



BUSINESS PAPER

ORDINARY MEETING OF COUNCIL

To be held at 6:00 pm on

Monday 4 April 2022

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

(Note: Councillors will be able to attend and participate in this meeting via electronic means in accordance with legislation relating to the COVID-19 pandemic)

Order of Business

- 1 Opening Meeting
- 2 Acknowledgement of Traditional Custodians
- 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 Ordinary 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 Motions(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 Tania Brown
Councillor Ann Martin
Councillor Cameron Walters
Councillor Cath Blakey
Councillor David Brown
Councillor Dom Figliomeni
Councillor Elisha Aitken
Councillor Janice Kershaw
Councillor John Dorahy
Councillor Linda Campbell
Councillor Mithra Cox
Councillor Richard Martin

QUORUM – 7 MEMBERS TO BE PRESENT

Statement of Ethical Obligations

In accordance with clause 3.23 of the Model Code of Meeting Practice, released by the NSW Office of Local Government, Councillors are reminded of their Oath or Affirmation of Office made under section 233A of the Act and their obligations under Council's Code of Conduct to disclose and appropriately manage conflicts of interest.

OATH OR AFFIRMATION OF OFFICE

The Oath or Affirmation is taken by each Councillor whereby they swear or declare to undertake the duties of the office of councillor in the best interests of the people of Wollongong and Wollongong City Council and that they will faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the *Local Government Act 1993* or any other Act to the best of their ability and judgment.

CONFLICTS OF INTEREST

All Councillors must declare and manage any conflicts of interest they may have in matters being considered at Council meetings in accordance with the Council's Code of Conduct. All declarations of conflicts of interest and how the conflict of interest was managed will be recorded in the minutes of the meeting at which the declaration was made.

Councillors attending a meeting by audio-visual link must declare and manage any conflicts of interest they may have in matters being considered at the meeting in accordance with Council's Code of Conduct. Where a councillor has declared a pecuniary or significant non-pecuniary conflict of interest in a matter being discussed at the meeting, the councillor's audio-visual link to the meeting will be suspended or terminated for the time during which the matter is being considered or discussed by Council, or at any time during which Council is voting on the matter.

Councillors should ensure that they are familiar with Parts 4 and 5 of the Wollongong City Council **Code of Conduct for Councillors** in relation to their obligations to declare and manage conflicts of interests.

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MINUTES

ORDINARY MEETING OF COUNCIL

at 6:00 pm

Monday 14 March 2022

Present

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

Deputy Lord Mayor – Councillor Tania Brown

Councillor Ann Martin

Councillor Cameron Walters

Councillor Cath Blakey

Councillor David Brown

Councillor Dom Figliomeni

Councillor Elisha Aitken

Councillor Janice Kershaw

Councillor John Dorahy (attended electronically)

Councillor Linda Campbell

Councillor Mithra Cox

Councillor Richard Martin

In Attendance

General Manager

Greg Doyle

Director Infrastructure + Works, Connectivity Assets + Liveable City (attended electronically)

Joanne Page

Director Planning + Environment, Future City + Neighbourhoods

Linda Davis

Director Corporate Services, Connected + Engaged City

Renee Campbell

Director Community Services, Creative + Innovative City

Kerry Hunt

Chief Financial Officer (attended electronically)

Brian Jenkins

Chief Information Officer (attended electronically)

Ingrid McAlpin

Manager Governance + Customer Service (attended electronically)

Todd Hopwood

Manager Property + Recreation (attended electronically)

Lucielle Power

Manager City Strategy (attended electronically)

Chris Stewart

Manager City Works

Corey Stoneham

Manager Project Delivery (attended electronically)

Glenn Whittaker

Manager Infrastructure Strategy + Planning (Acting) (attended electronically)

Chris O'Connor

Manager Open Space + Environmental Services (Acting) (attended electronically)

Paul Tracey

Manager Community Cultural + Economic Development (Acting) (attended electronically)

Sofia Gibson

Note: Due to current government requirements around social distancing obligations due to the COVID-19 pandemic, participants in the meeting can participate via electronic means as permitted under legislation relating to the COVID-19 pandemic. Those who participated via electronic means are indicated in the attendance section of the Minutes.

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CONFLICTS OF INTERESTS

Councillor Figliomeni declared a non-significant non-pecuniary conflict of interest in Item 3 – Lease of Mt Keira Telecommunications Tower to Telstra, as he has a non-significant holding of shares in Telstra. As there is no pecuniary interest in the item, Councillor Figliomeni advised he would remain in the meeting during debate and voting.

CONFIRMATION OF MINUTES OF ORDINARY MEETING OF COUNCIL HELD ON MONDAY, 21 FEBRUARY 2022

- 636 COUNCIL'S RESOLUTION** - RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Walters that the Minutes of the Ordinary Meeting of Council held on Monday, 21 February 2022 (a copy having been circulated to Councillors) be taken as read and confirmed.

PUBLIC ACCESS FORUM

ITEM	TITLE	NAME OF SPEAKER
NON-AGENDA ITEM	Hill Street Austinmer – Pedestrian Safety and Traffic Management	Katherine Watson
1	Post Exhibition – Draft Climate Change Adaptation Plan	George Takacs For Recommendation

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

CALL OF THE AGENDA

- 638 COUNCIL'S RESOLUTION** - RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Figliomeni that the staff recommendations for Items 3 to 6 inclusive be adopted as a block.

ITEM A - LORD MAYORAL MINUTE - SEDIMENT CONTROL ON BUILDING SITES

- 639 COUNCIL'S RESOLUTION** – RESOLVED UNANIMOUSLY on the motion of Councillor Bradbery that -

- 1 Council contact and engage local building companies, project supervisors, private certifiers and relevant building industry peak bodies to highlight the need for greater vigilance and increased monitoring of onsite sediment control, particularly during rain events.
- 2 In this engagement, focus upon the need for planning to manage the increased frequency of heavy intense rainfall events, erosion and runoff, especially in the period between clearing and/or demolition and the commencement of construction.
- 3 Council consider opportunities to enhance the existing education program to reinforce the obligations on builders, developers and certifiers to control runoff and sediment from building sites.
- 4 Council write to the Minister for Environment to seek a review of current penalties to ensure they are in line with community expectations.

Variation The variation moved by Councillor Blakey (the addition of point 4) was accepted by the mover.

URGENT MATTER WITHOUT NOTICE

Councillor Figliomeni moved a PROCEDURAL MOTION that an Urgency Item be brought forward in relation to the conflict in Ukraine.

640 COUNCIL'S RESOLUTION - RESOLVED UNANIMOUSLY on the motion of Councillor Figliomeni seconded Councillor Walters that Council, as a matter of urgency, consider Business Without Notice regarding the conflict in Ukraine.

Following the Resolution of Council, the Lord Mayor, Councillor Bradbery, ruled in accordance with Clause 9.3(b) of Council's Code of Meeting Practice that the matter was of great urgency and required a decision by the Council before the next scheduled ordinary meeting of Council. It was resolved that the Urgency Item would be considered as the next item of business.

DEPARTURE OF COUNCILLOR

During debate and prior to voting on the Urgency Item, Councillor Aitken departed and returned to the meeting, the time being from 6:40 pm to 6:41 pm.

URGENCY ITEM – CONFLICT IN UKRAINE

641 COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor Figliomeni seconded Councillor Walters that Council -

- 1 Express support for the people of Ukraine and condemn the violation of Ukraine's sovereignty by Russian forces.
- 2 Communicate this stance to the appropriate Embassies.

ITEM 1 - POST EXHIBITION - DRAFT CLIMATE CHANGE ADAPTATION PLAN

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

- 1 The Climate Change Adaptation Plan (Attachment 2) be adopted by Council.
- 2 The Wollongong Climate Change Adaptation Plan be submitted to the Global Covenant of Mayors for Climate and Energy (GCoM) and recognition be sought for compliance with our initial GCoM commitments.
- 3 The Plan be reviewed and updated within the next term of Council.

ITEM 2 - POST EXHIBITION - COMMUNITY LAND PLAN OF MANAGEMENT (2022)

643 COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor Cox seconded Councillor T Brown that -

- 1 The Community Land Plan of Management (2022) incorporating minor amendments (Attachment 1) be adopted in accordance with Section 40 of the *Local Government Act 1993*.
- 2 The second bullet point on page 33 of the Community Land Plan of Management (2022), under "How do we know when we get there?" of the Natural Area Escarpment Subcategory Action Plan (Table 12) be amended to read "Escarpment users will appreciate and respect its natural values and only use Council, NPWS or landowner approved trails. Illegal trails will be closed and rehabilitated. Dumping of cars and other rubbish will cease. Invasive species will be eliminated".

ITEM 3 - LEASE OF MT KEIRA TELECOMMUNICATIONS TOWER TO TELSTRA

The following staff recommendation was adopted as part of the Block Adoption of Items (refer Minute Number 638)

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

- 1 Authority be granted for the lease to be entered into for Part Lot 1 DP875991, Mt Keira Telecommunications Tower, Mt Keira Summit Park, Queen Elizabeth Drive, Mt Keira to Telstra for four consecutive terms of five years each (totalling 20 years) in accordance with the terms set out in this report.
- 2 Council delegate to the General Manager the authority to finalise and execute the lease 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 all documents relevant to this matter, should it be required to give effect to this resolution.

ITEM 4 - TENDER T1000043 - CONTINENTAL POOL INTAKE PIPELINES REPLACEMENT

The following staff recommendation was adopted as part of the Block Adoption of Items (refer Minute Number 638)

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

- 1 In accordance with Section 178(1)(a) of the Local Government (General) Regulation 2021, Council accept the tender of Dynamic Civil Pty Ltd for the replacement of the intake pipelines to the Continental Pools, in the sum of \$816,333.10, including GST.
- 2 The letter of award for the contract will be issued subject to Council receiving a NSW Crown Lands license for these works.
- 3 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.
- 4 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 5 - JANUARY 2022 FINANCIALS

The following staff recommendation was adopted as part of the Block Adoption of Items (refer Minute Number 638)

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

- 1 The financials be received and noted.
- 2 Council endorse the proposed changes to the Capital Budget for January 2022.

ITEM 6 - STATEMENT OF INVESTMENT - JANUARY 2022

The following staff recommendation was adopted as part of the Block Adoption of Items (refer Minute Number 638)

COUNCIL'S RESOLUTION - RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Figliomeni that Council receive the Statement of Investment for January 2022.

THE MEETING CONCLUDED AT 7:22 PM

Confirmed as a correct record of proceedings at the Ordinary Meeting of the Council of the City of Wollongong held on Monday 4 April 2022.

Chairperson

ITEM A LORD MAYORAL MINUTE - PASSING OF MR ROD OXLEY

RECOMMENDATION

Wollongong City Council -

- 1 Acknowledge the passing of Mr Rod Oxley on 20 March 2022 and note his service to Wollongong as General Manager of Wollongong City Council from 1980 to 2007.
- 2 Extend our condolences to his wife Sally and his family.

ATTACHMENTS

There are no attachments for this report.

ITEM 1

POST EXHIBITION - DRAFT NEIGHBOURHOOD PLAN AND BIODIVERSITY CERTIFICATION APPLICATION FOR HUNTLEY SOUTH (STAGES 2 AND 3)

On 12 March 2018, Council resolved to exhibit the draft Neighbourhood Plan for part of the Huntley Avondale Road South precinct, known as Avondale Road South – Stages 2 and 3 of which is proposed to be developed in conjunction with an approved golf course and facilities.

The draft Neighbourhood Plan was exhibited between 7 April and 7 May 2018 and a total of four (4) submissions were received. The Environment Protection Authority objected to the proximity of the residential development to an active putrescible waste depot.

Finalisation of the draft Neighbourhood Plan has been stalled for considerable time and the potential development constraint raised by the Environment Protection Authority remains unresolved. This report considers the submissions received from the exhibition of the draft Neighbourhood Plan and recommends that the draft Neighbourhood Plan be discontinued.

On 27 May 2019, Council resolved to lodge a Biodiversity Certification application for part of the site on behalf of the owners, under the *Biodiversity Conservation Act 2016*. The progression of this application has also stalled and it is recommended that Council withdraw the application and allow the owners to lodge a fresh Biodiversity Certification application.

RECOMMENDATION

- 1 The draft Neighbourhood Plan for the Huntley Avondale Road South precinct within the Avondale Resort site, be discontinued as an amendment to the Wollongong Development Control Plan 209 – Chapter D16 West Dapto Release Area.
- 2 The proponents be invited to submit a new draft Neighbourhood Plan for the whole precinct when they are ready to address the site issues.
- 3 The NSW Department of Planning and Environment – Environment, Energy and Science be advised that Council wishes to withdraw the Huntley/Avondale Biodiversity Certification application.

REPORT AUTHORISATIONS

Report of: Chris Stewart, Manager City Strategy

Authorised by: Linda Davis, Director Planning + Environment - Future City + Neighbourhoods

ATTACHMENTS

- 1 Huntley Site Map
- 2 Locality Map and Current Zoning
- 3 Neighbourhood Plan

BACKGROUND

The Avondale Resort site (formerly Huntley Heritage precinct) is located at the end of Avondale Road and Cleveland Road, Avondale (Attachment 1). The total site comprises 17 lots and covers an area of 571 hectares. The site extends from near the intersection of Avondale and Cleveland Roads located within the West Dapto Urban Release Area, at an elevation of 50m AHD, to the top to the Illawarra Escarpment with an elevation of 450m AHD.

The site was the location of the former Huntley and Avondale Collieries, where the mine / pit head was located in the Illawarra Escarpment, and coal was transferred to the lower part of the site to a washery. Huntley Colliery was established in 1946 and bought by the State Government in 1951 to supply coal to the Tallawarra Power Station. The mine closed in 1989 and was sold by the State in the 1990's.

In December 2011, Council resolved to finalise a rezoning proposal for the lower part of the site to rezone the land to enable residential development, environmental conservation and private recreation. The rezoning was notified in June 2012.

In December 2011, the Southern Joint Regional Planning Panel approved DA-2009/1037, for an 18-hole golf course and associated facilities (including a clubhouse, lodge, sports education and biomechanics centre).

On 12 August 2015, the Neighbourhood Plan for Avondale Road North came into force through an amendment to Chapter D16 of Wollongong Development Control Plan 2009.

In August 2016, a draft Neighbourhood Plan for a component of the site (stages 2 and 3) to the south of Avondale Road, was lodged. Following initial assessment, a revised draft Neighbourhood Plan was submitted in July 2017 and is the subject of this report, provided at Attachment 2.

Wollongong Development Control Plan (DCP) Chapter D16 West Dapto Release Area contains specific development controls to guide future urban development in the West Dapto Urban Release Area and supplements the standard provisions contained in the DCP. Wollongong Local Environmental Plan (LEP) 2009 and Chapter D16 require a Neighbourhood Plan to be prepared and adopted by Council to guide development within a specified neighbourhood / precinct. The adoption of a Neighbourhood Plan enables future development applications submitted in accordance with the Plan to comply with Clause 6.2 of the Wollongong LEP.

The draft Neighbourhood Plan applies to part of Lots 1 and 2 DP 229358 and part of Lot 14 DP 3083 (Attachment 3) on land on the southern side of Avondale Road, Huntley. The draft Neighbourhood Plan comprises approximately 132 hectares, and is covered by the following zones under Wollongong LEP -

- R2 Low Density Residential.
- C2 Environmental Conservation.
- C3 Environmental Management.
- C4 Environmental Living.
- RE2 Private Recreation.

The draft Neighbourhood Plan does not apply to the whole property. A further draft Neighbourhood Plan would need to be submitted, assessed and reported to Council for the other parts of the total site.

On 12 March 2018, Council considered a report on the draft Neighbourhood Plan and resolved that -

- 1 *The draft Neighbourhood Plan for Huntley Avondale Road South – Stages 2 and 3 Precinct be progressed to public exhibition for a minimum period of 28 day.*
- 2 *Consultation with relevant State government agencies occur as part of the exhibition period.*

The draft Neighbourhood Plan was exhibited between 7 April and 7 May 2018.

On 27 May 2019, Council also resolved to support the Biodiversity Certification of part of the site, as the planning authority under the former *Threatened Species Conservation Act 1995*. The application was exhibited between 26 August and 30 September 2019.

In December 2020 the former owner went into receivership. The site is now owned by a new group.

PROPOSAL

The draft Neighbourhood Plan for the southern precinct provides for approximately 215 residential lots within a proposed community title estate surrounding the approved golf course. It also incorporates RE2 Private Recreation open space, C2 Environmental Conservation and C4 Environmental Living zoned land.

In addition, the proposal seeks to amend Chapter D16 of Wollongong DCP to include all the Huntley Avondale sites within the West Dapto Urban Release Area, in keeping with the Urban Release Area Map under Wollongong LEP.

The Neighbourhood Plan additionally provides for -

- A road hierarchy based on predicted traffic volumes and movements throughout the neighbourhood.
- Connectivity with Avondale Road.

- Provisions for community and private recreation facilities incorporating the golf course.
- Shared pedestrian/cycleway/golf buggy paths.

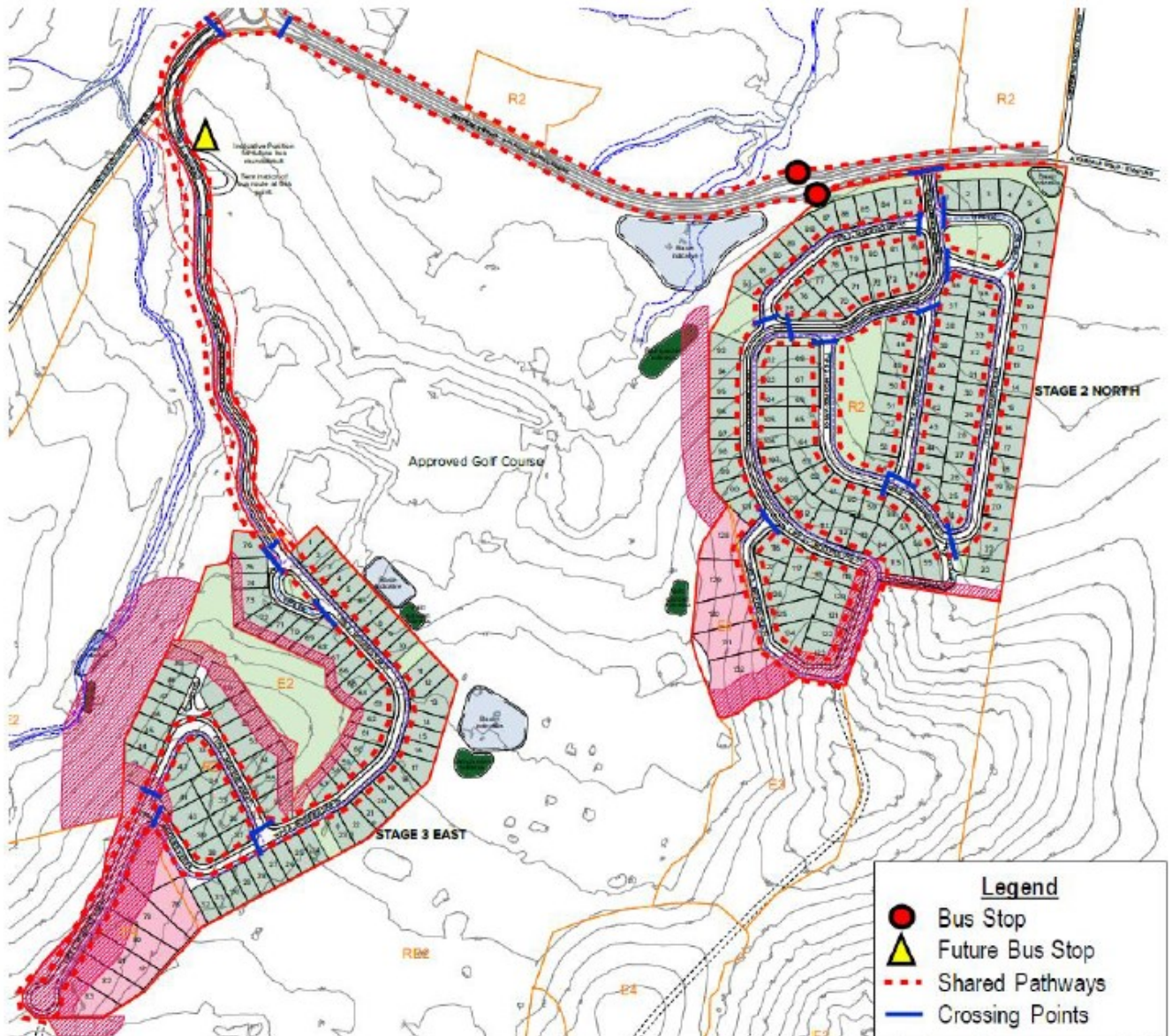


Figure 25 – Anticipated pedestrian, bicycle and buggy paths

Source: Bitzios Consulting



Figure 18 – Photo montage of the proposed development viewed from the east
Source: Arcadia

The draft Neighbourhood Plan also proposes some site-specific controls within Chapter D16 of Wollongong DCP. These controls include setback requirements, design and streetscape requirements, and primary street frontage controls.

Environmental Concerns

Environment Protection Authority (EPA)

As part of the exhibition of the draft Neighbourhood Plan for Huntley South, Council received a submission from the EPA.

The EPA object to residential development being within 250m of the putrescible waste facility, unless a risk assessment is undertaken and mitigation measures are installed. While the majority of proposed residential zoned land is outside the landfill buffer area, parts of it are within 250m.

'The Environment Protection Authority (EPA) has reviewed the documentation provided on the exhibition website and is concerned that the draft plan proposes to locate residential housing and other development on, and in close proximity, to parts of the site that have been used for waste disposal.'

HTT Huntley Heritage Pty Ltd currently operates a solid waste landfill on land subject to the draft neighbourhood plan. The landfill is licensed by the EPA under Environment Protection Licence 10997.

Sub-surface gas monitoring undertaken on behalf of the licensee has shown that the production of landfill gases exceeding EPA thresholds is occurring within the landfilled waste materials to the extent of the licensed landfill boundary.

Landfill gas can pose a possible explosion and asphyxiation risk if allowed to build up in confined spaces, especially in buildings erected on, or close to, landfilled waste. Even structures not built directly on fill areas may be exposed to landfill gas as a result of sub-surface migration through the ground or along service ducts or pipelines.'

This advice has significant consequences for the development of the Stages 2 and 3 and possibly the golf lodges and hotel development.

This is considered to be a threshold issue that needs to be addressed and has delayed the progression of the Neighbourhood Plan to date.

Biodiversity Certification

In 2015, consultants for the landowner commenced the preparation of studies to support a Biodiversity Certification application for the Avondale Resort North and South precincts. In November 2017, as part of the commencement of the *Biodiversity Conservation Act 2016*, the NSW Minister for the Environment issued an Order saving the work completed to date for pending Biodiversity Certification applications for Huntley and West Dapto under the provisions of the former *Threatened Species Conservation Act 1995* until 25 August 2019.

On 8 February 2019, the Office of Environment and Heritage approved a BioBanking Agreement covering parts of the Avondale Resort North and South precincts to conserve 45.8 hectares and generate 518 plant community credits covering 3 vegetation communities, and 15 species credits.

On 18 March 2019, ecological consultants on behalf of the landowner, submitted the Biodiversity Certification application for the north and south Huntley precincts to Council for review and submission to the NSW Office of Environment and Heritage.

On 27 May 2019, Council resolved to support the Biodiversity Certification application, as the planning authority. Under the legislation at that time, only a planning authority could lodge a Biodiversity Certification application. The more recent *Biodiversity Conservation Act 2016* enables landowners and developers to seek biodiversity certification of their own sites. The methodology to determine species credits has also been amended since 2019.

The Biodiversity Certification application proposed the clearing of 10.5 hectares of native vegetation, which was proposed to be offset by the conservation of 23.7 hectares of native vegetation, and the retirement of 254 conservation (BioBanking) credits. The key advantage of the Biodiversity Certification process is that it identifies the biodiversity values of the land as part of the strategic planning process, and provides certainty that a positive conservation outcome can be achieved which is supported by a funding mechanism.

The application was exhibited between 26 August and 30 September 2019, and was available at Council's Customer Service Centre, all Wollongong City Council libraries and on the Wollongong City Council's website. No submissions were received during the exhibition period.

The Biodiversity Certification application is still to be finalised. As the application has stalled for almost 3 years, it is recommended that Council withdraw the application. The proponents can lodge a new application with the NSW Department of Planning and Environment – Environment, Energy and Science, consistent with the current Biodiversity Certification rules. The proposed withdrawal does not mean that Council officers are not supportive of the biodiversity certification of the site, but recognises that there is now an alternate pathway for the proponent to lodge and manage their own application.

It is recommended that NSW Department of Planning and Environment – Environment, Energy and Science be advised that Council wishes to withdraw the Huntley Biodiversity Certification application.

CONSULTATION AND COMMUNICATION

The draft Neighbourhood Plan was exhibited between 7 April and 7 May 2018. The exhibition was advertised through Council's website and in the Illawarra Mercury and Advertiser newspapers. Copies of the suite of documents were available for viewing on Council's website, in Wollongong and Dapto libraries, and at Council's Customer Service Centre in the Administration Building, Wollongong.

The following NSW State Agencies were consulted in conjunction with the exhibition period -

- NSW Rural Fire Service.
- NSW Department of Planning and Environment.
- NSW EPA.
- NSW Office of Environment and Heritage.

Four (4) submissions were received from the following –

- NSW Rural Fire Service.

- NSW EPA.
- NSW OEH.
- Don Fox Planning on behalf of Stockland's Residential.

The table below notes the issues raised during the public exhibition of the draft Neighbourhood Plan -

Submitter	Issue Raised	Comment
NSW Rural Fire Service	<p><i>"The following bush fire protection measures under Planning for Bush Fire Protection 2006 should be incorporated into the layout/plan -</i></p> <ol style="list-style-type: none"> <i>1 Perimeter roads between bush fire hazards and the future residential areas. These roads shall be designed to provide at least two traffic lane widths (carriageway 8 metres minimum kerb to kerb), allowing traffic to pass in opposite directions.</i> <i>2 A through road to provide alternative access or egress for firefighters and residents during a bush fire emergency if part of the road system is cut by fire. In this regard, the proposed secondary access/fire trail should be designed to conform to the standards of a sealed public road due to the substantial distances required to traverse in the alternate direction.</i> <i>3 Non perimeter roads (i.e. all roads other than perimeter roads) shall be designed to comply with Table 4.1 Road widths for Category 1 Tanker (Medium Rigid Vehicle) of Planning for Bush fire Protection 2006.</i> <i>4 All roads between 6.5 metres and 8 metres wide shall have No Parking on one side with the services (hydrants) located on this side to ensure accessibility to reticulated water for fire suppression.</i> <i>5 A Community Title scheme for the management of the proposed future offsite' Asset Protection Zones."</i> 	Comments are noted.
NSW OEH	<p><i>Biodiversity & Offsetting</i></p> <p><i>We are strongly supportive of a biocertified development and conservation outcome for this key site within the West Dapto Urban Release Area.</i></p> <p><i>The proposed Stages 2 and 3 Neighbourhood Plan area appears broadly consistent with the existing zoning layout and proposed biocertification footprints for development, retained and conservation lands. The E2/E3 zoned areas adjacent to Stages 2 and 3 comprise Illawarra Lowland Grassy Woodland and Illawarra Subtropical Rainforest Endangered</i></p>	<p>Comments are noted.</p> <p>Biodiversity Certification is in progress, but has been delayed by transfer of ownership and other issues.</p>

Submitter	Issue Raised	Comment
	<p><i>Ecological Community (EECs). These areas are amongst those identified as “red flags” for the purposes of biodiversity certification, and are located within lands proposed for conservation.</i></p> <p><i>We recommend perimeter roads be provided to all residential areas adjacent to the E2/E3 lands, so that no residential lots back directly onto E2/E3 lands, allowing for these buffers can be incorporated. Any APZs required for Stages 2 and 3 must be contained wholly within lands zoned for urban development.</i></p> <p><i>Aboriginal Cultural Heritage</i></p> <p><i>An Aboriginal cultural heritage assessment report for Stages 2 and 3 has not been provided with this referral. However, we support the statement in Section 5.2.3 of the Planning Report that impacts to Aboriginal cultural heritage will be avoided.</i></p>	
NSW EPA	<p><i>The EPA advises against -</i></p> <ol style="list-style-type: none"> <i>1 The approval of any residential development on areas of the site that have been used for waste disposal; and</i> <i>2 The approval of any residential development within 250m of the fill areas without a site-specific risk assessment being conducted and, if necessary, mitigation measures being incorporated into the footings of the proposed buildings. Additionally, it is recommended that the construction specification for any future structures, utilities or services on the rehabilitated landfill be subject to a detailed ground gas risk assessment specific to the particular structure/utility proposed for construction.</i> 	<p>Concerns raised with the proponents - additional investigations are required.</p> <p>The specific risk assessment has not been submitted to Council</p>
Don Fox Planning on behalf of Stockland's Residential	<p><i>Overall Stockland supports the progression of the Neighbourhood Plan to facilitate the development of the land and the benefits that this will deliver to the West Dapto Release Area.</i></p> <p><i>Other issues raised include -</i></p> <ul style="list-style-type: none"> <i>• Flooding;</i> <i>• Closure of Cleveland Road;</i> <i>• Capacity of Avondale Road.”</i> 	<p>Comments are noted and have been incorporated within the final design and layout of the draft Neighbourhood Plan.</p>

PLANNING AND POLICY IMPACT

This report relates to Wollongong 2028 Community Strategic Plan Objective 1.3 “The sustainability of our urban environment is improved” under Community Goal 1 “We value and protect our environment” and Delivery Program 1.3.1.2 “Develop planning controls and Town Centre and Neighbourhood Plans with

regard to the economic, social, and environmental impacts". The report also relates to Strategy 5.3.1 "Housing choice in the Wollongong Local Government Area is improved, taking into account population growth, community needs and affordability" under Community Goal 5 "We have a healthy community in a liveable city" in Council's 2018-2022 Delivery Program and Operational Plan.

Significant time has elapsed since the exhibition of the draft Neighbourhood Plan and Biodiversity Certification application. The outstanding issues have not been satisfied at this time. Appropriate planning for the precinct would benefit from a fresh approach, using current best practise. In February 2022, the current proponent was requested to withdraw the draft Neighbourhood Plan but has not yet done so.

FINANCIAL IMPLICATIONS

The financial implications of the West Dapto Urban Release Area are significant and are subject to regular monitoring and modelling. As part of the West Dapto Review Project, Council considered and adopted an updated Section 7.11 Contributions Plan for the West Dapto Urban Release Area.

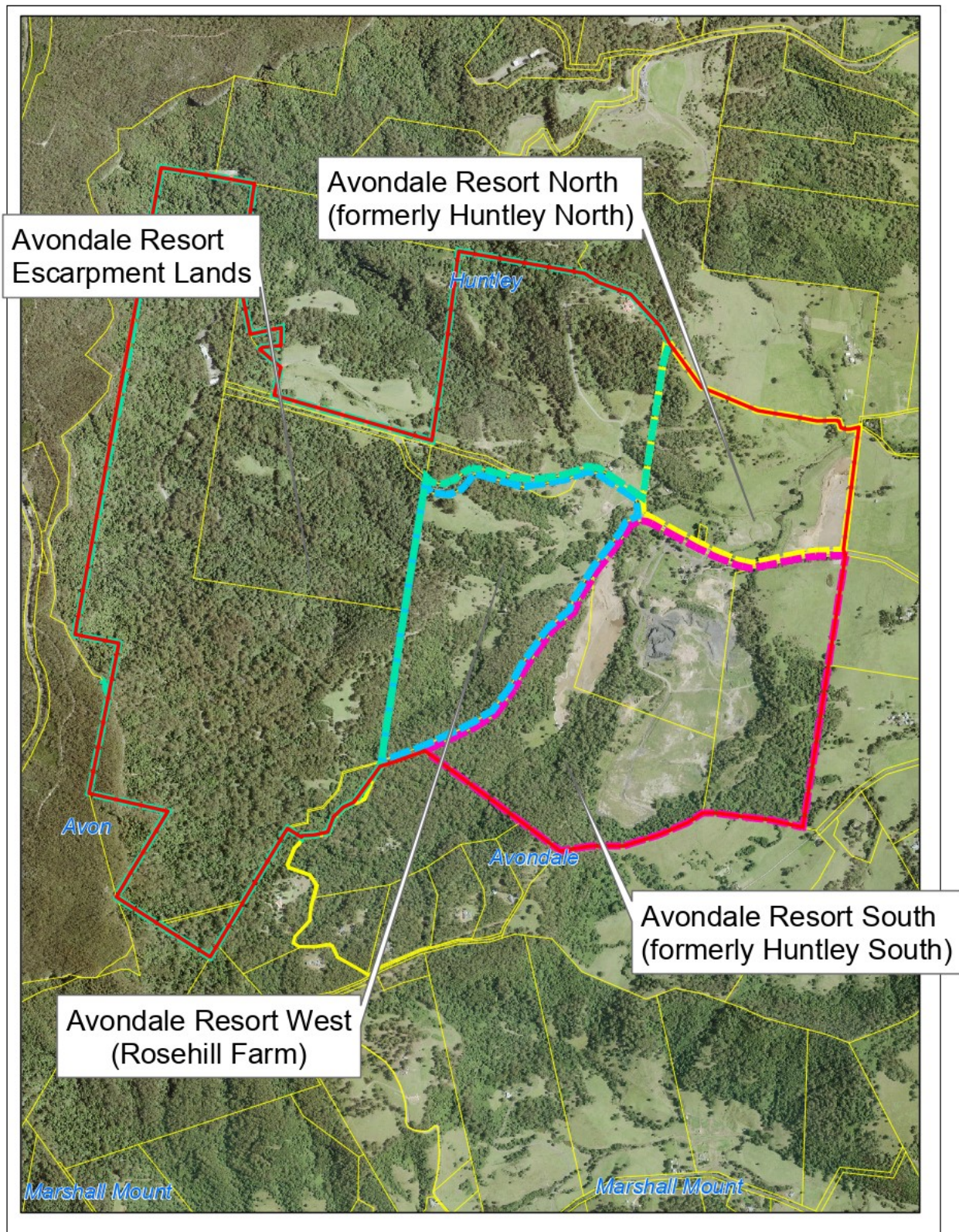
There are no significant financial implications resulting from this report.

CONCLUSION

The Neighbourhood Plan process is a crucial step in providing for development within the West Dapto Urban Release Area. If Council is to progress the Neighbourhood Plan for this precinct, this would allow for consideration of development applications.

Considerable time has elapsed since the public exhibition of the draft Neighbourhood Plan. During this period a significant issue and potential development constraint raised by a State Agency has not been resolved.

It is recommended that Council discontinue the Neighbourhood Plan and the Biodiversity Certification application and invite the new landowners to submit a fresh Neighbourhood Plan for the whole precinct.





WOLLONGONG LOCAL ENVIRONMENTAL PLAN 2009

Location Plan and Land Zoning Map

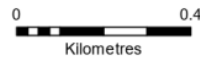
Zoning

- C2 Environmental Conservation
- C3 Environmental Management
- C4 Environmental Living
- R2 Low Density Residential
- RE2 Private Recreation
- RU2 Rural Landscape
- Huntley South Precinct Boundary

Cadastral
Cadastral 21.02.22 @ Wollongong City Council

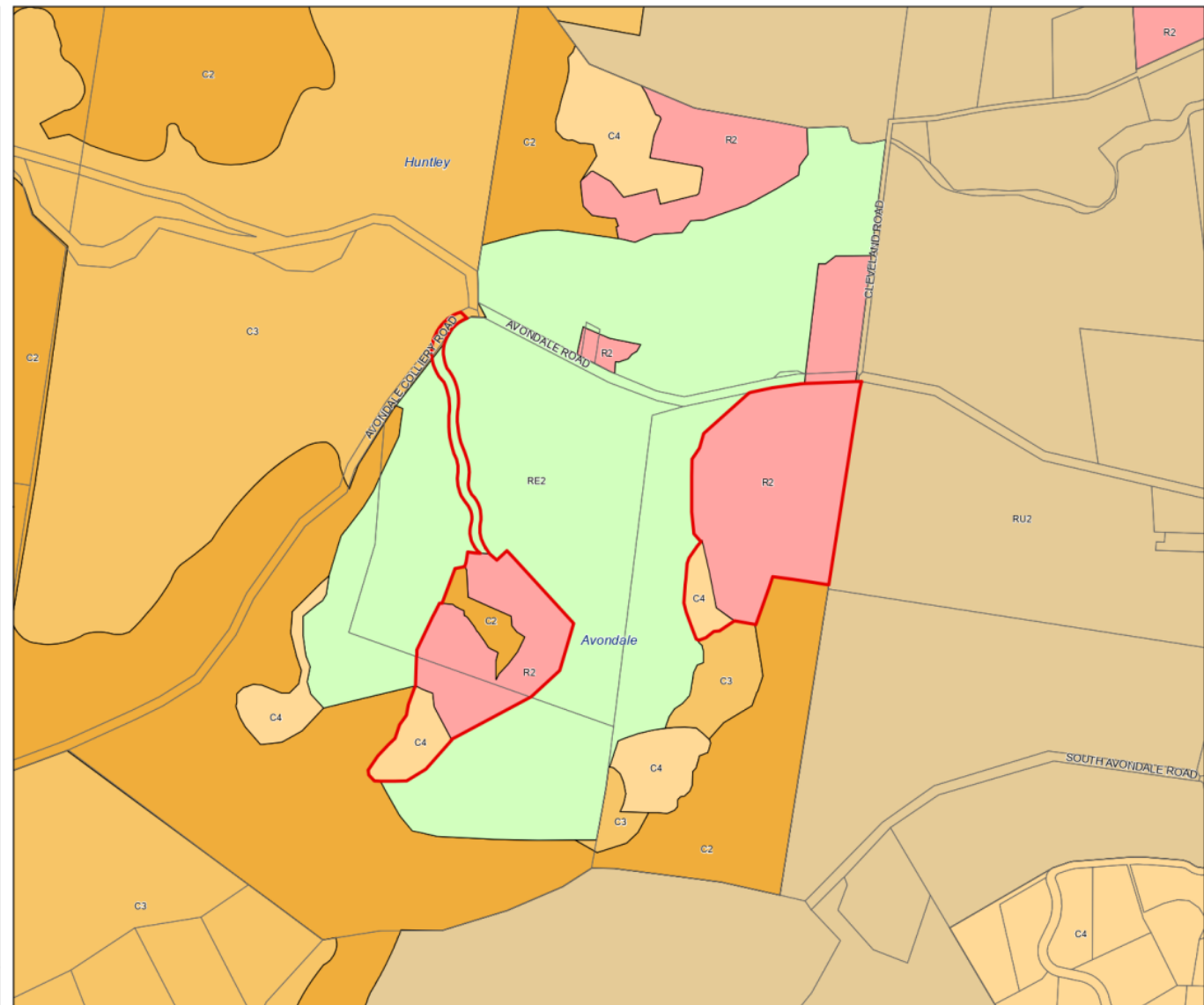


Projection: GDA 2020
MGA Zone 56



Scale 1:8,000 @ A3

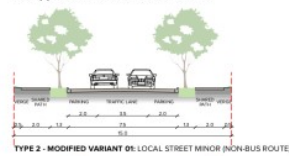
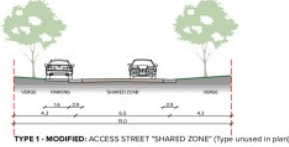
Map Identification number:
Location_Zoning_HuntleySth_280222.mxd



LEGEND

- R2 Zoning (Wollongong LEP 2009)
- APZ
- Existing Contours - 5m Increments
- Mullet Creek / Box Creek - Indicative centreline
- Mullet Creek / Box Creek Top Of Bank
- Lot Type F - Minimum Lot Size 449 m²
- Lot Type U1 - Minimum Lot Size 1499 m²
- Pocket Park / Green Corridor
- Detention Basin - Indicative Positioning
- Rain Garden - Indicative Positioning
- Shared Bicycle / Pedestrian Paths
- 'Shared Zone' Bicycle / Pedestrian Routes
- Approved Access Road outline
- Bus Stop (DA Stage 1)
- ▲ Proposed Bus Stop
- Secondary Access Track
- Site Boundary Neighbourhood Plan Stage 2 North + Stage 3 East (LEP Consistent)

INDICATIVE ROAD CROSS-SECTIONS (BASED ON WEST DAPTO TYPOLOGIES) 1:150

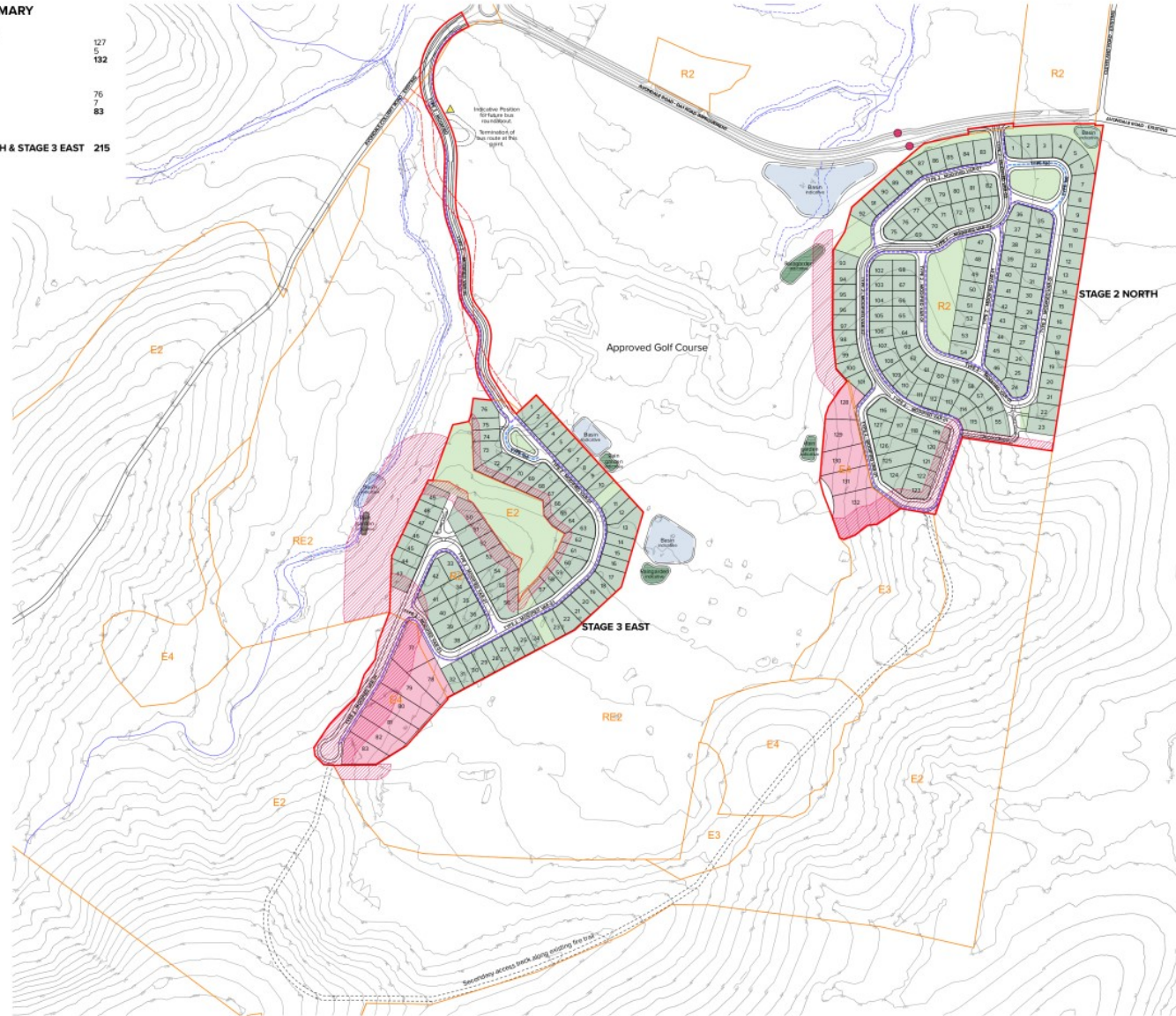


NOTES

1. The Neighbourhood Plan is a strategic planning document that provides a framework for the future development of the area.
2. The Neighbourhood Plan is a strategic planning document that provides a framework for the future development of the area.
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10. The Neighbourhood Plan is a strategic planning document that provides a framework for the future development of the area.

YIELD SUMMARY

STAGE 2 NORTH	
F LOTS	127
U1 LOTS	5
SUBTOTAL	132
STAGE 3 EAST	
F LOTS	76
U1 LOTS	7
SUBTOTAL	83
TOTAL NHP	
STAGE 2 NORTH & STAGE 3 EAST	215



CLIENT
VIG Visionary Investment Group
Level 32, 85 Castlereagh St Sydney NSW 2000 Australia

Rev: 10/01/22
By: 10/01/22
Reviewed: 10/01/22
Approved: 10/01/22

Project Name
The Huntley
Avondale Road Avondale NSW Australia

Drawing Title
Neighbourhood Plan
LEP Consistent Stage 2 North & Stage 3 East

Scale
1:2500 nA1 50% nA3
Project No.
18009
Client
NHP-100-201

Author
JH
Check
E
North
↑

TURNER

ITEM 2

PUBLIC EXHIBITION - DRAFT NEIGHBOURHOOD PLAN FOR "ELM PARK" PRECINCT, MARSHALL MOUNT ROAD, MARSHALL MOUNT AND AVONDALE

Council has received a draft Neighbourhood Plan for the Elm Park precinct, covering 6 properties on the northern part of Marshall Mount Road, Marshall Mount and Avondale.

The precinct was rezoned in 2018 to enable urban development and conservation outcomes. Clause 6.2 of Wollongong Local Environmental Plan (LEP) 2009 requires that a Neighbourhood Plan be prepared and adopted by Council to guide the assessment of any development application.

The draft Neighbourhood Plan meets the requirements set by Council's planning framework and is suitable for public exhibition subject to the minor changes and considerations mentioned in this report.

This report recommends that the draft Neighbourhood Plan be exhibited once minor changes are made following the receipt of the information required to address the outstanding issues.

RECOMMENDATION

- 1 The draft Neighbourhood Plan for the Elm Park precinct be endorsed to progress to exhibition as an amendment to the Wollongong Development Control Plan 2009 – Chapter D16 West Dapto Release Area for a minimum of 28 days following receipt of the following additional information from the proponent -
 - a Updated flood and water management information.
 - b Minor changes to road layout, reference to road cross-sections, bus stops and pedestrian/cycle connections.
 - c Minor changes to reflect environmental and riparian requirements.

REPORT AUTHORISATIONS

Report of: Chris Stewart, Manager City Strategy

Authorised by: Linda Davis, Director Planning + Environment - Future City + Neighbourhoods

ATTACHMENTS

- 1 Location Plan and Zoning
- 2 Draft Neighbourhood Plan

BACKGROUND

The Yallah – Marshall Mount precinct is also known as Stage 5 of the West Dapto Urban Release Area. It was originally proposed to be rezoned in 2006-8, but Stages 3, 4 and 5 of the West Dapto Urban Release Area were deferred following a review by the Growth Centres Commission in 2008. The Commission raised concerns over the viability and affordability of the release area, cost and timing of infrastructure, staging, access, flooding and riparian issues.

Council at its meeting of 19 October 2015, resolved to adopt a Planning Proposal for the Yallah-Marshall Mount precinct, but not to forward this to the NSW Department of Planning and Environment (DPE) for finalisation until IPART and the NSW Government determined how the shortfall in funding for local infrastructure would be met.

In November 2017, Council received confirmation of infrastructure funding arrangements and on 27 November 2017 the Yallah-Marshall Mount Planning Proposal was referred to DPE. Amendment 36 to Wollongong LEP was made in June 2018.

There are 7 Neighbourhood Precincts within Stage 5. To date, Council has resolved to exhibit one draft Neighbourhood Plan in Stage 5, for the Iowna precinct.

The draft Neighbourhood Plan for the Elm Park precinct was lodged in November 2021 by a proponent that represents the land-owner for 84 Marshall Mount Road.

The site is bounded by the Village Core precinct and Transgrid site to the south, Marshall Mount Road and the railway line to the east, the TAFE precinct to the west and the ridgeline between the Duck Creek valley and Avondale Road valley to the north.

The precinct covered by the draft Neighbourhood Plan has an area of 105 hectares. Part of the site is covered by open farmland and woodland areas. Much of the land in the northern and southern parts of the precinct are covered by woodlands, zoned C2 Environmental Conservation. The main developable portion of land sits to the north of Marshall Mount Road, with an area zoned R2 Low Density Residential and C4 Environmental Living close to transmission lines. Riparian areas traverse the precinct, including Duck Creek, the main waterway in the valley. The precinct is currently used for rural uses. The following properties are covered by the draft Neighbourhood Plan:

Property Description	Property Address
Lot 1 DP 414126 (Proponent's land)	84 Marshall Mount Road, Avondale
Lot 4 DP 608205	54 Marshall Mount Road, Avondale
Lot 102 DP 1070360 (northern part)	129 Marshall Mount Road, Marshall Mount
Lot 101 DP 1070360	145 Marshall Mount Road, Marshall Mount
Lot 2 DP 234771 (part) (Transgrid)	54 Yallah Road, Yallah
Lot 1 DP 234771 (part) (Transgrid)	164 Yallah Road, Yallah

Clause 6.2 of the Wollongong LEP requires a Development Control Plan to be prepared addressing certain requirements. Council has adopted the Wollongong DCP 2009 – Chapter D16 West Dapto Release Area which provides the overall master plan for West Dapto and development guidelines. It requires the submission of a more detail Neighbourhood Plan for precincts nominated in the plan. The Neighbourhoods generally cover multiple properties so that issues like connecting roads, drainage management and recreation facilities are addressed in an integrated manner.

The development of Neighbourhood Plans is informed by the West Dapto Vision and Structure Plan 2018 adopted by Council. The vision is a Council policy that guides land use in the West Dapto Urban Release Area.

The draft Elm Park Neighbourhood Plan was accompanied by the following studies -

- Elm Park Neighbourhood Plan Report (GDS 2021).
- Engineering Plans (GDS 2010).
- Biodiversity Constraints Assessment (Eco Logical 2010).
- Aquatic and Riparian Constraints Assessment (Eco Logical 2021).
- Bushfire Protection Assessment (Eco Logical 2021).
- Preliminary Site Investigation (Douglas Partners 2021).
- Traffic Impact Assessment (Bitzios 2021).
- Archaeological Survey Report (Eco Logical 2021).
- Preliminary Historical Heritage Assessment (Austral 2021).
- Report on Geotechnical Assessment (Douglas Partners 2021).
- Stormwater and WSUD Report (GDS 2021).
- Site Analysis Plans (GDS 2021).
- Landscape Plan (GDS).
- Pre-Lodgement Meeting Notes (WCC).

The draft Neighbourhood Plan relies on the existing zonings and planning controls and suggests a development comprising of approximately 140-180 dwellings, the majority of which are on land at 84 Marshall Mount Road.

PROPOSAL

The draft Neighbourhood Plan provides for low density residential and rural-residential style lots on land controlled by the proponent. The C4 zoned land to the south of Marshall Mount Road, either side of Duck Creek, has limited development potential due to flooding and access issues. The draft Neighbourhood Plan proposal is broadly consistent with -

- Illawarra Shoalhaven Regional Plan (2021) – in broad terms, as it supports urban development within the West Dapto urban release area.
- Wollongong Local Strategic Planning Statement 2020, as it supports urban development within the West Dapto urban release area.
- Council's West Dapto Vision 2018.
- Yallah-Marshall Mount Vision 2015, where it seeks to increase densities close to Marshall Mount Road.

The draft Neighbourhood Plan was assessed by Council teams and a list of issues was raised with the proponent. The issues listed below may be addressed either before exhibition or as a part of the finalisation of the Neighbourhood Plan post-exhibition as indicated below.

Marshall Mount Road and Yallah Road

Marshall Mount Road and Yallah Road will need to be upgraded and widened to meet with increased demand as the area is developed. Council is in the process of engaging consultants to prepare the concept designs for these roads. The concept plans and subsequent detail design plans will guide road location, road widths, intersection locations, servicing and batters. The designs are important to guide the Neighbourhood Plan which can be adjusted to suit road widening proposals. This is likely to occur post exhibition of the Neighbourhood Plan.

Open Space

Council's West Dapto Development Contributions Plan 2020 identifies a portion of open space (OS25) within the precinct, which is shown indicatively on the draft Neighbourhood Plan. The location could be revised to bring it closer to the Village Core precinct. Council is undertaking a review of open space and community facilities within the West Dapto Urban Release Area, which will inform the best final location for the open space. This is likely to occur post exhibition of the Neighbourhood Plan.

Flooding

The draft Neighbourhood Plan needs to satisfactorily address Clauses 5.21(2)(b) and 5.21(2)(c) of the Wollongong LEP.

The six stormwater detention basins proposed are not considered practical, cost effective or maintainable. It is suggested that the number of basins be reduced to three or less to satisfy these principles. Also, the proposed retaining wall heights of up to 2m associated with basins OSD 1-2, OSD 1-3, OSD 1-4 and OSD 2 do not provide an aesthetic benefit to the proposed neighbourhood area and should be redesigned.

The proposed detention basins adjoining Marshall Mount Road and Road 01 have the potential to cause flood impacts to Marshall Mount Road and Road 01 and impose risk to road users due to basin overflows onto the road in higher intensity storm events. This potential impact and risk shall be minimised or eliminated. The low flows from some basins also need to have their points of discharge identified.

The proposed detention basins only appear to have a water-based purpose with limited active/passive use outcomes for the community. The design and location of all basins shall be reconsidered to identify any dual-purpose opportunities.

These flooding items need to be addressed for exhibition. It is noted that the developable land within the Neighbourhood Plan precinct is a relatively small proportion of the total precinct, and the issues are resolvable.

Riparian corridors

The width of the proposed riparian areas along Duck Creek and the unnamed tributary on the eastern side of 129 Marshall Mount Road, requires further consideration.

The areas identified either have no or limited development potential, so increases to the riparian widths can be accommodated without a reduction in the overall development yield.

The assessment of the riparian areas could be revised and provided as an overlay on a revised Neighbourhood Plan for exhibition. The Neighbourhood Plan can also be annotated to require compliance with Chapter E13 of Wollongong DCP and include a revised riparian corridor.

Woodland

The precinct contains large stands of Illawarra Lowlands Grassy Woodlands which is an Endangered Ecological Community and is zoned C2 Environmental Conservation.

The future ownership / stewardship of the C2 and the C3 riparian zoned lands is unclear. The northern areas of C2 land are on land controlled by the proponent, while other portions to the south and east are under different ownership and would need to be determined under consultation with those landholders. Existing rural uses are expected to be continued on some of these sites in the meantime.

Earthworks

Subdivision designs are required to "Ensure the design of the subdivision responds to the natural topography and landform feature and minimise, as far as practicable, significant cut / fill and unnecessary reshaping of the site". The draft Neighbourhood Plan suggests that 64,210m³ of land is to be cut/filled. Even after acknowledging that fill can be used on site, it seems that an excessive amount of the site is proposed to be remodelled. The extent of cut and fill should be reduced. This will be considered in conjunction with the landform necessary to achieve the desired outcome for the stormwater detention basins prior to exhibition.

Servicing

Sydney Water are preparing water and sewer plans to serve the precinct. Sydney Water are considering location options for a sewerage pumping station site within the precinct. Once determined the site will be included on the Neighbourhood Plan. Sydney Water have indicated that sewerage services should be available by 2025 and developers can make interim arrangements in the short term (i.e. collection and pump-out). It is anticipated that Sydney Water will provide more detailed comments during the exhibition process.

CONSULTATION AND COMMUNICATION

The lead consultant has been liaising with the landholder / developer representatives for the precinct. Much of the remaining land within the precinct has low or no development potential, and some landholders have declined to be involved. Co-operation between the landholder / developers would allow for a more holistic consideration of the whole neighbourhood precinct. The proponent has included an indicative road connection to land zoned C4 in the eastern portion of the precinct, which has some potential for rural-residential lots (between Duck Creek and the railway line). This land is not controlled by the proponent, and the landholder has declined to be involved in the process. Further studies will need to be undertaken by the landholder in this part of the precinct if they want to develop in the future.

If supported by Council, the draft Neighbourhood Plan would be exhibited for a minimum of 28 days, with the documents being available on Council's website, at Council's Customer Service Centre, at the Central Library and Dapto Library.

PLANNING AND POLICY IMPACT

This report relates to Wollongong 2028 Community Strategic Plan Objective 1.3 "The sustainability of our urban environment is improved" under Community Goal 1 "We value and protect our environment" and Delivery Program 1.3.1.2 "Develop planning controls and Town Centre and Neighbourhood Plans with regard to the economic, social, and environmental impacts". The report also relates to Strategy 5.3.1 "Housing choice in the Wollongong Local Government Area is improved, taking into account population growth, community needs and affordability" under Community Goal 5 "We have a healthy community in a liveable city" in Council's 2018-2022 Delivery Program and Operational Plan.

The draft Neighbourhood Plan fits with the existing LEP controls. It is noted that the road reservation issues for widening of Marshall Mount Road and the proposed road along the northern side of Duck Creek still require more work, though the Neighbourhood Plan can be adjusted to suit changes post exhibition.

FINANCIAL IMPLICATIONS

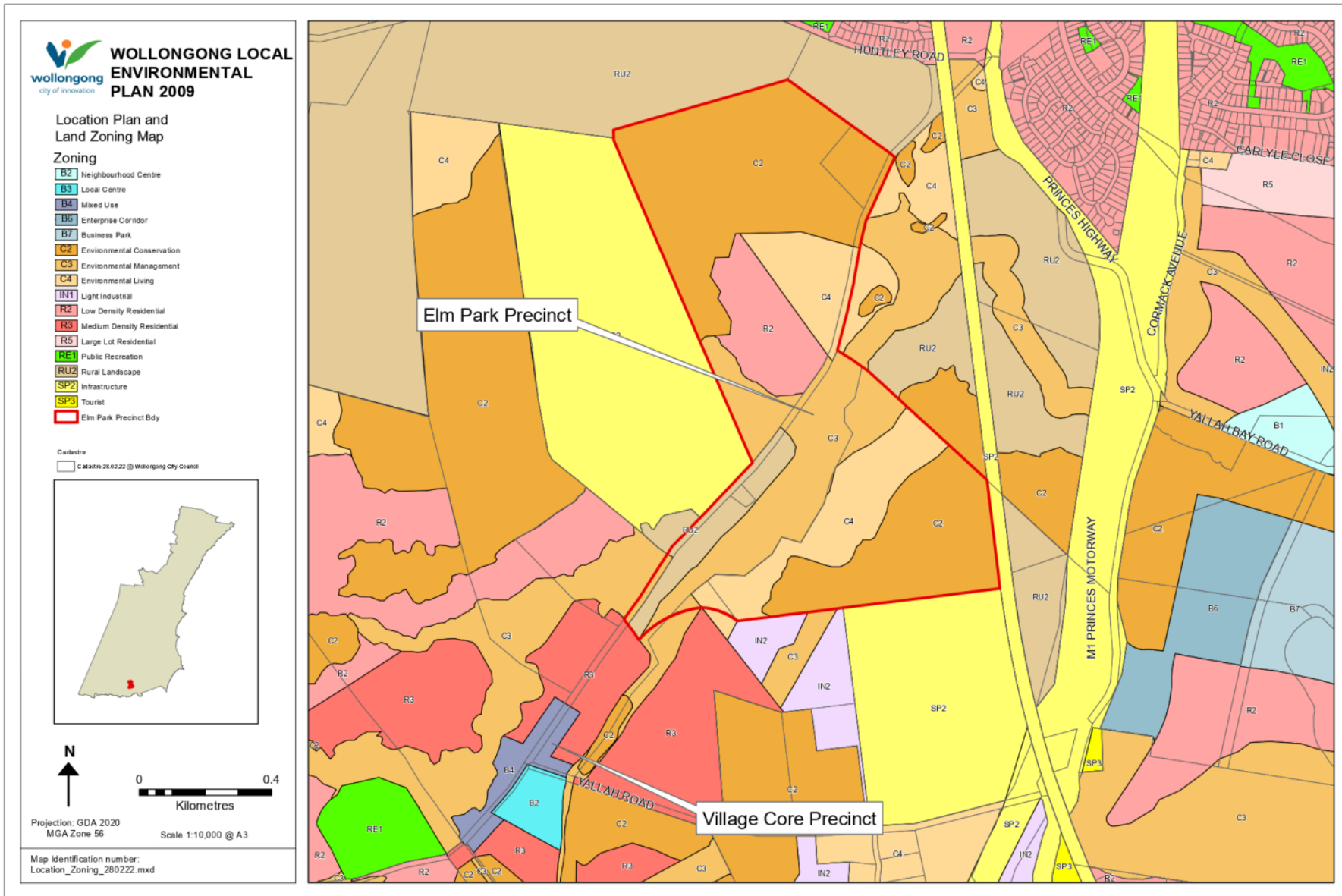
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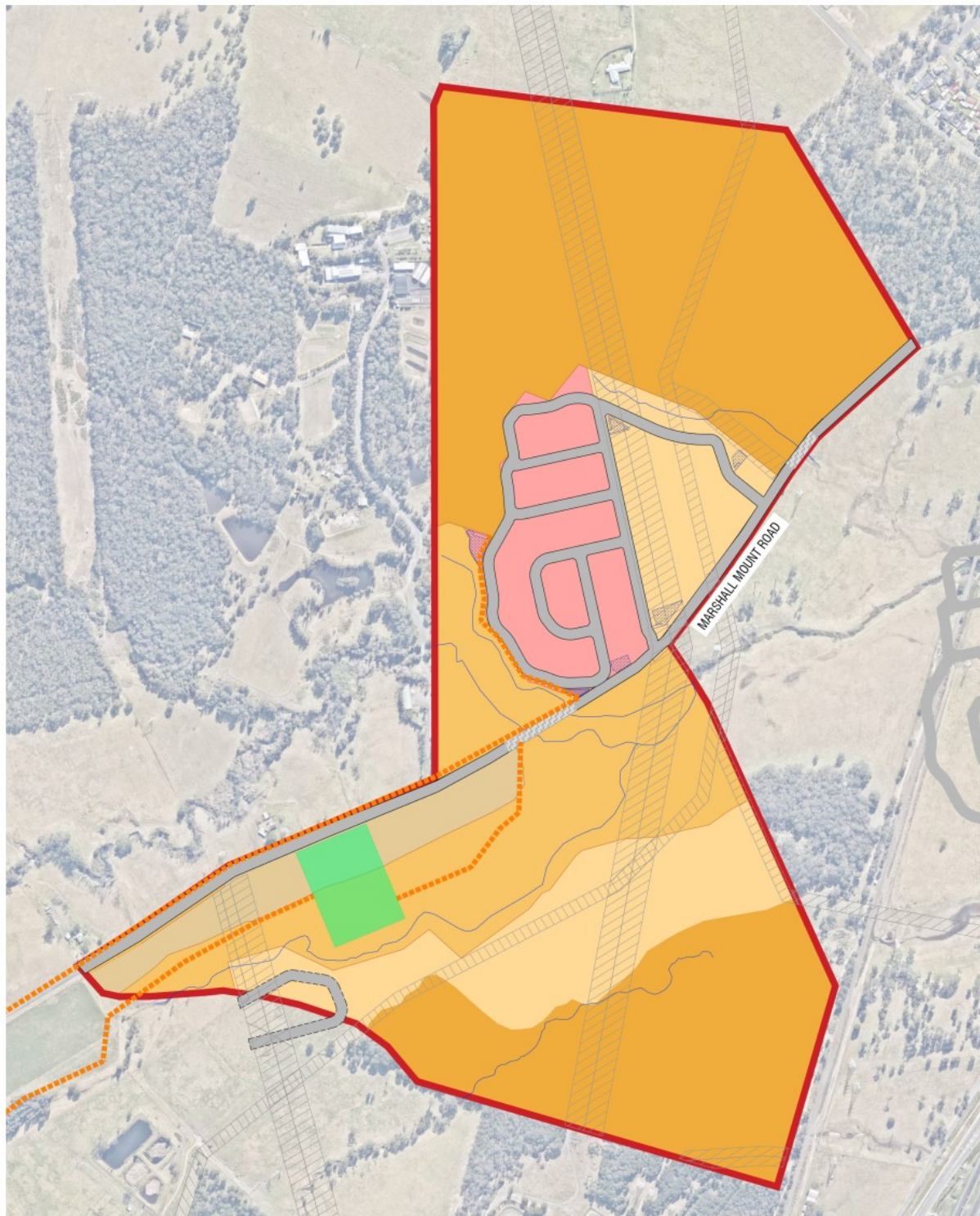
There are no significant financial implications resulting from this report.

CONCLUSION

The draft Neighbourhood Plan for the Elm Park precinct is largely consistent with vision and planning for the West Dapto Urban Release Area and the Yallah-Marshall Mount Precinct.

It is recommended that the proponent provide the updated information to accompany the draft Neighbourhood Plan and once received the draft Neighbourhood Plan be exhibited for a minimum of 28 days.





ZONES

- R2 - LOW DENSITY RESIDENTIAL
- E2 - ENVIRONMENTAL CONSERVATION
- E3 - ENVIRONMENTAL MANAGEMENT
- E4 - ENVIRONMENTAL LIVING
- RU2 - RURAL LANDSCAPE

LEGEND

- LOCAL PARK
- ROADS (INDICATIVE ONLY)
- ELM PARK NEIGHBOURHOOD
- ROADS
- SHARED USE PATHS

- BRIDGES
- WATERCOURSES
- OSD BASINS
- SERVICE & UTILITY EASEMENTS



REVISION	DESCRIPTION	BY	DATE
C	NEIGHBOURHOOD PLAN SUBMISSION	AG	05/11/2021
B	ISSUE TO COUNCIL	MT	15/10/2021
A	ISSUE FOR DISCUSSION	MT	29/07/2021

PROJECT MANAGERS • SURVEYORS • PLANNERS • ENGINEERS

GROUP DEVELOPMENT SERVICES PTY LTD

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gas

THE PLAN IS PRELIMINARY ONLY AND IS SUBJECT TO AMENDMENTS AND CHANGES DUE TO FURTHER INVESTIGATION, LATENT FINDS, UNKNOWN SITE CONDITIONS, SURVEYING AND LOCAL COUNCIL, STATE AND FEDERAL GOVERNMENT AUTHORITIES RECOMMENDATIONS AND APPROVALS. REPORTS AND INFORMATION REQUIRED TO FINALISE THIS PLAN WILL INCLUDE BUT WILL NOT BE LIMITED TO ARCHAEOLOGY, HERITAGE, CONTAMINATION, ECOLOGY, ZONING, DRAINAGE DENSITIES, CONSENTING OBJECTION, GEOTECHNICAL, ALLOWING LANDOWNER, WATER, UTILITIES, FLOODING AND WATERWAYS, SEWERAGE, WATER SUPPLY, ELECTRICITY, TELECOMMUNICATION.

REVISION	DESCRIPTION	BY	DATE
C	NEIGHBOURHOOD PLAN WITH EXISTING ZONING (Newmap April 2021)	AG	05/11/2021
B	ISSUE TO COUNCIL	MT	15/10/2021
A	ISSUE FOR DISCUSSION	MT	29/07/2021

REVISION	DESCRIPTION	BY	DATE
C	NEIGHBOURHOOD PLAN WITH EXISTING ZONING (Newmap April 2021)	AG	05/11/2021
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REVISION	DESCRIPTION	BY	DATE
C	NEIGHBOURHOOD PLAN WITH EXISTING ZONING (Newmap April 2021)	AG	05/11/2021
B	ISSUE TO COUNCIL	MT	15/10/2021
A	ISSUE FOR DISCUSSION	MT	29/07/2021

ELM PARK NEIGHBOURHOOD PLAN

PROJECT REFERENCE: P00439
DATE OF ISSUE: 05/11/2021
REVISION NO.: C
SHEET SIZE: A1

DRAWING NUMBER:
NP-1

ITEM 3 LATE REPORT: APPLICATION TO APPLY BUDGETED RATE VARIATION

This report seeks endorsement to apply to IPART to use Council's budgeted rate variation for its 2022-2023 rates indexation. If endorsed, the proposed variation would be included as an option in the draft Revenue Policy (part of the Integrated Planning & Reporting suite) for community consultation in May.

While IPART had published an initial Rate Peg of 1% for Wollongong in December, following advocacy from Local Government NSW and other industry players, the Minister for Local Government has provided opportunity for Council's to request a percentage increase that is line with their published budgets for 2022-2023 up to 2.5%. Wollongong City Council's budget adopted in June 2021, provided for a 1.8% rate variation for 2022-2023. While this variation remains below the current price inflation for next year, it would support the maintenance of Council's financial sustainability and allow full delivery of the planned future program.

RECOMMENDATION

- 1 Council make application to IPART for a permanent additional special variation, under the process announced by the Minister for Local Government on 8 March 2022, for the use of the 1.8% general income increase in 2022-2023 as adopted in Council's budget in June 2021.
- 2 Council officers participate in the proposed review of the calculation of the Rate Peg for future years and Council make submission to any proposals or discussion papers put forward.

REPORT AUTHORISATIONS

Report of: Brian Jenkins, Chief Financial Officer

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

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

Wollongong Council and its community have worked together over the past 10 to 15 years to achieve a financially sustainable future for Council. While our community engagement has highlighted a clear desire for increased services and levels of service in many areas, which will require the creation of additional capacity, Council's first obligation is to the principles of financial sustainability and good financial management. To manage this, Council's Financial Strategy sets the parameters within which Council agrees to operate to maintain accepted financial outcomes. Council's 10 year continuous budget process and targeted long term financial outcomes ensure decisions are made today that provide reasonable certainty over future financial sustainability. The greatest risk in this process is that the underlying indices, particularly the correlation between the rates index and the cost of service, are substantially mismatched in the future.

Over the period since the introduction of the IPART calculated Rate Peg (2011-2012), Council and the economy in general have experienced historically reasonable levels of price inflation, wages indexation, and unemployment. The movements from year to year have been reasonably orderly and incremental. During that time, rate increases have been set between 1.5% and 3.6%. 2021-2022 saw a 2% Rate Peg.

Moving into 2021-2022, Council's budget had forecast a relatively constant level of cost inflation before starting to trend upwards post 2022-2023. Council's indexation for the rate increase in 2022-2023 was 1.8% with cost increases ranging from 1.5 to 2.7%. Forecasts were based on the information available at the time in March 2021 and were considered reasonable. The latter part of the 2021 calendar year has seen economic conditions start to move with greater volatility due to supply issues and inflationary pressures across other parts of the world and historically tight labour markets have emerged over recent months. Current cost inflation forecasts for 2022-2023 (CPI) are now forecast by the Reserve Bank of Australia to be 3.75%, with unemployment estimated at an historically low 4%.

The IPART Rate Peg for 2022-2023, which is based on a basket of goods and services reflecting council expenditure, was calculated based on cost movements between June 2020 and June 2021. This measurement has resulted in an index calculated at 0.9%, which was discounted by 0.2% to adjust for a prior year increase that allowed for the cost of council elections. While this calculation reflects the price movements in 2020-2021, it is not reflective of the environment Council is now faced with based on current and, more importantly, forecast indexation for next year.

Having managed through the past two devastating years that saw the threats of fire, flood, pandemic and more floods within our community, the new challenge for 2022-2023 is the rapidly escalating cost of delivering service that Council will be faced with. Following advocacy from Local Government NSW and other industry players, the Minister for Local Government, Treasurer and the Premier have recognised the significant impact that the historically low Rate Peg of 0.7% would have had on Local Government moving into next year. The Minister has now provided opportunity for councils to request a revised percentage increase that is in line with their published budgets for 2022-2023 up to 2.5%.

Wollongong City Council had included a provision for an increase in General Income from rates of 1.8%. This was based on cost indexes of 1.5% for goods and services and 2% for labour costs, which are now predicted to be below actual costs.

The IPART Rate Peg, which is based on IPART's Local Government Cost Index (LGCI), provided for 0.7% (0.9 less 0.2 % to remove concession for the cost of Local Government elections in 2021-2022). The LGCI used to assess this increase was based on price movements between June 2020 and June 2021. As noted above, the world economy has moved reasonably quickly since that time and is now expected to show more significant increases in cost moving into next year. By way of comparison, the table below shows the scale of variation between some of the major price indexation categories used to determine the Rate Peg from June 2021 compared to the December 2021 figures.

Index	Component of LGCI	Percentage of LGCI	June Index	December Index
Labour Price Index – Public Sector	Employee Benefits & Oncosts	38.4%	1.3%	2.3%
Producer Price Index - NSW	Construction Works & Costs	26.9%	2.5%	4.3%
CPI - All Groups Sydney	Other Expenses	8.4%	1.2%	3.5%
Percentage of Total LGCI		73.7%		

In addition, Fuel, which makes up 0.8% of the LGCI basket of goods, has moved from a negative index of -2.4% to a +5.9% increase for the 12 months to December. While the movements in the last half of 2021 vary substantially from the June indexes and are considered stark compared to movements in the last decade, the forecasts for 2022-2023 and beyond are now expected to be equally, if not more expansive.

The limitation to retain Council's budgeted rate General Income increase of 1.8% into 2022-2023 will still place considerable pressure on Council's budget and capacity moving forward and highlights the need for Council and Government imposed estimates to be constantly updated to reflect current and future estimated economic variables. Considering this and other issues, the Minister for Local Government has committed to reviewing the current Rate Peg methodology with the industry over the coming year. It is intended that Council and its officers would play an active role in that review to ensure Wollongong City Council's views are considered.

Should the proposal to apply for application of the budgeted rate index of 1.8% be endorsed, the proposed rate to be applied for 2022-2023 would be included as an option in the Revenue Policy that is scheduled to be exhibited for community consultation and feedback along with the full suite of Integrated Planning documents in May 2022. This would include the draft Community Strategic Plan, Delivery Program & Operating Plan, and the Resourcing Strategy. The Revenue Policy and Budget estimates would include two scenarios: one based on the proposed rates increase and one based on the initial IPART Rate Peg. The budget currently being prepared would also include two scenarios to show the

financial impacts of the two options. IPART would also publish the Application for Variation and seek community feedback on the application at the same time, prior to giving approval by 21 June if considered appropriate.

Council's scenarios would include the impact on ratepayers. It is recognised that ratepayers, and our community in general, have been at the coalface of the difficulties presented over the past two years and that they will be further impacted (both positively and negatively) by the anticipated buoyant future economy, where unemployment is predicted to be low, and wages should be increasing along with interest rates and the costs of goods and services. The potential impact on residential ratepayers based on the average rate of \$1,570 would be \$12.54 over the initial Rate Peg figure, although that figure would vary based on the value of individual properties. The impact for Council's financial sustainability is \$1.445M per annum based on current prices. With the potential for increased indexation moving forward, the impact of this will be more significant if this base is not maintained at an appropriate level to offset the increased costs.

PROPOSAL

It is proposed that Council endorse an application to IPART for an Additional Special Variation as announced by the Minister for Local Government in line with Wollongong City Council's budgeted increase in rates General Income of 1.8% for 2022-2023. Following this application Council would present a Revenue Policy to the community for consultation and feedback with two rating and budget scenarios based on the proposed increase and the initial IPART Rate Peg. Council would then make its final decision on the rate General Income increase for 2022-2023 at its June meeting, subject to approval from IPART and review of the community feedback.

PLANNING AND POLICY IMPACT

Wollongong City Council's Financial Strategy provides a clear direction and context for decision making that guides the allocation, management and use of its financial resources. It aims to ensure that Council remains financially stable while giving focus to financing key Council priorities through strong financial management. It acts as the catalyst for improving efficiency and releasing resources to improve frontline services and continuity. The Financial Strategy sets the parameters within which Council agrees to operate in order to maintain accepted financial outcomes and should be viewed as an enabling Strategy that aims to provide financial stability, affordability, focused delivery and value for money over the short, medium and longer term.

This report contributes to the delivery of Our Wollongong 2028 Goal 4 We are a Connected and Engaged Community. It specifically delivers on Strategy 4.3.2 Resources (finance, technology, assets and people) are effectively managed to ensure long term financial sustainability.

SUSTAINABILITY IMPLICATIONS

This report addresses the need to ensure long term financial sustainability

RISK MANAGEMENT

Ensuring appropriate levels of income are available to deliver Council's services in the short and longer term are underpinned by good financial planning and management. There is significant risk at present that the upward trends in costs of service to Council and generally will place significant risk on Council's finances, such that long term financial sustainability would not be ensured.

FINANCIAL IMPLICATIONS

The impact of approval to apply the budgeted rate variation of 1.8% for 2022-2023 is estimated to be \$1.4M in that year. As this amount would be requested to remain within Council's base rates for future periods this approval is more significant over the longer term. As future increments are provided based on cost indexes, if this amount is not in the rates base moving forward it would not be recovered and would leave a gap between service cost and delivery that would need to be adjusted by other means. Council is a large organisation and can adjust capacity and services over time through additional

revenues, efficiency gain, or service cuts, however, there is also a clear growing demand for increased services and service levels into the future.

CONCLUSION

Council management of its financial sustainability is a key requirement of the Local Government Act that requires responsible and sustainable alignment of general revenues and expenses. While Council is yet to consider its draft Integrated Planning suite for 2022-2023 and beyond, it is reasonable based on the current economic conditions to provide an option in its plans for the budgeted position in addition to the IPART Rate Peg, which is well below current indexation and forward estimates. Should Council endorse this approach, both options will be presented to Council in its draft Integrated Planning Suite and, if again endorsed at that time, will then be presented to the community for further consultation before a final decision is made in June.

ITEM 4 TENDER T1000044 - BANKING SERVICES

This report recommends acceptance of a tender for Banking Services in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2021.

Although there is no requirement under the Local Government Act to invite tenders for Banking Services, it was considered a potentially valuable and prudent exercise to test the market as Council's current banking contract relationship spanning 10 years, ends on 30 June 2022.

RECOMMENDATION

- 1 In accordance with Section 178(1)(a) of the Local Government (General) Regulation 2021, Council accept the tender of Commonwealth Bank of Australia for provision of Banking Services.
- 2 Award the contract for an initial term of five years, with 1 x 5 year optional extension, exercisable solely at the discretion of Council for a maximum term of 10 years.
- 3 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.
- 4 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: Brian Jenkins, Chief Financial Officer

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

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

The current Banking Services contract spanning 10 years ends on 30 June 2022. The tender was commenced to engage a contractor for the provision of Banking Services to Council, including:

Bank Accounts	Internet Banking
Account Statements	Electronic Funds Transfers
Relationship Management	Security
Direct Credits	Bank Guarantees
Cheque Facilities	Overdraft Facility
Purchase Card Facilities	Offset of Accounts
Council Initiated Deposits	Account Enquiries
Direct Debit Facilities	Transaction Enquiries
Merchant EFTPOS Facilities	Internet Banking Helpdesk Facilities
BPAY	Miscellaneous Receipts
Internet Merchant Account	Monthly Subscriptions

The tender specifically excluded Investment products and associated advice; Telephone (IVR), Web Payment and Parking Payment Services. The term of the contract was tendered for a period of five years, with an option to extend for a further five years exercisable at the sole discretion of Council.

Tenders were invited for this project by the Open Tender method with a close of tenders of 10.00 am on 27 January 2022.

Two tenders were received by the close of tenders 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 the Finance and Information Management and Technology Divisions in consultation with representatives from the Supply Chain & Logistics Management and Governance business units.

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 Referees
- 2 Financial Capacity
- 3 Evidence of Australian Prudential Regulation Authority (APRA) authority to carry on a banking business in Australia in accordance with Section 9 of the Banking Act, 1959
- 4 Local LGA Presence: Must nominate a local branch in the Wollongong Local Government Area

Assessable Criteria

- 1 Cost to Council – 40%
- 2 Experience and satisfactory performance in undertaking projects of similar size, scope and risk profile, and capacity to provide banking services in accordance with this specification – 25%
- 3 Efficiencies and Innovation within system/ Product Development – 10%
- 4 Staff qualifications and experience of key personnel proposed to be engaged in relation to this contract – 5%
- 5 Implementation Plan and Project Schedule for Service Delivery for Banking Services – 10%
- 6 Demonstrated strengthening of local economic capacity – 10%

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 five 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 five 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 tenderers.

TABLE 1 – SUMMARY OF TENDER ASSESSMENT

Name of Tenderer	Ranking
Commonwealth Bank of Australia	1
National Australia Bank	2

PROPOSAL

Council should authorise the engagement of Commonwealth Bank of Australia to carry out the Banking Services 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 goal “We are a connected and engaged community”.

It specifically delivers on core business activities as detailed in the Financial Services Service Plan 2021-2022.

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 as the recommended tenderer have undertaken the services for other local government councils in NSW.

FINANCIAL IMPLICATIONS

It is proposed that the total project be funded from the current operating budget.

CONCLUSION

Council should endorse the recommendations of this report.

ITEM 5

TENDER T1000049 - CONSTRUCTION OF RETAINING WALL - LAKE HEIGHTS ROAD, LAKE HEIGHTS

This report recommends acceptance of a tender for the construction of a retaining wall at Lake Heights Road, Lake Heights in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2021.

The primary objective of this project is to replace an existing crib lock retaining wall which is at the end of its asset life. Associated works include a Sydney Water main realignment, an Endeavour Energy power pole relocation, relocation of Telstra pits, new stairs, footpaths, kerb and gutter and balustrading.

RECOMMENDATION

- 1 In accordance with Section 178(1)(a) of the Local Government (General) Regulation 2021, Council accept the tender of The RIX Group Pty Ltd for the construction of a retaining wall at Lake Heights Road, Lake Heights in the sum of \$2,205,524.72 inclusive of 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: Glenn Whittaker, Manager Project Delivery

Authorised by: Joanne Page, Director Infrastructure + Works - Connectivity Assets + Liveable City

ATTACHMENTS

- 1 Locality Map

BACKGROUND

The existing crib lock wall at Lake Heights Road, Lake Heights has reached the end of its asset life and requires replacement. The scope of works includes building a new retaining wall in front of the existing wall using a combination of piers, soil anchors and shotcrete to stabilise the area.

Due to the proximity of the wall to an existing Sydney Water main the first stage of works will include realigning the watermain to a location away from the retaining wall. An existing Endeavour Energy pole and several Telstra pits also require relocation to accommodate the works.

The retaining wall is approximately 90 metres long and includes upper and lower footpaths, stairs and balustrading that will all be replaced as part of these works.

Tenders were invited for this project by the open tender method with a close of tenders of 10.00 am on 8 March 2022.

Two (2) tenders were received by the close of tenders 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 the Project Delivery, Infrastructure, Strategy and Planning and Governance and Customer Service 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
- 3 Health and Safety Policy and WHS Management System Manual or Plan
- 4 Accredited by Sydney Water to undertake the watermain realignment works
- 5 Accredited by Endeavour Energy to undertake the power pole relocation works

Assessable Criteria

- 1 Cost to Council - 35%
- 2 Appreciation of scope of works and construction methodology – 15%
- 3 Experience and satisfactory performance in undertaking projects of similar size, scope and risk profile – 15%
- 4 Staff qualifications and experience – 5%
- 5 Proposed sub-contractors – 10%
- 6 Project Schedule – 5%
- 7 Demonstrated strengthening of local economic capacity – 10%
- 8 Workplace Health and Safety Management System and Environmental Management Policies and Procedures – 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
The RIX Group Pty Ltd	1
GC Civil Contracting Pty Ltd	2

PROPOSAL

Council should authorise the engagement of The RIX Group Pty Ltd to carry out the works 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.

An acceptable financial capability assessment has been received in relation to the recommended tenderer.

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 6 “We have affordable and accessible transport”.

It specifically delivers on core business activities as detailed in the Transport Services Service Plan 2021-22.

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 is considered medium based upon Council’s risk assessment matrix and appropriate risk management strategies will be implemented.

SUSTAINABILITY IMPLICATIONS

The project scope includes building a new wall in front of the existing wall which reduces waste generation that would otherwise be required in removing and replacing the wall.

The new wall has been designed using steel coatings and shotcrete cover to provide a long-term design life.

Local economic development was an assessment criterion when assessing tenders.

FINANCIAL IMPLICATIONS

It is proposed that the total project be funded from the following source/s as identified in the Operational Plan –

2021/22 Capital Budget

CONCLUSION

The RIX Group Pty Ltd has submitted an acceptable tender for these works and Council should endorse the recommendations of this report.



While every effort has been made to ensure the highest possible quality of data, we shall not be accepted for any inaccuracies of the information shown.
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ITEM 6 FEBRUARY 2022 FINANCIALS

The financial results for February 2022 compared to phased budget vary across the three key performance indicators. The Operating Result [pre-capital] is a favourable variance of \$4.6M, the Funds Available from Operations is unfavourable by \$1.7M and the Funds Result is favourable by \$3.7M.

The Statement of Financial Position at the end of the period indicates that there is enough cash to support external restrictions.

Council has expended \$53.3M on its capital works program representing 49% of the annual budget. The year to date budget for the same period was \$58.9M.

RECOMMENDATION

- 1 The financials be received and noted.
- 2 Council endorse the proposed changes to the Capital Budget for February 2022.

REPORT AUTHORISATIONS

Report of: Brian Jenkins, Chief Financial Officer

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

ATTACHMENTS

- 1 Financial Statements – February 2022
- 2 Capital Project Report – February 2022

BACKGROUND

This report presents the Financial Performance of the organisation for February 2022. The below table provides a summary of the organisation's overall financial results for the year.

FORECAST POSITION	Original Budget	Revised Budget	YTD Forecast	YTD Actual	Variation
	\$M	\$M	\$M	\$M	\$M
KEY MOVEMENTS	1-Jul	25-Feb	25-Feb	25-Feb	
Operating Revenue	281.9	275.8	180.5	182.7	2.2
Operating Costs	(291.1)	(298.6)	(192.0)	(189.6)	2.4
Operating Result [Pre Capital]	(9.2)	(22.8)	(11.5)	(6.9)	4.6
Capital Grants & Contributions	32.1	36.8	22.8	20.6	(2.2)
Operating Result	22.9	14.0	11.3	13.7	2.4
Funds Available from Operations	59.1	56.5	39.5	37.8	(1.7)
Capital Works	107.1	108.3	58.9	53.3	5.6
Contributed Assets	8.4	8.4	0.0	0.0	(0.0)
Transfer to Restricted Cash	1.9	2.8	2.1	2.1	-
Borrowings Repaid	5.5	5.5	3.1	3.1	(0.0)
Funded from:					
- Operational Funds	59.1	56.5	39.5	37.8	(1.7)
- Other Funding	54.6	59.6	26.6	26.4	(0.2)
Total Funds Surplus/(Deficit)	(9.1)	(8.9)	1.9	5.6	3.7

FINANCIAL PERFORMANCE

The February 2022 Operating Result [pre-capital] deficit of \$6.9M is a favourable variance of \$4.6M compared to the phased budget deficit of \$11.5M. This favourable variance is mainly related to lower levels of expenditure on funded projects (\$3.9M).

The Operating Result of \$13.7M is a favourable variance of \$2.4M compared to phased budget. This includes the net variation above as well as a lower level of capital grants and contributions of \$2.2M.

The Funds Available from Operations indicates an unfavourable variation of \$1.7M. This result excludes non-cash variations and transfers to and from Restricted Assets but includes the variation in cash payments for Employee Entitlements.

At the end of February, the Capital Works Program had an expenditure of \$53.3M compared to a phased budget of \$58.9M. The lower level of expenditure (\$5.6M) is offset by lower levels of funding (\$0.2M) and has resulted in a net positive impact on the Funds Result of \$5.4M. The February capital report recommends a decrease to the program of \$0.3M as a result of delays due to wet weather, delays from extended community and stakeholder engagement on the Warrawong Community Centre and Library project and rephasing of Developer Contribution funded projects. This is partially offset by additional Local Roads and Community Infrastructure funded project expenditure and additional expenditure on land acquisitions.

The Total Funds result as at 25 February 2022 has a \$3.7M favourable variance compared to phased budget. This includes the \$5.4M net impact from the capital works program.

FINANCIAL POSITION

Cash, Investments & Available Funds

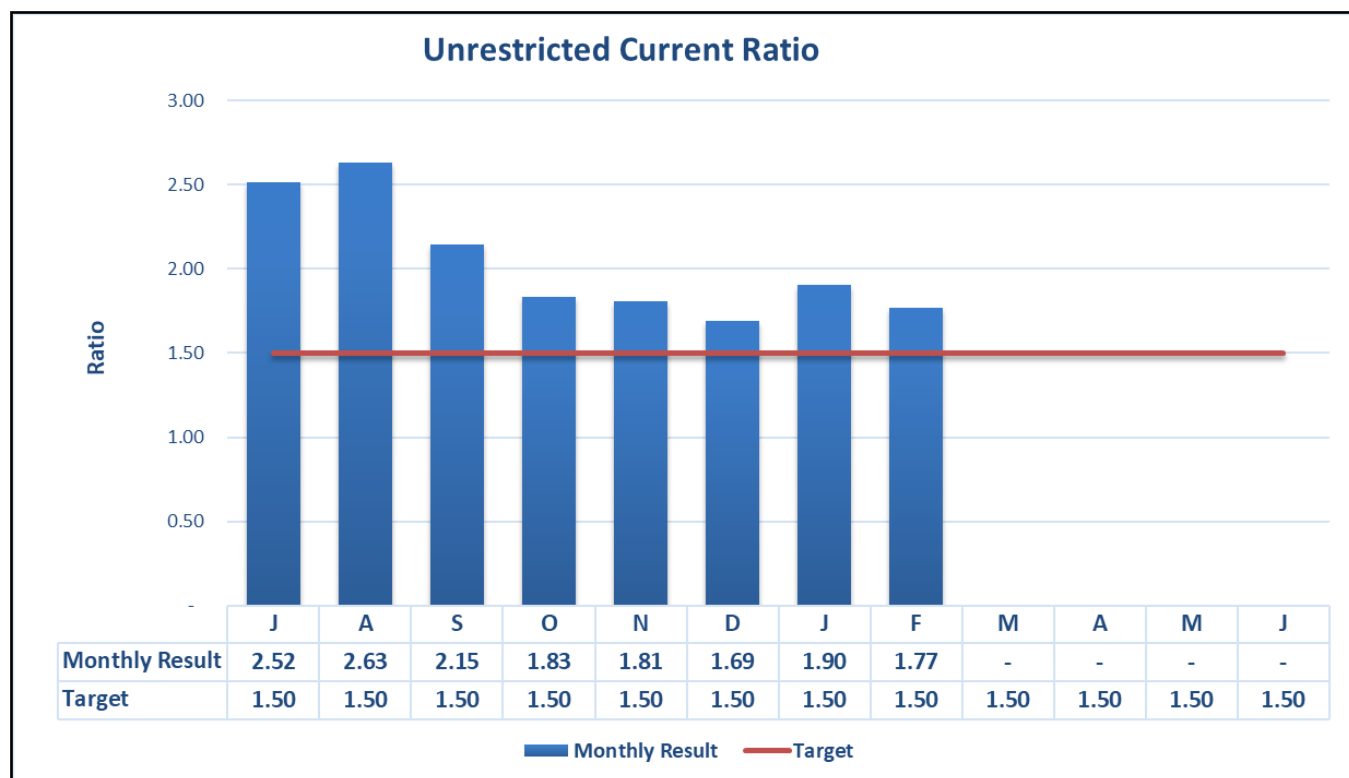
Council's cash and investments increased during February 2022 to holdings of \$168.7M compared to \$160.8M at the end of January 2022. A significant portion of these funds are subject to restriction meaning they can only be utilised for specific purposes. As a result, Council's true available cash position is more accurately depicted by considering available funds that are uncommitted and not subject to restriction.

CASH, INVESTMENTS & AVAILABLE FUNDS				
	Actual 2020/21 \$M	Original Budget 2021/22 \$M	Dec QR 2021/22 \$M	Actuals YTD February \$M
Total Cash and Investments	170.9	105.4	128.4	168.7
Less Restrictions:				
External	78.1	59.9	64.1	75.2
Internal	70.7	41.7	53.4	65.0
CivicRisk Investment	3.2			3.2
Total Restrictions	152.0	101.6	117.5	143.5
Available Cash	18.9	3.8	10.9	25.2
Adjusted for :				
Payables	(26.6)	(26.2)	(26.8)	(29.6)
Receivables	21.9	24.5	24.3	19.1
Other	9.3	10.9	6.8	13.7
Net Payables & Receivables	4.5	9.2	4.3	3.2
Available Funds	23.4	13.0	15.3	28.3

External restrictions are funds 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, although Council may vary that use by resolution of Council. Further details on the internal and external restrictions can be found in the Cash Flow Statement (Attachment 1).

The level of cash and investments in Council's available funds position is above the Financial Strategy target range of 3.5% to 5.5% of operational revenue (pre-capital). The increase in cash and investments is in line with anticipated cash flows.

The Unrestricted Current Ratio measures the Council's liquidity position or ability to meet short term obligations as they fall due. The below graph reflects Council's performance against the Local Government benchmark of greater than 1.5 times.



Prior months have been adjusted in the above table to reflect variation in the treatment of prepaid rates.

Borrowings

Council continues to have financial strength in its low level of borrowing. Council's Financial Strategy includes provision for additional borrowing in the future and Council will consider borrowing opportunities from time to time to bring forward the completion of capital projects where immediate funding is not available.

The Debt Service Cover Ratio measures the availability of operating cash to service debt including interest, principal and lease payments. Council's Debt Service Cover Ratio as at February 2022 exceeds the Local Government benchmark of greater than two times.

Infrastructure, Property, Plant & Equipment

The Statement of Financial Position shows that \$2.70B of assets (written down value) are controlled and managed by Council for the community as at 25 February 2022. Council has expended \$53.3M on its capital works program representing 49% of the annual budget. The year to date budget for the same period was \$58.9M.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Wollongong 2022 goal '*We are a connected and engaged community*'. It specifically delivers on the following:

Community Strategic Plan Strategy	Delivery Program 2018-2022 4 Year Action	Operational Plan 2021-2022 Operational Plan Actions
4.3.2 Resources (finance, technology, assets and people) are effectively managed to ensure long term financial sustainability	4.3.2.1 Effective and transparent financial management systems are in place	Monitor and review achievement of Financial Strategy
		Continuous budget management is in place, controlled and reported
		Provide accurate and timely financial reports monthly, quarterly and via the annual statement

CONCLUSION

The financial result at the end of February is positive across two of the three key performance indicators.

WOLLONGONG CITY COUNCIL					
1 July 2021 to 25 February 2022					
	Original Budget \$'000	Current Budget \$'000	YTD Budget \$'000	Actual YTD \$'000	Variance \$'000
Income Statement					
Income From Continuing Operations					
Revenue:					
Rates and Annual Charges	215,858	216,927	142,641	142,564	(76)
User Charges and Fees	31,493	24,865	15,242	17,465	2,222
Interest and Investment Revenues	3,167	1,562	985	549	(436)
Other Revenues	5,737	5,827	3,426	2,430	(995)
Rental Income	6,326	5,652	3,718	3,425	(294)
Grants & Contributions provided for Operating Purposes	19,325	20,054	13,591	14,987	1,396
Grants & Contributions provided for Capital Purposes	32,091	36,838	22,779	20,638	(2,140)
Profit/Loss on Disposal of Assets	0	878	878	1,242	364
Total Income from Continuing Operations	313,998	312,605	203,260	203,300	40
Expenses From Continuing Operations					
Employee Costs	144,255	145,377	92,982	95,663	(2,682)
Borrowing Costs	1,954	432	284	315	(31)
Materials & Services	83,426	91,208	58,368	52,229	6,139
Other Expenses	18,447	19,253	12,569	11,564	1,005
Depreciation, Amortisation + Impairment	64,652	64,021	42,096	41,959	137
Labour Internal Charges	(19,309)	(19,337)	(12,715)	(10,806)	(1,909)
Non-Labour Internal Charges	(2,339)	(2,339)	(1,538)	(1,288)	(250)
Total Expenses From Continuing Operations	291,087	298,614	192,046	189,635	2,411
Operating Result	22,911	13,991	11,214	13,665	2,451
Operating Result [pre capital]	(9,180)	(22,847)	(11,565)	(6,973)	4,591
Funding Statement					
Net Operating Result for the Year	22,911	13,991	11,214	13,665	2,451
Add back :					
- Non-cash Operating Transactions	82,509	79,760	52,083	51,760	(324)
- Restricted cash used for operations	15,807	28,948	18,969	14,732	(4,237)
- Income transferred to Restricted Cash	(48,130)	(51,731)	(33,104)	(31,866)	1,238
Leases Repaid	0	(399)	(262)	(293)	(30)
Terminations	(14,018)	(14,099)	(9,390)	(10,151)	(761)
Funds Available from Operations	59,079	56,471	39,511	37,847	(1,664)
Borrowings Repaid	(5,482)	(5,482)	(3,142)	(3,142)	(0)
Advances (made by) / repaid to Council	0	0	0	0	0
Operational Funds Available for Capital Budget	53,597	50,989	36,369	34,705	(1,664)
CAPITAL BUDGET					
Assets Acquired	(107,093)	(108,305)	(58,894)	(53,303)	5,591
Contributed Assets	(8,358)	(8,358)	(0)	(48)	(47)
Transfers to Restricted Cash	(1,854)	(2,779)	(2,144)	(2,144)	0
Funded From :-					
- Operational Funds	53,597	50,989	36,369	34,705	(1,664)
- Sale of Assets	1,854	2,779	1,592	1,649	58
- Internally Restricted Cash	8,675	8,085	3,326	3,168	(159)
- Borrowings	0	0	0	0	0
- Capital Grants	20,069	21,526	11,376	12,206	830
- Developer Contributions (Section 94)	13,035	16,169	9,855	8,512	(1,342)
- Other Externally Restricted Cash	0	0	0	304	304
- Other Capital Contributions	10,958	10,998	486	572	86
TOTAL FUNDS SURPLUS / (DEFICIT)	(9,118)	(8,896)	1,965	5,622	3,656

WOLLONGONG CITY COUNCIL		
as at 25 February 2022		
	YTD Actual 2021/22 \$'000	Actual 2020/21 \$'000
Statement of Financial Position		
Current Assets		
Cash Assets	54,497	52,320
Investment Securities	80,983	103,334
Receivables	19,117	21,859
Inventories	494	463
Current Contract Assets	10,089	4,707
Other	8,586	6,682
Assets classified as held for sale	65	111
Total Current Assets	173,831	189,477
Non-Current Assets		
Non Current Cash Assets	30,000	12,000
Non Current Investment Securities	3,199	3,199
Non-Current Inventories	5,972	5,972
Property, Plant and Equipment	2,701,374	2,690,088
Investment Properties	4,600	4,600
Intangible Assets	102	152
Right-Of-Use Assets	1,223	1,471
Total Non-Current Assets	2,746,469	2,717,482
TOTAL ASSETS	2,920,301	2,906,958
Current Liabilities		
Current Payables	29,650	26,622
Current Contract Liabilities	7,474	8,177
Current Lease Liabilities	114	377
Current Provisions payable < 12 months	14,812	14,015
Current Provisions payable > 12 months	45,373	45,373
Current Interest Bearing Liabilities	5,497	5,497
Total Current Liabilities	102,921	100,062
Non-Current Liabilities		
Non Current Payables	0	0
Non Current Interest Bearing Liabilities	3,801	6,942
N/C Lease Liabilities	1,194	1,194
Non Current Provisions	39,311	39,314
Total Non-Current Liabilities	44,306	47,451
TOTAL LIABILITIES	147,227	147,513
NET ASSETS	2,773,076	2,759,445
Equity		
Accumulated Surplus	1,411,617	1,392,527
Asset Revaluation Reserve	1,223,771	1,223,744
Restricted Assets	137,689	143,174
TOTAL EQUITY	2,773,076	2,759,445

WOLLONGONG CITY COUNCIL		
CASH FLOW STATEMENT as at 25 February 2022		
	YTD Actual 2021/22 \$ '000	Actual 2020/21 \$ '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts:		
Rates & Annual Charges	147,993	214,468
User Charges & Fees	26,121	30,198
Interest & Interest Received	268	2,269
Grants & Contributions	28,545	58,978
Bonds, deposits and retention amounts received	431	755
Other	11,879	24,061
Payments:		
Employee Benefits & On-costs	(84,361)	(125,163)
Materials & Contracts	(60,596)	(87,653)
Borrowing Costs	(319)	(691)
Bonds, deposits and retention amounts refunded	-	(2,637)
Other	(11,024)	(20,275)
Net Cash provided (or used in) Operating Activities	58,936	94,309
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts:		
Sale of Investments	43,236	56,040
Sale of Infrastructure, Property, Plant & Equipment	1,649	1,531
Payments:		
Purchase of Investments	(38,504)	(69,745)
Purchase of Infrastructure, Property, Plant & Equipment	(59,737)	(78,658)
Net Cash provided (or used in) Investing Activities	(53,356)	(90,832)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments:		
Repayment of Borrowings & Advances	(3,141)	(5,260)
Repayment of Finance Lease Liabilities	(262)	(348)
Net Cash Flow provided (used in) Financing Activities	(3,404)	(5,608)
Net Increase/(Decrease) in Cash & Cash Equivalents	2,177	(2,131)
plus: Cash & Cash Equivalents - beginning of year	52,320	56,051
plus: Investments on hand - end of year	114,182	118,533
Cash & Cash Equivalents and Investments - year to date	168,679	172,453

WOLLONGONG CITY COUNCIL		
CASH FLOW STATEMENT as at 25 February 2022		
	YTD Actual 2021/22 \$ '000	Actual 2020/21 \$ '000
Total Cash & Cash Equivalents and Investments - year to date	168,679	172,453
Attributable to:		
External Restrictions (refer below)	75,242	78,088
Internal Restrictions (refer below)	64,961	70,676
Unrestricted	28,476	23,689
	168,679	172,453
External Restrictions		
Developer Contributions	37,802	38,719
RMS Contributions	1,249	115
Specific Purpose Unexpended Grants	8,385	9,687
Special Rates Levy Wollongong Mall	364	282
Special Rates Levy Wollongong City Centre	52	59
Local Infrastructure Renewal Scheme	-	277
Unexpended Loans	938	965
Domestic Waste Management	8,283	10,746
Private Subsidies	5,563	5,420
Housing Affordability	9,633	9,640
Stormwater Management Service Charge	2,973	2,178
Total External Restrictions	75,242	78,088
Internal Restrictions		
Property Investment Fund	9,390	9,388
Strategic Projects	38,947	46,558
Sports Priority Program	869	943
Car Parking Strategy	1,168	1,051
MacCabe Park Development	1,689	1,590
Darcy Wentworth Park	171	171
Garbage Disposal Facility	4,393	3,415
West Dapto Development Additional Rates	7,791	6,951
Southern Phone Natural Areas	173	173
Lake Illawarra Estuary Management Fund	370	436
Total Internal Restrictions	64,961	70,676

Manager Project Delivery Division Commentary February 2022 Capital Budget Report

On 29 June 2021, Council approved a Capital budget for 2021-2022 of \$107.1M.

The Capital Budget continues to vary each month as reported in the monthly finance report updates.

As at the end of February 2022, the approved Capital Budget is proposed to decrease by \$0.3M from \$108.2M to \$107.9M due primarily to:

- Rephasing of various external and internal funding for several major construction projects which will now be constructed in part or whole in 2022-2023 due the combine impacts of COVID-19 pandemic and high rainfall in summer 2021-2022.
- Introduction of strategic projects funding to progress purchase of two land parcels on King Street, Warrawong, for the new Community Centre and Library.

Council achieved expenditure at the end of February 2022 of \$53.3M compared to the most recently adjusted phased budget expenditure of \$58.9M. A review of the expenditure compared to phased budget has identified that most of the difference in achieving phased expenditure is due to:

- Impact of the 2-week shutdown of construction sites during the month of July due to COVID-19 related public health orders plus ongoing impacts on construction crews/sites of COVID-19 restrictions and/or exposure to positive COVID-19 cases.
- Impacts of COVID-19 restrictions and working from home on professional staff both within Council and at various State Government Utilities and Government authorities which issue planning approvals.
- Higher than usual rainfall throughout spring and summer.

Program	Major Points of change to Capital Budget
Traffic Facilities	Rephase Transport for NSW Safer Roads funding for existing project due to changes in project scope arising from community engagement.
Roadworks	Rephase Roads to Recovery (R2R) funding from existing project on Harry Graham Drive which has been delayed due to recent significant wet weather. Rephase Disaster Relief funding from existing project on Harry Graham Drive which has been delayed due to recent significant wet weather. Reallocate budget from Bridges Boardwalks and Jetties Program to Roadworks Program.
Bridges Boardwalks and Jetties	Reallocate budget from Bridges Boardwalks and Jetties Program to Roadworks Program.
West Dapto Infrastructure Expansion	Rephase Housing Acceleration Funding for existing West Dapto Upgrade project which has been delayed due to wet weather.
Footpaths	Rephase Local Roads and Community Infrastructure funding and Strategic Projects reserve funding for multiple existing projects. Reallocate budget from Footpaths Program to Cycle/Shared Paths Program. Reallocate budget from Footpaths Program to Commercial Centre Upgrades – Footpaths and Cycleways Program.
Cycle/Share Paths	Reallocate Budget from Footpaths Program to Cycle/Shared Paths Program. Introduce additional Local Roads and Community Infrastructure Funding for existing project.

Program	Major Points of change to Capital Budget
Commercial Centre Upgrades – Footpaths and Cycleways	Reallocate budget from Footpaths Program to Commercial Centre Upgrades – Footpaths and Cycleways Program.
Floodplain Management	Reallocate budget from Floodplain Management Program to Capital Budget Contingency.
Cultural Centres (Illawarra Performing Arts Centre, Gallery, Town Hall)	Reallocate budget from Administration Buildings Program to Cultural Centres. (Illawarra Performing Arts Centre, Gallery, Town Hall) Program.
Administration Buildings	Reallocate budget from Administration Buildings Program to Cultural Centres. (Illawarra Performing Arts Centre, Gallery, Town Hall) Program. Reallocate budget from Administration Buildings Program to Capital Budget Contingency.
Community Buildings	Reallocate budget from Community Buildings Program to Capital Budget Contingency. Rephase Section 7:12 Developer Contributions from Warrawong Community Centre and Library project due to extended community and stakeholder engagement contributions to design.
Play Facilities	Introduce additional Local Roads and Community Infrastructure funding for existing All Ages All Abilities Playground project. Reallocate budget from Play Facilities Program to Capital Budget Contingency.
Recreation Facilities	Rephase Section 7:12 Developer Contributions funding for existing projects. Introduce additional Department of Veteran Affairs funding for “Eye on the Horizon Sculpture” at Hill 60.
Sporting Facilities	Rephase Strategic Projects funding for existing projects.
Beach Facilities	Rephase Section 7:12 Developer Contributions funding for Port Kembla Beach Access Ramp scheduled for construction from July 2022.
Treated Water Pools	Reallocate budget from Treated Water Pools Program to Capital Budget Contingency – Port Kembla Pool Intake pipe scheduled for construction from July 2022.
Land Acquisitions	Introduce additional Strategic Projects funding for acquisition of properties on King Street Warrawong through compulsory acquisition process.
Capital Project Contingency	Multiple reallocations of budget from various capital programs detailed above.

CAPITAL PROJECT REPORT							
as at the period ended 25 February 2022							
ASSET CLASS PROGRAMME	\$'000		\$'000		YTD EXPENDITURE	\$'000	
	CURRENT BUDGET		WORKING BUDGET			VARIATION	
	EXPENDITURE	OTHER FUNDING	EXPENDITURE	OTHER FUNDING		EXPENDITURE	OTHER FUNDING
Roads And Related Assets							
Traffic Facilities	2,879	(2,304)	2,807	(2,232)	1,042	(72)	72
Public Transport Facilities	255	0	255	0	43	0	0
Roadworks	15,988	(5,471)	15,386	(4,671)	9,103	(600)	800
Bridges, Boardwalks and Jetties	1,722	(217)	1,522	(217)	707	(200)	0
TOTAL Roads And Related Assets	20,842	(7,992)	19,970	(7,120)	10,894	(672)	872
West Dapto							
West Dapto Infrastructure Expansion	7,091	(7,091)	6,866	(6,866)	4,501	(225)	225
TOTAL West Dapto	7,091	(7,091)	6,866	(6,866)	4,501	(225)	225
Footpaths And Cycleways							
Footpaths	13,280	(7,972)	12,912	(8,004)	5,624	(368)	(32)
Cycle/Shared Paths	5,287	(2,997)	5,658	(3,268)	3,160	372	(272)
Commercial Centre Upgrades - Footpaths and Cycleway	4,089	(829)	4,389	(829)	2,841	300	0
TOTAL Footpaths And Cycleways	22,656	(11,798)	22,959	(12,102)	11,625	304	(304)
Carparks							
Carpark Construction/Formalising	735	(450)	735	(450)	235	0	0
Carpark Reconstruction or Upgrading	1,712	(187)	1,712	(187)	1,356	(0)	(0)
TOTAL Carparks	2,447	(637)	2,447	(637)	1,591	(0)	(0)
Stormwater And Floodplain Management							
Floodplain Management	1,335	(160)	1,035	(160)	301	(300)	0
Stormwater Management	7,189	0	7,193	0	2,560	4	0
Stormwater Treatment Devices	15	0	11	0	3	(4)	0
TOTAL Stormwater And Floodplain Mar	8,539	(160)	8,239	(160)	2,865	(300)	0
Buildings							
Cultural Centres (IPAC, Gallery, Townhall)	700	0	750	0	427	50	0
Administration Buildings	1,635	0	1,435	0	603	(200)	0
Community Buildings	13,485	(2,822)	12,735	(2,372)	6,570	(750)	450
Public Facilities (Shelters, Toilets etc.)	490	(30)	490	(30)	182	(0)	0
TOTAL Buildings	16,310	(2,852)	15,410	(2,402)	7,782	(900)	450
Commercial Operations							
Tourist Park - Upgrades and Renewal	899	0	899	0	56	(0)	0
Crematorium/Cemetery - Upgrades and Renewal	136	0	136	0	59	0	0
Leisure Centres & RVGC	180	0	180	0	50	0	0
TOTAL Commercial Operations	1,215	0	1,215	0	164	(0)	0
Parks Gardens And Sportfields							
Play Facilities	1,517	(472)	1,493	(498)	166	(24)	(28)
Recreation Facilities	5,944	(5,201)	5,632	(4,890)	3,128	(311)	311
Sporting Facilities	6,393	(3,801)	6,243	(3,651)	2,329	(150)	150
TOTAL Parks Gardens And Sportfields	13,853	(9,474)	13,368	(9,039)	5,622	(485)	435

CAPITAL PROJECT REPORT							
as at the period ended 25 February 2022							
ASSET CLASS PROGRAMME	\$'000		\$'000		YTD EXPENDITURE	\$'000	
	CURRENT BUDGET		WORKING BUDGET			VARIATION	
	EXPENDITURE	OTHER FUNDING	EXPENDITURE	OTHER FUNDING		EXPENDITURE	OTHER FUNDING
Beaches And Pools							
Beach Facilities	550	(500)	100	(50)	41	(450)	450
Rock/Tidal Pools	350	0	350	0	142	0	0
Treated Water Pools	2,002	(32)	1,202	(32)	419	(800)	0
TOTAL Beaches And Pools	2,902	(532)	1,652	(82)	601	(1,250)	450
Natural Areas							
Natural Area Management and Rehabilitation	0	0	0	0	0	0	0
TOTAL Natural Areas	0	0	0	0	0	0	0
Waste Facilities							
Whytes Gully New Cells	1,425	(1,425)	1,436	(1,437)	832	11	(12)
TOTAL Waste Facilities	1,425	(1,425)	1,436	(1,437)	832	11	(12)
Fleet							
Motor Vehicles	1,830	(979)	1,830	(979)	624	(0)	(0)
TOTAL Fleet	1,830	(979)	1,830	(979)	624	(0)	(0)
Plant And Equipment							
Mobile Plant (trucks, backhoes etc.)	4,200	(905)	4,200	(905)	976	(0)	0
TOTAL Plant And Equipment	4,200	(905)	4,200	(905)	976	(0)	0
Information Technology							
Information Technology	1,050	0	1,050	0	457	(0)	0
TOTAL Information Technology	1,050	0	1,050	0	457	(0)	0
Library Books							
Library Books	1,283	0	1,283	0	801	(0)	0
TOTAL Library Books	1,283	0	1,283	0	801	(0)	0
Public Art							
Art Gallery Acquisitions	137	0	137	0	76	(0)	0
TOTAL Public Art	137	0	137	0	76	(0)	0
Land Acquisitions							
Land Acquisitions	4,341	(4,041)	6,125	(5,825)	3,893	1,784	(1,784)
TOTAL Land Acquisitions	4,341	(4,041)	6,125	(5,825)	3,893	1,784	(1,784)
Non-Project Allocations							
Capital Project Contingency	(1,876)	0	(276)	0	0	1,600	0
TOTAL Non-Project Allocations	(1,876)	0	(276)	0	0	1,600	0
GRAND TOTAL	108,243	(47,885)	107,911	(47,552)	53,304	(333)	333

ITEM 7 STATEMENT OF INVESTMENT - FEBRUARY 2022

This report provides an overview of Council's investment portfolio performance for the month of February 2022.

Council had an average weighted return for February 2022 of -0.10% which was below the benchmark return of 0.01%. This result was primarily due to negative valuations of the TCorp funds reflecting the continuing volatility in the market. These valuations have impacted unfavourably on the phased investment income to budget over January and February. However, both growth funds are expected to achieve their long term return objectives over time. The remainder of Council's portfolio continues to provide a high degree of credit quality and liquidity, but historically low interest returns.

RECOMMENDATION

Council receive the Statement of Investment for February 2022.

REPORT AUTHORISATIONS

Report of: Brian Jenkins, Chief Financial Officer

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

ATTACHMENTS

- 1 Statement of Investment – February 2022
- 2 Investment Income Compared to Budget 2021-2022

BACKGROUND

Council is required to invest its surplus funds in accordance with the Ministerial Investment Order and Office of Local Government guidelines. The Order reflects a conservative approach and restricts the investment types available to Council. In compliance with the Order and Office of Local Government guidelines, Council adopted an Investment Policy on 10 December 2018. The Investment Policy provides a framework for the credit quality, institutional diversification and maturity constraints Council's portfolio can be exposed to. Council's investment portfolio was controlled by Council's Finance Division during the period to ensure compliance with the Investment Policy. Council's Audit, Risk and Improvement Committee's (ARIC) role of overseer provides for the review of Council's Investment Policy and the Management Investment Strategy.

Council's Responsible Accounting Officer is required to sign the complying Statement of Investment contained within the report, certifying that all investments were made in accordance with the Local Government Act 1993 and the Local Government Regulation 2005.

Council's investment holdings as at 25 February 2022 were \$168,516,299 (Statement of Investment attached) [26 February 2021 \$170,188,465]. These figures include Council's interest in CivicRisk Mutual Ltd recognised at fair value as at 30 June 2021.

Council had an average weighted return for February 2022 of -0.10% which was below the benchmark return of 0.01%. This result was primarily due to negative valuations of the TCorp funds reflecting the continuing volatility in the market. The remainder of Council's portfolio continues to provide a high degree of credit quality and liquidity, but historically low interest returns. The global markets are still experiencing unprecedented turmoil and volatility in the wake of COVID-19 and may still provide uncertainty for the foreseeable future.

At 25 February 2022, year to date interest and investment revenue of \$227,497 was recognised compared to the year to date budget of \$694,556.

Council's 17 floating rate notes had a net decrease in value of \$12,680 for February 2022.

Council holds two Mortgaged Backed Securities (MBS) that recorded a net decrease in value of \$2,216 for February 2022. The coupon margins on these investments reflect pre-Global Financial Crisis (GFC) pricing. For example, the Emerald A is paying 45 basis points over the BBSW where a comparative investment is now paying 100 basis points over the BBSW. This is reflected in the coupon rates on both investments. While the maturity dates are outside Council's control, the investment advisors had previously indicated capital is not at risk at that stage and recommended a hold strategy due to the illiquid nature of the investment.

Council has three investment holdings under the NSW TCorp Hour Glass Facility: the Long-Term Growth Fund; the Medium-Term Growth Fund and the Cash Fund. The Long-Term Growth recorded a net decrease in value of \$116,406; the Medium-Term Growth Fund recorded a net decrease in value of \$90,996 and the Cash Fund recorded a net increase in value of \$102 in February 2022. The fluctuations in both the Long-Term Growth and Medium-Term Growth Funds are a reflection of the current share market volatility both domestically and internationally and is diversified across a number of different asset classes that have differing risk and return characteristics.

Negative valuations during January and February have impacted unfavourably on Council's phased investment income to budget. However, both growth funds are expected to achieve their long term return objectives over time. The Medium-Term Fund has returned 4.49% over the past 12 months and the Long-Term Fund 7.61%. The TCorp Cash Fund generally provides relatively stable returns over extended time periods with low potential for capital loss while maintaining high levels of liquidity, similar to an at call account, and only invests in Australian cash and fixed interests. The current environment of historically low interest rates and credit spreads mean the future returns for the funds will, as a result, be lower.

At their March 2022 meeting, the Reserve Bank of Australia (RBA) maintained the official cash rate at the record low of 0.10%. The RBA will continue to assess the outlook and adjust policy as needed to foster sustainable growth in demand and inflation outcomes consistent with the inflation target over time.

The current Investment Policy sets a 40% maximum exposure limit to individual institutions within the AAA category. This limit is currently considered to include funds held within the NAB (Council's banker) savings account that is used daily to hold cash. Through the banking services contract with the NAB, that includes a fixed margin over the current cash rate, this account is providing a better return than alternate short to medium term investments available to Council. At the end of February 2022, the exposure to NAB was 32.55%, which was above the 25% target set in the Investment Strategy but within Investment Policy requirements. The NAB savings account is currently providing a better return than the TCorp Cash Fund and is currently the best option available for surplus cash, however this will be continually monitored to ensure best value.

To take advantage of the returns that can be achieved through the NAB savings account, it is expected that Council will operate above the targeted institutional exposure described in the current Investment Strategy for NAB while the Cash holdings exceed the targeted 15%. Transitioning from higher cash to longer term investments will take time based on appropriate opportunities in the market.

The current investment portfolio complies with Council's Investment Policy which was endorsed by Council on 10 December 2018. Council's Responsible Accounting Officer has signed the Statement of Investment contained within the report, certifying all investments were made in accordance with the Local Government Act 1993 and the Local Government Regulation 2005.

PLANNING AND POLICY IMPACT

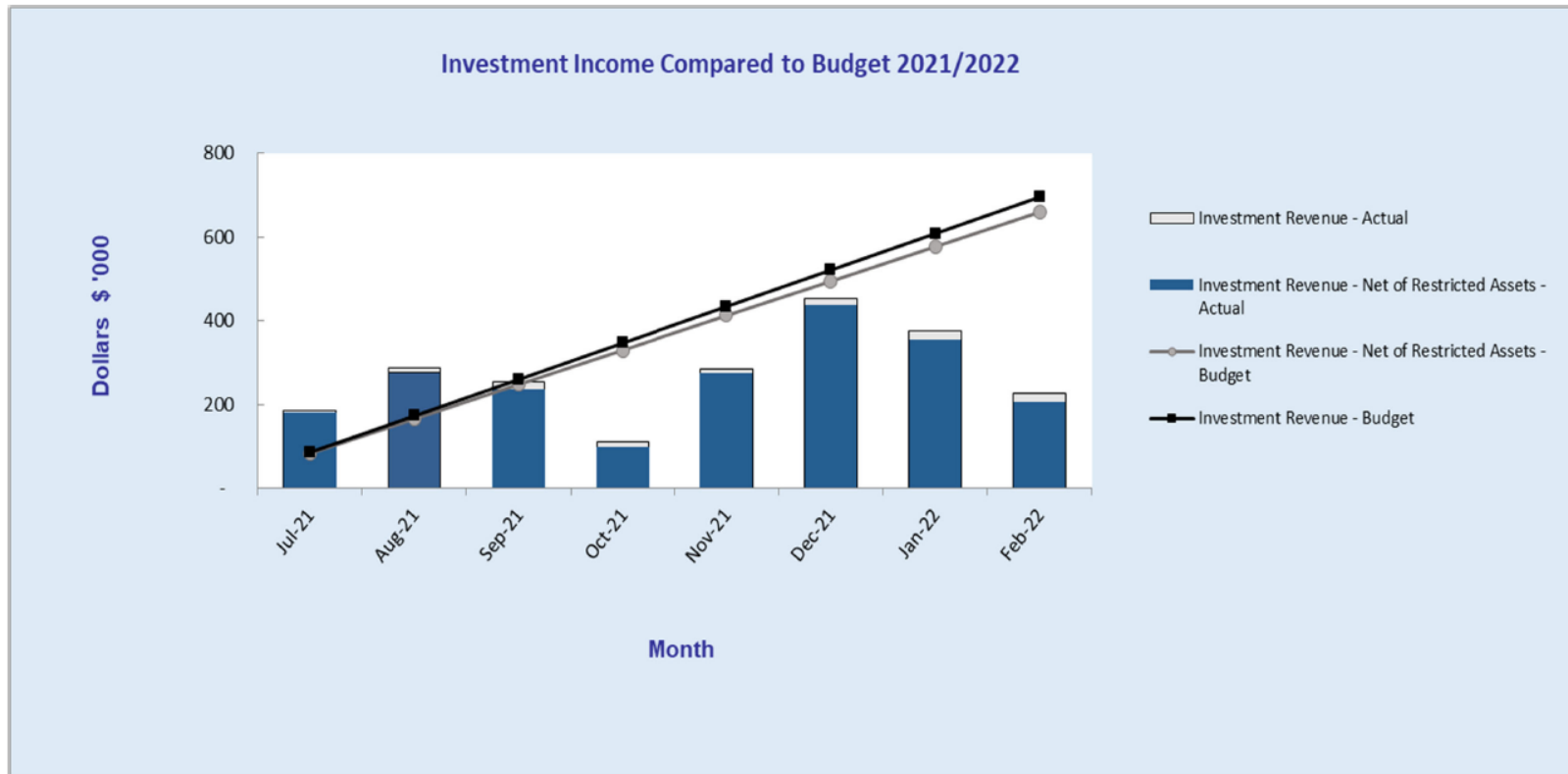
This report contributes to the delivery of Wollongong 2022 goal '*We are a connected and engaged community*'. It specifically delivers on the following:

Community Strategic Plan Strategy	Delivery Program 2018-2022 4 Year Action	Operational Plan 2021-2022 Operational Plan Actions
4.3.2 Resources (finance, technology, assets and people) are effectively managed to ensure long term financial sustainability	4.3.2.1 Effective and transparent financial management systems are in place	Monitor and review achievement of Financial Strategy
		Continuous budget management is in place, controlled and reported
		Provide accurate and timely financial reports monthly, quarterly and via the annual statement

CONCLUSION

The investments for February 2022 recorded an average weighted return below the annualised Bloomberg Bank Bill Index Benchmark and performed unfavourably when compared to the year-to-date budget.

WOLLONGONG CITY COUNCIL STATEMENT OF INVESTMENT 25 February 2022								
DIRECT INVESTMENTS								
Investment Body	Rating	Purchase Price \$	Fair Value of Holding \$	Security	Purchase Date	Maturity Date	Interest / Coupon Rate	
NAB General Fund	A1+	-	6,443,244	Geneml A/c	25/02/2022	25/02/2022		
NAB Professional Maximiser	A1+	-	46,894,740	Prof Fund A/c	25/02/2022	25/02/2022	0.50	
Coastline Credit Union Ltd	Unrated ST UR	250,000	250,000	T/Deposit	8/12/2021	8/03/2022	0.90	
BNK Banking Corporation Ltd t/as Goldfields Money	Unrated ST UR	250,000	250,000	T/Deposit	16/09/2021	16/03/2022	0.75	
Commonwealth Bank of Australia Ltd	S&P AA-	2,000,000	2,000,000	T/Deposit	23/12/2020	22/04/2022	0.50	
IMB Ltd	Moodys ST P-2	2,000,000	2,000,000	T/Deposit	28/04/2021	28/04/2022	0.35	
Illawarra Credit Union Ltd	Unrated ST UR	250,000	250,000	T/Deposit	24/02/2022	25/05/2022	0.70	
Commonwealth Bank of Australia Ltd	S&P ST A1+	3,000,000	3,000,000	T/Deposit	28/05/2021	27/05/2022	0.39	
Arab Bank Australia Ltd	Unrated ST UR	250,000	250,000	T/Deposit	16/09/2021	16/06/2022	0.65	
Members Equity Bank Ltd	Moodys ST P-2	4,000,000	4,000,000	T/Deposit	2/12/2021	30/06/2022	0.50	
Westpac Banking Corporation Ltd	S&P AA-	3,000,000	3,000,000	T/Deposit	26/11/2020	25/11/2022	0.56	
Members Equity Bank Ltd	Moodys ST P-2	4,000,000	4,000,000	T/Deposit	2/12/2021	2/12/2022	0.70	
Commonwealth Bank of Australia Ltd	S&P AA-	2,000,000	2,000,000	T/Deposit	23/12/2020	23/12/2022	0.52	
Westpac Banking Corporation Ltd	S&P ST A1+	2,000,000	2,000,000	T/Deposit	25/02/2022	25/01/2023	0.82	
Commonwealth Bank of Australia Ltd	S&P ST A1+	5,000,000	5,000,000	T/Deposit	18/02/2022	13/02/2023	0.80	
Judo Bank	S&P BBB-	2,000,000	2,000,000	T/Deposit	17/09/2021	18/09/2023	0.95	
Westpac Banking Corporation Ltd	S&P AA-	5,000,000	5,000,000	T/Deposit	20/10/2021	20/10/2023	0.87	
Commonwealth Bank of Australia Ltd	S&P AA-	5,000,000	5,000,000	T/Deposit	20/10/2021	20/10/2023	0.84	
Bank of Queensland Ltd	Moodys A3	2,000,000	2,000,000	T/Deposit	25/11/2021	27/11/2023	1.15	
Westpac Banking Corporation Ltd	S&P AA-	5,000,000	5,000,000	T/Deposit	2/12/2021	4/12/2023	1.21	
Westpac Banking Corporation Ltd	S&P AA-	5,000,000	5,000,000	T/Deposit	23/12/2020	22/12/2023	0.60	
Westpac Banking Corporation Ltd	S&P AA-	2,000,000	2,000,000	T/Deposit	6/03/2019	6/03/2024	1.06	
Judo Bank	S&P BBB-	2,000,000	2,000,000	T/Deposit	17/09/2021	17/09/2024	1.20	
Westpac Banking Corporation Ltd	S&P AA-	2,000,000	2,000,000	T/Deposit	2/12/2021	2/12/2024	1.63	
Total			111,137,985					
WOLLONGONG CITY COUNCIL STATEMENT OF INVESTMENT 25 February 2022 continued								
Bond and Floating Rate Note Securities								
DIRECT INVESTMENTS								
Investment Body	Rating	Purchase Price \$	Fair Value of Holding \$	Security	Purchase Date	Maturity Date	Interest / Coupon Rate	
Credit Union Australia Ltd t/as Great Southern Bank	Moodys Baa1	1,000,000	1,003,060	FRN	4/03/2019	4/03/2022	1.28	
AMP Bank Ltd	S&P BBB	3,000,000	3,006,330	FRN	30/03/2017	30/03/2022	1.12	
Suncorp Bank	S&P A+	1,500,000	1,506,120	FRN	30/08/2017	16/08/2022	1.05	
Bendigo & Adelaide Bank Ltd	Moodys A3	3,000,000	3,016,620	FRN	12/12/2019	12/09/2022	0.91	
Bank Australia Limited	S&P BBB	4,000,000	4,025,360	FRN	2/12/2019	2/12/2022	0.96	
ANZ Banking Group Ltd	S&P AA-	1,000,000	1,008,560	FRN	9/05/2018	9/05/2023	0.97	
National Australia Bank Ltd	S&P AA-	3,000,000	3,035,370	FRN	26/09/2018	26/09/2023	0.99	
Westpac Banking Corporation Ltd	S&P AA-	1,500,000	1,516,980	FRN	16/11/2018	16/11/2023	1.03	
ANZ Banking Group Ltd	S&P AA-	2,000,000	2,030,360	FRN	6/12/2018	6/12/2023	1.08	



ITEM 8 NOTICE OF MOTION - COUNCILLOR DOM FIGLIOMENI - CR VICKY KING MEMORIAL

Councillor Dom Figliomeni has submitted the following Notice of Motion –

“I formally move that –

- 1 Council consider an appropriate memorial for Cr Vicky King who passed away while attending to Council responsibilities.
- 2 A report be provided to Council on the form of the memorial as soon as possible.”

Background provided by Councillor Dom Figliomeni:

It is some two years since Cr Vicky King passed away while attending a Neighbourhood Forum 7 meeting. Cr King was a passionate representative for Ward 3 and in particular for her Dapto electorate. As Cr King passed away while still a serving Councillor, and while attending to her Council responsibilities, it is in my view that some form of recognition be considered.

If supported by Council, the memorial would be best located in Dapto and could be as simple as a seat named in honour of Cr King, or some other form of recognition as deemed appropriate by Councillors.

ITEM 9

NOTICE OF MOTION - COUNCILLOR MITHRA COX - WOLLONGONG NUCLEAR FREE ZONE

Councillor Mithra Cox has submitted the following Notice of Motion –

“I formally move that Council –

- 1 Reaffirms its declaration that Wollongong is a “Nuclear Free Zone”.
- 2 Notes that Wollongong City Council first made this declaration in 1980, and reaffirmed this commitment in 2006, and that this position statement was due for renewal on 30 March 2022.
- 3 Notes that in 2019, Council signed on to the ICAN Cities appeal to support the UN Treaty on the Prohibition of Nuclear Weapons.”

Background provided by Councillor Mithra Cox:

Council’s existing position statement can be found [here](#). The declaration of a nuclear free zone is a symbolic statement banning nuclear weapons and nuclear power. It does not prohibit radiopharmaceuticals used in nuclear medicine. Over 100 local government areas have declared themselves nuclear free zones. Wollongong has a longstanding commitment as a nuclear free zone, having first made that declaration in 1980 and renewing the commitment several times.

Nuclear power and nuclear weapons pose a serious threat to human and environmental health and safety. An uncontrolled nuclear reaction can cause widespread contamination of air and water, something which has occurred most notably in Fukushima in Japan and Chernobyl in the Ukraine. To date, 1.5% of all nuclear power plants ever built have melted down to some degree. Nuclear power also creates radioactive waste that remains dangerous to human health for thousands of years.

Nuclear weapons cause catastrophic harm and are a threat to the safety and security of all life on earth. They are the most destructive, inhumane and indiscriminate weapons ever created. A world without nuclear weapons is a world that is safer and more secure.

ITEM 10

NOTICE OF MOTION - COUNCILLOR ANN MARTIN - TEMPORARY SKATE FACILITY - PORT KEMBLA

Councillor Ann Martin has submitted the following Notice of Motion –

“In light of the recent events and potential safety and risk issues raised around the temporary skate facility built by the local Port Kembla community in King George V Park, Port Kembla, I formally move that Council -

- 1 Prepares an onsite and online consultation as soon as possible ahead of any action on the current skate facility to ensure residents and skate facility users' views are heard in respect to all issues and options for the future of the Skate Facility at the King George V site.
- 2 Works with the Port Kembla community to review the current temporary skate facilities on site, including providing information so that elements can be upgraded to standards, and remove equipment that can't be made to standards for skate facilities.
- 3 Supports the consideration of funding mobile skate facilities as a part of the Council budget process to be shared around the city, including in Port Kembla.”

ITEM 11

NOTICE OF MOTION - COUNCILLOR CAMERON WALTERS - ONGOING SUPPORT TO TRIAL ELECTRIC PERSONAL MOBILITY DEVICES

Councillor Cameron Walters has submitted the following Notice of Motion –

“I formally move that Council –

- 1 Welcomes the announcement by the Transport Minister, Rob Stokes MP on 28 November 2021 for a 12-month trial (hereafter "trial") of e-scooters in consultation with local councils in 2022.
- 2 Affirms its support for active transport including cycling, e-scooters, electric skateboards and electric unicycles to improve health, protect the environment and reduce traffic congestion.
- 3 Writes to the Minister Rob Stokes MP, Minister for Infrastructure, Minister for Cities, and Minister for Active Transport, and Rob Sharp, Secretary of Transport for NSW to -
 - a Select the local government area of Wollongong City Council as a location for the trial
 - b Provide an appropriate regulatory framework following the precedent set out in other state jurisdictions to ensure safety measures such as helmets, bells and speed limits are enforced to protect users, pedestrians and the broader community particularly on footpaths
 - c Recognise that electric personal mobility devices (hereafter "PMDs") including e-scooters, electric unicycles and electric skateboards are legal on bicycle paths, shared footpaths and local roads in Western Australia, Tasmania, Queensland and Australian Capital Territory
 - d Ensure the e-scooter trial includes PMDs such as electric unicycles and electric skateboards
 - e Support a trial that includes residents who privately own, use and take care of their own PMDs
 - f Highlight Wollongong Council's investment in cycling infrastructure that could support PMDs and Wollongong's status as a UCI Bike City.
- 4 In the event that Wollongong City Council be nominated for the trial, a report be brought back to Council and the Ministers be made aware that this will occur.”