strategies and targets in the short, medium and long term.





Financial Commentary 2018-2019

2

2018-2019 HIGHLIGHTS

\$2.78B Total Assets

LY \$2.57B

3.28%
Debt Service Ratio

LY 3.34%

\$64.0M

Capital Works - New

LY \$39.4M

\$51.8M

Capital Works - Renew

LY \$56.4M

\$52.1M Surplus

Net Operating Result

LY \$48.8M Surplus

\$7.5M Deficit

Net Operating Result Before Capital Grants & Contributions

LY \$8.1M Surplus

\$7.4M

Contributed Assets Recognised

LY \$18.2M

2.70:1

Unrestricted Current Ratio

LY 2.79:1

\$154.8M

Cash Assets & Investments

LY \$157.8M

5.09%

Rates, Annual Charges, Interest & Extra Charges Outstanding

LY 4.66%

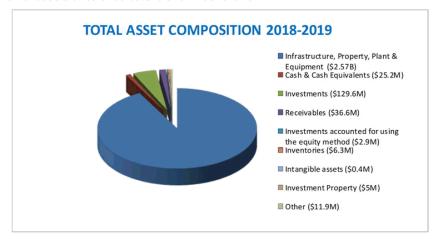






ASSETS

Council is the custodian of community assets with a total value of \$2.78B at 30 June 2019. The composition of assets at balance date is shown as follows:



Infrastructure, Property, Plant & Equipment (IPPE)

With a carrying value of \$2.57B IPPE is Council's most significant asset group representing 92% of total asset value. This asset group include roads, drains, footpaths, community facilities, recreational facilities, parks and gardens.

During 2018-2019, Council achieved its target and delivered a capital works program of \$115.8M including the construction and purchase of \$64.0M of new assets and renewal of existing assets of \$51.8M. After accounting for annual depreciation expense, the overall value of IPPE increased by \$309.6M during 2018-2019. This is mainly the result of revaluations to operational land and buildings. Further financial details of IPPE are shown at Note 10.

Cash and Investments

Council maintained robust levels of cash and investments, with holdings of \$155M at 30 June 2019. Cash and investment positions over recent years are as follows:

CASH, INVESTMENTS & AVAILABLE FUNDS (\$M)							
	YTD Actual 30 June 2016	YTD Actual 30 June 2017	YTD Actual 30 June 2018	YTD Actual 30 June 2019			
TOTAL CASH & INVESTMENTS	154.025	167.577	157.768	154.822			
Less Restrictions:							
External	75.276	75.788	74.192	77.657			
Internal	55.377	57.379	68.129	61.203			
AVAILABLE CASH	23.372	34.410	15.447	15.962			
Adjusted for :							
Current payables	(37.432)	(41.617)	(30.010)	(35.020)			
Receivables	24.487	34.211	37.702	48.499			
AVAILABLE FUNDS	10.427	27.004	23.139	29.441			

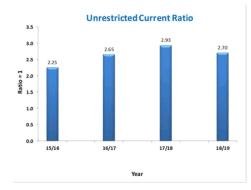
Council's cash and investment position is robust at face-value; however these funds are subject to restriction. Council's true cash position is more accurately depicted by considering available funds which are uncommitted and not subject to restriction. External restrictions are funds held by Council 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.

At 30 June 2019, Council achieved an available funds position of \$29.4M, which is significantly higher than the Financial Strategy target range of 3.5% to 5.5% of operational revenue (pre-capital). The result at balance date was uplifted by the early receipt of the first two instalments of the Financial Assistance Grant for 2019-2020 totalling \$9.4M.









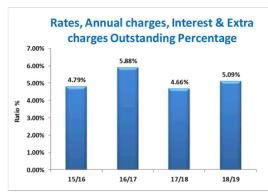
Measures: Cash/Liquidity Position or Council's ability to satisfy obligations in the short term from its unrestricted activities.

Strategy: Council's strategy is to maximise the use of available funds for asset renewal by targeting a lean Unrestricted Current Ratio. Cash assets held for future waste facility requirements are captured in this ratio. As these amounts are significant, this ratio is expected to exceed the benchmark until payments are required.

Performance: Council's performance is above the Local Government Benchmark of >1.5:1 and is consistent with prior years.

Receivables

Receivables are the amount of money that is owed to Council or funds that Council has paid in advance. At 30 June 2019, receivables totalled \$36.6M, an increase of \$9.6M compared to the 2017-2018 reporting period. The fluctuation is related to an increase in Government Grants and Subsidies receivable. Full details of receivables are provided in Note 7.



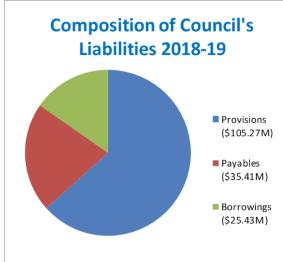
Measures: The impact of uncollected rates and other charges on liquidity and the adequacy of recovery efforts.

Target: Industry standard of <5%.

Performance: Council's Debt Recovery Policy has produced a result which exceeds target and performance in recent years. Although Council continues to improve the debt recovery processes for all rate payers, there has been an increase in debt owed to Council by pensioners that Council policy allows.

LIABILITIES

At 30 June 2019 Council's Total Liabilities were \$166.1M. The composition of Council's Total Liabilities is shown below.



Provisions: Account for 63.4% of Council's Liabilities with the most significant provisions relating to Employee Leave Entitlements [\$54.5M], Waste Depot Remediation Provision [\$42.9M], Workers' Compensation Provision [\$7.1M] and Self-Insurance [\$0.7M].

Payables: Account for 21.3% of Council's Liabilities. The most significant payables being goods and services received and capital expenditure incurred but not yet paid for, and accrued expenditure.

Borrowings: Account for 15.3% 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 Programs (1, 2 and 3) secured over the previous five financial years.







Provisions

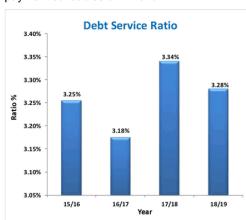
Provisions increased during 2018-2019 by \$10.3M. The increase is mainly attributable to the revaluation of employee leave entitlements [\$5.2M] and the reassessment of prior year workers' compensation claims to reflect broader community valuation trends [\$2.0M]. Although the provisions are revalued each financial year, these changes are the result of external economic conditions through the application of discount rates to reflect the value of the provisions as at 30 June 2019.

Borrowings

Council continues to remain a relatively low debt user. In 2018-2019 Council did not undertake additional borrowings, all activity related to the repayment of previously secured loans.

In prior years Council took advantage of borrowing opportunities enabling it to accelerate specific capital programs. The loan facilities which Council has in place include an interest free infrastructure loan from the NSW State Government for West Dapto Access Works, which was secured in 2010 for a 10 year term which will continue to be repaid over the next two years.

Council also has subsidised loans under the Local Government Infrastructure Renewal Scheme (LIRS). Funds were secured under LIRS rounds 1, 2 and 3. The projects funded under round 1 (Citywide Footpaths and Shared Path Renewal and Missing Links Construction Program) and round 2 (Upgrade Berkeley and Corrimal Community Centres and Thirroul Pavilion and Kiosk) are complete. The project funded by the round 3 applications, (the West Dapto Access Project to construct Fowlers Road to Fairwater Drive) is still active. Repayment of LIRS loans will continue in accordance with the various payment schedules until 2025.



Measures: The proportion of revenues that is required to meet Council's annual loan repayments.

Target: Council's Financial Strategy allows for a ratio of 4%.

Performance: A low level of debt is reflected in Council's Debt Service Ratio of 3.28%. This is exceptionally low in comparison to the Local Government benchmark ratio of <10%, and is within Council's own Strategy.

The Debt Service Ratio decreased slightly in the 2018-2019 reporting period. This is due to an increase in Council's income from continuing operations.

Operational Performance - Income & Expenses

Council achieved a Net Operating Surplus from Continuing Operations of \$52.1M in 2018-2019 in comparison to a Surplus of \$48.8M in 2017-2018. Council's underlying measure of long term operational performance, the Operational Result before Capital Grants and Contributions, is a deficit of \$7.5M, compared to a surplus of \$8.1M in 2017-2018. The 2018-2019 result has been impacted by a number of large valuation transactions primarily related to the accounting treatment of employee liabilities.

Income

Council's Income from Continuing Operations for 2018-2019 was \$338.5M compared to a prior year result of \$314.8M. This increase is mainly attributed to an increase in Capital Grants and Contributions [\$19.0M] due to an increase in developer contributions and capital grants funding for transport infrastructure associated with the West Dapto Urban Release Area, partially offset by lower levels of subdivision dedications.

The composition of Council's revenue remained reasonably consistent compared to previous years as depicted in the table below. Exceptions include Grants and Contributions Capital which increased in its portion of total income from continuing operations [from 13% to 18%]. It is noted that Council does not control the flow of asset dedications by developers and contributions vary from year to year.

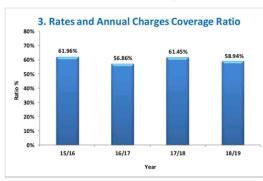






COME FROM CONTINUING OPERATIONS		Year ended 30/06/2016 \$'000 %		Year ended 30/06/2017 \$'000 %		Year ended 30/06/2018 \$'000 %		Year ended 30/06/2019 \$'000 %	
COME FROM CONTINUING OF ERATIONS	\$ 000	70	\$ 000	/0	\$ 000	70	\$ 000	/0	
tes & Annual Charges	174,149	62%	184,530	57%	193,419	61%	199,524	59%	
er Charges & Fees	31,252	11%	37,491	12%	34,805	11%	32,793	10%	
erest & Investment Revenues	5,597	2%	5,909	2%	5,162	2%	5,069	1%	
her Revenues	12,891	5%	14,418	4%	10,551	3%	12,125	4%	
ants & Contributions - Operating	30,461	11%	39,639	12%	29,384	9%	28,856	9%	
ants & Contributions - Capital	26,548	9%	42.022	13%	40,637	13%	59,656	18%	
ofit on Disposal of Assets	0	0%	0	0%	5	0%	220	09	
t Share of interests in Joint Ventures &									
sociated Entities using the equity method	150	0%	525	0%	803	0%	293	09	
tal Income from Continuing Operations	281,048	100%	324,534	100%	314,766	100%	338,536	100%	
100% 90% 80% 70%						■ Net Share of interests in Joint Ventures & Associated Entities using the equity method ■ Profit on Disposal of Asse			
50%							Operating		
						_	Other Revenues		
40%							■ Investment Reve	enues	
30%						_			
							■ User Charges an	d Fees	
30%									
20%						_	■ User Charges an		

Income from Rates and Annual Charges, Council's largest revenue stream, totalled \$199.5M in 2018-2019, an increase of \$6.1M on the prior year. The increase is due to indexation and additional income from the finalisation of objections to land values from previous financial years.



Measures: The degree of Council's dependence upon revenue from rates and annual charges and the security of Council's income.

Performance: This ratio indicates a decreased level of dependence on rates and annual charges revenue compared to last year. It is noted that this year's performance is in line with the 2016-2017 result and was skewed by an increase in the flow of developer contributions. As predicted, this ratio is subject to some fluctuation, and the current year performance is as expected.



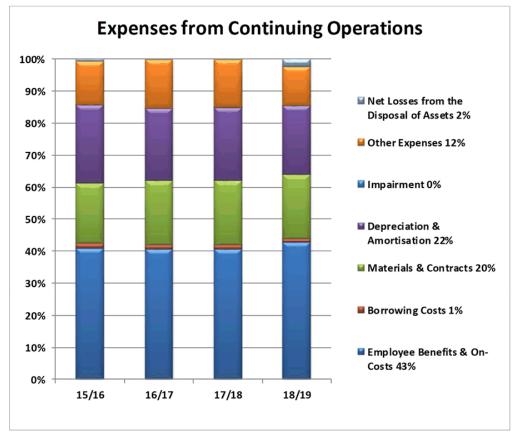




Expenses

Expenses from Continuing Operations for 2018-2019 totalled \$286.4M, an increase on prior year expenditure of \$20.4M. This increase can be predominately explained by Employee Costs rising from \$107.8M in 2017-2018 to \$122.4M in 2018-2019. This is partly due to the impact of the revaluation of employee leave entitlements [\$5.2M] and the reassessment of prior year workers' compensation claims to reflect broader community valuation trends [\$2.0M]. The increase in expenses has also been impacted by an increase in Loss on Disposal of Assets from \$0.4M in 2017-2018 to \$6.9M in 2018-2019.

In terms of composition, the proportion of each expenditure category against total expenses from continuing operations has remained consistent compared to prior years with the exception of net losses from the disposal of assets. Material budget variations from the 2018-2019 year for income and expenditure items are detailed in Note 21 of the statements.









Wollongong City Council

Historical Financial Data

Income Statement

	Notes	Actual 2015/16 \$'000	Actual 2016/17 \$'000	Actual 2017/18 \$'000	Actual 2018/19 \$'000
Income from Continuing Operations					
Revenue:					
Rates & Annual Charges	3a	174,149	184,530	193,429	199,524
User Charges & Fees	3b	31,252	37,491	34,805	32,793
Interest and Investment Revenue	3c	5,597	5,909	5,162	5,069
Other Revenues	3d	12,891	14,418	10,551	12,125
Grants & Contributions provided for Operating Purposes	3e,f	30,461	39,639	29,384	28,856
Grants & Contributions provided for Capital Purposes	3e,f	26,548	42,022	40,637	59,656
Other Income:				-	
Net Gains from the Disposal of Assets	5	-	-	-	-
Fair Value Increment on Investment Property	11	-	-	5	220
Profit from interests in Joint Ventures & Associates		-	-	-	-
Entities using the equity method	17	150	525	803	293
Total Income from Continuing Operations		281,048	324,534	314,776	338,536
Expenses from Continuing Operations Employee Benefits & On-Costs					
Employee Benefits & On-Costs	4a	103,547	103,139	107,843	122,445
Borrowing Costs	4b	4,223	4,071	3,819	3,337
Materials & Contracts	4c	47,144	47,032	53,709	57,432
Depreciation & Amortisation	4d	61,882	61,271	60,067	61,781
Impairment	4d	6	-	-	-
Other Expenses	4e	34,782	35,594	40,211	34,571
Net Losses from the Disposal of Assets	5	1,627	3,960	361	6,856
Loss from interests in Joint Ventures & Associates	19	_	,	-	,
Total Expenses from Continuing Operations		253,211	255,067	266,010	286,422
Operating Result from Continuing Operations		27,837	69,467	48,766	52,114
NET OPERATING RESULT FOR THE YEAR	-	27,837	69,467	48,766	52,114
Less: Grants & Contributions provided for Capital Purposes Net Operating Result for the year before Grants and	3e,f	26,548	42,022	40,637	59,656
Contributions provided for Capital Purposes	-	1,289	27,445	8,129	(7,542)

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







Wollongong City Council

Historical Financial Data

Statement of Financial Position

	Notes	Actual 2015/16 \$'000	Actual 2016/17 \$'000	Actual 2017/18 \$'000	Actual 2018/19 \$'000
ASSETS					
Current assets					
Cash & cash equivalents	6a	17,747	23,534	26,491	25.187
nvestments	6b	126.193	23,554 119,458	109.162	114,579
Receivables	7	21,280	23,531	27.036	36,620
nventories	8	6,027	23,531	306	30,020
Other	8	3.207	10.680	10.666	11.879
Assets held for sale (previously non-current)	9	3,207	6,381	10,000	11,078
Total current assets	° –	174,454	183,882	173,661	188,602
Total current assets	_	174,454	103,002	1/3,001	100,002
Non-current assets					
Cash assets	6a	-	-	-	
nvestments	6b	10,085	24,585	22,115	15,056
Receivables	7	-	-	-	
nventories	8	-	5,791	5,835	5,948
nfrastructure, property, plant & equipment	10	2,270,419	2,309,628	2,317,081	2,565,095
nvestments accounted for using the equity method	17	1,310	1,835	2,638	2,929
nvestment property	11	4,775	4,775	4,780	5,000
ntangible assets	12	1,043	653	388	440
Non-current assets classified as 'held for sale' Other		-			
Total non-current assets	_	2,287,632	2,347,267	2,352,837	2,594,468
TOTAL ASSETS	_	2,462,086	2,531,149	2,526,498	2,783,070
TOTAL ASSETS	_	2,462,066	2,531,149	2,520,496	2,703,070
LIABILITIES					
Current liabilities					
Payables	13	34,238	38,660	26,754	30,006
ncome received in advance	13	3,194	2,957	3,256	5,014
nterest bearing liabilities	13	6,690	7,513	7,716	7,934
Provisions	14 _	50,683	48,853	50,377	58,214
Total current liabilities	_	94,805	97,983	88,103	101,168
Non-current liabilities					
Payables	13	-	-	700	385
nterest bearing liabilities	13	33,940	32,188	25,039	17,497
Provisions	14	44,031	48,121	44,566	47,054
Total non-current liabilities	_	77,971	80,309	70,305	64,936
TOTAL LIABILITIES	_	172,776	178,292	158,408	166,104
NET ASSETS	\$	2,289,310	2,352,857	2,368,090	2,616,966
EQUITY					
Retained earnings	15	1,302,643	1,389,905	1,411,338	1,463,845
Revaluation reserves	15	986,667	962,952	956,752	1,153,065
1014144151110001100	15	-	502,502	555,752	56
Council Equity Interest		2,289,310	2,352,857	2,368,090	2,616,960
Vinority Equity Interest		2,200,010	2,002,007	2,000,000	2,010,500
FOTAL EQUITY	•	2,289,310	2,352,857	2,368,090	2,616,966
TO THE ENOUTH	Ψ_	2,203,310	2,302,007	2,300,030	2,010,90

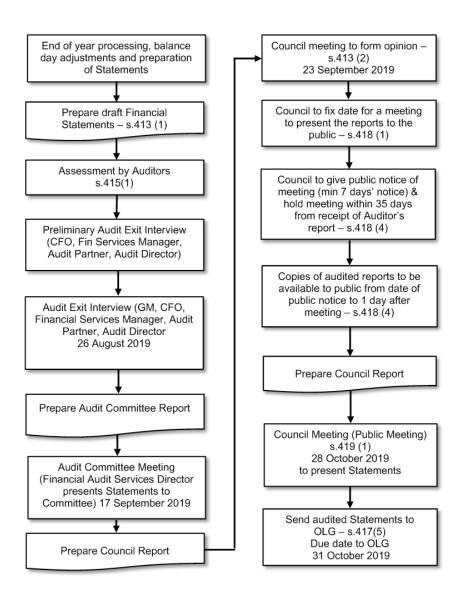
This Statement is to be read in conjunction with the Notes in the body of the financial statements.

and Audit Process



Wollongong City Council Flowchart of the Annual Financial Statements Approval Process

Item 15 - Attachment 6 - Flowchart of the Annual Financial Statement Approval



File: IW-911.01.190 Doc: IC19/543



ITEM 16

CITY OF WOLLONGONG TRAFFIC COMMITTEE MINUTES OF MEETING HELD ON 28 AUGUST 2019

The City of Wollongong Traffic Committee meeting was held on 28 August 2019. Items listed in Sections 2, 4 to 6 are to be adopted by Council through delegated authority. The items listed in Section 3 must be determined by Council and is recommended to Council for approval for temporary Regulation of Traffic on public roads for works or events by independent parties.

RECOMMENDATION

In accordance with the powers delegated to Council, the Minutes and Recommendations of the City of Wollongong Traffic Committee held on 28 August 2019 in relation to Regulation of Traffic be adopted.

REPORT AUTHORISATIONS

Report of: Mike Dowd, Manager Infrastructure Strategy + Planning

Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

- 1 Standard Conditions for Road Closures
- 2 Standard Conditions for Street Parties
- 3 Darkes Road, Kembla Grange
- 4 Yours and Owls
- 5 NRL Australia Kangaroos Vs New Zealand Kiwi
- 6 The Australian Supercross Championships

BACKGROUND

1 CORRIMAL – Ward 1 (Item 3.2 of Wollongong Traffic Committee Minutes of Meeting)

Augusta Street Christmas Party on Sunday 8 December 2019 - Road Closure

Background

Council has received a request from the Corrimal Community Church for a street party including carols on the lawn to be held on Sunday 8 December 2019 from 4pm to 9.30pm.

The Church has also provided evidence from adjoining residents that there is no objection to the road closure taking place for this event.

As Pioneer Road is busy it is not desirable for drivers to see the road closure as they reach the intersection at Pioneer Road and Augusta Street. Detour signs are required on both approaches. It will also be necessary for the vehicle mitigation on Council's Traffic Control Plan to be located 15m west of Pioneer Road, with the barriers at the intersection.

Consultation

Consultation with the community is required as a condition of approval for this road closure.

PROPOSAL SUPPORTED UNANIMOUSLY

The proposed road closure is approved subject to the addition of detour signs on Pioneer Road on each approach to the intersection at Augusta Street and Council's Standard Conditions for Street Parties, with the vehicle mitigation located 15m west of Pioneer Road.



2 KEMBLA GRANGE – Ward 3 (Item 3.3 of Wollongong Traffic Committee Minutes of Meeting)

Darkes Road – Proposed Road Closure for Construction Work 1 October 2019 to 16 December 2019

Background

The construction of the new subdivision at 109 Darkes Road involves a new sewer line and a stormwater line to be installed at the edge of Darkes Road to the east of West Dapto Road. In order to complete the project safely the construction manager has proposed the closure of Darkes Road from just west of the driveway to Council's Integral Energy Park to the intersection with West Dapto Road. The proposed closure will be in place from 1 October 2019 to 16 December 2019.

There is one private property at 141 Darkes Road in the length of road affected by the closure. The Construction Manager has arranged for temporary access. Residents and visitors to the Integral Energy Park and the properties to the east will be required to enter and leave the area via the Princes Highway, with no access permitted from West Dapto Road.

Consultation

Consultation with residents and major user groups at Integral Energy Park is a condition of approval for this road closure.

PROPOSAL SUPPORTED UNANIMOUSLY

The proposed road closure of Darkes Road Kembla Grange be approved for the period 1 October 2019 to 16 December 2019 subject to the submitted Traffic Management Plan 61635 – Darkes Road, Kembla Grange and Council's Standard Conditions for Road Closures.

3 PORT KEMBLA – Ward 3 (Item 3.4 of Wollongong Traffic Committee Minutes of Meeting)

Gloucester Boulevarde – Additional Triathlon Event and Road Closure 7.15 am to 10.45 am on Sunday 20 October 2019

Background

The Illawarra Triathlon Club obtained approval for the road closures necessary to hold the 2019/20 series of triathlon events on Gloucester Boulevarde, at the Council meeting on Monday 12 August 2019. The Club have been successful in a bid to hold an additional triathlon event for the Police Games on Sunday 20 October 2019.

The event will be run on the same times and using the same Traffic Management Plans as the events already approved. The closure for this additional event will take effect from 7.15 am to 10.45 am on the day.

Consultation

Consultation with the community affected by the closures of Gloucester Boulevarde is a condition of approval for this event.

PROPOSAL SUPPORTED UNANIMOUSLY

The road closures for Gloucester Boulevarde be approved for the additional triathlon event for the Police Games on Sunday 20 October 2019, subject to Council's Standard Conditions for Road Closures and the previously submitted Traffic Management Plans for the Illawarra Triathlon Club Events at Port Kembla.



4 WOLLONGONG – Ward 2 (Item 3.5 of Wollongong Traffic Committee Minutes of Meeting)

Yours and Owls Festival Road Closures at George Hanley Drive and Squires Way – 10 am on Saturday 5 to 12 am on Monday 7 October 2019.

Background

The Yours and Owls Music Festival for 2019 is to be held at Stuart Park on Saturday 5 and Sunday 6 October 2019. It is proposed to have the entrance to the Festival at the western end of Stuart Park and there are temporary bus, Taxi and No Parking zones included on the Traffic Management plan on Squires Way and George Hanley Drive. The plans will need to be amended to include a No Parking area close to the Kembla Street roundabout for special pick-ups after each day of the event, and a temporary 40 kph speed limit is required between the bridge on Squires Way to George Hanley Drive adjacent to the roundabout.

The organisers originally proposed a road closure for 30 minutes of George Hanley Drive at the conclusion of each day's entertainment in order to allow pedestrians to cross. Council prefers that several controlled crossing points be arranged on Squires Way and George Hanley Drive where traffic will be stopped for short periods to allow pedestrians to cross, facilitated by the 40 kph speed limit. This will avoid the need for any road closures, and will have pedestrians directed along paved footpaths. The organisers provided amended Traffic Management Plans which were tabled at the meeting.

Consultation

Consultation with the community in the vicinity of Stuart Park is a condition of approval for this event.

PROPOSAL SUPPORTED UNANIMOUSLY

The proposed Regulation of Traffic on Squires Way and George Hanley Drive from 10 am on Saturday 5 October until 1 am on Monday 7 October 2019 be approved subject to submitted Traffic Management Plans - George Hanley Drive and Squires Way and Council's Standard Conditions for Road Closures.

5 WOLLONGONG - Ward 2 (Item 3.6 of Wollongong Traffic Committee Minutes of Meeting)

NRL Australia Kangaroos Vs New Zealand Kiwis Game at WIN Stadium – 25 October 2019

Background The WIN Stadium will host the NRL Kangaroos Vs NZ Kiwis on Friday 25 October 2019 at WIN Stadium

with crowds expected between 15,000 and 20,000. It is proposed to use the standard traffic management plan No. 2 for the event which involves the closures of Burelli Street between Corrimal and Harbour Streets and Harbour Street between Crown and Stewart Streets. Truck mounted barriers are also proposed to provide hostile vehicle mitigation at the road closures.

The closure will take effect from 2.30 pm until 10.30 pm on the day. The closures will require the bus services to use Corrimal and Crown Streets to access the bus terminus on Marine Drive. Due to the crowd numbers expected there will be a shuttle bus provided between Wollongong Station and the Stadium.

Consultation

It is a condition of approval for the organisers to consult with adjoining residents and business operators affected by the road closures.

PROPOSAL SUPPORTED UNANIMOUSLY

The proposed road closure closures of Burelli and Harbour Streets be approved for Friday 25 October 2019 subject to the submitted Traffic Management Plan - NRL Australian Kangaroos Vs New Zealand Kiwis Game and Council's standard conditions for road closures.



6 WOLLONGONG – Ward 2 (Item 3.7 of Wollongong Traffic Committee Minutes of Meeting)

Australian Supercross Championship at WIN Stadium – 9 November 2019

Background

The WIN Stadium will host the Australian Supercross Championship on Saturday 9 November 2019 with crowds expected between 10,000 and 15,000. It is proposed to use the standard traffic management plan No. 2 for the event that involves the closures of Burelli Street between Corrimal and Harbour Streets and Harbour Street between Crown and Stewart Streets. Truck mounted barriers are also proposed to provide hostile vehicle mitigation at the road closures.

The closure will take effect from 3.30 pm until 10 pm on the day. The closures will require the bus services to use Corrimal and Crown Streets to access the bus terminus on Marine Drive. Due to the crowd numbers expected there will be a shuttle bus provided between Wollongong Station and the Stadium.

Consultation

It is a condition of approval for the organisers to consult with adjoining residents and business operators affected by the road closures.

PROPOSAL SUPPORTED UNANIMOUSLY

The proposed road closure closures of Burelli and Harbour Streets be approved for Saturday 9 November 2019 subject to the submitted Traffic Management Plan - The Australian Supercross Championship and Council's standard conditions for road closures.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We have affordable and accessible transport".

It specifically delivers on core business activities as detailed in the Draft Service Plan 2018-19.



Attachment 1 - Standard Conditions for Road Closures

Standard Conditions for Road Closures

For Special Events and Work Related activities Within Council Road Reserves.

Following approval by Wollongong City Council, road closures are subject to the additional Council conditions:

- The Applicant must complete the Council form 'Application to Open and Occupy or Underbore a Roadway or Footpath' (Refer to Checklist below – relates to Section 138 of the Roads Act.)
- NSW Police Approval: The Applicant must obtain written approval from NSW Police, where required under the Roads Act.
- If the Road Closure is within 100m of any traffic control signals or on a 'State Classified Road' the Applicant must obtain a Road Occupancy Licence (ROL) from NSW Roads & Maritime Services (RMS).
- 4. The Applicant must advise all affected residents and business owners within the closure area of the date/s and times for the closure, at least 7 days prior to the intended date of works.
- 5. The Applicant must advise Emergency Services: Ambulance, Fire Brigade and Police, Taxi and Bus Companies of the closure dates and times in writing, 7 days prior to the intended date of works. The Applicant must endeavour to minimise the impact on bus services during the closure.
- Traffic Management Plan: The closure must be set up in accordance with the approved Traffic Management Plan (TMP) prepared by an appropriately qualified traffic controller; a copy of whose qualifications must be included with the submitted TMP.
- Traffic Management Plan Setup: The Traffic Management Plan must be set up by appropriately qualified traffic control persons or the NSW Police.
- Access to properties affected by the road closure must be maintained where possible. Where
 direct access cannot be achieved, an alternative arrangement must be agreed to by both the
 applicant and the affected person/s.
- Public Notice Advertisement: The Applicant must advertise the road closure in the Public Notices section of the local paper, detailing closure date/s and times at least 7 days prior to the closure.
- 10. Public Liability Policy: The Applicant must provide Council with a copy of their current insurance policy to a value of no less than \$20 million dollars to cover Wollongong City Council from any claims arising from the closure.

Checklist:

Completed Council Form: 'Application to Open and Occupy or Underbore a Roadway or Footpath'.

Required information as shown below MUST be attached:

- $\ensuremath{\square}$ A copy of the letter from the Traffic Committee authorising the closure
- $\ oxdot$ The Traffic Management Plan (TMP)
- ☑ The Road Occupancy Licence (ROL) if required
- ☑ Written approval from NSW Police
- ☑ Public Liability Insurance

Applications may be lodged in the Customer Service Centre located on the Ground Floor of Council's Administration Building, 41 Burelli Street Wollongong between 8.30am and 5pm Monday to Friday.



Attachment 2 - Standard Conditions for Street Parties

Standard Conditions for Street Parties

- 1 Each road affected by the closure approval shall be restored to full and uninterrupted traffic flow prior to the end of the closure.
- The road shall be cleared sufficiently to allow an emergency vehicle access to a property within the closure area. For this reason, no barbeques, heavy tables or other heavy equipment is to be set up on the road pavement.
- 3 You are required to advertise the road closure in the local newspaper

(eg) Temporary Road Closure – Owen Street, Bulli

Date: 6 December 2014 Time: 2 pm – 7 pm Event: Street Party

- 4 Council will notify emergency services and the Police Service.
- 5 NSW Police Service directions are to be strictly adhered to.
- See attached typical road closure set up for a street party note that vehicles will be required to be parked across the roadway at each closure point.

Council will endeavour to make available to you the following equipment

Regular Street Equipment Requirements	Cul - De - Sac Street Equipment Requirements
6 Barrier legs	3 Barrier legs
12 Road Barriers	6 Road Barriers
2 Road Closed Signs	1 Road Closed Signs
4 Flashing Lights	2 Flashing Lights

It should be noted that Council does not supply 9 volt batteries for flashing lights, but these can be obtained at a modest cost from hardware stores. The flashing lights must be fixed to the barriers and operating prior to sunset.

It is your responsibility to collect this equipment from Council's Works Depot Store, Montague Street, North Wollongong, prior to 2.00 pm on the last working day prior to your proposed road closure, and return same on the next working day following the closure. Please ensure you sign a receipt when collecting and returning this equipment.

Equipment, which is returned damaged beyond use or not returned at all, will be replaced at your cost.

A sufficient number of people (at least 2), together with a vehicle suitable for the purpose of transporting the relevant equipment, are to be provided by the organisers for the loading and unloading of this equipment at the Depot.

- 7 You are requested to contact Lee Cramer, Council's Events and Functions Coordinator on 42 277104 two weeks prior to pick-up to ensure availability of the equipment.
- If Council's Store does not have sufficient equipment to lend, you are to obtain equipment from another source (e.g. hire firm) at your expense.

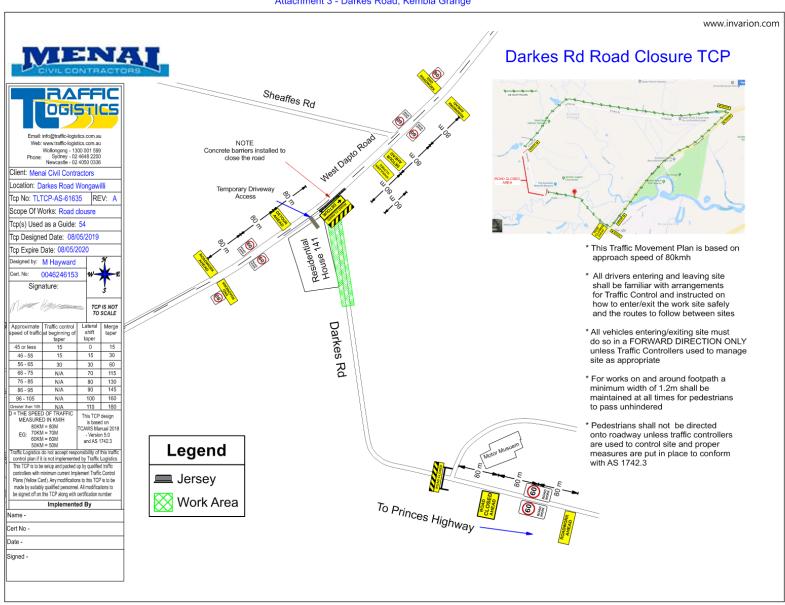


TYPICAL ROAD CLOSURE SET UP FOR STREET PARTIES One or more vehicles should be parked across the roadway at each closure point. The maximum gaps between vehicles to be 1.2 m TYPICAL BARRIER BOARD

Attachment 2 - Standard Conditions for Street Parties



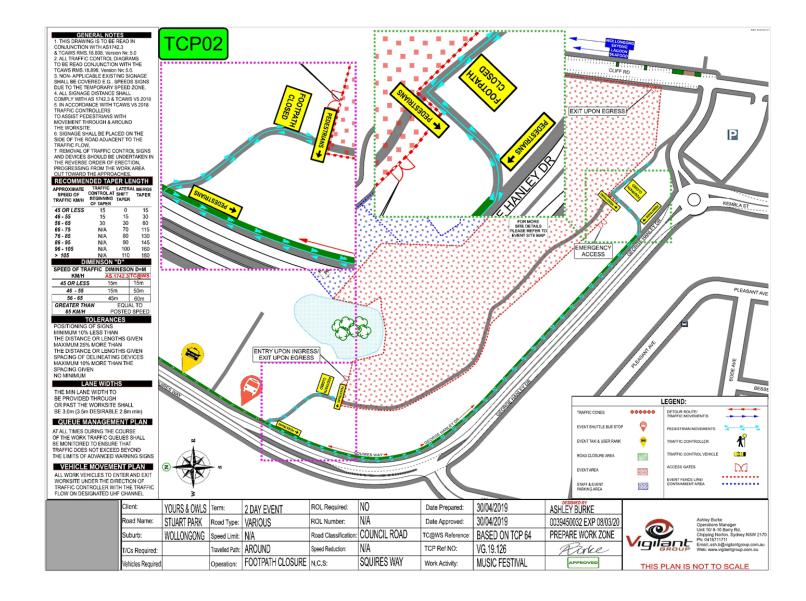
Attachment 3 - Darkes Road, Kembla Grange







Attachment 4 - Yours and Owls Page 1 of 3



96 - 105

KM/H 45 OR LESS

46 - 55

56 - 65 GREATER THAN 65 KM/H

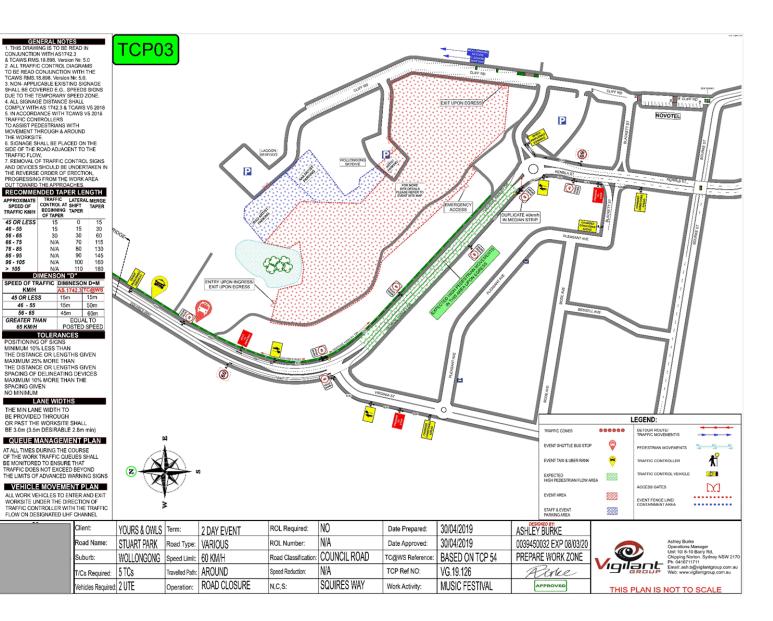
NO MINIMUM

> 105





Page 2 of 3







Page 3 of 3

GENERAL NOTES 1. THIS DRAWING IS TO BE READ IN CONJUNCTION WITH AS1742.3 & TCAWS RMS.18.898. Version No. 5.0 CP04 2. ALL TRAFFIC CONTROL DIAGRAMS Z. ALL TRAFFIC CON INCL DIAGRAMS TO BE READ CONJUNCTION WITH THE TCAWS RMS.18.898. Version №: 5.0. 3. NON- APPLICABLE EXISTING SIGNAGE SHALL BE COVERED E.G., SPEEDS SIGNS DUE TO THE TEMPORARY SPEED ZONE. 4. ALL SIGNAGE DISTANCE SHALL COMPLY WITH AS 1742.3 & TCAWS V5 2018 5. IN ACCORDANCE WITH TCAWS V5 2018 TRAFFIC CONTROLLERS TO ASSIST PEDESTRIANS WITH MOVEMENT THROUGH & AROUND THE WORKSITE. 6. SIGNAGE SHALL BE PLACED ON THE SIDE OF THE ROAD ADJACENT TO THE SIDE OF THE ROAD ADJACENT TO THE TRAFFIC FLOW, 7. REMOVAL OF TRAFFIC CONTROL SIGNS AND DEVICES SHOULD BE UNDERTAKEN IN THE REVERSE ORDER OF ERECTION, PROGRESSING FROM THE WORK AREA OUT TOWARD THE APPROACHES. 0 Ρ RECOMMENDED TAPER LENGTH TRAFFIC LATERAL MERGE CONTROL AT BEGINNING OF TAPER TAPER APPROXIMATE SPEED OF TRAFFIC KM/H 45 OR LESS 45 OR L 46 - 55 56 - 65 66 - 75 76 - 85 86 - 95 96 - 105 15 30 70 80 90 100 30 60 115 130 145 160 N/A N/A N/A N/A 8 > 105 180 ENTRY UPON INGRESS/ EXIT UPON EGRESS SPEED OF TRAFFIC DIMINESON D=M AS.1742.3 TC@WS 15m 15m KM/H 45 OR LESS 15m 50m 46 - 55 45m 60m GREATER THAN EQUAL TO POSTED SPEED 65 KM/H TOLERANCES POSITIONING OF SIGNS MINIMUM 10% LESS THAN THE DISTANCE OR LENGTHS GIVEN MAXIMUM 25% MORE THAN THE DISTANCE OR LENGTHS GIVEN SPACING OF DELINEATING DEVICES MAXIMUM 10% MORE THAN THE SPACING GIVEN NO MINIMUM LANE WIDTHS THE MIN LANE WIDTH TO LEGEND: OR PAST THE WORKSITE SHALL BE 3.0m (3.5m DESIRABLE 2.8m min) TRAFFIC CONES QUEUE MANAGEMENT PLAN EVENT SHUTTLE BUS STOP AT ALL TIMES DURING THE COURSE OF THE WORK TRAFFIC QUEUES SHALL BE MONITORED TO ENSURE THAT DEDESTRIAN MOVEMENTS EVENT TAXI & UBER RANK TRAFFIC CONTROLLER TRAFFIC DOES NOT EXCEED BEYOND THE LIMITS OF ADVANCED WARNING SIGNS TRAFFIC CONTROL VEHICLE VEHICLE MOVEMENT PLAN MACCESS GATES ALL WORK VEHICLES TO ENTER AND EXIT WORKSITE UNDER THE DIRECTION OF TRAFFIC CONTROLLER WITH THE TRAFFIC EVENT AREA STAFF & EVENT PARKING AREA FLOW ON DESIGNATED UHF CHANNEL YOURS & OWLS Term: ROL Required: Date Prepared: 30/04/2019 2 DAY EVENT ASHLEY BURKE

N/A 30/04/2019 Road Name: STUART PARK VARIOUS ROL Number: 0039450032 EXP 08/03/20 Road Type: Date Approved: Road Classification: COUNCIL ROAD BASED ON TCP 54 PREPARE WORK ZONE Suburb: WOLLONGONG | Speed Limit: 60 KM/H TC@WS Reference: Arre 5 TCs Travelled Path: AROUND Speed Reduction: TCP Ref NO: VG.19.126 T/Cs Required: Vehicles Required: 2 UTE ROAD CLOSURE SQUIRES WAY MUSIC FESTIVAL N,C,S: Work Activity: Operation:



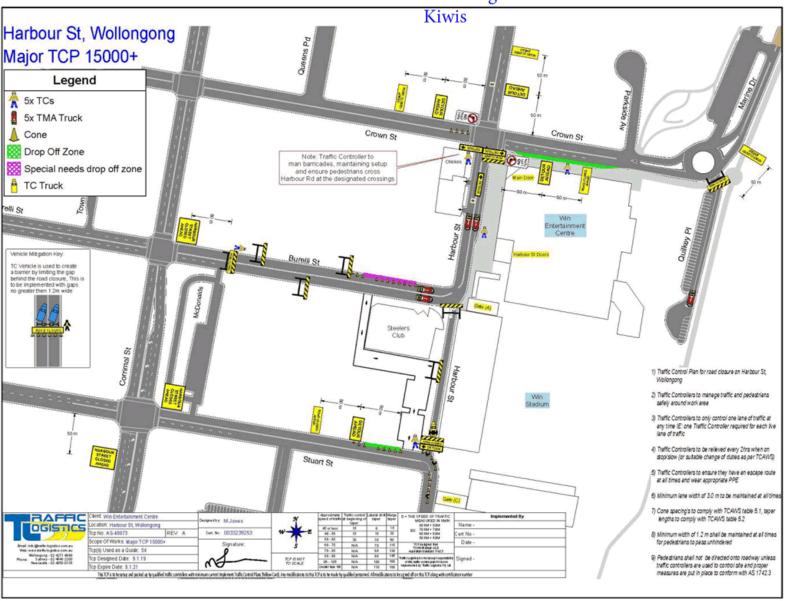
Ashley Burke Operations Manager Unit 10° 8-10 Barry Rd, Chipping Norton. Sydney NSW 2170 Ph: 0416711711 Email::ash Eglyojlantgroup.com.au Web: www.vigilantgroup.com.au

THIS PLAN IS NOT TO SCALE

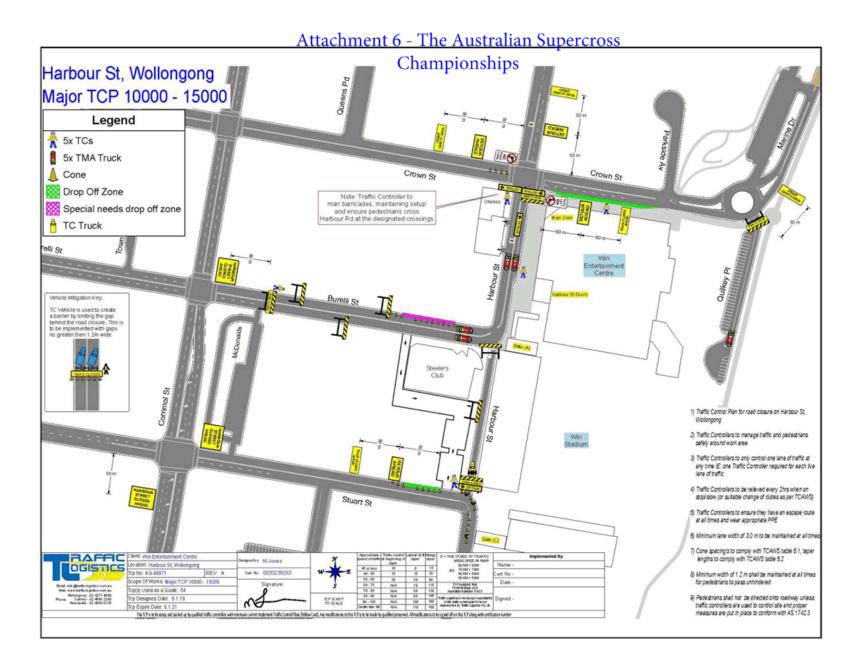
Item 16 - Attachment 5 - NRL Australia Kangaroos Vs New Zealand Kiwi



Attachment 5 - NRL Australia Kangaroos Vs New Zealand









File: CO-910.01.010 Doc: IC19/525

ITEM 17

NOTICE OF MOTION - COUNCILLOR COLACINO - INTERPRETIVE HISTORICAL SIGNAGE ALONG GRAND PACIFIC WALK

Councillor Colacino has submitted the following Notice of Motion -

"I formally move that Wollongong City Council -

- 1 Develop a delivery model that outlines what areas could benefit from, and are worthy of, interpretive historical signage along the entire length of the Grand Pacific Walk and other frequently visited tourism areas within Wollongong's LGA.
- The proposed delivery model for provision of, and extent of, signage be included into a briefing note to be provided to Councillors before the next round of budget discussions for the 2020-2021 financial year. The briefing note should also include the following
 - a An indicative cost for the design and placement of signage that would outline the history of the old miners' cottages that skirt the edge of Lawrence Hargrave Drive at Scarborough
 - b The briefing note should include any obstacles that could inhibit the delivery of this type of interpretative signage
 - c The cost of this signage is not to be included into the amounts allocated to finalise the missing sections of the shared Grand Pacific Walk
 - d The report should indicate an appropriate amount that could be put into an annual fund that would allow for the rollout for the proposed interpretive signage to be progressively introduced. This fund will be separate from any grant funding opportunities that become available
 - e Investigate what requirements would be needed to put in place such signage
 - f Include within the briefing note what other types of delivery streams could be utilised to deliver this type of service
 - g Any proposed signage will not be limited to the European history of any given area
 - h Research and indicate which other languages, separate to English, could benefit from being included into any display."