

BUSINESS PAPER

ORDINARY MEETING OF COUNCIL

To be held at 6.00 pm on

Monday 28 October 2019

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

Order of Business

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

Members

Lord Mayor -

Councillor Gordon Bradbery AM (Chair)

Deputy Lord Mayor -

Councillor Tania Brown

Councillor Ann Martin

Councillor Cameron Walters

Councillor Cath Blakey

Councillor Dom Figliomeni

Councillor Janice Kershaw

Councillor Jenelle Rimmer

Councillor John Dorahy

Councillor Leigh Colacino

Councillor Mithra Cox

Councillor David Brown

Councillor Vicky King

QUORUM - 7 MEMBERS TO BE PRESENT



INDEX

		PAGE NO.
	Minutes of Ordinary Meeting of Council 23/09/2019	1
ITEM 1	Wollongong Heritage Strategy 2019-2022 - Post Exhibition	12
ITEM 2	Interim Heritage Order - Former Corrimal Coke Works Site	62
ITEM 3	Implementation of Internal Audit Bureau Rectification Plan - Post Implementation Audit	
ITEM 4	Appointment of Audit Risk and Improvement Committee Chairperson	92
ITEM 5	Proposed Compulsory Acquisition - Proposed Lot 11 DP 1242770 - Department of Education - rear of Dapto High School	
ITEM 6	Minnegang Creek Flood Study (2019) - Lake Heights	98
ITEM 7	Kully Bay Overland Flow Study (2019) - Warrawong	128
ITEM 8	Allans Creek Flood Study (2019)	153
ITEM 9	Tender T19/18 - Demolition and Construction of Webb Park Amenities Building Kanahooka	
ITEM 10	Tender T19/19 - Demolition and Construction of Wiseman Park Amenities Building Gwynneville	
ITEM 11	Tender T19/21 - Water Main Installation - Wongawilli Road Reconstruction	219
ITEM 12	Tender T19/22 - Proposed Construction of a Retaining Wall along the Divided Carriageway at Iris Avenue, Coniston	
ITEM 13	Tender T19/24 - Proposed Replacement of Retaining Wall along the Laneway Connecting Bellevue Road to Outlook Drive, Figtree	
ITEM 14	Tender T19/28 - Sportsfield Lighting Installation to Harry Graham Park, Figtree Figtree Oval No. 2, Figtree and Elizabeth Park, Bellambi	
ITEM 15	Annual Financial Statements for the Year Ended 30 June 2019 - Post Advertising	242
ITEM 16	September 2019 Financials	375
ITEM 17	Statement of Investment - August and September 2019	387
ITEM 18	City of Wollongong Traffic Committee Minutes of Meeting held 2 October 2019	394
ITEM 19	Bi-Monthly Returns of Disclosures of Interests and Other Matters - October 2019	418
ITEM 20	Annual Tabling of Returns of Disclosure of Pecuniary Interests and Other Matters - 2018 to 2019	
ITEM 21	Notice of Motion - Councillor Figliomeni - Port Kembla Community Investment Fund	l 12



ITEM 22	Notice of Motion - Councillor Dorahy - Light Rail Network - 21st Century Wollongong - City of Innovation	421
ITEM 23	Notice of Motion - Councillor Cox - Local Recycling Industry	422
CLOSED S	SESSION	
ITEM C1	CONFIDENTIAL: Acquisition of Properties for New Helensburgh Library	
	December Confidentiality	

Reason for Confidentiality

This report recommends that this item be considered in Closed Session to the exclusion of the press and public in accordance with Section 10A(2)(c) of the Local Government Act, 1993, as the report contains information that would, if disclosed, confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.



MINUTES

ORDINARY MEETING OF COUNCIL

at 6.00 pm

Monday 23 September 2019

Present

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

Deputy Lord Mayor - Councillor David Brown

Councillor Ann Martin Councillor Cameron Walters Councillor Cath Blakey Councillor Dom Figliomeni Councillor Janice Kershaw Councillor Jenelle Rimmer Councillor John Dorahy Councillor Leigh Colacino Councillor Mithra Cox Councillor Tania Brown Councillor Vicky King

In Attendance

General Manager

Director Infrastructure + Works, Connectivity Assets + Liveable City

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

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

Manager Governance + Customer Service

Chief Financial Officer

Manager Property + Recreation (Acting)

Chief Information Officer

Manager City Strategy (Acting)

Manager City Works

Manager Project Delivery

Manager Infrastructure Strategy + Planning

Manager Open Space + Environmental Services

Manager Community Cultural + Economic Development

Greg Doyle

Andrew Carfield

Chris Stewart

Renee Campbell

Kerry Hunt

Todd Hopwood

Brian Jenkins

Lucielle Power

Ingrid McAlpin

David Green

Mark Roebuck

Glenn Whittaker

Mike Dowd

Joanne Page

Sue Savage



INDEX

	PAG	E NO.
ITEM 15	Annual Financial Statements for the Year Ended 30 June 2019	2
ITEM 1	Election of Deputy Lord Mayor	2
ITEM 2	Appointment of Councillor Delegates to Committees and Reference Groups	3
ITEM A	Refurbishment of Wollongong Entertainment Centre	4
ITEM 3	2020 Council Meeting Cycle	4
ITEM 4	Alteration of Council Ward Boundaries	5
ITEM 5	Draft Economic Development Strategy 2019-2029	5
ITEM 6	Emissions Reduction Target - Global Covenant of Mayors	6
ITEM 7	Collins Creek Flood Study 2019	6
ITEM 8	Draft Planning Agreement: Calderwood Heights Pty Ltd – 347 Calderwood Road, Calderwood	7
ITEM 9	Draft Planning Proposal 4 Yenda Avenue Bulli PP-2018/8	7
ITEM 10	Draft Community Participation Plan - Environmental Planning and Assessment Act	7
ITEM 11	Thirroul Surf Life Saving Club Inc - Request for Waiver of Fees for Licence Agreement	8
ITEM 12	Public Exhibition Proposed Fees and Charges 2019/20 - Balgownie Village Community Centre	8
ITEM 13	Tender T18/46 Provision of Design and Technical Services to Council	8
ITEM 14	Tender T19/26 Ribbonwood Kurrajong Kitchen Refurbishment	8
ITEM 16	City of Wollongong Traffic Committee Minutes of Meeting Held on 28 August 2019	9
ITEM 17	Notice of Motion – Councillor Colacino – Interpretive Historical Signage along Grand	Q



CONFLICTS OF INTERESTS

Councillor Walters declared a Non Pecuniary, Non Significant Conflict of Interest in Item A as he works for an organisation that works with the WIN Entertainment Centre. Councillor Walters advised he will remain in the Chamber for discussion and voting.

CONFIRMATION OF MINUTES OF ORDINARY MEETING OF COUNCIL HELD ON MONDAY, 2 SEPTEMBER 2019

291 COUNCIL'S RESOLUTION - RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor T Brown that the Minutes of the Ordinary Meeting of Council held on Monday, 2 September 2019 (a copy having been circulated to Councillors) be taken as read and confirmed.

COMMUNITY FLAG POLE

Councillor T Brown presented three flags -

- 1 Pink ribbon flag for Breast Cancer awareness month
- 2 Teal ribbon flag for Ovarian Cancer awareness month
- 3 Black and red ribbon flag for Remembrance Day

PUBLIC ACCESS FORUM

ITEM	TITLE	NAME OF SPEAKER
5	Draft Economic Development Strategy 2019-2029	Adam Zarth For Recommendation
5	Draft Economic Development Strategy 2019-2029	Debra Murphy For Recommendation
-	Response to Statements by President of Illawarra Stingrays	John Karayiannis
-	Response to Statements by President of Illawarra Stingrays	Kendall Williams
-	5G and Wollongong	David Bourke
-	Stop 5G Rollout in the Illawarra	Prue Keenan

At this stage and prior to the completion of the Public Forum, Councillor Kershaw arrived at the meeting, the time being 6:23 pm

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

CALL OF THE AGENDA

293 COUNCIL'S RESOLUTION - RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Figliomeni that the staff recommendations for Items 3, 4, 7 to 10, 12 to 14 and 16 be adopted as a block.



SUSPENSION OF STANDING ORDERS

COUNCIL'S RESOLUTION – RESOLVED on the motion of Councillor D Brown seconded Councillor Figliomeni was CARRIED UNANIMOUSLY that the order of debate be items 15, 1, 2, A (Lord Mayoral Minute), followed by business items in order.

SUSPENSION OF STANDING ORDERS

295 COUNCIL'S RESOLUTION – RESOLVED on the motion of Councillor D Brown seconded Councillor T Brown that standing orders be suspended to allow a presentation by Dominika Ryan of the NSW Audit Office in relation to Item 15.

ITEM 15 – ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

- 296 COUNCIL'S RESOLUTION RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Cox that -
 - The Annual Financial Statements be endorsed and an opinion be formed in the prescribed format (as per Attachments 3 and 4) on the General Purpose Financial Statement and the Special Purpose Financial Statement.
 - The audited Financial Statements, together with the Auditor's report, Executive Summary (Attachment 5) and Financial Commentary (Attachment 6) be presented to the public at the next Council meeting.
 - 3 Ms Ryan be thanked for her presentation.

ITEM 1 - ELECTION OF DEPUTY LORD MAYOR

- 297 COUNCIL'S RESOLUTION RESOLVED UNANIMOUSLY on the motion of Councillor D Brown seconded Councillor Walters that -
 - 1 That the term for the Deputy Lord Mayor be for the remainder of the term of Council.
 - 2 That the method of election for Deputy Lord Mayor be by open voting.

The Lord Mayor handed proceedings over to the Returning Officer.

The Returning Officer for the election (Manager Governance and Customer Service) advised the meeting that nominations had been received from Councillor Cox, Councillor Walters and Councillor T Brown.

As there was more than one nomination the Returning Officer conducted an election for the position of Deputy Lord Mayor.

Following the election, the Returning Officer declared that Councillor T Brown was elected as Deputy Lord Mayor for the period up to 12 September 2020.



ITEM 2 - APPOINTMENT OF COUNCILLOR DELEGATES TO COMMITTEES AND REFERENCE GROUPS



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

- 1 Councillor Representatives be appointed to the committees, reference groups and external organisations listed in Attachment 1, as per the nominations listed in the attachment.
- 2 The following additional appointments and changes to the committees, reference groups and external organisations:

Wollongong Heritage Reference Group

- Councillor Cox removed from Chair but remaining a member
- Councillor Martin appointed as Chair

Lake Illawarra Estuary Management Committee

- Councillor Martin appointed
- Councillor Walters removed

Sports and Facilities Reference Group

Councillor Walters appointed

Healthy Cities Illawarra Board

Councillor Blakey appointed as alternate.

The General Manager be authorised to appoint staff to any external committees that have vacancies following the election of Councillors.



DEPARTURE OF COUNCILLOR

During debate and prior to voting on Item A:

- Councillor King departed the meeting, the time being 6:59 pm, and did not return to the meeting
- Councillor Kershaw departed and returned to the meeting, the time being from 7:27 pm to 7:28 pm

ITEM A – REFURBISHMENT OF THE WOLLONGONG ENTERTAINMENT CENTRE

299 COUNCIL'S RESOLUTION – RESOLVED UNANIMOUSLY on the motion of Councillor Bradbery that Wollongong City Council write to the Premier, Minister for Sport, Multiculturalism, Seniors and Veterans to -

- Note that there have been no significant capital works or improvements undertaken on the Wollongong Entertainment Centre (WEC) since it was opened in 1998.
- 2 Note that the amenity of the WEC is tired and uninviting with seating which is especially uncomfortable and substandard at present.
- 3 Request that the following refurbishment of the WEC be expedited:
 - a An upgrade of the disability access, toilets and seating
 - b An upgrade of the facilities for exhibition and conference opportunities, expanding the use of the WEC to include additional tourism and visitor activities
 - c An upgrade of the Information, Communication and Technology systems, particularly the installation of Wi-Fi and digital media capabilities.
 - d An upgrade of sustainability features to achieve a NABERS 5 Green Star rating, to attract use by state and federal agencies, and major companies.
- 4 Note the need for this work to proceed to meet the infrastructure requirements for the forthcoming UCI (Union Cycliste Internationale) Road Cycling Championships to be staged in Wollongong September 2022.
- 5 Emphasise that, notwithstanding the need for urgent refurbishment, the long term objective is to upgrade or a complete rebuild of the Wollongong Entertainment Centre to a second tier convention and entertainment centre to meet the future needs of Wollongong and the region.

Variation The following variations were accepted by the Lord Mayor:

- The addition of Point 3d by Councillor Cox
- The addition of the words 'Premier' and 'Multiculturalism' to the Motion and the addition of Point 5 by Councillor Bradbery
- The addition of the words 'or a complete rebuild of' in Point 5 by Councillor Colacino

ITEM 3 - 2020 COUNCIL MEETING CYCLE

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 293).

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

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



ITEM 4 - ALTERATION OF COUNCIL WARD BOUNDARIES

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 293).

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

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

DEPARTURE OF COUNCILLOR

During debate and prior to voting on Item 5:

- Councillor Cox departed and returned to the meeting, the time being from 7:56 pm to 7:58 pm.
- Councillor Colacino departed and returned to the meeting, the time being from 7:59 pm to 8:02 pm
- Councillor Walters departed and returned to the meeting, the time being from 8:03 pm to 8:05 pm.
- Councillor Rimmer departed and returned to the meeting, the time being from 8:07 pm to 8:09 pm.

ITEM 5 - DRAFT ECONOMIC DEVELOPMENT STRATEGY 2019-2029

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

- 1 Council endorses the Economic Development Strategy 2019-2029.
- 2 Council notes the Community Engagement Report, the We Asked, You Said, We Did Summary, the Recommended Updates Summary and the Economic Development Strategy 2019-2029 Implementation Plan.
- 3 That the Economic Development Strategy be reviewed within the next 12 to 24 months to determine VET gaps and how TAFE can contribute to job growth in the region.

Variation The addition of Point 3 by Councillor Figliomeni was accepted by the mover and seconder

DEPARTURE OF COUNCILLOR

During debate and prior to voting on Item 6:

- Councillor Kershaw departed the meeting, the time being 8:23 pm, and did not return to the meeting.
- Councillor T Brown departed and returned to the meeting, the time being from 8:33 pm to 8:35 pm.

A PROCEDURAL MOTION was MOVED by Councillor Colacino seconded Councillor Walters that an additional 30 seconds be granted to Councillor Dorahy in relation to Item 6.



ITEM 6 - EMISSIONS REDUCTION TARGET - GLOBAL COVENANT OF MAYORS

Motion of Councillor Cox seconded Councillor Blakey that -

- 1 A science-derived emissions reduction target of net zero emissions by 2050 be submitted to the Global Covenant of Mayors secretariat. Noting that Council is submitting this target on behalf of the community, for the benefit of the entire community and that Council is not solely responsible for the implementation of actions to achieve this target.
- An Emissions Reduction Action Plan be developed in collaboration with and to assist all sectors of the community to achieve the emissions reduction target for the Wollongong Local Government Area.

Variation The addition of the words 'in collaboration with and' to Point 2 by Cr Martin

At this stage Councillor D Brown moved a FORESHADOWED MOTION seconded Councillor Martin should Councillor Cox's Motion be defeated –

That this item be deferred until after a period of public consultation on the attached reports.

In favour Councillors Martin, Cox, Blakey, Colacino and Bradbery

Against Councillors Rimmer, D Brown, T Brown, Walters, Dorahy and Figliomeni

Following the defeat of Councillor Cox's Motion, Councillor D Brown's FORESHADOWED MOTION was PUT to the VOTE and was CARRIED

301 COUNCIL'S RESOLUTION – RESOLVED on the motion of Councillor D Brown seconded Councillor martin that –

This Item be deferred until after a period of public consultation on the attached reports.

In favour Against

Councillors Rimmer, D Brown, T Brown, Blakey, Colacino, Walters, Dorahy and Figliomeni Councillors Cox, Bradbery and Martin

ITEM 7 - COLLINS CREEK FLOOD STUDY 2019

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 293).

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

- 1 That the Collins Creek Flood Study (2019) be adopted.
- 2 Persons who made submissions be thanked and advised of Council's decision.



ITEM 8 - DRAFT PLANNING AGREEMENT: CALDERWOOD HEIGHTS PTY LTD - 347 CALDERWOOD ROAD, CALDERWOOD

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 293).

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

- 1 The Draft Planning Agreement and Explanatory Note between Wollongong City Council and Calderwood Heights Pty Ltd (Attachments 2 and 3) be exhibited for a minimum period of 28 days.
- Shellharbour City Council be advised that Wollongong City Council and Calderwood Heights Pty Ltd are proposing to enter into a Planning Agreement for the provision of monetary contributions towards Wollongong City Council road upgrades as required by the Calderwood Major Project Approval, and should it determine that DA0290/2018 or any other development application for the subject land be approved, appropriate conditions of consent be included.
- The General Manager be delegated authority to determine, finalise and execute the Planning Agreement, including making minor amendments, after consideration of any issues raised in the public exhibition.

ITEM 9 - DRAFT PLANNING PROPOSAL 4 YENDA AVENUE BULLI PP-2018/8

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 293).

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

- A draft Planning Proposal be submitted to the NSW Department of Planning, Industry and Environment for 4 Yenda Avenue (Lot 105 DP 264639) Bulli seeking a Gateway determination to amend Schedule 1 of Wollongong Local Environmental Plan 2009 to permit a Centre-based Child Care Facility.
- 2 A detailed Flood Management Plan and Bushfire Management Plan be submitted by the applicant if the proposal obtains a "Gateway" approval and prior to public exhibition.
- The draft Planning Proposal, including the Flood Management Plan and Bushfire Management Plan be exhibited for 28 days.
- The Department of Planning, Industry and Environment be requested to issue authority to the General Manager to exercise plan making delegation in accordance with Council's resolution of 26 November 2012.

ITEM 10 - DRAFT COMMUNITY PARTICIPATION PLAN - ENVIRONMENTAL PLANNING AND ASSESSMENT ACT

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 293).

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

- 1 The Draft Community Participation Plan be exhibited for a minimum period of 28 days.
- 2 The exhibition material include advice that the Wollongong Development Control Plan 2009 Appendix 1 Public Notification and Advertising Procedures is proposed to be repealed, upon the commencement of the Community Participation Plan.



ITEM 11 - THIRROUL SURF LIFE SAVING CLUB INC - REQUEST FOR WAIVER OF FEES FOR LICENCE AGREEMENT

302

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

The fees payable in respect of the proposed licence agreement, being the preparation of lease and licence agreements fee and the licence fee (payable annually), not be waived.

ITEM 12 - PUBLIC EXHIBITION PROPOSED FEES AND CHARGES 2019/20 - BALGOWNIE VILLAGE COMMUNITY CENTRE

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 293).

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

Council adopt the Balgownie Village Community Centre Fees and Charges for 2019/2020.

ITEM 13 - TENDER T18/46 PROVISION OF DESIGN AND TECHNICAL SERVICES TO COUNCIL

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 293).

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

- 1 In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept the tenders shown below in Tables A T for the Provision of Design and Technical Services to Council for a period of one year with the option to extend annually for a further four years at the sole discretion of Council.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

ITEM 14 - TENDER T19/26 RIBBONWOOD KURRAJONG KITCHEN REFURBISHMENT

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 293).

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

- In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept the tender of Sullivans Constructions for Ribbonwood Kurrajong Hall 1 kitchen refurbishment, in the sum of \$139,716, excluding GST.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.



ITEM 16 - CITY OF WOLLONGONG TRAFFIC COMMITTEE MINUTES OF MEETING HELD ON 28 AUGUST 2019

The following staff recommendation was adopted as part of the block adoption of items (refer Minute Number 293).

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

In accordance with the powers delegated to Council, the Minutes and Recommendations of the City of Wollongong Traffic Committee held on 28 August 2019 in relation to Regulation of Traffic be adopted.

DEPARTURE OF COUNCILLOR

During debate and prior to voting on Item 17, Councillor Cox departed and returned to the meeting, the time being from 9:21 pm to 9:26 pm.

ITEM 17 - NOTICE OF MOTION - COUNCILLOR COLACINO - INTERPRETIVE HISTORICAL SIGNAGE ALONG GRAND PACIFIC WALK

- 303 COUNCIL'S RESOLUTION RESOLVED UNANIMOUSLY on the motion of Councillor Colacino seconded Councillor Walters that Wollongong City Council -
 - Develop a delivery model that outlines what areas could benefit from, and are worthy of, interpretive historical signage along the entire length of the Grand Pacific Walk and other frequently visited tourism areas within Wollongong's LGA.
 - 2 The proposed delivery model for provision of, and extent of, signage be included into a briefing note to be provided to Councillors before the next round of budget discussions for the 2020-2021 financial year. The briefing note should also include the following
 - a An indicative cost for the design and placement of signage that would outline the history of the old miners' cottages that skirt the edge of Lawrence Hargrave Drive at Scarborough
 - b The briefing note should include any obstacles that could inhibit the delivery of this type of interpretative signage
 - c The cost of this signage is not to be included into the amounts allocated to finalise the missing sections of the shared Grand Pacific Walk
 - d The report should indicate an appropriate amount that could be put into an annual fund that would allow for the rollout for the proposed interpretive signage to be progressively introduced. This fund will be separate from any grant funding opportunities that become available
 - e Investigate what requirements would be needed to put in place such signage
 - Include within the briefing note what other types of delivery streams could be utilised to deliver this type of service
 - g Any proposed signage will not be limited to the European history of any given area
 - h Research and indicate which other languages, separate to English, could benefit from being included into any display.

THE MEETING CONCLUDED AT 9:32 PM

Confirmed as a correct record of proceedings at the Ordinary Meeting of the Council of the City of Wollongong held on Monday 28 October 2019.



File: CST-100.06.032 Doc: IC19/604

ITEM 1

WOLLONGONG HERITAGE STRATEGY 2019-2022 - POST EXHIBITION

On 24 June 2019, Council resolved to exhibit the draft Wollongong Heritage Strategy and Implementation Plan 2019-2022. The Strategy was exhibited from 26 June to 6 August 2019. This report details the outcomes of the exhibition process and recommends that Council adopt the Wollongong Heritage Strategy 2019-2022.

RECOMMENDATION

- 1 The Wollongong Heritage Strategy 2019-2022 (Attachment 3) be adopted as a supporting document.
- 2 The Wollongong Heritage Implementation Plan 2019-2022 be noted as an Operational Delivery Plan for delivery of the Wollongong Heritage Strategy.

REPORT AUTHORISATIONS

Report of: David Fitzgibbon, Manager City Strategy (Acting)

Authorised by: Chris Stewart, Director Planning and Environment - Future City and Neighbourhoods

(Acting)

ATTACHMENTS

- 1 Engagement and Communications Summary Report
- 2 Summary of Submissions and Recommended Actions
- 3 Final Wollongong Heritage Strategy 2019-2022 and Implementation Plan

BACKGROUND

On 31 October 2015, Council adopted the Wollongong Heritage Strategy 2015-2017. The Strategy informs the work of the Wollongong Heritage Reference Group and Council's heritage staff.

On 24 June 2019, Council considered a report on a draft Wollongong Heritage Strategy 2019-2022 which was developed with the input of the Wollongong Heritage Reference Group. Council resolved that –

The draft Wollongong Heritage Strategy and Implementation Plan 2019-2022 be endorsed as a draft Council Policy and placed on public exhibition for a minimum period of 28 days.

The draft Strategy and Implementation Plan 2019-2022 were exhibited from 26 June to 6 August 2019. The details of the exhibition and submissions received are detailed in the 'Consultation and Communication' section of this report.

PROPOSAL

The continued evolution and implementation of the Wollongong Heritage Strategy is important in ensuring the ongoing conservation and increased community appreciation and awareness of our City's unique and valuable heritage. The draft Wollongong Heritage Strategy 2019-2022 and Implementation Plan (included as Appendix 1), provides a strategic approach to the ongoing management and delivery of Heritage programs and projects.

The progression of the draft Strategy will support the ongoing allocation of funding from the NSW State Government Heritage funding streams toward Council's Heritage Programs. The structure, format and timeframe of the draft Strategy have been prepared to meet the requirements of the NSW Heritage Branch of the NSW Department of Planning, Industry and Environment.



CONSULTATION AND COMMUNICATION

The draft Wollongong Heritage Strategy 2019-2022 was developed in conjunction with the Wollongong Heritage Reference Group during 2019.

Following Council's resolution on 24 June 2019, the draft Strategy and Implementation Plan were exhibited from 26 June to 6 August 2019. The exhibition was advertised in local newspapers, via a press release and via Council's Website and social media channels. Key stakeholders were also invited to comment on the draft Strategy. The Engagement and Communications Summary Report is provided as Attachment 1 to this report.

During the exhibition period, the exhibition page received 226 visits and 118 people downloaded the exhibited documents.

Feedback on the Have Your Say Website was requested through two feedback forms, either in relation to –

- 1 The nine key Strategies outlined in the draft Wollongong Heritage Strategy 2019-2022: or
- 2 The draft Implementation Plan actions, which will assist Council to deliver on the Strategy.

In response to the exhibition, 14 written submissions were received, three (3) from organisations and 11 from individuals.

The key issues raised in the submissions are detailed and addressed in the attached 'Summary of Submissions' document provided as Attachment 2 to this report. The actions recommended by Council's Heritage staff with input from the Heritage Reference Group to address each submission are also included in this document.

Key themes in the feedback received on the draft Strategy included suggested improvements to Council's promotion of heritage awareness and education through the use of social media and the promotion of cultural tourism opportunities and interpretation. Two submissions raised issues relating to the struggling local Museum section and the possibility of a Regional Museum of the Local Government Area. Some comments were also made in relation to Council's Heritage Assessment Management performance. The submissions also reflected the need for increased community involvement in all areas of heritage management throughout the City.

The draft Wollongong Heritage Strategy 2019-2022 was updated with consideration to the feedback received and the recommended actions reported to the Wollongong Heritage Reference Group meeting on 12 September 2019. The Wollongong Heritage Reference Group resolved that –

The Draft Strategy be generally updated with the recommended Actions and Minor Amendments to the revised Wollongong Heritage Strategy 2019-2022 following Council's Heritage Staff liaising with Martin Gorrick in relation to rural and cultural landscape actions, prior to recommendation to Council for adoption as Council Policy.

The additional work relating to rural and cultural landscape actions has been undertaken.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We value and protect our environment". It specifically delivers on the following -

Community Strategic Plan	Delivery Program 2018-2021	Operational Plan 2019-20	
Strategy	3 Year Action	Operational Plan Actions	
1.4.1 Programs and projects that achieve proactive heritage	1.4.1.1 Work in partnership with others to promote a diverse	Continue to deliver the Heritage Assistance Grant Program	
management, education and promotion are developed and implemented.	range of heritage education and promotion programs.	Coordinate the Heritage Advisory Committee (Heritage Reference	
implemented.	1.4.2.1 Work with the local	Group)	
1.4.2 Our Aboriginal community is actively engaged in the	Aboriginal community in the management of Indigenous	Committee (Heritage Reference	



28 October 2019

14



management of indigenous heritage.	heritage.	Group)

FINANCIAL IMPLICATIONS

There are no direct financial implications associated with the adoption of the recommendations within this report. It is noted that the draft Heritage Implementation Plan 2019-2022 document includes some aspirational projects which would be subject to either internal or external funding. These projects are clearly identified as long term projects that are subject to funding. This approach will assist with making external grant funding applications.

CONCLUSION

The adoption of the Wollongong Heritage Strategy 2019-2022 is an important step in ensuring a continued focus on the implementation and delivery of a focused heritage management program with a clearly defined strategy direction. The Strategy, along with the accompanying Implementation Plan, will guide and support the ongoing work of the Wollongong Heritage Reference Group and Council staff in the management and conservation of Wollongong's heritage.





Draft Wollongong Heritage Strategy

ENGAGEMENT and COMMUNICATIONS **SUMMARY**

August 2019





Table of Contents

Executive Summary	З
Methodology	4
Stakeholders	
Results	
Appendix 1 - Letter to residents	6
Appendix 2 - Consultation Plan	٩



Executive Summary

Council asked the community to comment on the draft Wollongong Heritage Strategy 2019-2022.

The project was open for community feedback from 26th June to 6th August.

An online Have Your Say page was used to capture online feedback and provide access to the draft Strategy document, Implementation Plan and Achievements Summary (2015-2017).

Identified stakeholders were notified of the project via a mail out or email to stakeholder groups.

Media was undertaken to promote the Strategy across the broader community and encourage community feedback on the draft.

Feedback on the plans was provided by 5 organisations and 11 individuals.



Stakeholders

Stakeholders identified prior to the commencement of the engagement period included:

- Aboriginal groups, Traditional Owners and other individuals from the community
- Local Heritage Interest groups
- The Illawarra/Shoalhaven Branch of the National Trust
- Heritage Reference Group
- Neighbourhood Forums
- Local residents and businesses

Methodology

The following section outlines the activities undertaken during the engagement period.

Methods	Stakeholders
Mail out A letter was sent via Australia Post to 13 people See Appendix 1	Aboriginal community members including Traditional Owners, Corporations, and other identified individuals.
Email A letter was emailed to 21 groups/individuals	Community groups Childcare/playgroup provider
Library Documents and feedback form available at all libraries	Wollongong residents
Have Your Say page Project page with key documents available and a feedback form See Appendix 2	All stakeholders
Have Your Say Email Newsletter An email was sent to 342 people advising of the Have Your Say page	People on the Register of Interest – Heritage
Media Advertiser Notice	Wollongong residents, visitors,



Social media (Facebook and Instagram)	
Mercury article	
See Appendix 3	

Participation Results

The numbers of participants for each engagement activity are presented in Table 1.

Table 1: Engagement participation results

Engagement activity	Participation
Feedback by email	9
Feedback by mail	1
Feedback via Have Your Say	8



Appendix 1 - Letter





WOLLONGONG CITY COUNCIL

Address 41 Burelli Street Wollongong • Post Locked Bag 8821 Wollongong DC NSW 2500

Phone (02) 4227 7111 • Fax (02) 4227 7277 • Email council@wollongong.nsw.gov.au

Web www.wollongong.nsw.gov.au • ARN 43 129 525 929 • OST Registered

«PAFBSP»

«Owner» «StreetNoandAddress» «SuburbStatePostcode» Your Ref Our Ref File Date [Click HERE and type their reference] Z19/141429 CCE-040.010.01.352 26th June 2019

Dear [Click HERE and type recipient's name]

DRAFT WOLLONGONG HERITAGE STRATEGY 2019-2022

The draft Wollongong Heritage Strategy for 2019-2022 has been developed with input from the Wollongong Heritage Reference Group and Council. This will guide Council and the Wollongong Heritage Reference Group in relation to heritage conservation outcomes for this period.

Your feedback and thoughts are welcome on the *Draft Wollongong Heritage Strategy* and the accompanying *Implementation Plan*, which sets out specific actions and timeframes.

A review of the outcomes and achievements of the 2015-2017 Wollongong Heritage Strategy has also been undertaken, with some of the most significant results outlined in the Summary of Key Achievements.

I have attached these 3 documents for your information.

We'd like to hear from you by any means:

- Complete and return the feedback form using Reply Paid Envelope
- email us at engagement@wollongong.nsw.gov.au
- Use the online form on the Council website
- Write to us at Locked Bag 8821 Wollongong DC NSW 2500

Comments are open until Monday 5th August 2109.

Kind regards

Please contact me should you require further information.

This letter is authorised by

Jane Caldwell Engagement Officer Wollongong City Council Telephone (02) 4227 7111

Appendix 2 – Have Your Say page





All Projects Current Projects Useful Information Search

Q jcaldwell -

Home » Draft Wollongong Heritage Strategy 2019-2022

Draft Wollongong Heritage Strategy 2019-2022

Consultation has concluded

Council respects and acknowledges those who came before us, the Traditional Custodians of the land on which our City is built, and all of those who have contributed to the City of Wollongong.

Council wants to work with our community to identify, conserve record and celebrate our city's heritage, so it can be appreciated today and by future generations. Projects and programs are undertaken by Council, guided by the Wollongong Heritage Strategy.

An updated draft Wollongong Heritage Strategy for the 2019-2022 period has been developed with input from the Wollongong Heritage Reference Group and Council. This will guide Council and the Wollongong Heritage Reference Group in relation to heritage outcomes and projects for this period.

A review of the outcomes and achievements of the 2015-2017 Wollongong Heritage Strategy has been undertaken, with some of the most significant results outlined in the Summary of Key Achievements.



Your feedback and thoughts are welcome on the Draft Wollongong Heritage Strategy and the Implementation Plan.

Feedback is due by 5th August.

Tell us what you think by:

- completing the feedback form below
 emailing us at engagement@wollongong.nsw.gov.au
 writing to us at Locked Bag 8821 Wollongong DC NSW 2500

Please read Council's Privacy Notification before making a comment or submission.

FEEDBACK FORM

Feedback Form

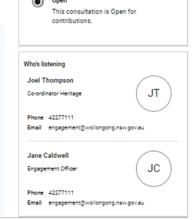
You're thoughts on the Draft Strategy will help us finalise the plan.

o you have any	omments on the	e Draft Strategy	?		
o you have any	omments on the	e Implementatio	n Plan?		
					0.1
				Cancel	Submit



Document Library		
	Draft Wollongong Heritage Strategy (1.55 MB) (pdf)	
	Heritage Implementation Plan 2019 - 2022 (104 KB) (pdf)	
	Summary of Key Achievements - 2015-2017 (238 KB) (pdf)	







Advertiser Notice - 10th July

• Wollongong Heritage Strategy

We've updated the Wollongong Heritage Strategy for the 2019-2022 period to guide heritage conservation outcomes and projects across our local government area. For more information or to submit feedback on the draft Strategy and Implementation Plan, visit Council's website, Customer Service Centre or your closest Library. Feedback closes: Monday 5 August 2019.

Instagram and Facebook





Illawarra Mercury Article - July 3rd



Wollongong City Council releases draft Heritage Strategy



Latest News

View Mor

f SHARE







Hill 60 at Port Kembla

Wollongong City Council will work with residents to preserve and celebrate important places, objects, stories and memorials.

The council has developed the Wollongong Heritage Strategy 2019-2022 and needs community feedback.

The strategy will guide staff and the Wollongong Heritage Reference Group to achieve heritage outcomes.

The strategy aims to have community involvement in the management of Wollongong's heritage, maintain an up to date list of heritage items and employ and train staff to manage the city's heritage.

Staff will also develop and implement programs, provide funding to projects and identify and manage keys heritage precincts, streetscapes and landscapes.

Wollongong councillor Ann Martin, who is on the Wollongong Heritage Reference Group, said there had been "major heritage achievements" in the city.

"There are a number of live issues such as Hill 60, the harbour and issues around Stream Hill, which is property that needs a lot of tender loving care in West Dapto," she said. "It is important to do whatever we can to preserve our built-heritage.

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LOCAL NEWS

- Street drinking at Cl calls for alcohol-fre
- 2 Rookie chef to open steakhouse in Wollc
- 3 Wollongong Police s stolen goods destine market!
- Senior ministers to

6

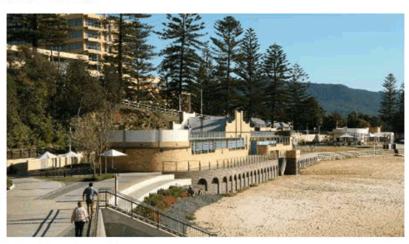
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"When you look around there are some fantastic assets in the city that have great gravitas and heritage merit.

"It is also good that we are adapting our heritage properties so we can do more with them so they are not just sitting there like dusty old icons of the past. They are actually incredibly important and useful like the tramway and Bathers Pavilion.



Bathers Pavilion in North Wollongong

"Some people seem to think if a property is recommended for heritage listing then the world will end and they will never be able to do anything to their property again.

"In fact that is not the case. If anything, there is financial support to help owners make changes to their property if it helps its heritage qualities."

Cr Martin encouraged residents to provide feedback on the strategy before August 5 and share ideas about how heritage properties could be improved in the future.

In the past three years, heritage staff have previously managed a heritage list of about 500 items and nominated more than 100 potential items for review. There is now a full time heritage coordinator and officer.

Staff have completed over 500 development referrals, advised on more than 20 investigations of illegal works to heritage items, and provided heritage input to council's projects.

Ninety thousand dollars went to 17 heritage projects.



SUMMARY OF SUBMISSIONS – DRAFT WOLLONGONG HERITAGE STRATEGY 2019-2022

This document provides a brief summary of the key issues raised in submissions to the Draft Wollongong Heritage Strategy and Implementation Plan 2019-2022 during the exhibition period ending 5 August 2019.

No	Submitter Details	Summary of submission/Key Points	Response
1	Resident – Bulli	Recommends that Council plans for the Princes Highway / Memorial Drive link to Bulli Pass which will reduce traffic to explore heritage tourism opportunities within the Bulli Township The timing of the RMS's extension of the Northern Distributor / Memorial Drive around Bulli is unknown. The Bulli Town Centre Study is scheduled to commence this financial year, and will consider the future of Bulli once bypassed.	1 Bulli currently has two Heritage Conservation Areas along the Princes Highway. 2 Action 8.3 specifically relates to the adaptive reuse of Bulli Miners Cottage working to turn into an Artistic in Residence and Gallery Space, which will contribute to the tourism offer available in Bulli. 3 Council is currently developing a draft Cultural Tourism Strategy and there will be opportunity to provide comment as part of this process. Recommended Action: Add Action 7.8 Continue to provide feedback in relation to the Development of Councils Draft Cultural Tourism Strategy and Heritage opportunities.
2	Resident – North Wollongong	 There is a perceived lack of Council action to implement the objectives of Council Strategies/policies. Suggests need for reconciliation between "development" and "heritage protection" particularly in high pressure areas such as City Centre. Suggests the need to consider more listings of 1920's-1950's Architecture in Wollongong and expresses concern over the loss of some buildings in North Wollongong. 	 The Strategy will be adopted by Council Resolution and will become a Council Policy. In accordance with the City Centre Implementation Plan which accompanies A City for People, the City Centre Planning Review is an identified project and is currently identified in the Council's work program. The intent of the City Centre Planning review is to understand how our planning controls are tracking to deliver the City Centre Vision including conserving our heritage and local character. The Heritage Schedule review project includes a into the review of potential new items including 'twentieth century architecture'.



No	Submitter Details	Summary of submission/Key Points	Response
		4 Raises concems over the level of protection afforded to Local Heritage Items compared to State items. 5 Questions the new layout of Strategy and Implementation Plan. Concemed that Implementation Plan as an Appendix means that is has less importance. 6 Raises concern with Council's management of Council's Heritage Asset Stream Hill over the past 25 years.	It is anticipated that some new items will be reported to Council for consideration during 2020. 4 Agreed. The NSW Government determines the level of protection for both State and local items via legislation. 5 The Implementation/Action Plan is included as an Appendix and has been done so in past years. The Implementation Plan follows a Heritage Office template. Action 8.4 relates directly to the immediate and future management of Stream Hill.
3	Resident – Unknown	1 Notes that the Strategy proposes to Heritage list Mt Keira and suggests that while escarpment needs protection. 2 Suggests that significant community sites such as church, schools including (West Wollongong Primary School), police stations etc as well Crown & Keira Street should be heritage listed. 3 Notes that there is a perceived lack of Council action to support the objective of Council Strategies/policies. 4 Suggests the Coastline and natural geography should be heritage listed. 5 Concerns relating to infill buildings along Crown Street and Keira Street.	 The Illawarra Escarpment Heritage Conservation Area provides a heritage listing for the Escarpment and a landscape item. There are a range of schools, churches and public buildings that are heritage listed in the Wollongong LGA. Aspart of Strategy 2 – Maintain an up to date list of heritage items and action 2.1 "Finalise review of the Wollongong Heritage Schedule" Council is considering a range of buildings for heritage listing. The Strategy will be adopted by Council Resolution. Specific items are included in both the Strategy and Implementation Plan in relation to this comment. Strategy 6 – Identify and manage key precincts, streetscapes, cultural and natural landscapes and action 6.1 "Consider additional listing of key cultural and natural landscapes aspart of Council's Heritage Review". All infill development is subject to the Development Control Plan controls contained in Chapter E11: Heritage Conservation and in



No	Submitter Details	Summary of submission/Key Points	Response
			particular Part 14 Development in the Vicinity of a Heritage item as well as the special character area controls for Kiera Street and Crown Street.
4	Resident – Austinmer	Suggests list of Heritage items and historical information should be made accessible from WCC website Suggests key dates for achievement of actions in Implementation Plan	1 A link to the NSW Heritage Database Search Tool has been added to the "Heritage Work" page of the WCC website. It is also noted that the Heritage Schedule (Schedule 5) of the Wollongong Local Environmental Plan 2009 is accessible from the WCC website.
			2 The implementation Plan has been kept high level short, medium and long term as some actions are subject to funding and key dates are not available
5	Resident – Corrimal	Submission generally in support of the Strategy with focus on the Corrimal Coke Works site as an opportunity to promote specific strategy	1 Noted.
			2 Heritage promotion form part of action.
		objectives- 1 Supports Strategy and Implementation Plan but notes that it is ambitious with resources available. 2 Suggests that a public heritage promotion	3 Noted. As part of action 2.1 "Finalise the review of the Wollongong Heritage Schedules" Council is considering a range of sites for heritage listing. Action 2.2 "Development a Community Heritage Nomination Process" will then be progressed as part of the public exhibition process.
		strategy should be included in actions for Strategy 1 Involvement of the community in the Management of Wollongong Heritage.	4 This comment is specifically addressed by Action 1.1 "Explore potential procurement procedures to encourage engagement
		3 Suggests that Council should be more proactive in identifying and listing new heritage sites including Industrial Heritage and community Heritage nomination process.	of Aboriginal contractor for site works on key Aboriginal sites" and Action 3.7 "Continue to engage with key community groups (including the Illawarra Local Aboriginal Land Council) to provide their input into development applications with potential heritage impacts."
		4 Notes that there are local Aboriginal people	Corrimal Coke Works
		who can be engaged to manage Aboriginal	5 As part of Councils ongoing negotiations relating to the Planning



No	Submitter Details	Summary of submission/Key Points	Response
		Heritage issues at development stage. In relation to the Corrimal Coke Works Site in relation to Strategy 7: Implement Heritage Education and Promotion Programs and Strategy 9: Promote Sustainable Development as a tool for Heritage Management: 5 Raises the education and tourism potential of Corrimal Coke works site as an industrial heritage centre. 6 Suggests development as a high tech industry or arts precinct with opportunity for the Corrimal Coke Works Site to supply its own power for the development on the site. 7 Notes the significance of the two remaining Coke Works Sites at Corrimal and Coalcliff	Proposal for the Corrimal Coke Works site, a Heritage Interpretation Plan will be required to be developed by the applicant. 6 The Planning Proposal for residential development has received Gateway approval through the NSW Department of Planning. Council is working with the applicant to achieve a positive development outcome through the Planning Proposal process. 7 Council resolved to heritage list the Corrimal Coke Works Site as part of the PP process. The Coalcliff site is already listed as a heritage item.
6	Resident – Wollongong	Raised concems with demolition of West Wollongong Primary School and the protection of schools in general	1 The West Wollongong Primary School was owned and managed by the State Government. The State Government Heritage management responsibility under s 170 of the NSW Heritage Act. If Council was to consider listing a State owned site, Council would have had to have the State concurrence to do so. There was no nomination for this site. Council also notes that there are a number of schools listed as local heritage items in the Wollongong LGA.
7	Museum Supporter	Suggests explorations construction of a Wollongong City Museum	1 This comment is addressed by Action 3.4.4 of Creative Wollongong 2019-2024 Cultural Plan.
8	Unknown	Generally supportive of Strategy and in particular focus on community involvement in Heritage	1 As part of Action 2.1 "Finalise the review of the Wollongong Heritage Schedules" Council is considering a range of sites for heritage listing. The heritage significance of the Corrimal Coke



No	Submitter Details	Summary of submission/Key Points	Response
		 Management. 1 Raises potential for investigation of historic areas in Corrimal including Coke Works Site, Community Hall, Churches and Residence in Cox's Avenue. 2 Would like community to have input into what should be conserved in their area. 3 Suggests link to list of Heritage Items. 4 Suggests increased use of Social Media. 5 Suggests inclusion of Aboriginal Heritage in Heritage Trails. 	Works site is being investigated as part of the Planning Proposal process that is currently underway for the site. 2 Action 2.2 "Development a Community Heritage Nomination Process" that is included in the Implementation Plan. 3 A link to the NSW Heritage Database Search Tool has been added to the "Heritage Work" page of the Council website. It is also noted that the Heritage Schedule (Schedule 5) of the Wollongong Local Environmental Plan 2009 is accessible from the Council website. 4 This is acknowledged in the aims of Strategy 1: Actively involve the community in the management of Wollongong's Heritage" "Social media provides an opportunity to engage with a broader and younger segment of the community in relation to heritage issues". Recommended Action: Update Strategy 7 - Implement heritage education and promotion programs to include the use of social media. Update Action 7.6 "Maintain a heritage section on Councils website and provide a user friendly resource of heritage information/guidelines and publications including through the use of social media". 5 Action 7.7 specifically relates to this comment. Recommended Action: Update Action 7.7 "Explore opportunities to develop and promote interactive heritage trails and walks throughout the City in collaboration with Destination Wollongong and the local Aboriginal Community including specifically a Blue Mile Heritage Walking Tour.
9	Metro South Team, Department of	Submission raises a number of recommendations in relation to the specific management of	As part 2.1 "Finalise the review of the Wollongong Heritage Schedules and update the State Heritage Inventory Database



No Submitter Details	Summary of submission/Key Points	Response
Premier and Cabinet (formerly O田)	heritage items 1 Requests timeframe for updates of the of 500 SHI Forms on the NSW Heritage Database.	accordingly" and over 350 SHI forms have been updated. 2 Advice relating to this item is being provided in the recommendations of the Heritage Asset Management Strategy. See Action 8.1 "Finalise and implement the Wollongong Heritage Asset Management Strategy for Council's Heritage Assets".
	 Recommends CMP's be developed for WCC Heritage Assets. Recommends the Strategy encourages CMS or CMP's for all State Heritage items or for major changes to local items. Recommends a review of the WLEP and WDCP for Conservation Areas and controls relating to the adaptive reuse of Heritage items. Recommends that LEP includes additional incentives for heritage owners including a range of Heritage Staff support. Recommends consultation with the Aboriginal Community to identify and manage places of significance. Notestypographical Errors. Recommends that a note stating the relevant approvals, costings and time should be considered is incorporated into grants program Strategy. 	 3 Part 10.1 of Chapter E11: Heritage Conservation of the Wollongong DCP sets out the circumstances in which a Conservation Management Plan is required to support a development. Part 10.2 specially relates to State Heritage sites or where major alterations and additions are proposed. 4 This comment is specifically addressed by Action 4.1 "Undertake a review of Chapter E11 of the WDCP". 5 It is noted that Councils Heritage Staff provide a range of pre DA support including site visits, early advice and free pre lodgement meetings. This item is specially addressed by Strategy 4 Develop and implement programs and projects that aim to achieve proactive heritage management and Actions 4.9 "Provide conservation incentives for appropriate development to heritage properties through the Conservation Incentives Clause" and 9.2 "Actively encourage the adaptive reuse of heritage buildings and offer incentives to this end, including waiver of Development Application & Construction Certificate Fees and Section 7.11 Contributions and free pre lodgement advice for adaptive re-use projects." Clause 5.10 of the Wollongong Local Environmental Plan includes incentive provisions for the conservation of heritage items. 6 OEH manages the Aboriginal Heritage Stes Register. Aboriginal sites are not listed in LEPs. 7 Noted and fixed. 8 Noted. This information is contained in the Guidelines and Conditions for applying for the Heritage Grant Fund and is not

No	Submitter Details	Summary of submission/Key Points	Response
		Specific comments on Implementation Plan and Actions -	considered appropriate for inclusion in the high level strategy document.
		9 Add new action that deals with use of Social Media.	Response to comments on Implementation Plan -
		10 Add new action relating to supporting Aboriginal Community to make new Aboriginal Place nominations and collaboratively manage Aboriginal Places.	 9 This is acknowledged in the aims of Strategy 1: Actively involve the community in the management of Wollongong's Heritage" "Social media provides an opportunity to engage with a broader and younger segment of the community in relation to heritage issues". Recommended Action: Update Strategy 7 - Implement heritage education and promotion programs to include the use of social media.
		11 Add new action to increase number of landscape heritage items on WLEP, including rural landscapes, industrial sites.	Update Action 7.6 "Maintain a heritage section on Councils website and provide a user friendly resource of heritage information/guidelines and publications including through the use of social media".
		 12 Action 2.5 suggests expansion to "continue to contribute to and expand AHIMs". 13 Strategy 3 - Provide training for various Council divisions, tourism, cultural development, library etc. 14 Action 3.4: Expand to include "enhance and promote local studies collection". 15 Action 3.5 expand to include "Generate and assess IHO's". 	10 Aboriginal Places are declared under the National Parks and Wildlife Act 1974. The nomination process should be supported by State agencies. The management of Sandon Point Declared Aboriginal Place, which is located on Council managed land is undertaken collaboratively by the Sandon Point Joint Management Partners and Council. Strategy 6 – Identify and Manage our Heritage precincts, streetscape, cultural and natural landscapes addresses Aboriginal Places and Action 1.6 "Hold regular meetings of the Sandon Point Joint Management Group" and Action 8.5 "Implement outcomes of the Sandon Point Aboriginal Place Plan of Management" specifically relate to the management of the Sandon Point Aboriginal Place.
			11 This comment is specifically addressed by Strategy 6 – Identify and Manage our Heritage precincts, streetscape, cultural and natural landscapes, Action 6.1 "Consider additional listing of



No	Submitter Details	Summary of submission/Key Points	Response
			Heritage Conservation Areas and key cultural and natural landscapes as part of Council's Heritage Review" which relates to Action 2.1 "Finalise the review of the Wollongong Heritage Schedule", in which a range of items are being considered for listing on the WLEP.
			Recommended Action: Update Action 6.1 to include "Consider additional listing of Heritage Conservation Areas and key cultural, and rural, industrial and natural landscapes as part of Council's Heritage Review"
			12 It is noted that the OEH is the authority that holds the data and manages the AHIMs database.
			13 This comment is specifically addressed by Action 3.2 "Development and implement regular Heritage training for Council staff, Councillors"
			Recommended Action update Action 3.2 to include "Development and implement regular Heritage training for Council staff, Councillors and Heritage Reference Group Members and continue to collaboratively manage key sites of Aboriginal significance."
			14 Recommended Action updated Action 3.4 to include "Continue to promote and enhance access to the Local Studies Library"
			15 Recommended Action updated Action 3.5 to include "Prepare and assess IHO requests under delegation from the NSW Heritage Council in accordance with Council's delegations."
10	Resident – Corrimal	Suggestion for an online scavenger hunt as an education program using existing online scavenger hunt.	Action 7.7. "Explore opportunities to develop interactive heritage trails and walks throughout the City and promote these in collaboration with Destination Wollongong" addresses these comments.



No	Submitter Details	Summary of submission/Key Points	Response
		2 Suggests archival recording of heritage places with 260 cameras/apps, which could be used to enable GPStour or game.	2 Suggestions noted.
11	Resident – Kembla Heights	Submission from Community Member & Heritage Reference Group Member relating to a range of suggestions and recommendations -	1 Action 8.1 "Finalise and Implement the Wollongong Heritage Asset Management Strategy for Council's Heritage Assets" specifically relates to this comment as well as Action 8.3 and 8.4 that relate to specific Council owned Assets.
		 Notes that Council owned Heritage Assets are in disrepair and should be adaptively reused. Recommends signage is installed to identify Heritage Conservation Areas. 	2 Action 7.2 "Seek funding to support the development and implementation of a signage strategy for the identification of Heritage Conservation Areas" specifically relates to this comment.
		3 Recommends that a Full time Museum staff member is to support Wollongong's volunteers in the Museum sector. 4 Recommends that a purpose built Museum is constructed to store various local museum collections.	3 Item 4.10 specification relates to this comment "continue to work with our local museums to develop a sustainable model for future management of our local museums" and item 3.4.3 of the Cultural Plan. 4 This comment is addressed by Action 3.4.4 of Creative Wollongong 2019-2024 Cultural Plan.
		5 Recommends that free access to Illawarra Images is provided. 6 Suggests public education campaign around heritage issues utilising social media strategy	5 Note that image fees are subsidised/waived for community organisations on a case by case basis 6 This is acknowledged in the aims of Strategy 1: Actively involve the community in the management of Wollongong's Heritage" "Social media provides an opportunity to engage with a broader and younger segment of the community in relation to heritage issues".
			Recommended Action: Update Strategy 7 - Implement heritage education and promotion programs to include the use of social media
			Update Action 7.6 "Maintain a heritage section on Councils website and provide a user friendly resource of heritage information/guidelines and publications including through the use of social media"

No Submitter Details	Summary of submission/Key Points	Response
Destination Wollongong	Submission from Destination Wollongong that focuses on heritage as a tourism opportunity and makes recommendations relating to Council's role in facilitating the activation of heritage sites- 1 Notes that our Heritage is one of the valuable tourism attractions in Wollongong and recommends that market needs to be better captured. 2 Recommends that Council minimises red tape for third party organisation to activate heritage assets. 3 Strategy 5 Funding: Recommends clear avenues for funding applications for restoration and activation of heritage asserts. 4 Strategy 5 Funding: Recommends funding sources are made available for tourism promotion activities. 5 Acknowledges the Cultural Tourism Strategy being developed by Council and ongoing opportunities to advocate for Heritage Tourism. Comments from Site meeting 10th September 2019 with Destination Wollongong regarding proposal for Blue Mile Heritage Walking Tour: a. 5 Keys Sites along Blue Mile where interpretative signage is necessary to conduct self-guided Heritage walking tour. b. Possibility to use a place-based app to support self-guided walking tour.	 a. This is acknowledged in the aims of Strategy 7: Implement Heritage Education and Promotion Programs. "Council recognises that our heritage placesprovide opportunities for education, cultural tourism and ongoing economic development of the region." b. Council operates within the framework of the Wollongong LEP 2009 and the NSW Heritage Act 1977 as well as various other pieces of legislation including the Building Code of Australia and the Disability Inclusion Act 2014. Where possible Council aims to work cooperatively with proponents through providing various incentives for adaptive reuse which is captured by Action 9.1 "Actively encourage the reuse of heritage buildings and offer incentives to this end, including waiver of Fees, s 94 Contributions and free pre lodgement Advice." Recommended Action: Update Action 9.2 "heritage building" and change to "heritage sites". c. Noted. This information is contained in the Guidelines and Conditions for applying for the Heritage Grant Fund and is not considered appropriate for inclusion in the high level strategy document. d. The Heritage Strategy document is the appropriate vehicle to explore funding options for cultural heritage tourism through Strategy 7 - Implement heritage education and promotion programs and related Actions in the implementation plan. Note the NSW State Funding Stream "Heritage Near Me" specifically for activation of Heritage places and cultural tourism. Due to the limited funding for conservation works Council's local Heritage Grant Fund is not considered the appropriate funding stream.

No	Submitter Details	Summary of submission/Key Points	Response
		c. Implementation of way finding markers on existing signage or on existing infrastructure is necessary to support self-guided walking tour.	e. Noted. Recommended Action: Add Action 7.8 Continue to provide feedback in relation to the Development of Councils Draft Cultural Tourism Strategy 2018 and Heritage opportunities.
		d. Smith's Hill Battery Park and Flagstaff Hill Battery are in need of conservation and maintenance works to support future activation as part of tour operations along the Blue Mille.	a. Action 7.1 "Implement the remaining recommended Heritage Interpretation Works contained within the Blue Mile Heritage Interpretation Strategy" specifically relates to this comment. Note the key sites identified as priorities by Destination Wollongong. b. Action 7.7 relates to the development of "interactive walking tours" in the City in collaboration with Destination Wollongong and associated infrastructure and media. This action is to be updated to reference Blue Mile Walking Tour specifically. c. Noted see above. Recommended Action: Update Action 7.7 "Explore opportunities to develop and promote interactive heritage trails and walks throughout the City in collaboration with Destination Wollongong and the local Aboriginal Community including specifically a Blue Mile Heritage Walking Tour. d. Agreed. Smith Hill Battery and Flagstaff Hill are important parts of
			our military history. A Heritage Conservation Plan is required to guide conservation works. Recommend Action: Add Action 8.8 "Seek specialist advice for the conservation and ongoing maintenance of the Fortifications in the Wollongong Harbour State Heritage Precinct and explore options for their activation in collaboration with Destination Wollongong."
13	Resident – Scarborough	Suggestion for heritage interpretation for Miners Cottage along Lawrence Hargrave Drive as part of the Grand Pacific Walk	This comment is specifically addressed with by Action 7.4 "Seek Funding to support the development of a Heritage Interpretation Strategy for the Grand Pacific Walk." On 23 September 2019 Council resolved that a briefing note be prepared on Interpretative Historical



No	Submitter Details	Summary of submission/Key Points	Response
			Signage along the Grand Pacific Walk.
14	Illawarra Coke Company	Concerned that Strategy 6 – Identify and manage key heritage precincts, streetscapes, cultural and natural landscapes puts Heritage conservation and development in conflict rather than presenting heritage as an opportunity in development sites.	Recommended Action: Update Strategy 6 to include - Council acknowledges that appropriate development can be an opportunity for innovative adaptive re-use of historic sites, increased public access to heritage places and integrated interpretation strategies. Therefore Council is committed to ensuring heritage is a key consideration of town and village planning, CBD planning as
		See - "Council also recognises that some of our valued rural land scapes such as the West Dapto Precinct and historic industrial sites including former collieries and Coke Works are facing significant development pressure and are in danger of being lost."	well as in planning and master planning for public places and significant sites with recognised heritage values.
15	Helensburgh Historical Society	Submission concerned lack of detail in implementing Strategies and concerned with lack of consultation with Helensburgh Community in relation to Heritage issues. Specific Issues Raised -	The significance of the Helensburgh Sandstone Guttering and Old Mine Surgery are being considered as part of broader Heritage Schedule Review.
		Removal sandstone Guttery in Walker Street (Coles development). Old Mine Surgery not listed as local item	2 The Helensburgh Historical Society is specifically notified of development in Helensburgh that will have potential heritage impacts as per Action 3.7 "Continue to engage with key community groups and provide opportunity for their input into development application with potential heritage impacts."
			Follow up Action: Council's Heritage Staff to organise a meeting with the Helensburgh Historical Society to discuss ongoing heritage issues in the Helensburgh Community
16	Illawarra Branch AuslMM Mineral Heritage Subcommittee	Submission of potential sites of heritage significance to be included in any future interpretation plan along the Grand Pacific Walk.	Information Noted. This comment is specifically addressed with by Action 7.4 "Seek Funding to support the development of a Heritage Interpretation Strategy for the Grand Pacific Walk"



No	Submitter Details	Summary of submission/Key Points	Response
17	Member Heritage Reference Group	Action arising from Heritage Reference Group meeting 12 September 2019. The Reference Group stated the need to emphasise the significance of key cultural, natural, industrial as well as rural landscapes and a more "collaborative approach" to heritage management, both within Council and with the Aboriginal community.	Recommended Actions: Update Action 6.1 to include "Consider additional listing of Heritage Conservation Areas and key cultural, and rural, industrial and natural land scapes as part of Council's Heritage Review" Update Action 3.2 to include "Development and implement regular in-house Heritage training for Council staff, Councillors and Heritage Reference Group Members to encourage and facilitate a collaborative and cross divisional approach to heritage management." Update Strategy 1 to include: Council also recognises the need to continually improve our engagement with the local Aboriginal community in relation to Council works projects as well as Council policy programs and continue to collaboratively manage key sites of Aboriginal significance. Add Action 1.7: "Continue to provide input into the development of Council's Aboriginal Engagement Framework and Aboriginal Language Signage Guidelines."



Wollongong City Council

Heritage Strategy 2019-2022

Conserving and enhancing our city's rich Heritage
October 2019



LOST WOLLONGONG - SHOWING OUR REGION'S HISTORY AND HERITAGE http://lostwollongong.com





Wollongong Heritage Strategy 2019-2022

Protecting and conserving our city's rich Heritage February 2019

The Wollongong Heritage Implementation and Action Plan (Appendix 1) does not form a part of the Wollongong Heritage Strategy 2019-2022.

This document is intended as Council's Operational Delivery Plan. It contains some items that are subject to the securing of funding and grants and will be subject to regular review and evaluation based on available resources, funding and other operational requirements.



Implementation Plan



Contents

Background	4
Council's Planning Process	5
Our Heritage	6
Objectives	7
Wollongong Heritage Strategy	8
Strategy 1 - Community Involvement	9
Strategy 2 - Maintain the List of Heritage Items	10
Strategy 3 - Provide Professional Heritage Advice	11
Strategy 4 - Proactively Manage our Heritage	12
Strategy 5 - Fund Heritage Programs	13
Strategy 6 - Identify and Manage our Heritage Places	14
Strategy 7 - Heritage Education and Promotion Programs	15
Strategy 8 - Heritage Asset Management	16
Strategy 9 - Sustainable Development	17
Implementation and Action Plan	18



Item 1 - Attachment 3 - Final Wollongong Heritage Strategy 2019-2022 and Implementation Plan

Background

Development of a Wollongong Heritage Strategy

In 2010 Wollongong City Council reestablished the Wollongong Heritage Advisory Committee (now known as the Wollongong Heritage Reference Group).

The Reference Group's Charter set key priorities for the Group including development of a three year heritage strategy. With the support of the Reference Group, Wollongong City Council has adopted two previous versions of the Wollongong Heritage Strategy 2011-2014 and the Wollongong Heritage Strategy 2014-2017.

Updating the Heritage Strategy

The Wollongong Heritage Strategy 2019-2022, has been developed following a review of the 2014-2017 Strategy and Action Plan, with input from the Wollongong Heritage Reference Group, various Council Divisions and following a public exhibition process.

This document provides continued direction to Council, and the Wollongong Heritage Reference Group, in relation to heritage outcomes for the strategy Wollongong City Council respects and acknowledges those who came before us, the Traditional Custodians of the land on which our City is built, and all of those who have contributed to the City of Wollongong.

We will do this by working with the community to: identify; acknowledge; conserve; protect; document; record; interpret; promote; and manage, the significant: places; objects; records; stories; and memorials, of our past, for the benefit, enjoyment, and appreciation of future generations.



Heritage Strategy 2019-2022 Wollongong City Council



Item 1 - Attachment 3 - Final Wollongong Heritage Strategy 2019-2022 and Implementation Plan

Council's Planning Process

Council has an integrated approach. Council's Plans and Strategies work together to make Wollongong a liveable city for all people.

Wollongong 2028

The Wollongong Heritage Strategy expands on the Heritage aspects of our Wollongong 2028 Community Strategic Plan (CSP) and sits alongside a number of intersecting and 'supporting documents', which are connected to the Wollongong Heritage Strategy 2019-2022. These documents provide further details on how Council will achieve positive heritage outcomes within the Local Government Area.

Objective 1.4 of the CSP specifically deals with heritage "we recognise and celebrate our heritage."

The Wollongong Heritage Strategy 2019-2022 is closely linked to the following supporting documents:

- > Creative Wollongong Cultural Plan 2019-2024
- > Cultural Tourism Strategy 2018 (Draft)
- > Urban Greening Strategy 2019-2037
- > Public Art Strategy 2016-2021
- > City Centre Urban Design Framework 2019 (pending)



Community Strategic Plan

A 10 year plan that identifies our community's priorities and vision for the future

Supporting Documents

A level of interconnected documents that provide further detail about how we are going to achieve positive outcomes for the community

Implementation and Action Plan

Sets out the key projects and ongoing actions that will be delivered by Council as outcomes of the Strategy

Our Heritage

Wollongong's Heritage

Our History

The Traditional Custodians live and care for Country here in the Illawarra as they have done for thousands of years. In 1815 some of the Illawarra's Traditional Custodians led the first white settlers and their cattle down the escarpment. This marked a new chapter in the story of our area.

Today the knowledge and dreaming stories of our Traditional Custodians has been layered with a rich history of timbergetting, farming, coal mining, railway and port building and burgeoning seaside village and holiday communities. All this has occurred in the setting of our beautiful beaches and the magnificent escarpment.

Our Shared Heritage

The Illawarra's heritage places include historic buildings, industrial infrastructure, cemeteries, ocean pools and memorials. But our heritage is much more than just architectural forms. Rural lands, mining sites, cultural and natural landscapes of importantce to the Aboriginal community are all entwined to form our shared heritage.

Our heritage is the product of thousands of years of Aboriginal custodianship, decendants of the first European settlers and generations of migrants and their families from across the world who moved to the Illawarra and made it their home. It is also continuously evolving as we welcome those drawn to the Illawarra's natural beauty and rich history. This living heritage is a vital part of the cultural fabric that makes up the Illawarra.

Our Heritage Places

At the time of adoption of this strategy Council has over 490 heritage sites and cultural landscapes listed in the Wollongong Local Environmental Plan 2009 and through State Environmental Planning Policies.

Of these items, 24 are listed on the NSW State Heritage Register as being items of significance to the state of New South Wales.

Heritage Conservation Areas

There are nine listed Heritage Conservation Areas in the Wollongong Local Government Area:

- 1. Austinmer Conservation Area
- 2. Brownsville Conservation Area
- 3. Bulli Conservation Area
- 4. Old Bulli Conservation Area
- 5. Garrawarra Hospital Conservation Area
- 6. Kembla Heights Mining Village
- 7. Market Street Conservation Area
- 8. North Beach Precinct and Belmore Basin
- 9. Illawarra Escarpment Landscape Area

Declared Aboriginal Places

There are two declared Aboriginal Places under the NSW National Parks and Wildlife Act 1974 in the Wollongong Local Government Area. In 2007 Sandon Point was declared an Aboriginal Place, followed by formal recognition of the Bellambi Point Aboriginal Place in 2012.

"Places of cultural significance enrich people's lives, often providing deep and inspirational sense of connection to community and landscape, to the past and to lived experiences. They are historical records that are important expressions of Australian identity and experience.

[These] places reflect the diversity of our communities, telling us about who we are and the past that has formed us and the Australian Landscape. They are irreplaceable and precious."

- The Burra Charter



Implementation Plan



Objectives

There are five key Objectives that this Policy aims to achieve

- Ensure that the Community are actively engaged in the development and delivery of Council's heritage policies
- Set the Heritage Reference Group's agenda for the period of the Strategy
- 3 Provide a formal mechanism for evaluating, and reporting on Council's performance in heritage management, and the achievements of the Wollongong Heritage Reference Group
- Provide for the long term sustainable management of Wollongong's Heritage
- 5 Provide the supporting policy framework for delivery of the Wollongong's Heritage Implementation Plan Proposals 2019-2022



Heritage Strategy 2019-2022 Wollongong City Council



Our Heritage Strategies

Heritage Strategy

Strategy 1: Actively involve the community in the management of Wollongong's heritage;

Strategy 2: Maintain an up to date list of heritage items;

Strategy 3: Employ and train staff to manage Wollongong's heritage and provide professional advice to the community;

Strategy 4: Develop and implement programs and projects that aim to achieve proactive heritage management;

Strategy 5: Provide funding for heritage projects and programs;

Strategy 6: Identify and manage key heritage precincts, streetscapes,

cultural and natural landscapes;

Strategy 7: Implement heritage education and promotion programs;

Strategy 8: Implement best practice heritage asset management procedures as a positive example for the community; and

Strategy 9: Promote sustainable development as a tool for heritage

management.

Council will strive to achieve its Heritage Policy and the key Objectives by implementing nine key Heritage Strategies.

Each strategy is linked with a recommendation from the **NSW Office of** Environment and Heritage publication 'Recommendations for Local Council Heritage Management'.





Strategy 1

Implementation Plan

Actively involve the community in the management of Wollongong's heritage

Heritage Branch Recommendation 1 - 'Establish a Heritage Committee to deal with heritage matters in your local area'

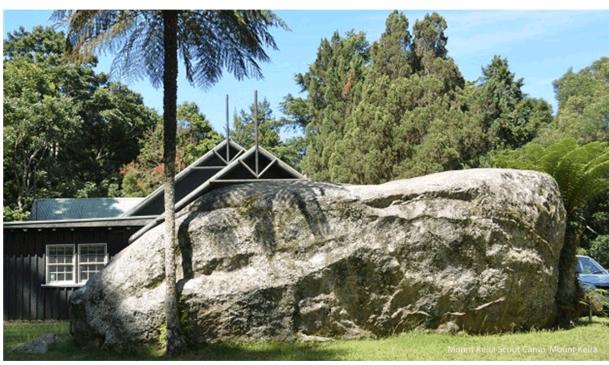
community the management of the City's heritage is an essential component of good heritage management. The Wollongong Heritage Reference Group was formed in 2018. The purpose of the Reference Group is to provide a formal means of community involvement in Council's Heritage Management processes and decision making.

Item 1 - Attachment 3 - Final Wollongong Heritage Strategy 2019-2022 and

Council also acknowledges that the Heritage Reference Group provides only one means for community involvement in heritage management and that Council must also engage with a diverse cross section of our multicultural community in relation to all policy decisions that will impact on heritage outcomes.

Council also recognises the need to continually improve our engagement with the local Aboriginal community in relation to Council works projects as well as Council policy programs and continue to collaboratively manage key sites of Aboriginal significance

trend within social media toward engagement around issues relating to the history and heritage of Wollongong. Social media provides an opportunity to engage with a broader and younger segment of the community in relation to heritage issues.



Heritage Strategy 2019-2022 Wollongong City Council



Item 1 - Attachment 3 - Final Wollongong Heritage Strategy 2019-2022 and Implementation Plan

Strategy 2

Maintain an up to date list of heritage items

Council has a legislative responsibility to maintain a list of heritage places and recognises the importance of this responsibility. Council is committed to the ongoing review and update of Schedule 5 of the Wollongong Local Environmental Plan and is focused on ensuring that the Schedule accurately represents those aspects of our city's heritage that are important to the community.

Council is also working to clearly identify and demonstrate the significance of all heritage items through ensuring that the information available on the NSW Heritage Database is accurate and up to date. This database is accessible online by the general public.

Council also acknowledges that there are many sites and places of significance to the local Aboriginal Community that are not listed on Schedule 5 of the Wollongong Local Environmental Plan. These sites fall under the NSW National Parks and Wildlife Act 1974 and are most appropriately managed by the (former) Office of Environment & Heritage through the Aboriginal Heritage Information Management Database.

Heritage Branch Recommendation 2 - Identify the heritage items in your area and list them in your Local **Environmental Plan**



Item 1 - Attachment 3 - Final Wollongong Heritage Strategy 2019-2022 and Implementation Plan

Strategy 3

Employ and train staff to manage Wollongong's Heritage and provide professional advice to the community

Heritage Branch
Recommendation
3 - Appoint a
heritage advisor to
assist the Council,
the community
and owners of
listed heritage
items

Council will continue to provide a range of heritage services to the community. These services include:

- Heritage planning advice;
- Advice relating to conservation projects;
- Heritage promotion and education programs;
- Continue to grow and maintain the Wollongong Local Studies Library Collection.

Council recognises the importance of providing adequate resources to maintain and deliver these services to the standard expected by the community.

Council is also committed to the development and implementation of an internal staff training program.



Heritage Strategy 2019-2022 Wollongong City Council



Item 1 - Attachment 3 - Final Wollongong Heritage Strategy 2019-2022 and Implementation Plan

Strategy 4

Develop and implement programs and projects that aim to achieve proactive heritage management

Council recognises the importance of proactive heritage management in providing positive heritage outcomes and is committed to the implementation of projects and programs that encourage the active conservation of our city's heritage.

Council aims to achieve this by ensuring that heritage advice and guidance is readily available to the community. Council will continue to promote positive heritage projects through the use of the Heritage Incentive clauses in the Wollongong Local Environmental Plan.

Council also takes a proactive role in shaping heritage policy and legislation at all levels of government. Council is also commited to ensuring that the views of the local community, particularly the local Aboriginal community, are meaningfully represented in these spaces.

Council is committed to maintaining open and effective working relationships with other government agencies including the National Parks and Wildlife Service, the Department of Planning, Industry and the Environment as well as community organisations such as the Illawarra/ Shoalhaven Branch of the National Trust and the Illawarra Aboriginal Land Council to implement cross organisational projects. Heritage Branch Recommendation 4 - Manage local heritage in a positive manner





Strategy 5

Implementation Plan

Provide funding for heritage projects and programs

Heritage Branch Recommendation 5 - Introduce a local heritage grant fund to provide small grants to encourage local heritage projects

Council recognises the importance of funding to support community based and individual Heritage projects as well as to manage our own Heritage assets. Providing $funding for a range of projects allows \, Council$ to achieve positive heritage outcomes that benefit the entire community. Council is committed to providing funds to support the delivery of this Strategy and associated Implementation Plan.

Council has run a successful local heritage grant program for the past 10 years and will continue to support local heritage owners to achieve positive conservation outcomes. Council will also continue to actively pursue available heritage funding from other levels of government, including the Department of Planning, Industry and the Environment Heritage Advisor Program.



Heritage Strategy 2019-2022 Wollongong City Council



Item 1 - Attachment 3 - Final Wollongong Heritage Strategy 2019-2022 and Implementation Plan

Strategy 6

Identify and manage key heritage precincts, streetscapes, cultural and natural landscapes

The identification and management of historic precincts and streetscapes is recognised by Council as an essential component of heritage management, as well as being interlinked with principles of urban design and strategic planning.

Council is committed to managing our highly significant Aboriginal Places, cultural landscapes and environmental heritage through meaningful engagement with the local Aboriginal community. Council recognises the significance of both the tangible and intangible values associated with cultural landscapes such as Sandon Point, Hill 60 and the natural landscapes of Illawarra Escarpment that are entwined with the environmental values of these places.

Council also recognises that some of our valued rural landscapes such as the West Dapto Precinct and historic industrial sites including former collieries and cokeworks are facing significant development pressure and are in danger of being lost.

Council acknowledges that appropriate development can be an opportunity for innovative adaptive re-use of historic sites, increased public access to heritage places and integrated interpretation strategies. Therefore Council is committed to ensuring heritage is a key consideration of town and village planning, CBD planning as well as in planning and master planning for public places and significant sites with recognised heritage values.

Heritage Branch Recommendation 6 - Run a heritage main street program





Strategy 7

Implementation Plan

Implement heritage education and promotion programs

Heritage Branch Recommendation 7 - Present educational and promotional programs

Council recognises that our heritage places and sites, particularity the Wollongong Harbour Precinct and North Beach Precinct as well as a wide range of other significant places, are unique assets to the community that provide opportunities for education, cultural tourism and the ongoing economic development of the region.

Item 1 - Attachment 3 - Final Wollongong Heritage Strategy 2019-2022 and

Council recognises that educating and promoting our heritage to the community and visitors to our Local Government Area is an essential part of proactive heritage management. Council is committed to the ongoing presentation of exciting and engaging heritage education and promotion programs for all ages and exploring new opportunities that social media presents for interactive heritage programs.

These programs include an ongoing education program for Council staff, a commitment to ongoing support for local heritage events and festivals as well as the preparation of a Draft Cultural Tourism Strategy and working closely with Destination Wollongong.





Item 1 - Attachment 3 - Final Wollongong Heritage Strategy 2019-2022 and Implementation Plan

Strategy 8

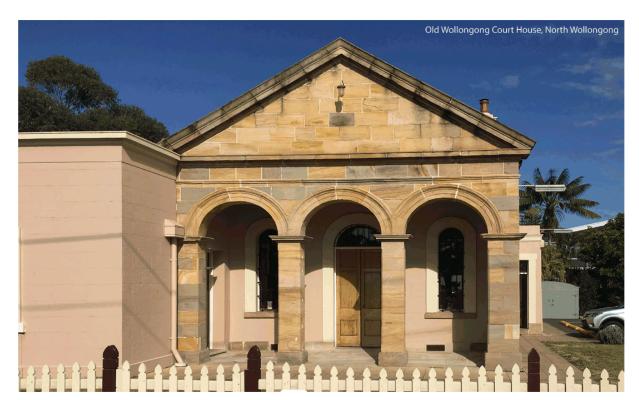
Implement best practice heritage asset management procedures as a positive example for the community

Council is responsible for the management of over 100 heritage affected properties. These include over 30 heritage listed buildings, more than 20 heritage listed parks and recreation areas, eight cemeteries, as well as many other heritage items including trees and landscapes, monuments/ memorials, ocean pools, historic roads and rail alignments.

In addition to these Council also maintains a number of assets that have cultural significance but may not be listed as heritage items on the Wollongong Local Environmental Plan 2009. These sites include a wide range of Aboriginal sites and places of cultural significance to the local Aboriginal community.

It is essential that Council puts in place procedures and processes to ensure that Council leads by example and proactively manages our heritage assets. Best practice heritage management benefits our local community by ensuring our shared history, our iconic public buildings as well as our cultural landscapes are cared for into the future.

Heritage Branch Recommendation 8 - Set a good example to the community by properly managing heritage places owned or operated by the council





Strategy 9

Implementation Plan

Promote sustainable development as a tool for Heritage management

Heritage Branch Recommendation 9 - Promote sustainable development as a tool for heritage management Council acknowledges that Aboriginal Cultural Heritage is intrinsically tied to the Illawarra Landscape and our rich variety of flora and fauna. Caring for Country, through principles of sustainable environmental management and conservation that have traditionally been practiced by the Aboriginal community for thousands of years is essential to the management of our Cultural Landscapes.

Item 1 - Attachment 3 - Final Wollongong Heritage Strategy 2019-2022 and

Council also recognises that the conservation of heritage sites supports the underlying principles of environmentally sustainable development (ESD). Council supports the principles of ESD through the Heritage Incentives Clauses of the Wollongong Local Environmental Plan that encourage adaptive re-use of heritage buildings and the waiver of development application fees where conservation outcomes are achieved.

Council also acknowledges opportunities to allow heritage buildings to meet modern sustainability outcomes are increasing through the development of new technologies. These innovations can be balanced with the heritage significance of these sites through appropriate management and decision making.



Heritage Strategy 2019-2022 Wollongong City Council



Item 1 - Attachment 3 - Final Wollongong Heritage Strategy 2019-2022 and Implementation Plan

Delivery of this Strategy

Implementation Plan and Policy

To ensure the successful delivery of the Wollongong Heritage Strategy 2019-2022, the Wollongong Heritage Implementation Plan Proposals 2019-2022 have been developed. The Implementation Plan Proposals are provided as Appendix 1 to the Strategy.

The Implementation and Action Plan are intended to guide Council in the delivery of the nine strategies detailed in this Policy





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Heritage Strategy 2019-2022 Wollongong City Council



Appendix 1

Implementation Plan 2019-2022

Strategy	Strategy 1 – Actively involve the community in the management of Wollongong's heritage							
	Action	Responsibility	Short Term	Medium Term	Long Term	Ongoing		
1.1	Explore potential procurement procedures to encourage engagement of Aboriginal contractors for site works on key Aboriginal sites.	Heritage Staff Procurement Staff						
1.2	Hold bi-monthly meetings of the Wollongong Heritage Reference Group.	Heritage Staff WHRG Members						
1.3	Conduct annual reviews of the Wollongong Heritage Reference Group in accordance with the Reference Group Charter to ensure the purpose, membership and operation of the Reference Group is effective.	Heritage Staff WHRG Members				12 Monthly Reviews		
1.4	Monitor the implementation of the Heritage Strategy 2019-2022 by undertaking annual reviews of performance against the strategy and implementation plan.	Heritage Staff WHRG Members				12 Monthly Reviews		
1.5	Hold bi-monthly meetings of the Aboriginal Reference Group and ensure key Aboriginal heritage policy issues are discussed.	Community + Cultural Services Heritage Staff						
1.6	Hold regular meetings of the Sandon Point Joint Management Group to inform implementation of the Plan of Management.	City Strategy						
1.7	Continue to provide input into the development of Council's Aboriginal Engagement Framework and Aboriginal Language Signage Guidelines.	Community + Cultural Services Heritage Staff						

Strategy	Strategy 2 – Maintain an up to date list of heritage items						
		Action	Responsibility	Short Term	Medium Term	Long Term	Ongoing
2.1		Finalise the review of the Wollongong Heritage Schedule and update the State Heritage Inventory Database accordingly.	Heritage Staff City Strategy				
2.2		Develop a community Heritage Nomination process and associated guidelines.	Heritage Staff WHRG Members				
2.3		Undertake annual reviews to monitor and maintain the schedule of heritage items listed in Wollongong's planning instruments.	Heritage Staff				12 Monthly Review
2.4		Continue to acknowledge the Aboriginal Heritage Information Management System as the key register of Aboriginal Heritage Sites.	All of Council				
2.5		Where sites are identified as being of State Heritage significance, prepare State Heritage nominations for these sites.	Heritage Staff				

Strateg	rategy 3 – Employ and train staff to manage Wollongong's heritage and to provide professional advice to the community					
	Action	Responsibility	Short Term	Medium Term	Long Term	Ongoing
3.1	Explore funding opportunities for the employment of an Aboriginal Heritage role within Council.	City Strategy				
3.2	Develop + implement regular in-house heritage training for Council staff, Councillors and Heritage Reference Group Members to encourage and facilitate a collaborative and cross divisional approach to heritage management	Heritage Staff Council				
3.3	Continue to grow and maintain the Wollongong Local Studies Library Collection, including accepting deposits of all completed Heritage Studies.	Heritage Staff Library Services				
3.4	Continue to promote and enhance access to the Local Studies Library Collection through cataloguing, indexing and digitisation projects as funding allows.	Library Services				
3.5	Prepare and assess Interim Heritage Order requests under delegation from the NSW Heritage Council in accordance with Council's delegations.	Heritage Staff City Strategy				
3.6	Provide professional heritage referral advice in relation to development applications with potential heritage impacts.	Heritage Staff Heritage Advisor City Strategy				
3.7	Continue to engage with key community groups (including the Illawarra Local Aboriginal Land Council, The Illawarra Historical Society, the Illawarra/Shoalhaven Branch of the National Trust) and provide opportunity for their input into development applications with potential Heritage impacts.	Heritage Staff & Development Assessment				
3.8	Identify, investigate and enforce compliance matters relating to illegal development involving heritage places.	Regulation & Enforcement Heritage Staff				



Strateg	4 - Develop and Implement programs and projects that aim t	o achieve pro-active	heritage manag	ement		
	Action	Responsibility	Short Term	Medium Term	Long Term	Ongoing
4.1	Undertake a review of Chapter E11: Heritage Conservation of the Wollongong Development Control Plan 2009.	Heritage Staff Heritage Advisor City Strategy				
4.2	Develop a localised Heritage paint scheme and materials Design Guide.	Heritage Staff Heritage Advisor				
4.3	Review Chapter E10: Aboriginal Heritage of the Wollongong Development Control Plan 2009 subject to State Government legislation reform.	Heritage Staff Heritage Advisor City Strategy				
4.4	Develop a management policy for moveable heritage items and develop a list of significant moveable heritage within the city.	Heritage Staff WHRG Membership Community + Cultural Services				
4.6	Continue to provide Heritage comments and input into the State Government's Draft Aboriginal Heritage legislative Reforms.	Heritage Staff WHRG Membership				
4.7	Run a Local Heritage Grant program for local conservation projects. (See action 5.2).	Heritage Staff WHRG Membership				
4.8	Offer a waiver of Development Application and Construction Certificate fees for heritage properties where there are positive heritage outcomes.	City Strategy				
4.9	Provide Conservation Incentives for appropriate development to heritage properties through the Conservation Incentives clause in the Wollongong Local Environmental Plan 2009.	City Strategy				
4.10	Continue to work with our local museums to develop a sustainable model for future management of our local museums (See item 3.4.3 of the Cultural Plan).	Community + Cultural Services				

Strateg	trategy 5 – Provide funding for heritage projects and programs						
		Action	Responsibility	Short Term	Medium Term	Long Term	Ongoing
	Г	Continue to seek additional State Government Funding to support a					
5.1		Heritage Advisor position and Council's Local Heritage Grant	Heritage Staff				
		Program, through the NSW Heritage Fund.					
5.2		Provide a Local Heritage Grant Fund for local conservation projects	Heritage Staff				
J.2		(see Action 4.7).	WHRG Membership				
5.3	Г	Actively pursue grant funding for heritage projects through	Heritage Staff				
5.5		available programs when they arise.	WHRGMembership				
	Γ	Continue to fund a Consultant Heritage Advisor to support the role	Council				
5.4		of the Heritage Staff					
			NSW Heritage Branch				

Strateg	Strategy 6 – Identify and manage key heritage precincts, streetscapes, cultural and natural landscapes								
	Action	Responsibility	Short Term	Medium Term	Long Term	Ongoing			
6.1		Heritage Staff WHRG Membership							
6.2	Explore funding opportunities to develop an Archaeological Zoning Plan for the City (particularly the CBD) and implement procedures through appropriate development controls/mapping.	Heritage Staff Heritage Advisor							
6.3	Explore funding opportunities to develop an Industrial Heritage Study to identify key industrial sites.	Heritage Staff WHRG Membership							
6.4	Ensure Heritage Conservation is a key consideration in the development of Council's Town and Village Planning studies.	City Strategy							

Strategy 7 – Implement heritage education and promotion programs								
	Action	Responsibility	Short Term	Medium Term	Long Term	Ongoing		
7.1	European heritage and environmental factors (see 3.3.9 Cultural	Community Cultural + Economic Development						
7.2	signage strategy for the identification of Heritage Conservation	Heritage Staff Community + Cultural Development						
7.3	Works contained within the Blue Mile Heritage Interpretation Strategy.	Heritage staff Infrastructure + Works						
7.4	Seek funding to support the development of a Heritage Interpretation Strategy for the Grand Pacific Walk.	Heritage staff						



7.5	Support local events and festivals which celebrate aspects of Wollongong's Heritage.	Heritage Staff Community Cultural + Economic Development		
7.6	Maintain a heritage section on Council's website and provide a user friendly resource of heritage information/guidelines and publications including through the use of social media.	Heritage Staff		
7.7	Explore opportunities to develop and promote interactive heritage trails and walks throughout the City in collaboration with Destination Wollongong and the local Aboriginal Community, including specifically a Blue Mile Heritage Walking Tour.	Heritage Staff WHRG Membership		
7.8	Continue to provide feedback in relation to the development of Council's Draft Cultural Tourism Strategy and heritage opportunities.	Heritage Staff Community Cultural + Economic Development		

Strategy 8 – Implement best practice heritage asset management procedures as a positive example for the community								
	Action	Responsibility	Short Term	Medium Term	Long Term	Ongoing		
8.1	Finalise and Implement the Wollongong Heritage Asset Management Strategy for Council's Heritage Assets.	Heritage Staff Infrastructure + Works Property + Recreation Community + Cultural Development						
8.2	Develop a Historic Cemeteries Management Policy for Council managed cemeteries and rest parks.	Heritage Staff Crematorium + Cemeteries						
8.3	Continue to progress the adaptive re-use of the Bulli Miners Cottage as a community Artist in residence program	Heritage staff Infrastructure + Works						
8.4	Develop a staged program for the short term stabilsation and long term conservation of "Streamhill".	Heritage staff Infrastructure + Works						
8.5	Implement the outcomes of the Sandon Point Aboriginal Place Plan of Management and AHIP in consultation with the local Aboriginal Community and other Stakeholders.	Community Land Management Land Use Planning						
8.6	Develop an updated Conservation Management Plan and Aboriginal Cultural Heritage Assessment Report for the Hill 60 site to support the adopted Masterplan in consultation with the local Aboriginal Community and other Stakeholders.	Heritage staff Infrastructure + Works Property + Recreation						
8.7	Finalise and seek endorsement of the Gleniffer Brae Conservation Management Plan.	Environment + Conservation Services						
8.8	Seek specialist advice for the conservation and ongoing maitenance of the Fortifications in the Wollongong Harbour State Heritage Precinct and explore options for their activiation in collaboration with Destination Wollongong.	Heritage staff Infrastructure + Works Property + Recreation						
8.9	Incorporate Aboriginal and non-Aboriginal heritage considerations in the planning process for Council works projects, seeking independent external heritage advice where appropriate.	Wollongong City Council						

Strategy 9 – Promote sustainable development as a tool for heritage management								
	Γ	Action	Responsibility	Short Term	Medium Term	Long Term	Ongoing	
9.1		Inanels solar hot water systems water tanks and other	Heritage Statt					
9.2		Incentives to this end including waiver of Development Application	Heritage Staff Development Contributions					
9.3		Support 'Bushcare' and similar programs that enhance, reinstate and support 'natural' heritage environments and Places of Aboriginal Heritage significance, and involve Aboriginal workers in these projects where possible.	City Strategy					



Do you have a question for Wollongong City Council?

Phone: (02) 4227 7111

For the hearing impaired: 13 36 77 (Australian Communication Exchange)

Email: Council@wollongong.nsw.gov.au

Please provide written feedback to:

Online:

www.wollongong.nsw.gov.au

Fax: (02) 4227 7277

The General Manager Locked Bag 8821 WOLLONGONG DC NSW 2500 Australia





File: PP-2017/6 Doc: IC19/616

ITEM 2

INTERIM HERITAGE ORDER - FORMER CORRIMAL COKE WORKS SITE

On 3 April 2018, Council resolved to prepare a draft Planning Proposal to enable a residential development on the former Corrimal Coke Works at 27 Railway Street, Corrimal. The Council resolution and subsequent Gateway determination required the completion of a number of supporting studies, including assessing the heritage significance of the site prior to public exhibition of the draft Planning Proposal.

On 8 May 2019, a Complying Development Certificate (CDC) was issued by a private certifier to the developer of the site, for demolition of the majority of structures on the site.

On 20 May 2019, Council placed an Interim Heritage Order (IHO) under the NSW Heritage Act 1977 over the site to provide temporary protection to the structures earmarked for demolition. The IHO was issued by staff under delegation to allow time to assess the heritage significance of the site and progress a heritage listing as per the 2018 Council resolution. The IHO will expire on the 20 November 2019, six months after the date of gazettal. Once the IHO expires, the proponent is able to act upon the CDC for demolition of all structures.

Council has now received additional studies and reports relating to the heritage significance of the site, however there are still outstanding heritage issues to be addressed. It is recommended that Council resolve to extend an amended IHO for a further six months over a reduced area, whilst the Planning Proposal process is progressed, which will include a recommendation for heritage listing part of the Corrimal Coke Works site. The amendment IHO will enable the building with low significance to be demolished under the approved CDC without further involvement from Council.

RECOMMENDATION

- The Interim Heritage Order over the Corrimal Coke Works site be extended for an additional six months, over a reduced area (Figure 3), excluding the coke conveyor and Brickies shed. The alignment of the tramway be identified as archaeological significance.
- Council reaffirms is resolution of 3 April 2018 to prepare a draft Planning Proposal that will involve 2 the heritage listing of part of the former Corrimal Coke Works site as per the proposed curtilage map in Figure 3.
- The draft Statement of Significance as detailed in the draft State Heritage Inventory Form (Attachment 2) be endorsed.
- The Heritage Council be requested to make a recommendation to the Minister for Energy and Environment under Section 32(2) of the NSW Heritage Act 1977 to include the Corrimal Coke Works site on the State Heritage Register.

REPORT AUTHORISATIONS

Report of: David Fitzgibbon, Manager City Strategy (Acting)

Chris Stewart, Director Planning and Environment - Future City and Neighbourhoods Authorised by:

(Acting)

ATTACHMENTS

- 1 Interim Heritage Order Gazettal and Map
- 2 **Draft State Heritage Inventory Form**
- 3 Corrimal Coke Works - Condition of Screenhouse



BACKGROUND

Site's Background

The former Corrimal Coke Works site is located at 27 Railway Street, Corrimal known as Lot 1 DP795791, Lot 5 DP 749492, Lot 126 DP 598190 and Lot 11 DP749492. The subject site is approximately 18.2 hectares in area. The land is currently zoned IN3 Heavy Industrial, RE2 Private Recreation and SP2 Infrastructure. The site contains numerous structures associated with the operation of the former Coke Works, including the powerhouse, coke ovens, brick and steel stacks and administration buildings.

The Coke Works operated for over 100 years and was the longest continuously operated Coke Works in NSW. The Coke Works was a key component in the establishment of Corrimal as a suburb and ensured the economic health of the locality as a continuous employer of local families. The Coke Works ceased operation on 1 April, 2014, as it was no longer financially viable. Since the closure of the Coke Works in 2014, the site has become a vacant and some of the structures have fallen into disrepair.

Draft Planning Proposal

On 4 October 2017, a request was lodged for the former Corrimal Coke Works seeking the preparation of a draft Planning Proposal to rezone the site and change the planning controls to permit residential development of some 730 dwellings. The request was supported by a number of studies, including a Historic Heritage Assessment prepared by Biosis (dated August 2017). The report indicated that the site had potential State heritage significance. However, no heritage curtilage was proposed for the site. Additional information was requested to adequately assess the potential state heritage significance and archaeological potential of the site.

On 3 April 2018, Council resolved to prepare a draft Planning Proposal for a residential redevelopment of the site and to seek a conditional Gateway Determination. The 2018 resolution contained the following recommendations in relation to heritage -

- 2 The draft Planning Proposal is to be referred to the NSW Heritage Council for comments in relation to
 - a The Archaeological significance of the site and the potential requirements and implications of archaeological impacts from future development under Section 140 of the NSW Heritage Act 1977.
 - b The potential for the site to be listed on the State Heritage Register (in light of the finding of State Significance in the Biosis Report).

On 20 August 2018, the then NSW Department of Planning & Environment issued Gateway Determination for the draft Planning Proposal which required a range of additional heritage documents to be prepared by the proponent prior to public exhibition. These documents included -

- 1 Aboriginal cultural heritage assessment
- 2 Conservation management plan that provides for the long-term conservation of significant coke work heritage components

The Gateway Determination also required consultation with the NSW Heritage Council, and demonstration of compliance with Ministerial Directions in relation to the potential state significance of the site. Following the Gateway Determination, Council staff liaised with the proponent regarding the additional heritage information required to satisfy the Council resolution and the Gateway determination.

This report only considers the heritage aspects of the site and not other issues.

Proposal for Demolition

On 15 May 2019, prior to submission of the additional heritage information required under the Gateway determination, the proponent obtained a Complying Development Certificate (CDC) determined on 8 May 2019 for the demolition of all structures on the site. The certificate indicates that the proponent had applied for the CDC on 2 April 2019.



Upon receipt of the CDC, Council officers advised the proponent that it did not support the progression of any demolition works prior to further consideration of the Planning Proposal, including a heritage listing for part of the site in accordance with Council's 2018 resolution. Council officers also suggested that the CDC could be amended to only apply to low significant structures.

On 20 May 2019, an Interim Heritage Order (IHO) was gazetted to prevent demolition of any structure on the site without formal consent from Council (Attachment 1). The IHO has effect for six months after the date of gazettal, unless extended under Council's delegation. The IHO lapses on 20 November 2019.

Council has received legal advice that an IHO temporarily prevents the proposed works under the CDC, rather than extinguishing the approval. This means that if an IHO is removed or lapses the CDC can be acted upon immediately. This approval pathway would avoid any requirements for archival recording, retention of significant fabric, management of significant archaeology under the NSW Heritage Act 1977, or the ability to enforce interpretation requirements through the broader development process.

Council officers also wrote to the (then) NSW Department of Planning & Environment highlighting the problem with the wording of the Exempt and Complying Development (Code) SEPP that enables a CDC for demolition to be issued despite Council having resolved to prepare a Planning Proposal to heritage list a site. The Code SEPP indicates that a CDC cannot be issued once a draft Local Environmental Plan (rather than a draft Planning Proposal) has been prepared. Historically, Council resolved to prepare and exhibit draft LEP, however in 2008 this process was changed to prepare and exhibit a draft Planning Proposal. Draft LEPs are now the legal instrument prepared by the NSW Parliamentary Counsel's Office at the end of the Planning Proposal process. The wording of the Code SEPP has not reflected this change. In practice, the exhibition of a draft Planning Proposal is regarded as sufficient to preclude a CDC being issued.

On 14 August 2019, the proponent informed Council of damage to the "Coke Screenhouse" building caused by severe winds. Council officers supported the removal of loose sheeting to ensure the site was made safe. The removal of the panels revealed that some of the underlying structural metal beams were rusted through and potentially unsafe (Attachment 3).

Additional Information and Assessment of Heritage Significance

On 23 May 2019, the following additional information was received (after CDC was issued) -

- 1 Aboriginal Cultural Heritage Assessment prepared by Kelleher Nightingale Consulting, dated May 2019
- 2 Conservation Management Strategy, prepared by Urbis, dated May 2019
- 3 Heritage Interpretation Strategy prepared by Urbis, dated May 2019

After review of the above documents, Council officers requested further additional heritage information regarding the proposed heritage curtilage for the site, clarification regarding the potential State Heritage Significance, assessment of the historical archaeological value of the site and visual impact analysis to key structures on the site.

The proponent provided further additional information on 31 July 2019 which included -

- 1 an updated Conservation Management Strategy prepared by Urbis updated 30 July 2019
- 2 Peer Review: Conservation Management Strategy prepared by Weir Phillips dated July 2019
- 3 a Structural Assessment of Existing Structures prepared by BG&E dated June 2019

The historic archaeological potential of the site has yet to be addressed by the proponent as per the 2018 Council resolution.

The Conservation Management Strategy (CMS), prepared by Urbis (2019) recommended that areas assessed to be of high heritage significance as shown on Figure 1 be included on the Wollongong Local Environmental Plan 2009 as items of Local Heritage Significance. The CMS proposed a curtilage that captured areas of high significance only. In October 2019, following discussion with Council officers, the curtilage area was expanded to also include structures with moderate significance (Figure 2). The proponent also recently offered to amend their CDC approval to apply to items of low heritage significance and the quench towers (moderate significance).



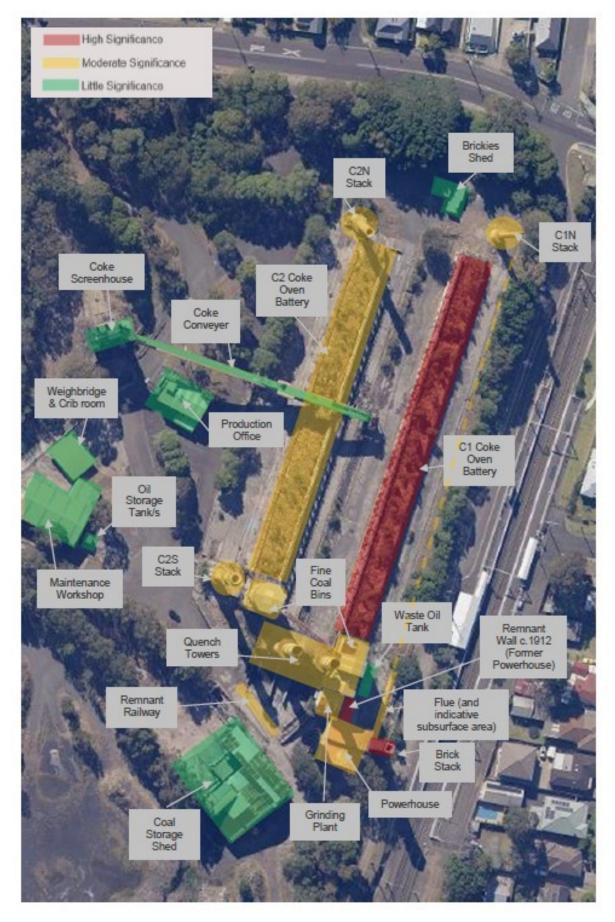


Figure 1 Corrimal Coke Works Heritage Significance Map - Urbis 2019





Figure 2 Proponents proposed heritage curtilage – Elton 2019



PROPOSAL

The draft Planning Proposal, as reported to Council and subject to Gateway Approval did not include a heritage curtilage as the extent and nature of significance had not at that stage been adequately assessed. On 10 October 2019, the proponent provided an amended curtilage that captures elements of "moderate" significance as assessed by Urbis (2019) following discussion with Council officers (Figure 2).

Within this area, the proponents are seeking approval to remove the coke conveyor (which extends above the coke batteries) and the quench towers. No objection is raised to the removal of the coke conveyor which is of low significance. The quench towers are of moderate significance and their potential removal should be assessed via a Development Application process.

The proponent's proposed curtilage does not include significant view corridors to and from structures of high significance to Railway Street and the railway line. Areas of archaeological potential associated with the former Corrimal Colliery railway alignment are also not captured. It is noted that archaeological potential of the site has not yet to be assessed.

The proposed curtilage is intended to ensure that the significance heritage values of the site are appropriately managed throughout the future development process. It is not intended to prevent the potential demolition of some of these components through a Development Application process but allows for a level of control over the management of this process, including the ability to manage archaeological significance under the NSW Heritage Act 1977, as well as requiring for interpretation and potential adaptive re-use of significant materials and key features.

The proposed heritage curtilage is shown in Figure 3 and captures elements of the site assessed as moderate and high heritage significance by Urbis (2019) as well as capturing likely areas of archaeological potential relating to the former tramway (although this has not yet been properly assessed). This curtilage could be progressed as a Local Heritage Item on Schedule 5 of the Wollongong LEP 2009 as part of the Planning Proposal process.

Council officers are of the view that the site has State Heritage Significance and should be recommended by the NSW Heritage Council to the Minister for Energy and Environment under Section 32(2) of the NSW Heritage Act 1977 for inclusion on the item on the State Heritage Register.

As the historic archaeological potential of the site is yet to be assessed, this could also lead to further State or Local Heritage Significance on the site.

On 19 August 2018, advice from the NSW Heritage Council on the significance of the site was sought. Council has not received advice from the NSW Heritage Council on the potential state heritage significance of the site.







Interim Heritage Order Curtilage Map Lot 1 DP 795791 & Lot 126 DP 598190 Corrimal Coke Works

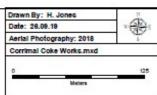


Figure 3 Wollongong City Council Proposed Heritage Curtilage



Options

In terms of the Interim Heritage Order, Council has the following options:

- Allow the existing IHO to lapse. This will enable the existing complying development certificate (CDC) for demolition to be acted on. The majority of structures could be demolished without further Council involvement or archival recording.
- 2 Extend the existing IHO (Attachment 1) for a further six (6) months and re-resolve to prepare a draft Planning Proposal. This would satisfy the requirement of the IHO and provide additional time to consider the heritage significance of the site and other issues associated with the Planning Proposal. It is noted that demolition could still occur via a Development Application process.
- 3 Extend the existing IHO for a further six months but over a reduced area and only apply to items of high or moderate significance (Figure 3). This option is recommended. This would enable:
 - a The proponent to demolish items of low significance under the approved CDC.
 - b Council to consider the heritage significance of the moderate and high significance items. It is noted that approval to demolish these items could occur through a Development Application process.

The amended IHO would indicate that the Brickies Shed and coke conveyor could be demolished which are of low significance but extends into the proposed curtilage area (between the two coke oven batteries).

The amended IHO could also nominate the former tramway as being of potential archaeological significance, which would enable the low significance structures to be demolished, but no excavating earthworks until the archaeological reports are finished.

It is further recommended that Council endorse the Statement of Significance of the site as detailed within the draft State Heritage Inventory Form in Attachment 2.

It is also recommended that Council resolve to prepare a request to the NSW Heritage Council to recommend to the Minister for Energy and Environment to include the site on the NSW State Heritage Register.

This is considered to satisfy the requirements under the Council's delegation to make Interim Heritage Order under the NSW Heritage Act 1977.

PLANNING AND POLICY IMPACT

The listing of structures as Heritage Items under the Wollongong Local Environmental Plan 2009 and the inclusion to the State Heritage Register does not necessarily preclude the demolition of buildings, but it does ensure that development that would impact on those Heritage Items does not occur without development consent, including an appropriate assessment of the impact on heritage significance.

This report contributes to the delivery of Wollongong 2022 objective "Community awareness and appreciation of heritage is increased" under the Community Goal "We value and protect our environment".

This report also contributes to the delivery of the Wollongong Heritage Strategy 2015-2017 in particular "Strategy 2 Maintain an up to date list of Heritage Items" and "Strategy 6 Identify and manage key heritage precincts and streetscapes".

CONCLUSION

On 3 April 2018, Council resolved to progress a heritage listing on Schedule 5 of the Wollongong Local Environmental Plan 2009 for the Corrimal Coke Works as part of the Planning Proposal subject to the preparation of additional heritage studies for the site. A proposed heritage curtilage for the site has now been recommended by Council's Heritage Officers based on the assessment of heritage significance of the site in both the Biosis (2017) and Urbis (2019) reports. However, it is noted that as the



archaeological significance of the site has not yet been addressed, additional heritage values may be identified.

An extension of the existing IHO over a reduced area is required to ensure the protection of the site and structures whilst the Planning Proposal is being progressed.

In order to extend the IHO for the site, Council is required to comply with the conditions of Ministerial Orders Schedule 2, Part 5. Therefore, it is recommended that the Council re-resolve to progress a Local Heritage listing for the former Corrimal Coke Works site on Schedule 5 of the Wollongong Local Environmental Plan 2009 as part of the Planning Proposal process with the proposed heritage curtilage and request the site be recommended for inclusion to the State Heritage Register for its State Heritage values.



Council Notices

COUNCIL NOTICES

WOLLONGONG CITY COUNCIL

HERITAGE ACT 1977

Interim Heritage Order No 2

Under section 25 of the Heritage Act 1977 Wollongong City Council does by this order:

- i. make an Interim Heritage order to cover the item of environmental heritage specified or described in Schedule "A"; and
- ii. declare that the Interim Heritage Order shall apply to the curtilage or site of such item, being the land described in Schedule "B".

This Interim Heritage Order will lapse after six months from the date it is made unless the local Council has passed a resolution before that date; and:

- in the case of an item which, in the Council's opinion, is of local significance, the resolution seeks to place
 the item on the heritage schedule of a local environmental plan with appropriate provisions for protecting
 and managing the item; or
- in the case of an item which, in the Council's opinion, is of State heritage significance, the resolution requests the Heritage Council to make a recommendation to the Minister for Heritage under section 32(2) of the Heritage Act to include the item on the State Heritage Register.

Dated at Wollongong, 16 May 2018

Mr CHRIS STEWART, Manager, City Strategy

Schedule "A"

The property known as the "Corrimal Coke Works" Site at 27 Railway Street, Corrimal on land described in Schedule B.

Schedule "B"

That part of the land known as Lot 1 DP 795791 and Lot 126 DP 598190 which is shown edged heavy red with red hatching on the plan catalogued Interim Heritage Order Curtilage Map – Corrimal Coke Works, in the office of the Council of the City of Wollongong.

(n2019-1202)







Interim Heritage Order Curtilage Map Lot 1 DP 795791 & Lot 126 DP 598190 Corrimal Coke Works

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SHI number 5063156 Study number

Item name: Corrimal Coke Works

Location: Railway Street Corrimal 2518 Wollongong City

Address: Railway Street Planning: Illawarra & Macarthur

Suburb/nearest town: Corrimal 2518

Local govt area: Wollongong City Parish: State: NSW County:

Other/former names:

Area/group/complex: Group ID:

Aboriginal area:

Curtilage/boundary:

Item type: Built Group: Mining and Mineral Processin Category: Coke Oven

Owner: Private - Corporate

Code 3: Admin codes: Code 2:

Current use: Residential Subdivision

Former uses: Coke Works

Assessed significance: Local Endorsed significance: State

Statement of The Corrimal Coke Works operated over 100 years (1912 - 2014) and is arguably the longest continuously significance: operated coke works in the world. The Coke Works Site is a visual reminder of the role of coke-making has played in the coal and steel industries both locally and within the region. The Coke Works were a key component in the establishment of Corrimal as a suburb and ensured the economic health of the locality as a continuous employer of local families. The Corrimal Coke Works are socially significant to the individuals who built and operated the facility and their descendants. As the oldest continually used coke works in the world, the Corrimal Coke Works represent a unique continuation of use over time and have the potential to yield information pertaining to the development of coke-making. As an industrial site type, coke works are becoming uncommon, rare and endangered aspects of what was once a major component of the Illawarra's, NSW's and Australia's industrial past. Whilst the Corrimal Coke Works are no longer fully intact, it is one of only two examples of its type in NSW and is therefore of high representative value. The coke ovens in particular are important in demonstrating the principal characteristics of a now underrepresented industry of local and state significance. (Biosis, 2017)



SHI number 5063156
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Item name: Corrimal Coke Works

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Historical note

Historical notes (Abridged from Biosis Heritage Assessment 2017):

of provenance: Between 1875 and 1925 there were a number of coke works making coke for the Illawarra region due to the close proximity of good quality coal. By 1907, Wollongong was the centre of the state coke industry, with 453 ovens producing 83 per cent of the state's total coke output. A significant factor in the expansion of the industry within the Illawarra was the founding of the Electrolytic Refining and Smelting Co (ERS) at Port Kembla in 1908. The Corrimal Coke Works was one of the numerous batteries that sprang up in association with collieries throughout the Illawarra in response to developing steel manufacture demands from both local and overseas markets.

The Project Area was purchased by the Corrimal Coal Company in 1911. Initially, the first purchase was of the northeastern portion of the current Project Area. The land was described as commencing over the eastern side of the main south coast road at the south-west corner of land of Mr Anderson and containing portions 39, 40, 41, 42, 43 and 44.

The first reports of a new coke works at Corrimal appeared in 1910 with the South Coast Times reporting: "Much satisfaction is expressed locally at the commencement of the erection of about thirty ovens for the manufacture of coke by the Corrimal-Balgownie Coal Co. This project has been rumoured for the last couple of years. It will probably be nine months or so before the ovens will be ready for firing. Corrimal is likely yet to justify the prophecy that is to be the largest town, probably excepting Port Kembla, south of Sydney."

In addition to the reports of the Corrimal coke works, excerpts of the construction manager, George Davidson's diary provide information about the construction of the coke works:

"Excavations – There has been a considerable delay on account of wet weather which has made it impossible to continue with horse and drays, and it has been considered best to lay down the road and take out the remainder of the hot deck (next to ovens). The crossing and points have been put in, the laying of the road was started during the week and five chains of sleepers and rails are now ready for ballasting."

The coke works opened in 1912 with much fan fair and the South Coast Times reported on the event in great detail:

On Thursday at the invitation of Messrs. G. S. Yuille and Co, Ltd. there was a gathering at the new ovens, situated adjoining the Corrimal railway station, which are to treat the small coal from the Corrimal-Balgownie Colliery. A special train brought a party, from Sydney numbering about 80 and there was a considerable local representation, including several of the Council of North Illawarra and the president of the Bulli Shire (Mr. J. S. Kirfcton). The party were shown over the plant by the constructing engineer Mr George Davidson and Mr Walter Evans (the manager), and afterwards reassembled in a marquee erected by Sergeant's Ltd. wherein was provided a tip-top lunch, the only liquor at which was champagne. Mr Yuille Scott, a director, presided here the toast for the occasion was given by Mr. Frank Young, the Mayor of North Illawarra, who expressed the goodwill of the Council and of the public generally towards an (enterprise which I would give employment and commended the enterprise of the company; he was confident that the company would find that the workers of Illawarra were a reasonable people and that they would have no troubles of that kind, notwithstanding that there was some stir over the position of general secretary. (The chairman said shat the company were indebted to Mr. J. McMeekan for his assistance in the designin1 of the ovens and he acknowledged the ability with which the constructing engineer, Mr. Davidson, had carried the designs out. Mr. McMeekan who responded to calls, said he feared the anticipations of the Mayor of North Illawarra as to the employment these works would afford would not be fulfilled, inasmuch as the aim of eliminating as far as possible the human factor in operations had been carried out. That was the first question I which had to be considered in the designing of a works in these times and he was certain finality had not been reached, and that after Mr. Evans had been in charge some time he would be able to make further reductions. Mr. McMeekan said that 'Messrs. Yuille and Co. had left nothing undone, no matter what the cost which had been suggested to make the works perfect, and they had here one of the most up to date works in Australia. Mr. Davidson, who also spoke in response, acknowledged the compliments which had been paid him, and said it had given him a great amount of pleasure to 'be associated with this undertaking) in connection with Messrs. Yuille and Co.Fsom beginning to end there has not been a discordant note. Mr. Evans was also called and briefly replied. The speakers agreed in pronouncing the plant second to none in the Commonwealth. There were several other speakers, but the company were inclined rather to be festive than serious and the speaking was in that spirit. The plant, which was described in the 'South Coast Times' recently,



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will be producing coke in 'about a fortnight. The most outstanding feature is the utilization of the waste gases in producing electrical, power which will operate the machinery and also supply current the mine, which will do the same there. It is 'expected that in time the whole of the power required at the mine will be generated here. The advance made in the efficiency of plants is illustrated by the contrast of the Unanderra plant with this. At Unanderra 100 ovens had a capacity of about 670 tons a week. Here 40 ovens employing but half the labour will make 650 tons.

The majority of the buildings and coke work machinery were confined to the northern portion of the Project Area. The initial configuration of the coke works consisted of 40 non-recovery beehive type coke ovens (C1 battery), brick combustion stack, powerhouse, timber coal bunkers and maintenance buildings (see Plate 7 and Plate 8). Coal was supplied to the coke works from the Corrimal-Balgownie Colliery via the private rail line constructed in 1889. Coal was loaded into the coke works from a small railway siding adjacent to the C1 battery.

The construction of the coke works led to a reconfiguration of the sidings associated with the Corrimal Colliery, including the installation of two dead-end sidings serving the coke loading wharves laid in a northerly direction. A further three dead-end sidings for wagon standing were installed to the west of the C1 coke battery. On the southern side of the yard, two other sidings left the main collier branch in an easterly direction passing over a steeply inclined embankment to the coal bins serving the crushers at the coke works. A conveyor system carried the coal through a tunnel beneath the branch to the coke works. A two-road engine shed at Unanderra was dismantled and taken to Corrimal for recreation on a site immediately west of the coke works standage sidings. On the southern side of the engine shed, was the weighbridge and its loop siding; a point at the western end of the latter send a short connection in a north-eastern direction to pass beneath the engine lifting gallows, also a dead-end spur to the workshops situated against the northern side of the engine shed.

In 1916 the southern portion of the Project Area was purchased by G. S Yulli and Company Ltd. The portion of land now encompassed the rest of Mr Andersons grant and part of portion 97 originally grated to William Underwood and also part of portion 96 originally granted to Joseph Underwood. The configuration of the land occupied by the Corrimal coke works doubled with this purchase and the modern boundaries of the Project Area are formed.

The C1 battery was extended to the north in 1930 adding ten more ovens. The battery which now contained 50 ovens were all of the 'Thomas' type 30 foot long, six foot seven and a half inches wide and six foot six inches high. The burning periods for the ovens were seventy-two and ninety-six hours with charges of 12 and 14 tonnes respectively. These ovens, which are still present at the site, had an arched roof and were rectangular in shape and doors at each end facilitate the discharge of the coke through the ovens. Each oven was connected to an underground flue system which enhanced coking efficiency.

In 1916 the Corrimal Coke Works apart from the Broken Hill Proprietary Steel Works and Hoskins Wongawilli Coke Works were the only coke works in NSW at which all the steam power required was obtained by burning the waste gases generated in the coke ovens under the boilers. Sufficient amounts of electricity were produced to provide for the coke works the Corrimal Colliery and the North Illawarra Municipality. On Friday 17 July 1925 the electricity generated by the Corrimal powerhouse powered 400 street lamps in the Northern Illawarra Municipality. At this time the maximum capacity of the coke works was 950 tonnes of coke per week. In 1932 the powerhouse was upgraded with a 1,000 KW turbo alternator unit and a steam boiler was installed. A 1948 aerial shows the configuration of the railway sidings, engine sheds and coke works during this period.

In 1947 four of the Illawarra municipal areas combined to form the city of Greater Wollongong. In 1948 the new City Council purchased the companies' electricity franchise for a fee of £30,000. Coal continued to be transported to the coke works along the private railway line which crossed the Princes Highway near the intersection of Tarrawanna Road and Cross Street. During this time a coke worker was employed to stop the traffic when a train loaded with coal destined for the coke works was due to cross the road.

By the late '50s construction began on a new oven battery (C2) with 32 ovens of similar type and size to C1 battery but with a larger capacity, during this time the old timber bunkers were replaced by steel hoppers. Each steel hopper stored 250 tonnes of pulverized coal from Corrimal-Balgownie Collier which fed the coke ovens.



SHI number 5063156 Study number

Item name: Corrimal Coke Works

Location: Railway Street Corrimal 2518 Wollongong City

The coal was charged into the coke ovens by an electrically driven canister running on rails along the top of the battery. An electrically operated ram pushed the hot coke out of the ovens onto the hearth for quenching with water. Once the coke had cooled by hand-held hoses it was transferred to a scraper conveyor with rubber belt to take it to the screening and sizing plant. Two steel surge hoppers, each 40-tonne capacity were divided to hold the three sizes of metallurgical coke.

In 1960 the continuing growth of the plant demanded more power to supply it. A new 2,000 KM 6,600 V geared turbo-alternator set was installed in an enlarged powerhouse, together with new and more modern switchgear. In order to provide steam for the generating plant, two coal-fired fire-tube boilers were installed. By 1962 the second battery (C2) was completed and operational. The location of the C2 battery, revised layout of the powerhouse and configuration of the coke works can be clearly seen in a 1966 plan.

The coke works and colliery was purchased by Australian Iron and Steel as a package in 1964. The change in ownership also meant that coal would be delivered by road and so the rail line was discontinued. The powerhouse equipment was put up for sale in 1967 and in 1968 the boilers and stacks were removed. In 1969 the ownership of the coke works changed again when Bellambi Coal Company purchased the works and began sourcing the coal from its South Bulli Mine. During the 1970s the Bellambi Coal Company spent two million installing pollution reduction equipment. Smokeless charging plants were installed on each battery in 1977, the electrically operated cars running on rails laid on top of the oven batteries charged each oven with small coal through charge holes situated in the dome of each oven. The holes were then sealed with cast-iron removable lids. At the start of the cokeing cycle, the coal was quickly ignited by residual heat in the oven brickwork from the previous charge. The heat in the ovens was retained as they were never left empty for long.

The Bellambi Coal Company was taken over by Australian Coal and Coke Pty Ltd in 1980. From 1982 the works plant was upgraded and activities progressively automated. Another change in ownership occurred just four years later when in 1984 ICC purchased the works to add to its operation at Coalcliff. Kembla Coal and Coke with the combined tonnages from Coalcliff and Corrimal was the largest producer of foundry coke in Australia. Corrimal Colliery closed in 1985 and Corrimal Coke Works continued to be supplied by local mines. The C1 north brick stack was replaced with a metal one in 1985. In 1985 the Corrimal colliery closed, however coal for the coke works was still sourced from local mines.

ICC Holding Pty Ltd (a private company) purchased ICC in 1996 becoming the only independently owned producer of coke in Australia. The surrounding area had changed substantially since the coke works construction and this high number of homes and schools made environmental improvements to operations a top priority of the ICC. Enhancements in the design of a new flue and stack and additions of a baghouse on the charge car for clean air charging and a new quench tower canopy was evident at end of the 1990s. The most visible enhancements were the oven hoods, uptakes and ductwork to capture oven pushing emissions which were installed in 1999. In late 2013 it was announced that the Corrimal Coke Works was to close permanently by April 2014. The closure was attributed to the negative market conditions, with an excess of coke worldwide and substantially reduced demand the ICC as a small private company could no longer keep the business viable.61 At the time of its closure, the Corrimal Coke Works had provided the Illawarra with a continuous source of permanent employment for over 100 years and was the oldest coke-making facility to be in continuous operation in the world

Industrial processes at the Corrimal Coke Works:

The Corrimal Coke Works represent a range of industrial processes which relied on certain technologies to be implemented. Coal was delivered to Corrimal Coke Works via rail from the Corrimal colliery directly into the coal bunker. The coal was then transferred via an underground conveyor, crushed and before being stored in the fine coal bin and discharged into the charge cars.

The Corrimal Coke Works consists of two batteries of rectangular beehive coke ovens. Rectangular beehive coke ovens were one of three types of coke oven utilised in New South Wales, the other two being the true beehive and by-product ovens. The rectangular ovens were a modification of the old Belgian type and were evolved primarily to compensate for unskilled labour and higher costs. As the name suggests these ovens were of a



SHI number 5063156
Study number

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Item name: Corrimal Coke Works

Location: Railway Street Corrimal 2518 Wollongong City

rectangular shape, whilst they were built to a variety of patters the main difference to the other types of coke oven was the flue arrangement which meant that head was applied to the charge and mechanical discharge of coke. The Corrimal coke ovens were fitted with side and bottom flues which allowed for a more general distribution of heat. This also enabled the waste gases to be used in the heating of steam boilers for power production. Corrimal was the first coke works in New South Wales designed to recover the waste head leading the coke ovens to generate power.

In the 1970s the Corrimal Coke Works implements smokeless oven charging which consisted of charging of coke ovens with coal charge in which coal is poured into each chamber of the coke oven in two stages: firstly coal charge is loaded into the oven chamber through extreme holes and charging gases liberated during said operation are discharged simultaneously, the loaded coal charge is held within the oven, after which the latter is replenished to capacity with coal charge through central holes, charging of the oven which is next in terms of the charging schedule and replenishing of the preceding one being effected simultaneously.

Once the burning period within the oven was completed the coke (or charge) was transferred from the oven with the use of a ram car which discharges coke from the oven. The coke is then quenched immediately; this is a process where water is used to terminate the combustion as rapidly as possible. If quenching is undertaken then the coke continues to burn itself away with a resultant loss in the form of ash. Quenching was originally undertaken through spraying water on the okay by hand. In the 1930s mechanised quenching was implemented where the ram car discharged the coke into hot cars which transferred the coke to a quenching facility at the southern portion of the coke batteries. Following quenching, the coal is then transferred for storage and then removed from the facility for distribution

Themes: National theme State theme Local theme
3. Economy Industry Making coke

Designer:

Builder: Corrimal Coal Company

Year started: 1911 Year completed: 1912 Circa: No



SHI number 5063156
Study number

42

Item name: Corrimal Coke Works

Location: Railway Street Corrimal 2518 Wollongong City

Physical description: Description of structures on the site as of September 2019

Coal Bunker and Former Rail lines

The coal bunker bin is constructed in from timber rail sleepers with a corrugated iron roof. The present coal bunker is located on the site of an earlier rail siding depot which would have formed part of the c.1889 tramway which connected Corrimal colliery with the coke works and the main rail line. Coal would have arrived at the coal bunker before being transferred to the fine coal bins prior to loading into the charge cars. Coal and coke were transferred originally into and out of the coke works via a series of rail sidings and engine sheds (now the location of the maintenance building). Isolated sections of rail sidings were observed to the rear of the settling ponds and may be present beneath the present-day road surfaces and deposits.

Coal Bins and Screening Plant, cross over belt.

After coal arrived at the facility, it was loaded into the coal bins are situated either side of the two metal quench towers and are joined by a crossover belt which would have carried coal between the C1 and C2 batteries for distribution. The building adjoining C1 battery contained a coal grinding and screening plant where coal was ground into fine coal for storage in the bins.

Coke oven batteries

The coal once in the bins was distributed into charge cars which ran on rails above both of the two coke batteries, referred to as C1 (eastern battery) and C2 (western battery). An overview of the primary components of the modern configuration of the coke batteries is a composite of several phases of maintenance and upgrades that spans the life of the coke works. The majority of the ovens show evidence of deterioration caused by heat and impact associated with the ram and overhead charge cars in the form of slumping and damaged brickwork. The brick housings show evidence of replacement over time; however, the battery charge top remains in good repair. Oven crowns are visible within the cavity beneath the charge car track, a design allowing the free carriage of the car and periodic assessment of the crown brickwork.

The elimination of waste heat has also undergone periodic remodelling over the life of operations. Originally, shared square brick chimneys vented heat and combusted gases following circulation through the internal flues. Later the chimneys were replaced with a flue system that vented the waste heat via three metal combustion stacks (constructed c. 1985). Oven hoods, uptakes and ductwork which capture emissions constructed in 1999 are prominent features of the site. Below ground flues fed waste heat through pipes on the western side of each battery to a pair of metal stacks erected on the northern end of both C1 and C2 batteries with a further stack to the south of C2 battery.

Quench towers, car tracks, ram and coke feeder

Following being charged in the ovens the hot coke was transferred was pushed by a ram-car from one site into a hot car which then transferred the coke to the quench towers. The quench towers were fully mechanised and fed from water pumped from the dam constructed in the southern portion of the Project Area. Any excess water was piped to two settling ponds constructed to the north of the towers. A conveyor which would have carried coke from the quench car to the coke loader is located to the west of the coke batteries. During the 1930s hand quenching was replaced by a powered quench rail car and this process was aided by the introduction of an electrically-powered ram car which operated on tracks between C1 and C2. Only the tracks between the batteries and some components of the ram and coke feeder remain beneath the quenching towers. The tracks, which may date to 1975, remain in good condition.

Powerhouse

The powerhouse originally consisted of boilers which ran off the waste gas generated by the coke ovens. The power house consists of a heavily upgraded building which comprises brick and later corrugated iron additions. The original brick chimney dating to 1912 is present along with the western elevation of an earlier brick building which has been incorporated into the existing structures. The powerhouse was constructed c1912 when the coke works first started producing coke. By 1925 the powerhouse supplied the northern Illawarra districts and lit up



SHI number 5063156 Study number

Item name: Corrimal Coke Works

Railway Street Corrimal 2518 Location: Wollongong City

> over 400 street lamps. The powerhouse and machinery was enlarged in 1960 but then closed in 1968 and the boilers and chimney removed.

Coke loader and crossover belt

To the north of the C1 and C2 coke batteries is the coke loading terminal where quenched coke and transferred via the coal belt from the quenching facilities.

Office and Outbuildings

A series of modern brick and fibro office buildings all appearing to date from the 1960s are present on the western portion of the project area. These buildings appear to have functioned as administrative buildings and workshops. The main office was located in the northern portion of the site near the main entrance onto Railway Street. The maintenance building appears to be sited within the location of the engine sheds associated with the 1880s tramway.

Physical condition Poor

level:

Physical condition:

Archaeological Not assessed

Management: Management category

potential level:

Archaeological Subject to Archaeological Assessment Report

Modification dates: Recommended

potential Detail:

management:

Further comments: Subject to Planning Proposal for Residential Development

Criteria a): The Corrimal Coke Works was in operation from construction in 1912 until closure in 2014. It operated in close [Historical association with Corrimal Colliery, a significant coal mine in the local area. The Project Area contained the significance] elements of the 1890 tramway which linked the colliery to the south coast rail line. This tramline formed a vital

Management name

component in the supply and operation of the colliery and later coke works. The coke works are a visual

coke-making has played in the local coal and steel industries, which are highly important to the development of the Illawarra and historically significant industries at state and national levels. This significance must be measured against the unique continuation of the use and modification of the battery into the recent past.

The Project Area satisfies this criterion at local and state levels. (Biosis, 2017)

Criteria b): The Corrimal Coke Works has a limited continued connection or special association with the life or works of a [Historical group of persons of importance in the cultural or natural history of NSW or the Illawarra. The Corrimal Coke association Works employed approximately 50 workers which were slowly reduced as technological advancements were significance] made towards the closure.

The Project Area does not satisfy this criterion at a local or state level. (Biosis, 2017)

Criteria c): The Corrimal Coke Works is a landmark within the suburb of Corrimal, although the majority of the facility is [Aesthetic/ not visible to the public. The stacks and chimneys associated with expelling excess heat from the coke ovens, Technical the quenching process and the powerhouse are important landmarks within the Corrimal area which serve as significance] reminders of the industrial history of the Illawarra and as identifying features of the area. With the exception of the brick powerhouse chimney (constructed in 1912) the remaining stacks were constructed between the 1960s and present and are therefore modern features.

The powerhouse chimney and coke oven battery C1 represent good aesthetic value on a local level, however, the powerhouse chimney is the only publicly viewable structure.

It is considered the powerhouse chimney and C1 coke oven battery satisfy this criterion at a local level. (Biosis, 2017; WCC, 2019)



SHI number 5063156 Study number

Item name: Corrimal Coke Works

Railway Street Corrimal 2518 Location: Wollongong City

Criteria d): [Social/Cultural significance]

The Corrimal Coke Works played a key part in the establishment of the suburb of Corrimal and the economic health of the locality. Many families were for many generations dependent on the work provided by the coke works. The coke works are of social significance to those who built and worked the facility and their descendants. They are significant to historians and researchers of the social history of the Illawarra.

The Project Area satisfies this criterion at a local level. (Biosis, 2017)

Criteria e):

The Corrimal Coke Works were established at a time of advancement and modernisation in the design and **Research** construction of coke making when many oven batteries were developed in NSW. The facilities at Corrimal were significance] at the forefront of this modernisation and this is evidenced by the continued productivity of the site over 100 years. Later modifications and enhancements form part of the research potential and the significance of the site is enhanced by the unique continuation of the use and modification of the battery into the recent past. The Project Area may contain archaeological remains associated with the c. 1889 tramway which connected the Corrimal Colliery to the south coast railway and the coke works. These archaeological remains have the potential to answer research questions pertaining to the construction, operation and decommissioning of the tramway which would contribute to the understanding of the development of Corrimal colliery and mining in the Illawarra.

The Project Area satisfies this criterion at a local level. (Biosis, 2017)

Criteria f): [Rarity] The Corrimal Coke Works are considered to be a rare piece of industrial history within the region and state. Almost all coke oven batteries in the Illawarra have been removed and their heritage value reduced to that presented by archaeological evidence. Intact historic coke ovens in NSW, and indeed in Australia, are very rare. Corrimal is one of the only existing remaining from the formative period of Australia's industrial history. However, this significance must be measured against the alterations which the site has experienced over time and the level of deterioration the site has experienced since its closure. In its present condition, the Project Area does not represent an intact, operational example of a coke works and many elements do not relate to the early configuration of the facility. Nevertheless, the Project Area does represent a unique continuation of the use and modification of the battery into the recent past. With the decommissioning of both the Corrimal and Coalcliff coke works only Australian iron & Steel Cokeworks at Port Kembla remains operational in NSW. As an industrial site type coke works are becoming uncommon, rare and endangered aspects of what was once a major component of the Illawarra's, NSW's and Australia's industrial past.

The Project Area satisfies this criterion at local and state level. (Biosis, 2017)

Criteria g): [Representative]

Whilst the Corrimal Coke Works are no longer intact, it is one of only two examples of its type in NSW and is therefore of high representative value. The ovens are important in demonstrating the principal characteristics of a now underrepresented industry of local and state significance.

The Corrimal Coke Works battery satisfies this criterion at local and state level. (Biosis, 2017)

Intactness/Integrity:

Map name:

Title References: Author Vear **OHM Consultants** Strategic Management Plan for Historical Coal Mining Sites in

Biosis Corrimal Cokeworks, Corrimal NSW Historical Heritage Asses

Studies: Author Title Number Year Robert Irving 20th Century Architecture in Wollongong 42 2001

Parcels: Parcel code Lot number Section number Plan code Plan number LOT 126 DP 598190 LOT 5 DP 749492 LOT DP 795791

Latitude: Longitude:

Location validity: Spatial accuracy:

AMG zone: Easting: Northing:

Date: Page 8 of 16 Full report This report was produced using the State Heritage Inventory application provided by the Heritage Division, Office of Environment and Heritage

Map scale:



SHI number 5063156 Study number

42

Item name: Corrimal Coke Works

Location: Railway Street Corrimal 2518

Wollongong City

Listing: Name Ti

Potential Heritage Item

Number ListingDate

Data entry: Data first entered: 05/08/2015 Data updated: 15/10/2019

Status:



SHI number 5063156 Study number

42

Item name: Corrimal Coke Works

Location: Railway Street Corrimal 2518 Wollongong City

Image:



Caption: Corrimal Coke Works
Copy right: Wollongong City Council
Image by: Wollongong City Council

Image date: 06/08/2015

Image number:

Image url: http://www.environment.nsw.gov.au/maritimeheritageapp/resources/Heritage/shi/WebAP

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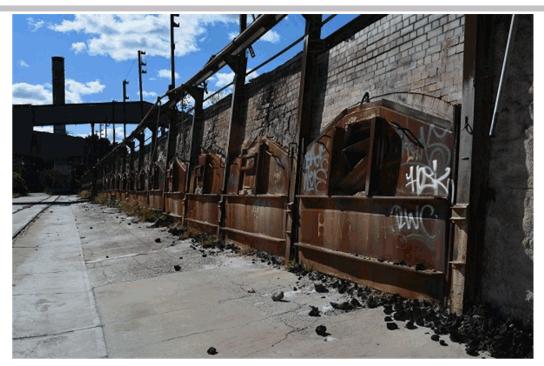


SHI number 5063156
Study number

12

Item name: Corrimal Coke Works

Location: Railway Street Corrimal 2518 Wollongong City



Caption: Corrimal Coke Works
Copy right: Wollongong City Council
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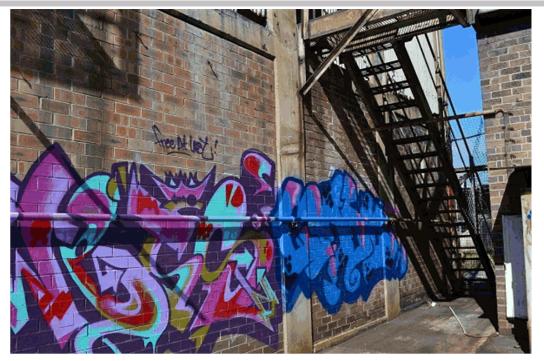


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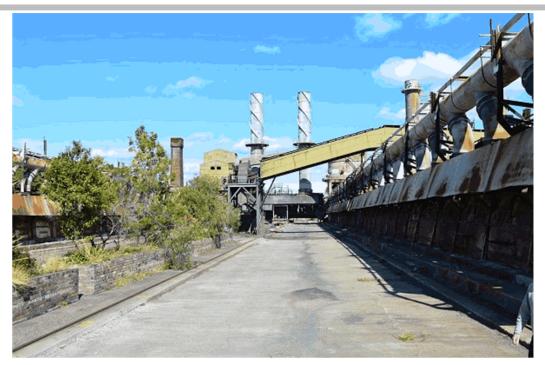


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Caption: Corrimal Coke Works
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Image date: 06/08/2015

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Corrimal Coke Works – Condition of Screenhouse







File: IW-970.00.086 Doc: IC19/618

ITEM 3

IMPLEMENTATION OF INTERNAL AUDIT BUREAU RECTIFICATION PLAN - POST IMPLEMENTATION AUDIT

At the Council meeting of 3 August 2015, it was recommended that the Audit Committee commission a post implementation audit of the Internal Audit Bureau (IAB) Rectification Plan related to the management of waste material derived from construction and maintenance activities. The recommendation also required the findings be reported to Council. KPMG was engaged to assess the effectiveness of the actions implemented following the IAB review and prepare a report for Council on the post implementation actions.

The Audit Risk and Improvement Committee at its meeting of 17 September 2019, endorsed the post implementation audit of the IAB Review Rectification Plan to be reported to Council.

RECOMMENDATION

1 Council endorse the post implementation audit of the IAB Review Rectification Plan noting the auditor confirmed all recommendations have been completed and implemented.

REPORT AUTHORISATIONS

Report of: Mark Roebuck, Manager City Works

Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

There are no attachments for this report

BACKGROUND

Council received funding under the Environmental Protection Authority's (EPA)'s Better Waste and Recycling program which included an initiative to deter illegal dumping by the creation of solid barriers to deny access for dumping in known hotspots. This was implemented on the old Princes Highway near Maddens Plans in March and April 2015. Following community and media concern, Council undertook testing at the soil mounds and some of the locations where the material was sourced, it was identified that there were low levels of bonded asbestos in the mounds and the source locations.

IAB was engaged by Council on 15 May 2015 to conduct an independent review of the procedures and systems that led to the circumstances resulting in bonded asbestos contamination appearing in mound barriers, to avoid similar occurrences and address the level of future risk. In July 2015, the IAB Independent Review of Procedures and Systems of Mound Barriers (IAB Review) was presented to Council, which provided recommendations across three areas of focus:

- Illegal Dumping Infrastructure Project Management;
- Systems and Processes;
- Documentation.

In 2017, Council engaged Australian Sustainable Business Group (ASBG) to review progress of the rectification plan. ASBG found that Council had embedded waste handling procedures into the planning, design, Review of Environmental Factors (REF) and implementation of construction and maintenance activities. This review highlighted some minor non-conformances with documentation handling that was rectified through the provision of refresher training. This training also picked up staff that had started with the organisation post the original training program.

Council engaged our internal auditor in January 2019 to undertake the post implementation audit which was completed and reported back to Audit, Risk and Improvement Committee (ARIC) in September 2019 and all recommendations were confirmed as complete and implemented.



CONSULTATION AND COMMUNICATION

The following Council divisions have been involved in the implementation of the recommendations and have been consulted throughout the post implementation audit.

- Director Corporate Services;
- Manager Project Delivery;
- Manager Infrastructure Strategy + Planning;
- Manager Open Space + Environmental Services;
- Manager Human Resources;
- Manager City Strategy.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We have a healthy community in a liveable city."

It specifically delivers on core business activities as detailed in the Objective 5.5 – The public domain is maintained to a high standard.

CONCLUSION

KPMG were engaged to assess the effectiveness of the actions implemented following the IAB Review and prepare a report to Council on the post implementation outcomes of the IAB Review. There were 41 recommendations, and all were confirmed as complete and implemented.



File: GCS-80.06.02.01.022 Doc: IC19/609

ITEM 4

APPOINTMENT OF AUDIT RISK AND IMPROVEMENT COMMITTEE CHAIRPERSON

The term of the current Audit Risk and Improvement Committee (ARIC) Chairperson expires on 30 October 2019. This report recommends that the current Chairperson, Mr Terry Clout be appointed as ARIC Chairperson for the period up to 30 September 2020.

RECOMMENDATION

Mr Terry Clout be appointed as chairperson of the Audit, Risk and Improvement Committee for the period up to 30 September 2020.

REPORT AUTHORISATIONS

Report of: Todd Hopwood, Manager Governance and Customer Service

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

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

Council, at its meeting on 13 August, 2018 appointed the following external independent members to the Audit Risk and Improvement Committee:

Terry Clout - Appointment expires 30 September 2020.
 Catherine Hudson - Appointment expires 30 September 2021.
 Stephen Horne - Appointment expires 30 September 2022.

Subsequently, at its meeting on 29 October 2018 Council resolved to appoint Mr Terry Clout as chairperson of the ARIC for a term of one year, to 30 October 2019. The appointment was based on Mr Clout's prior appointment as chairperson of the Corporate Governance Committee. The appointment provided continuity of leadership and assisted to facilitate the successful establishment of the Audit, Risk and Improvement Committee during its first year.

PROPOSAL

The last 12 months has seen a successful transition from two assurance committees to a single ARIC. The move to an ARIC model is consistent with the structure of audit committees that will need to be implemented as part of new mandatory risk management and internal audit framework that will come into operation in 2020. The Office of Local Government (OLG) has released a discussion paper giving details of the proposed mandatory risk management and internal audit framework.

Whilst council has a risk management framework in place and has moved to an ARIC model, it is anticipated that further changes will be required in both of these areas to ensure compliance with the new framework if mandated as specified in the discussion paper.

Given that it is most likely that there will need to be structural changes to the composition of the ARIC, plus other potential changes to the support structure for the ARIC it is recommended that the current committee structure and Chairperson appointment be continued to allow stability during the OLG discussion paper period and the transition to a new structure, that will most likely be implemented after the local government elections in September 2020.

In September 2020 Council will need to consider the appointment of a new ARIC Chairperson and potentially the appointment of new ARIC members in accordance with the new framework to be introduced by the OLG.



CONSULTATION AND COMMUNICATION

This matter was considered by the Audit Risk and Improvement Committee at its meeting held on 17 September, 2019 where the Committee endorsed a recommendation to Council for Mr Terry Clout to be appointed ARIC Chairperson for the period up to 30 September, 2020.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We are a connected and engaged community". It specifically delivers on core business activities as detailed in the Governance and Customer Service, Service Plan 2019-20.

FINANCIAL IMPLICATIONS

There are no direct financial implications relating to the appointment of the ARIC Chairperson.

CONCLUSION

With the impending implementation of a mandatory risk management and internal audit framework that will potentially require changes to ARIC operations that will come into effect after next year's local government elections, continuation of the current committee structure and Chairperson appointment will maintain stability during the OLG Discussion Paper period and the transition to a new structure.



File: PJ-1422 Doc: IC19/610

ITEM 5

PROPOSED COMPULSORY ACQUISITION - PROPOSED LOT 11 DP 1242770 DEPARTMENT OF EDUCATION - REAR OF DAPTO HIGH SCHOOL

The West Dapto Access Strategy is a major project being managed by Council. Currently, Council is progressing Stages 2 and 3 of the Fowlers Road to Fairwater Drive link which forms an integral part of the Strategy. Council has resolved to acquire a number of properties in the vicinity of the road and bridge works in recent months to enable the construction of the road widening associated with the new Fowlers Road and Princes Highway intersection.

The acquisition of the area the subject of this report relates to the bridge works affecting the land to the rear of Dapto High School.

RECOMMENDATION

- 1 Council continue to negotiate with the Department of Education and, if agreement is reached to proceed with the land acquisition via Transfer, agree to be bound by the Valuer General's determination for compensation for the acquisition of proposed Lot 11 DP 1242770, being Part Lot 1 DP 81501.
- In the event acquisition by Transfer is not approved by the Department of Education, Council acquire proposed Lot 11 DP 1242770, being part Lot 1 DP 81501, by compulsory process pursuant to the *Land Acquisition (Just Terms Compensation) Act 1991* by authority contained in the *Roads Act 1993* for the purpose of a road.
- 3 The minerals be excluded from this acquisition.
- 4 This acquisition is not for the purpose of resale.
- 5 The necessary applications relating to the compulsory acquisition including compensation determination be made to the Minister for Local Government and the Governor.
- 6 Council seek priority processing of the application through the Office of Local Government, due to the state significance of the infrastructure and to avoid undue delays.
- 7 Upon acquisition, Council dedicate proposed Lot 11 DP 1242770 as a road, pursuant to Section 10 of the *Roads Act 1993*.
- 8 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.

REPORT AUTHORISATIONS

Report of: Lucielle Power, Manager Property + Recreation (Acting)

Authorised by: Kerry Hunt, Director Community Services - Creative and Innovative City

ATTACHMENTS

1 Proposed Lot 11 DP 1242770 - Rear of Dapto High School

BACKGROUND

Council has been actively implementing the West Dapto Access Strategy for a number of years. Currently Council is constructing the Fowlers Road to Fairwater Drive link which forms part of this strategy. This stage of the project has been in the construction phase since August 2018 and affects the airspace above Mullet Creek known as proposed Lot 13 DP 1242770, the rear of Dapto High School, being proposed Lot 11 DP 1242770 as well as the airspace above the railway line. To be constructed within proposed Lot 11 is a four lane bridge span which, upon completion, will provide improved access to West Dapto.

The land at the rear of Dapto High School is owned by the Department of Education (DoE). In 2017 the Principal for Dapto High School, on behalf of the DoE, entered into an agreement which allowed Council



to enter land and undertake public works which has permitted the construction of the bridge to commence whilst the acquisition of the land is finalised.

Negotiations for the acquisition of the subject land have been ongoing since mid 2018. During this time, DoE had agreed to proceed by way of transfer, however, a number of months into the acquisition process, new advice was received confirming that due to internal processes, DoE was unable to transfer or sell the land to Council outside of the compulsory acquisition process. This is due to the land not being considered surplus to requirements. Despite this advice, a request has been made to DoE to seek Ministerial consent to agree to the disposal of the land by transfer with both parties to be bound by the value to be determined by the Valuer General to avoid the need to proceed by compulsory acquisition. DoE has agreed to seek Ministerial approval to the disposal of the land, however cannot guarantee that Ministerial consent will be provided. In the event Ministerial consent is not obtained by DoE to proceed via transfer, the acquisition will proceed by way of compulsory acquisition. This report seeks to obtain Council's approval to proceed with the acquisition by either land transfer or compulsory acquisition, dependent on DoE obtaining the required approvals.

Prior to DoE agreeing to seek Ministerial consent to proceed by way of transfer, DoE had originally suggested proceeding by compulsory acquisition pursuant to Section 30 of the *Land Acquisition (Just Terms Compensation) Act 1991*. By proceeding in this way, this removes the statutory waiting period requirement, thereby reducing the acquisition timeframe by four months. However, to proceed pursuant to Section 30 compensation for the acquisition must be agreed upon between the parties prior to the application being made to the Office of Local Government.

Council obtained a market valuation report from an independent registered valuer, who assessed compensation at \$20,000 plus disturbance. DoE obtained a valuation report, which assessed compensation at \$200,000 plus disturbance. Due to the significant difference between the valuations and as per normal practice, each valuer agreed to attempt to come to an agreed value. Unfortunately, the attempt to agree on a compensation assessment was unsuccessful. Upon review, Council's valuer amended its position with a compensation assessment of \$44,000 plus disturbance, utilising a different agreed valuation approach. DoE's appointed valuer sought to utilise the Valuer General's land value assessment for the acquisition area, which reduced the compensation assessment from \$200,000 to \$91,885 plus disturbance. Council's valuer could not recommend this approach, stating that the Valuer General's land values are assessed on a mass valuation basis which may not take into account potential issues with the subject land. Council's valuer held reservations due to the land's bushfire and high-risk flood zoning, which would have prevented habitable development. Habitable development formed the basis of DoE's valuer's compensation assessment. It is expected that the Valuer General's determination will fall within the range identified by both valuers.

Due to the impasse in negotiations, both Council and DoE agreed to seek a compensation determination from the Valuer General and be bound by the determination. This would allow an application to be made to the Office of Local Government to obtain Ministerial and Governor Approval to the compulsory acquisition, with agreement. Unfortunately, DoE has not provided the Valuer General with requested confirmation that they will agree to be bound by the determination made. This, at the time of writing, has not yet been provided by DoE.

Given the lengthy delay in negotiations, a further urgent request was put before DoE, at which time DoE agreed to seek the Ministerial consent, as mentioned previously. This process remains underway.

PROPOSAL

Council acquire for road purposes proposed Lot 11 DP 1242270, being Part Lot 1 DP 81501 either by transfer or compulsory process, with the Valuer General being appointed to determine the compensation payable to DoE. Following acquisition, proposed Lot 11 DP 1242270 be dedicated as public road pursuant to s. 10 of the *Roads Act 1993*.

CONSULTATION AND COMMUNICATION

Extensive community consultation has taken place in conjunction with the major project of which this acquisition forms part, including: a West Dapto Access Strategy billboard, newsletters, artist



impressions, 3D fly through video, variable messaging signs, displays and information packs. In addition to the communication methods listed above, numerous feedback opportunities were afforded to the community. This comprised of a range of engagement activities to target stakeholders including presentations, phone calls, door knocks, individual meetings, an on-site kiosk, a community information session and a pop up information stall. A comprehensive engagement report has been prepared and published by Council outlining in extensive detail the consultation and communication undertaken on the West Dapto Access Strategy project.

Council has a dedicated website which provides up-to-date information on the progress of the project as well as Frequently Asked Questions, plans and videos specifically relating to the Fowlers Road to Fairwater Drive link project, which forms part of the overall West Dapto Access Strategy.

A Land Status Report has been received from Info Track, confirming that native title has been extinguished over the subject land, pursuant to a Previous Exclusive Possession Act, being the grant of freehold land. This allows the DoE to proceed by transfer, provided Ministerial consent is obtained.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We have affordable and accessible transport".

It specifically delivers on core business activities as detailed in the Transport Services Service Plan 2019-20.

FINANCIAL IMPLICATIONS

The compensation payable to DoE is to be determined by the Valuer General. Due to the significant difference in the valuation reports already sought, it is difficult to estimate the possible determination amount; however it is expected to fall within the range identified by both valuers. In any event, Council will be bound to pay the DoE just compensation as determined by the *Land Acquisition (Just Terms Compensation) Act 1991*. Such compensation will include the market value of the 'land', plus all reasonable legal and valuation costs again as determined by the Valuer General. It is estimated the cost of the Valuer General's report will be in the order of \$6,000.

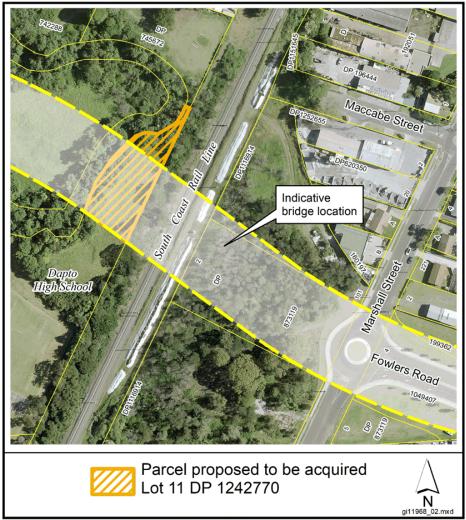
The funding for all costs associated with the acquisition will be via the 2019-2020 Capital Budget (B281319).

CONCLUSION

As the acquisition of the subject land forms an integral part of the Fowlers Road to Fairwater Drive extension project, it is recommended Council resolve as recommended.

School





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ITEM 6 MINNEGANG CREEK FLOOD STUDY (2019) - LAKE HEIGHTS

The Minnegang Creek Flood Study (2019) went on public exhibition from 26 August 2019 through to 23 September 2019 and has now been finalised. It is recommended Council adopt the Minnegang Creek Flood Study (2019) which will inform land use planning and planning certificates.

This catchment is located in Lake Heights and drains to Lake Illawarra. The study improves the accuracy and reliability of flood levels and flood behaviour in the Minnegang Creek Catchment.

The reports and flood models for the Minnegang Creek Flood Study (2019) will be placed on the NSW Flood data portal so that they can be publicly accessed. This will lead to a greater understanding of flood behaviour and risk and wiser decision making.

RECOMMENDATION

- 1 That the Minnegang Creek Flood Study (2019) be adopted
- 2 Persons who made submissions be thanked and advised of Council's decision

REPORT AUTHORISATIONS

Report of: Mike Dowd, Manager Infrastructure Strategy + Planning

Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

- 1 Minnegang Creek Flood Study 2019 Executive Summary
- 2 Community engagement report Minnegang Creek Flood Study 2019

BACKGROUND

The NSW Government's Floodplain Development Manual provides a framework to ensure the sustainable use of floodplain environments and incorporates the NSW Flood Prone Policy. Under the Policy, the management of flood liable land remains the responsibility of Local Government with State Government subsidising flood mitigation works to alleviate existing problems and providing specialist technical advice to assist Councils in performing their floodplain management responsibilities.

The Policy provides for technical and financial support by the State Government through five stages -

- 1 Flood Study Determines the nature and extent of flooding.
- 2 Floodplain Risk Management Study Evaluates risks and management options for the floodplain in respect of both existing and proposed development.
- 3 Floodplain Risk Management Plan Involves formal adoption by Council of a plan of management for the floodplain.
- 4 Implementation of the Plan voluntary house purchase, flood readiness and response plans, construction of flood mitigation works to protect existing development and use of planning controls (LEP, DCP) to ensure new development is compatible with the flood hazard.
- 5 Review reviews are recommended on average every 5 years and are also generally recommended after significant flood events, policy changes, or land use changes and where impediments to floodplain management plan implementation exist that warrant a review.

Minnegang Creek Flood Study

In 2017, Rhelm Pty Ltd was commissioned by Wollongong City Council (WCC) to review the Minnegang Creek Flood Study (2002) to take into consideration Council's updated Conduit Blockage Policy (2016). The review incorporates new survey data, more detailed modelling techniques, the updated blockage factors, and additional development within the catchment located in Lake Heights.

Attachment 1 is an executive summary of the final report recommended for adoption by Council.



The results show that the revised 1% AEP flood levels are similar to the 2002 Flood Study levels across most of the floodplain. The flood levels are generally slightly lower (less than 0.1m) compared to the 2002 study, however flood levels have increased by up to 0.1m in isolated locations.

PROPOSAL

The Minnegang Creek Flood Study (2019) be adopted. After adoption, undertake the following actions:

- Update the flood planning levels Planning & Environment
- Update of the relevant Section 10.7 planning certificate Planning & Environment
- Provide flood level information advice in accordance with new study results Infrastructure & Works

CONSULTATION AND COMMUNICATION

On 1 August 2019, the draft flood study was presented to the Southern Floodplain Risk Management Committee who recommended public exhibition of the draft report.

The final draft Flood Study Report went on public exhibition from 26 August 2019 through to 23 September 2019. Also, 9 community members attended a community drop-in session from 9:30 am to 11:00 am on Saturday 7 September at the Warrawong Community Centre.

Mailed out a letter to 800 residents and property owners in flood affected areas (all properties within the extent of the probable maximum flood) to advise of the public exhibition process and seek feedback on the document.

Notices of the public exhibition published in the local newspaper on 28 August and 4 September 2019. Hard copies of the Flood Study were placed in the Warrawong Library and PDFs were available through Council's "Have Your Say" page. 28 people viewed the Website's project page. 12 people downloaded the documents from the Website. No submissions we received throughout the exhibition period.

A community engagement report is provided in attachment 2 and outlines in more detail the process and outcomes of the consultation.

The committee has been advised of the outcomes of the public exhibition and has not raised any objection to Council adopting the final report.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We value and protect our environment". It specifically delivers on the following:

Community Strategic Plan	Delivery Program 2018-2021	Operational Plan 2019-20
Strategy	3 Year Action	Operational Plan Actions
1.1.3 The potential impacts of natural disasters, such as those related to flood and landslips are managed and risks are reduced to protect life, property and the environment	1.1.3.2 Establish effective urban stormwater and floodplain management programs	Develop and implement Floodplain Risk Management Plans

FINANCIAL IMPLICATIONS

The Minnegang Creek Flood Study (2019) cost \$84,383 excluding GST. The next stage in the flood planning process for this catchment, being the Floodplain Risk Management Study & Plan, will be funded from existing budget allocations with an application to be made for State Government grant funding.

CONCLUSION

The Minnegang Creek Flood Study (2019) was prepared with the cooperation, assistance and support of many stakeholders, including community members and State government representatives and the Northern Floodplain Risk Management Committee.



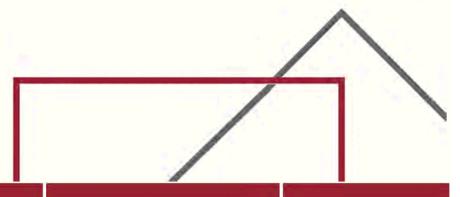
The study improves the accuracy and reliability of flood levels and flood behaviour in the Collins Creek Catchment. The reports and flood models for the Minnegang Creek Flood Study (2019) will be placed on the NSW Flood data portal so that they can be publicly accessed. This will lead to a greater understanding of flood behaviour and risk and wiser decision making.







Volume 1







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Document Control

Ver	Effective Date	Description of Revision	Prepared by:	Reviewed by:
0	22 July 2019	Executive Summary issued to Council	LRE	RST
1	15 August 2019	Internal Review	LRE	RST/ERM
2	16 August 2019	Issue of Draft Flood Study to Council	LRE	RST
3	9 October 2019	Executive Summary issues to Council	RST	RST

Prepared For: Wollongong City Council

Project Name: Minnegang Creek Flood Study

Rhelm Reference: J1074

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Report\J1074_R003_Minnegang_Stage_4_Rev2_Vol-1.doc

Client Reference: Stage 4 Report Draft Flood Study

Rhelm Pty Ltd has prepared this report for the nominated client and it is not to be used by a third party without written permission from Rhelm. The report has been prepared and reviewed by suitably qualified persons. The scope of the report is based on the client brief and/or the Rhelm written fee proposal and assumes information provided by the client and sourced from other third parties is fit for purpose unless otherwise stated. The findings rely on a range of assumptions that are noted in the report.





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Foreword

The primary objective of the New South Wales (NSW) Government's Flood Prone Land Policy is to reduce the impact of flooding and flood liability on individual owners and occupiers of flood prone property, and to reduce private and public losses resulting from floods, utilising ecologically positive methods wherever possible.

Through the NSW Office of Environment and Heritage (OEH), NSW Department of Planning and Environment (DPE) and the NSW State Emergency Service (SES), the NSW Government provides specialist technical assistance to local government on all flooding, flood risk management, flood emergency management and land-use planning matters.

The Floodplain Development Manual (NSW Government 2005) is provided to assist councils to meet their obligations through the preparation and implementation of floodplain risk management plans, through a staged process. Figure F1, taken from this manual, documents the process for plan preparation, implementation and review.

The Floodplain Development Manual (NSW Government 2005) is consistent with Australian Emergency Management Handbook 7: Managing the floodplain: best practice in flood risk management in Australia (AEM Handbook 7) (AIDR 2017).

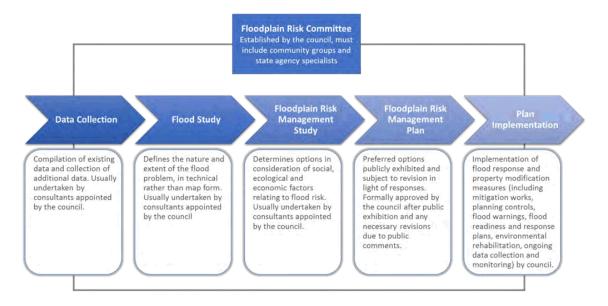


Figure F1 The Floodplain Risk Management Process (source: NSW Government, 2005)

Wollongong City Council is responsible for local land use planning in its service area, including in Minnegang Creek catchment and its floodplain. Through its Floodplain Risk Management Committee, Council has committed to prepare a comprehensive floodplain risk management plan for the study area in accordance with the NSW Government's *Floodplain Development Manual* (2005). This document relates to the flood study phase of the process.





Executive Summary

The Minnegang Creek Flood Study has been prepared for Wollongong City Council (Council) to define the existing flood behaviour in the Minnegang Creek catchment and to establish the basis for subsequent floodplain management activities.

The Minnegang Creek Catchment is located around 7km south of Wollongong. The Minnegang Creek Catchment is approximately 90 hectares in size and is largely developed and zoned as low density residential (roughly 80% of the catchment). The remaining part of the catchment comprises recreational and open-space areas, and some areas of bushland.

The catchment has a combination of natural open watercourses and piped drains. Minnegang Creek originates in the north west of the catchment. The creek is piped from Lake Heights Road through to the Barina Park Basin. Minnegang Creek continues to be piped to downstream of Barina Park Basin, discharging into a defined open channel downstream of Weringa Avenue. This remains as a defined open channel before passing through a culvert under Northcliffe Drive, before discharging into Lake Illawarra. A major tributary, originating from the north of Gilgandra Street, meets with Minnegang Creek at Barina Park

This project is a flood study, which is a comprehensive technical investigation of flood behaviour that provides the main technical foundation for the development of a robust floodplain risk management plan. It aims to provide a better understanding of the full range of flood behaviour and consequences. It involves consideration of the local flood history, available collected flood data, and the development of hydrologic and hydraulic models that are calibrated and verified, where possible, against historic flood events and extended, where appropriate, to determine the full range of flood behaviour.

A comprehensive engagement strategy was undertaken throughout the development of the flood study. This involved:

- Engaging agency and industry stakeholder to obtain details of historical flooding, survey data and
 other relevant data sets. Stakeholders have also been invited to provide feedback on the draft flood
 study during public exhibition.
- Community engagement has been undertaken through the mail out of an information brochure and brief survey. The purpose of the engagement was to raise awareness of the study and flood risk in the catchment, as well and obtain observations of historical flooding to assist in model calibration. Respondents were contacted for further information by phone and email, as required.
- Door knocking was also undertaken for selected properties identified based on preliminary review of the flood behaviour.
- The Flood Study has been overseen by the Southern Floodplain Risk Management Committee which includes representatives from community and state agencies.
- The Flood Study was placed on public exhibition from 26 August 2019 to 23 September 2019. During
 the exhibition period, letters were sent to residents and owners to inform them of the study. An
 information session was also provided on 7 September 2019.

Flood behaviour has been assessed using a TUFLOW hydraulic model incorporating the Direct Rainfall methodology.

A calibration and validation of the hydraulic model has been undertaken utilising historical rainfall intensities, community observations and comparisons to surveyed flood marks from events occurring in





Minnegang Creek Flood Study

1985, 1987, 1990 and 1998. The outcome of the calibration found that the model was able to represent the historical events to a reasonable level, providing confidence in the model to produce design flood event results.

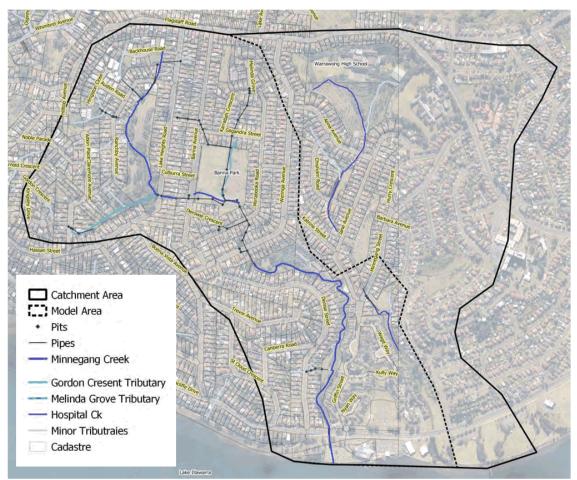


Figure i. Minnegang Creek Catchment

The hydrological and hydraulic models were analysed for the Probable Maximum Flood (PMF), 1% Annual Exceedance Probability (AEP), 2% AEP, 10% AEP and 20% AEP events. The models were analysed for 90 and 120 minute duration storms.

The models represent the catchment conditions at the time of survey, being 2017. This study represents the flood behaviour driven by catchment flooding. In the downstream areas of the study area, this flood study should be read in conjunction with the Lake Illawarra Flood Study (Lawson & Treloar, 2001) and the Lake Illawarra Floodplain Risk Management Study and Plan (Cardno Lawson Treloar, 2012).

An overview of the flood behaviour is provided for the PMF, 1% AEP and 20% AEP events in Figures ii to ix.

Minnegang Creek has two major tributaries. The Gordon Crescent Tributary commences in the far west of the catchment. Overland flows pass down Gordon Crescent, before flowing overland through residential properties to Ranchby Avenue. From Ranchby Avenue, flow again passes overland through residential lots,





Minnegang Creek Flood Study

joining with Minnegang Creek immediately upstream of Lake Heights Road. A smaller unnamed overland flowpath commences in Claremont Avenue, flows overland across Ranchby Avenue, and joins the Gordon Creek Tributary 100m upstream of the Minnegang Creek tributary.

The Melina Grove Tributary commences in Melinda Grove, in the north eastern region of the study area. It flows directly south, crosses Karrabah Crescent, and flows overland through residential lots until it crosses Gilgandra Street and discharges into Barina Park Basin.

Minnegang Creek begins in the north west of the catchment area. Minnegang Creek, and two unnamed tributaries, convey water from this region, through the public recreation zone between Ranchby Avenue and Lake Heights Road, before crossing Lake Heights Road and Barina Avenue, discharging into Barina Park Basin. In the PMF event, an additional overland flowpath is activated when flow breaks out of Lake Heights Road, and flows south-east across residential lots into Barina Avenue.

The flow along much of the upstream reaches are generally well contained with little change in extent between 20% AEP and 1% AEP and a minor increase in width in the PMF.

The Barina Park Basin lies in the centre of the catchment area, and intercepts flow from Minnegang Creek and Melinda Grove Tributary. It also indirectly intercepts flow from Gordon Crescent Tributary as this flowpath merges with Minnegang Creek upstream of Barina Park Basin.

The Barina Park Basin first overtops in the 10% AEP, though only engages a portion of the embankment. The embankment is fully engaged for events from the 5% AEP to the 1% AEP. The PMF results in additional overtopping of the embankment to both the east and the west of the designated spillway.

Downstream of Weringa Avenue, Minnegang Creek becomes a defined open channel. Flows are generally well contained within the channel for events up to the 1% AEP, although the rear of some properties are inundated. In the PMF, some overbank flows begin to occur, inundating the rear of adjacent properties. A number of overland flowpaths convey runoff from the developed areas to the west of the creek. These overland flows result in ponding along Denise Street, which loses access in the 20% AEP, though the duration is short, with flooding clearing in under an hour.

Immediately to the east Minnegang Creek is Hospital Creek, which drains the adjacent catchment area. While Hospital Creek does not form a part of this study, it was included in the modelling in order to assess whether any breakout flows occur from Hospital Creek to Minnegang Creek in larger events. At Jane Avenue, where the creeks are approximately 100m apart, some break out flow was observed in the PMF event. It was driven by the constriction of Hospital Creek flows when it passes through the culvert under Minnegang Street. At this location, flow backs up upstream of the culvert, and breaks out over the western bank, crosses Jane Avenue and flows into Minnegang Creek. The breakout occurred in both the design blockage and risk blockage scenarios. Along and downstream of Northcliffe Drive, the flooding is largely driven by backwater from Lake Illawarra.

Similar to other areas of the catchment, there was little change in extent between the 20% AEP and the 1% AEP, while the PMF extent was substantially larger, inundating much of the area. These changes are commensurate with the change in downstream boundary, which sees lake levels rise from 1.81m for the 1% AEP design runs to 2.24m for the PMF.

Sensitivity testing was undertaken on model roughness, inflows and blockage. It was found that overall, the model is relatively insensitive to model roughness assumptions, with potential variation in water levels in the order of +/- 0.05 metres arising from +/- 20% changes in roughness values. The model was more sensitive to





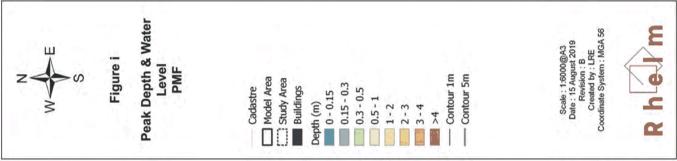
Minnegang Creek Flood Study

hydrological assumptions on flows, with levels changing by up to 0.3 metres in the downstream reaches of Minnegang Creek as a result of a 20% increase in flows in the 1% AEP event.

With respect to blockage, the sensitivity testing showed that the impact of blockage in the catchment is generally limited, with the majority for water level changes within +/- 0.05m between blocked (risk scenario) and unblocked cases, and only for very limited areas of the catchment. The most significant change is immediately upstream of Barina Avenue, where risk scenario blockages resulted in increases of up to 0.2 metres in the 1% AEP and 0.1 metres in the 20% AEP occurring between Barina Avenue and Lake Heights Road.

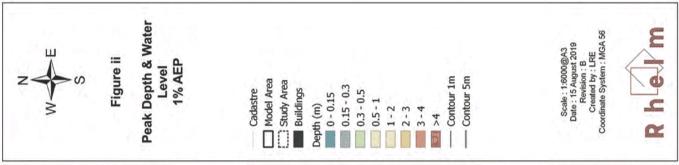
This report provides an understanding of the flood risk within the Minnegang Creek catchment and may be used to inform planning. This study provides a baseline against which a Floodplain Risk Management Study and Plan can be prepared.





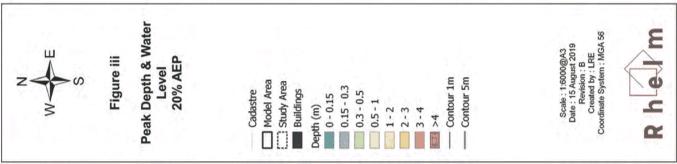






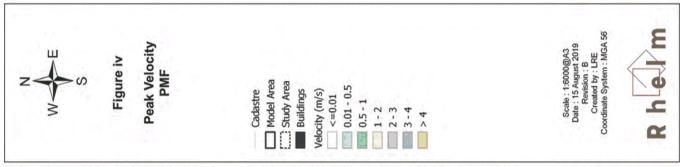






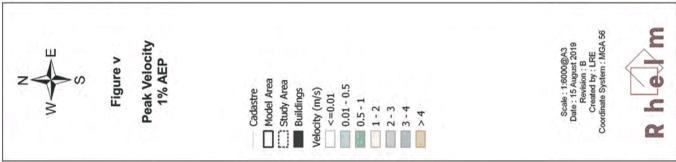






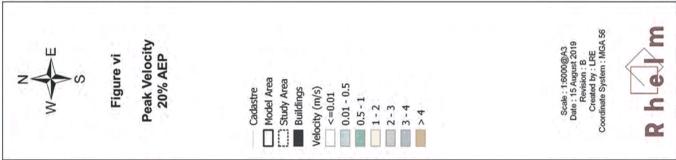






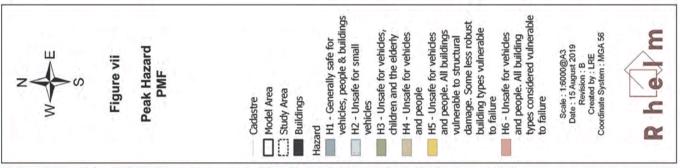






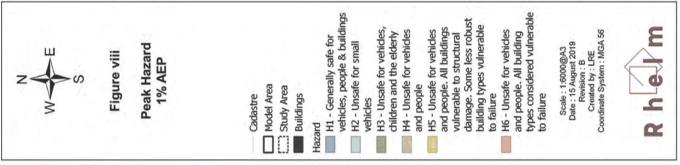


















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MINNEGANG CREEK FLOOD STUDY

ENGAGEMENT REPORT

OCTOBER 2019 Z19/228346





Table of Contents

Executive Summary	3
Background	4
3	
Results	8

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

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



Executive Summary

Council is responsible for planning and managing flood prone lands in our area and has updated the Minnegang Creek Flood Study as part of this commitment. A report on the draft Flood Study was prepared with information on how it was updated and what the results are. The updated Study explains the way flooding happens in the Minnegang Creek catchment. The study will form a basis for the ongoing management of flood risk in the catchment.

Council's engagement team worked collaboratively with a technical consultant to share the draft Study with the community and key stakeholders. During the public exhibition period, 26 August to 23 September 2019, Council sent letters to more than 800 residents and property owners in the catchment area inviting them to learn more about the Study. Customer service information was included in the three most commonly-spoken languages in this area other than English; Macedonian, Italian and Arabic. The additional information let the community know that Council and the National Relay Service could provide language assistance if needed. Emails with this information were sent to community, education, Register of Interest (flood), business, government and emergency services' stakeholders. The information was also available at Council's Customer Service Centre. Copies of the draft report, a Frequently Asked Questions sheet and Feedback Form were made available at Warrawong Library, and at the information session at Warrawong Community Centre on 7 September 2019. They were also included on the project webpage, which also included a Google Translate feature to assist with online translation. Notices of the exhibition were published in the Advertiser on 28 August and 4 September 2019. The community were invited to provide feedback via Council's website, Customer Service Centre and at the community information session.

There were no submissions, however some comments were provided at the drop-in information session which was attended by a total of 9 community members, including SES volunteers and a floodplain committee member.

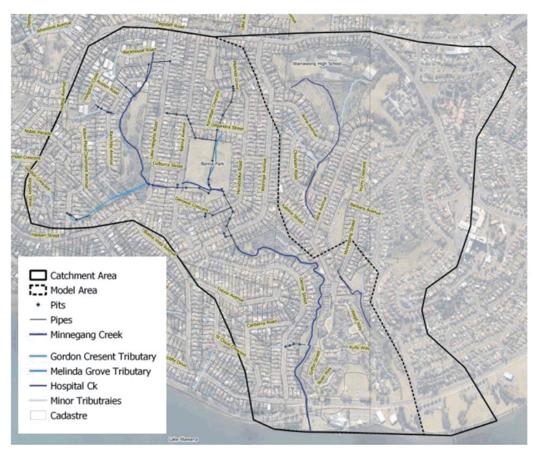
Feedback themes related to general interest about flood risk in the catchment. There was interest in the flood gates at the entrance of Warrawong Mall and in Council's proposal to manage erosion of the creek at Denise St, Lake Heights. Photos were provided of this creek area. There was some understanding of the risk of flooding to people's properties, with an interest in finding out further details specific to individual properties and what Council might do to reduce the risk. There was discussion on the next steps of the floodplain management process, which was to look at possible options to alleviate flooding e.g. creek modification and Voluntary House Raising or Voluntary Purchase in some cases where properties were quite severely flood-affected and where nominated criteria were met. Experiences of historical flooding were shared.



Background

Wollongong City Council is committed to finding solutions to reduce the social and economic damages of flooding. In 2016, Council updated its Blockage Policy and resolved to review and update its flood studies. The Minnegang Creek Flood Study is one of 10 studies to undergo review. This catchment is located in the Lake Heights area.

Figure 1 Minnegang Creek catchment map



A Flood Study for this catchment was completed in 2002. This was followed by a Floodplain Risk Management Study and Plan in 2004. These studies were jointly funded by Council and the NSW Government. These studies identified the risk within the Minnegang Creek catchment and the steps that can be taken to manage this risk now and into the future.

As part of updating the Study, Council's revised Blockage Policy was considered, which helps us work out how blocked stormwater structures might affect flooding. We have improved information, such as recent data from land and waterway surveying. We've included an extended network of drainage pits and pipes and used more improved and detailed modelling techniques. We've also extended the mapping to capture additional flood-prone areas and waterways that were not previously mapped. Data was collected and used to update the



computer models used to simulate the flooding in the catchment, and to update flood maps which provide a visual illustration of the flood risk in the catchment.

At the Southern Floodplain Risk Management Committee meeting on 1 August 2019, the public exhibition of the draft Minnegang Creek Flood Study was unanimously supported. The outcomes of the exhibition and resulting amendments to the Study will be reported to the Southern Floodplain Risk Management Committee and Council in view of adopting it in 2019.

The study provides an improved understanding of the potential impacts of floods on the local community and will form a basis for the ongoing management of flood risk in the Minnegang Creek catchment.



Methods

Our Stakeholders



Our Methods

Table 1: Details of Communication and Engagement Methods

	Table 1: Details of Communication and Engagement Methods			
Methods	Details of Methods			
Communication Methods				
Presentation	Information about the proposal was presented at the Floodplain Risk Management Committee (Southern) meeting on 1 August 2019			
The Advertiser	Details of the public exhibition, information sessions and Engagement HQ webpage were included in Council's Community Update pages on 28 August and 4 September 2019			
Email to key stakeholders	An email and FAQ were sent to key stakeholders identified through an analysis process			
Register of Interest	An email was sent to all participants with registered interest in 'Flood'			
Info packs	Frequently asked question sheets and hardcopy feedback forms were made available at Warrawong Library and Customer Service. A hardcopy of the draft report was also made available at Warrawong Library.			
Letter	A letter about the public exhibition, information session and how to submit feedback (via phone, email, in person or post) was mailed to local residents and property owners			
Frequently Asked Questions	Responses to questions about updates to the Study and floodplain risk management were distributed with the letter and emails, published on the project webpage and distributed at the information session			
Posters	Posters were produced to help explain the floodplain risk management			



	process and what overland flow is
Engagement HQ Website	 The project webpage hosted background info and supporting documents: Frequently Asked Questions with information on the Study and flood risk management News Feed for updates on project progress Document Library with the Report Floodplain risk management process and overland flow graphics Flood modelling video Flooding in Wollongong video Online survey tool to capture participant's feedback
Video	The Flooding in Wollongong video was used on the Engagement HQ webpage and a flood modelling video was screened at information sessions and on the Engagement HQ webpage
Engagement HQ Website	An online survey tool was used to capture participant's feedback. The page also hosted background info and supporting documents.
Feedback Form	A hardcopy feedback form was made available at Warrawong Library and at the information session
Community Information Session	A drop-in session was held to provide the community with information on the work undertaken to date and findings of the Report. The Report, flood modelling maps and flood modelling video were displayed along with the FAQ and feedback forms. Floodplain management engineers working on the Study were on hand to answer questions.

Results

All stakeholders and the wider community were invited to provide feedback on the draft Study. This section provides details on the participation at engagement activities (Table 2), and the feedback received during the exhibition period.

Engagement Participation

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

Table 2: Engagement participation results

Engagement Activities	Participation
Southern Floodplain Risk Management Committee Meeting	8
Drop-in Community Information Session at Warrawong Community Centre	9
 Online Participation Aware – Total number of users who viewed the project page Informed – Total number of users who clicked a hyperlink, e.g. to download 	23
a document	12
• Engaged – Total number of users who actively contributed to the project, e.g. submitted feedback via the online form	0

Figure 2 Community Information Session at Warrawong Community Centre



Flood Study 2019



a

Submission Results

There were no submissions. Feedback themes from discussions at the drop-in session related to general interest about flood risk in the catchment.

Flood mitigation

There was interest in the flood gates at the entrance of Warrawong Mall.

Creek at Denise St, Lake Heights

There was interest in Council's proposal to manage erosion of the creek at Denise St, Lake Heights. Photos provided of the creek area didn't have dates specified, but the older photographs were thought to have been from the 1970s and the newer ones are thought to have been from the 1980s.

Figures 3, 4 & 5 Photos provided of the creek at Denise St, Lake Heights







Impact of flooding on own property

There was some understanding of the risk of flooding to people's properties, with an interest

Flood Study 2019



10

in finding out further details specific to individual properties and what Council might do to reduce the risk.

I bought the property about 12 years ago and knew that creek line was there. What can Council do to reduce the flood risk?

I haven't experienced any flooding but am aware that the garden is most likely to flood. I'll consider having the floor level surveyed to determine the potential for and depth of over-floor flooding.

Floodplain risk management process

There was discussion on the next steps of the floodplain management process, which was to look at possible options to alleviate flooding e.g. creek modification and Voluntary House Raising or Voluntary Purchase in some cases where properties were quite severely flood affected and where nominated criteria were met.

Historical floods

Experiences of historical flooding were shared.

Floods used to get up the windows of the property before Barina Park was built



File: TR-560 Doc: IC19/632

ITEM 7 KULLY BAY OVERLAND FLOW STUDY (2019) - WARRAWONG

The Kully Bay Overland Flow Study (2019) was on exhibition from 26 August 2019 through to 23 September 2019 and has now been finalised. It is recommended Council adopt the Kully Bay Overland Flow Study (2019) which will inform land use planning and planning certificates.

This catchment is located in Warrawong, has no actual creek system and drains via overland flow paths to Lake Illawarra. A Council catchment wide flood or overland flow study for the Kully Bay Catchment has not previously been undertaken.

The reports and flood models for the Kully Bay Overland Flow Study (2019) will be placed on the NSW Flood data portal so that they can be publicly accessed. This will lead to a greater understanding of flood behaviour and risk and wiser decision making.

RECOMMENDATION

1 That the Kully Bay Overland Flow Study (2019) be adopted.

REPORT AUTHORISATIONS

Report of: Mike Dowd, Manager Infrastructure Strategy + Planning

Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

- 1 Kully Bay Overland Flow Study 2019 Executive Summary
- 2 Community engagement report Kully Bay Overland Flow Study 2019

BACKGROUND

The NSW Government's Floodplain Development Manual provides a framework to ensure the sustainable use of floodplain environments and incorporates the NSW Flood Prone Policy. Under the Policy, the management of flood liable land remains the responsibility of Local Government with State Government subsidising flood mitigation works to alleviate existing problems and providing specialist technical advice to assist Councils in performing their floodplain management responsibilities.

The Policy provides for technical and financial support by the State Government through five stages -

- 1 Flood Study Determines the nature and extent of flooding.
- 2 Floodplain Risk Management Study Evaluates risks and management options for the floodplain in respect of both existing and proposed development.
- 3 Floodplain Risk Management Plan Involves formal adoption by Council of a plan of management for the floodplain.
- 4 Implementation of the Plan voluntary house purchase, flood readiness and response plans, construction of flood mitigation works to protect existing development and use of planning controls (LEP, DCP) to ensure new development is compatible with the flood hazard.
- 5 Review reviews are recommended on average every 5 years and are also generally recommended after significant flood events, policy changes, or land use changes and where impediments to floodplain management plan implementation exist that warrant a review.

Kully Bay Overland Flow Study

In 2017, Rhelm Pty Ltd was commissioned by Wollongong City Council (WCC) to complete the Kully Bay Overland Flow Study. The Kully Bay catchment has not previously been studied as part of a Council flood study. There are no creeks or rivers within the catchment, meaning that only overland flow needs to be studied and not creek-based flood behaviour.

Attachment 1 provides an executive summary of the final report recommended for adoption by Council.



PROPOSAL

The Kully Bay Overland Flow Study (2019) be adopted. After adoption, the following actions will be undertaken -

- Update the flood planning levels Planning & Environment
- Update of the relevant Section 10.7 planning certificate Planning & Environment
- Provide flood level information advice in accordance with new study results Infrastructure & Works

CONSULTATION AND COMMUNICATION

On 1 August 2019, the draft Overland Flow Study was presented to the Southern Floodplain Risk Management Committee who recommended public exhibition of the draft report.

The final draft Overland Flow Study went on public exhibition 26 August 2019 to 23 September 2019. A community drop-in session at the Warrawong Community Centre on Saturday 7 September from 9:30 am to 11:00 am and attended by 3 community members including SES volunteers and a floodplain management committee member.

A letter to over 1000 residents, businesses and property owners in flood-affected areas (all properties within the extent of the probable maximum flood) was mailed out to advise of the public exhibition process and seek feedback on the document.

Notices of the public exhibition were published in the local newspaper on 28 August and 4 September 2019. Hard copies of the Flood Study were placed in the Warrawong Library and PDFs were available through Council's "Have Your Say" page. 19 people viewed the Website's project page. 9 people downloaded the documents from the Website. No submissions we received throughout the exhibition period.

A community engagement report is provided in Attachment 2 and outlines in more detail the process and outcomes of the consultation. The committee has been advised of the outcomes of the public exhibition and has not raised any objection to Council adopting the final report.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We value and protect our environment". It specifically delivers on the following:

Community Strategic Plan	Delivery Program 2018-2021	Operational Plan 2019-20	
Strategy	3 Year Action	Operational Plan Actions	
1.1.3 The potential impacts of natural disasters, such as those related to flood and landslips are managed and risks are reduced to protect life, property and the environment	1.1.3.2 Establish effective urban stormwater and floodplain management programs	Develop and implement Floodplain Risk Management Plans	

FINANCIAL IMPLICATIONS

The Kully Bay Overland Flow Study (2019) cost \$87,071 excluding GST. The next stage in the flood planning process for this catchment, being the Floodplain Risk Management Study & Plan, will be funded from existing budget allocations with an application to be made for State Government grant funding.

CONCLUSION

The Kully Bay Overland Flow Study (2019) was prepared with the cooperation, assistance and support of many stakeholders; including community members, State Government representatives, and the Southern Floodplain Risk Management Committee.

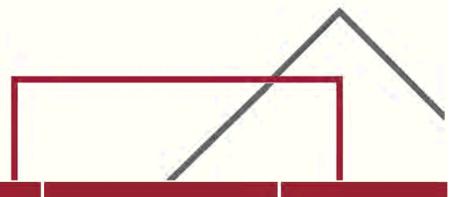
The study provides flood levels and flood behaviour in the Kully Bay catchment. The reports and flood models for the Kully Bay Overland Flow Study (2019) will be placed on the NSW Flood Data Portal so that they can be publicly accessed. This will lead to a greater understanding of flood behaviour and risk and wiser decision making.







Volume 1







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Document Control

Ver	Effective Date	Description of Revision	Prepared by:	Reviewed by:
0	22 July 2019	Issue of Executive Summary to Council	LRE	RST
1	15 August 2019	Internal Review	LRE	RST
2	16 August 2019	Issue to Council	LRE	RST / ERM
3	9 October 2019	Executive Summary issued to Council	RST	RST

Prepared For: Wollongong City Council

Project Name: Kully Bay Overland Flow Study

Rhelm Reference: J1098

Document Location: C:\Dropbox (Rhelm)\Jobs\J1098 - Kully Bay FS\4. Reports\R04 Final Flood

Study\J1098_R03_Kully_Bay_Stage_4_Rev3-Vol1.docx

Client Reference: Stage 4 Report

Rhelm Pty Ltd has prepared this report for the nominated client and it is not to be used by a third party without written permission from Rhelm. The report has been prepared and reviewed by suitably qualified persons. The scope of the report is based on the client brief and/or the Rhelm written fee proposal and assumes information provided by the client and sourced from other third parties is fit for purpose unless otherwise stated. The findings rely on a range of assumptions that are noted in the report.





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Foreword

The primary objective of the New South Wales (NSW) Government's Flood Prone Land Policy is to reduce the impact of flooding and flood liability on individual owners and occupiers of flood prone property, and to reduce private and public losses resulting from floods, utilising ecologically positive methods wherever possible.

Through the NSW Office of Environment and Heritage (OEH), NSW Department of Planning and Environment (DPE) and the NSW State Emergency Service (SES), the NSW Government provides specialist technical assistance to local government on all flooding, flood risk management, flood emergency management and land-use planning matters.

The Floodplain Development Manual (NSW Government 2005) is provided to assist councils to meet their obligations through the preparation and implementation of floodplain risk management plans, through a staged process. Figure F1, taken from this manual, documents the process for plan preparation, implementation and review.

The Floodplain Development Manual (NSW Government 2005) is consistent with Australian Emergency Management Handbook 7: Managing the floodplain: best practice in flood risk management in Australia (AEM Handbook 7) (AIDR 2017).

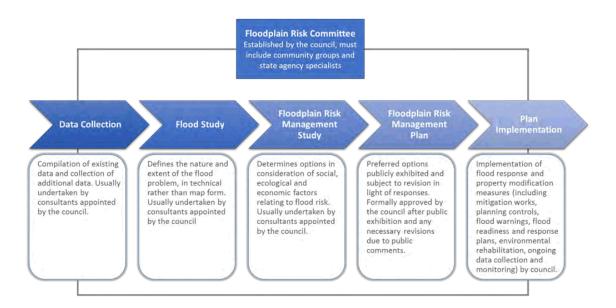


Figure F1 The Floodplain Risk Management Process (source: NSW Government, 2005)

Wollongong City Council is responsible for local land use planning in its service area, including in the Kully Bay catchment and its floodplain. Through its Floodplain Risk Management Committee, Council has committed to prepare a comprehensive floodplain risk management plan for the study area in accordance with the NSW Government's *Floodplain Development Manual* (2005). This document relates to the flood study phase of the process.





Executive Summary

The Kully Bay Overland Flow Study has been prepared for Wollongong City Council (Council) to define the existing flood behaviour in the Kully Bay catchment and to establish the basis for subsequent floodplain management activities.

The Kully Bay catchment is located in the suburb of Warrawong, in the Wollongong City LGA. The catchment covers an area of approximately 150 hectares and extends from the northern shores of Lake Illawarra in the south of the catchment to some 200m south of Wattle Street and Five Islands Road in the north.

The catchment area is largely comprised of residential development (primarily detached dwellings) and commercial development, with a significant commercial centre, Warrawong Plaza, in the downstream reaches of the catchment.



Figure i. Kully Bay Catchment

This project is an overland flow study, which is a comprehensive technical investigation of flood behaviour that provides the main technical foundation for the development of a robust floodplain risk management plan. It aims to provide a better understanding of the full range of flood behaviour and consequences. It involves consideration of the local flood history, available collected flood data, and the development of hydrologic and hydraulic models that are calibrated and verified, where possible, against historic flood events and extended, where appropriate, to determine the full range of flood behaviour.





A comprehensive engagement strategy was undertaken throughout the development of the overland flow study. This involved:

- Engaging agency and industry stakeholder to obtain details of historical flooding, survey data and
 other relevant data sets. Stakeholders have also been invited to provide feedback on the draft
 overland flow study during public exhibition.
- Community engagement has been undertaken through the mail out of an information brochure and brief survey. This was supplemented by door knocking of a number of residential properties to gain information directly from residents. The purpose of the engagement was to raise awareness of the study and flood risk in the catchment, as well and obtain observations of historical flooding to assist in model calibration.
- The Overland Flood Study has been overseen by the Southern Floodplain Risk Management Committee which includes representatives from community and state agencies.
- The Flood Study was placed on public exhibition from 26 August 2019 to 23 September 2019. During the exhibition period, letters were sent to residents and owners to inform them of the study. An information session was also provided on 7 September 2019.

An indirect validation of the hydraulic model has been undertaken utilising historical rainfall intensities, community observations and comparisons to previous hydraulic models. The outcome of this validation identified that the model was suitable for use in defining the design flood event results.

The hydrological and hydraulic models were analysed for the Probable Maximum Flood (PMF), 1% AEP, 2% AEP, 10% AEP and 20% AEP events. The models were analysed for 60, 90, 120, and 360 minute duration storms.

The models represent the catchment conditions at the time of survey, being 2017. This study represents the flood behaviour driven by catchment flooding. In the downstream areas of the study area, this overland flow study should be read in conjunction with the Lake Illawarra Flood Study (Lawson & Treloar, 2001) and the Lake Illawarra Floodplain Risk Management Study and Plan (Cardno Lawson Treloar, 2012).

An overview of the flood behaviour is provided for the PMF, 1% AEP and 20% AEP events in Figures ii to ix.

There are five major overland flowpaths through the catchment area, with varying degrees of flood severity. Three of these are located west of King Street. The first two run from Second Avenue, past First Avenue and into Bent Street. The first is then conveyed along Greene Street, while the second spreads widely through the multi-unit dwellings at Todd Street. Only the first flow path results in flows that cut road access, with depths of greater than 0.3m occurring at First Avenue in the 2% AEP event.

The third flowpath on the west runs from First Avenue in the north, across Bent Street and into King Street near the north of the catchment. Access along Bent Street is lost in events as small as the 20% AEP due to flows from this flowpath by depths of up to 0.5 metres.

On the east side of King Street are the two remaining overland flowpaths. The northernmost flowpath runs adjacent to Storey Street before crossing Robertson Street and then McGowen Street. At Shellharbour Road, the flow disperses, with some passing down Montgomery Avenue, and the rest spilling through residential blocks to Cowper Street. Along this flowpath, access is lost at both Robertson Street (>1% AEP) and Shellharbour Road (5% AEP).

The final overland flowpath conveys flow from the far east of the catchment. Flows commence upstream of Cowper Street, before flowing through residential zones across Forster Street and Shellharbour Road. It then





passes along the northern side of Northcliffe Drive until the plaza, where it combines with the backwater from the lake and wetlands.

There are no creeks or rivers to convey flood water within the catchment area. When the stormwater drainage infrastructure capacity is exceeded, then primary flowpaths conveying water through the catchment are the road reserves, and the previously discussed urban overland flowpaths discharge into road reserves rather than creek channels.

The primary flowpath through the catchment is along King Street, which runs north-south through the centre of the catchment. With the exception of some overland flow from the far eastern and western sides, all flow within the catchment eventually reaches King Street. Other significant flows are conveyed along roads that run perpendicular to King Street – Cowper Street and Greene Street / Montgomery Avenue in particular (which then discharge into King Street). Between them, these three road reserves serve as the major flowpaths through the catchment.

Access along King Street is lost for much of its length during flood events. While the northern section is only affected in events of a 2% or 1% AEP magnitude, the lower sections, in particular around the Cowper Street intersection, are inundated in events as small as the 10% AEP. This serves to largely divide the catchment in half from an access perspective with a limited ability to cross from one side of the catchment to the other in events above a 5% AEP.

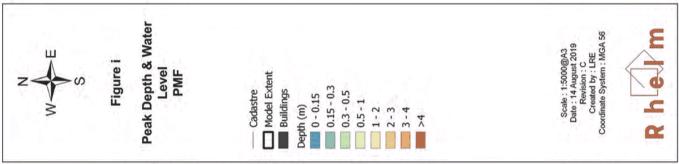
Downstream of Northcliffe Drive, the flooding is largely driven by backwater from Lake Illawarra. Access along Northcliffe Drive is lost at multiple locations within the study area. Aside from the intersection with First Avenue South, all of the intersections along Northcliffe Drive within the study area are inundated in events as small as the 20% AEP. The flooding is most pronounced east and west of the King Street intersection with depths of up to 1 metre in the 1% AEP.

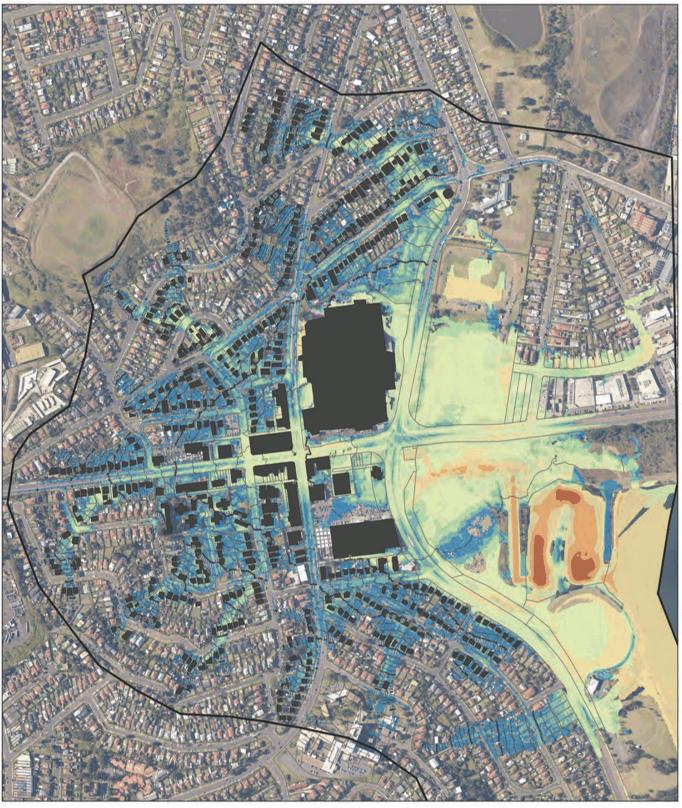
Sensitivity testing was undertaken on model roughness, inflows and blockage. It was found that overall, the model is relatively insensitive to model roughness assumptions, with potential variation in water levels in the order of +/- 0.2 metres arising from +/- 20% changes in roughness values. The model was also relatively insensitive to hydrological assumptions on flows, with levels changing by up to 0.05 metres as a result of a 20% increase in flows in the 1% AEP event.

With respect to blockage, the assessment showed that the impact of blockage in the catchment is generally limited, with the majority of water level changes within +/- 0.05m, and only for very limited areas of the catchment. The 20% AEP event showed a greater change in levels along the western length of Cowper Street than the 1% AEP event. This is likely due to the pipes running full in the 1% AEP event, so that pit capacity has less of an influence over peak flood levels.

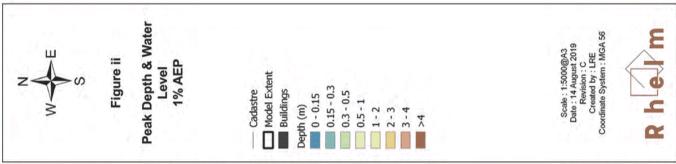
This report provides an understanding of the flood risk within the Kully Bay catchment and provides Council with the tools for planning. This study provides a baseline against which a Floodplain Risk Management Study and Plan can be prepared.





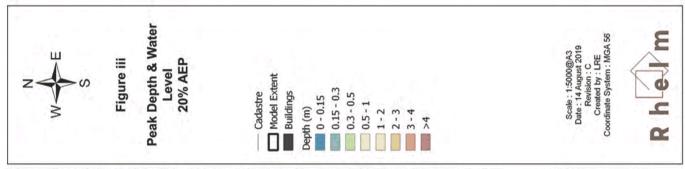






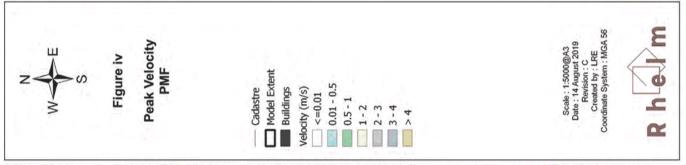






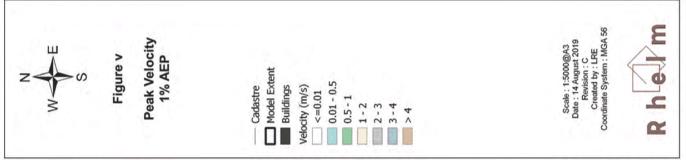






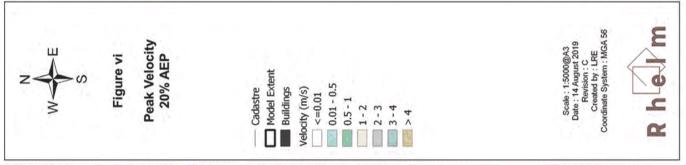






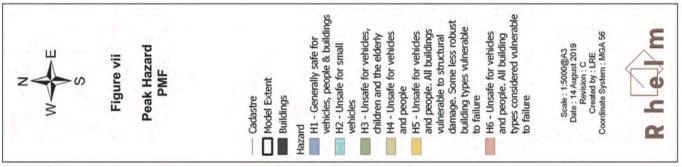


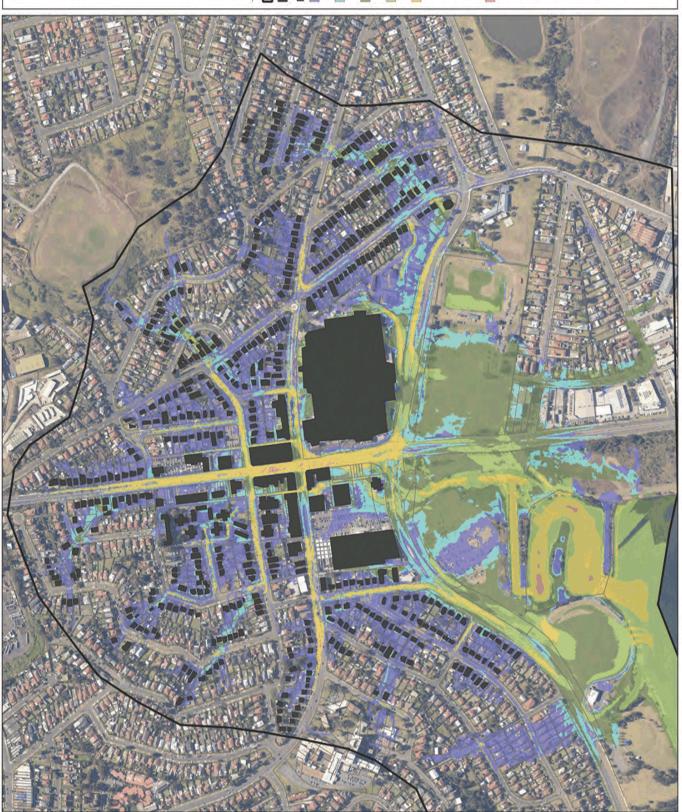




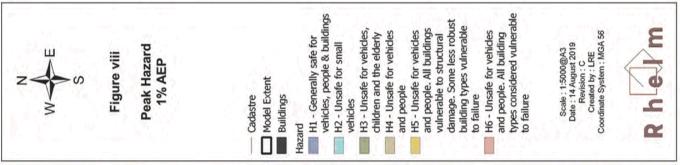


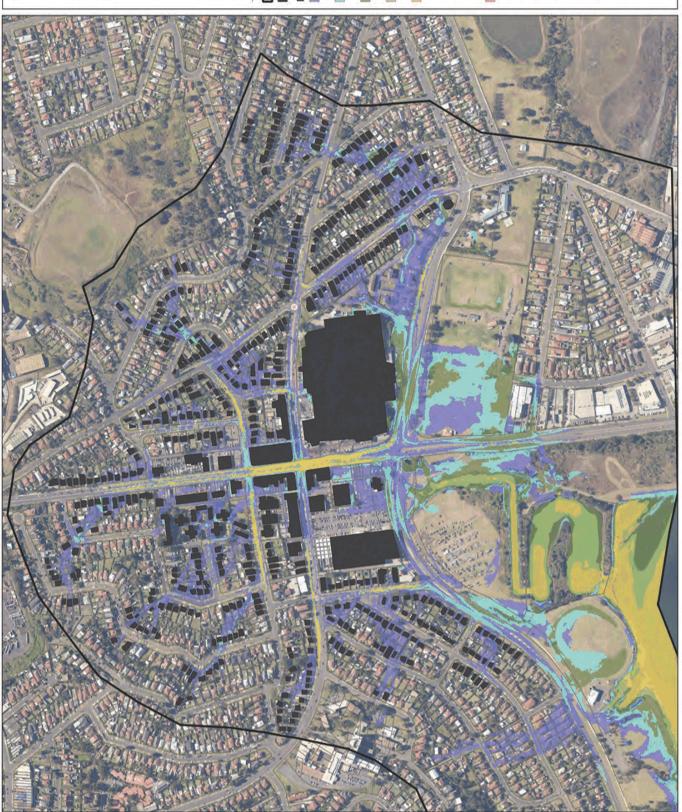
















KULLY BAY OVERLAND FLOW STUDY

ENGAGEMENT REPORT

OCTOBER 2019 Z19/





Table of Contents

Executive Summary	3
Background	4
Results	8

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

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



Executive Summary

Council is responsible for planning and managing flood prone lands in our area and has produced the Kully Bay Overland Flow Study as part of this commitment. A report on the draft Study was prepared, which explains the way flooding happens in the Kully Bay catchment. The Study will form a basis for the ongoing management of flood risk in the catchment.

Council's engagement team worked collaboratively with a technical consultant to share the draft Study with the community and key stakeholders. During the public exhibition period, 26 August to 23 September 2019, Council sent letters to more than 1,000 residents and property owners in the catchment area inviting them to learn more about the Study. Customer service information was included in the three most commonly-spoken languages in this area other than English; Macedonian, Italian and Arabic. The additional information let the community know that Council and the National Relay Service could provide language assistance if needed. Emails with this information were sent to community, education, Register of Interest (flood), business, government and emergency services' stakeholders. The information was also available at Council's Customer Service Centre. Copies of the draft report, a Frequently Asked Questions sheet and Feedback Form were made available at Warrawong Library, and at the information session at Warrawong Community Centre on 7 September 2019. They were also included on the project webpage, which also included a Google Translate feature to assist with online translation. Notices of the exhibition were published in the Advertiser on 28 August and 4 September 2019. The community were invited to provide feedback via Council's website, Customer Service Centre and at the community information session.

There were no submissions, however some comments were provided at the drop-in information session which was attended by a total of 3 community members, including SES volunteers and a floodplain committee member.

Feedback themes related to general interest about flood risk in the catchment. There was also interest in the flood gates at the entrance of Warrawong Mall.



Background

Wollongong City Council is committed to finding solutions to reduce the social and economic damages of flooding. Many homes and businesses in the Kully Bay catchment experience frequent flooding from overland flow. Overland flow is rainfall runoff from homes, driveways and other surfaces. This catchment includes residential and commercial land in Warrawong and Port Kembla.

Figure 1 Kully Bay catchment map



As part of producing the Study, Council's revised Blockage Policy was considered, which helps us work out how blocked stormwater structures might affect flooding. Recent data from land and waterway surveying was used, and the network of drainage pits and pipes was considered. This data was collected and used to create computer models that simulate the flooding in the catchment, and to produce flood maps that provide a visual illustration of the flood risk in the catchment.

At the Southern Floodplain Risk Management Committee meeting on 1 August 2019, the public exhibition of the draft Kully Bay Overland Flow Study was unanimously supported. The outcomes of the exhibition and resulting amendments to the Study will be reported to the Southern Floodplain Risk Management Committee and Council in view of adopting it in 2019.

Results from the study will help us to better understand and plan for future flooding in the catchment.



Methods

Our Stakeholders



Our Methods

Table 1: Details of Communication and Engagement Methods

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Methods	Details of Methods			
Presentation	Information about the proposal was presented at the Floodplain Risk Management Committee (Southern) meeting on 1 August 2019			
The Advertiser	Details of the public exhibition, information sessions and Engagement HQ webpage were included in Council's Community Update pages on 28 August and 4 September 2019			
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Register of Interest	An email was sent to all participants with registered interest in 'Flood'			
Info packs	Frequently asked question sheets and hardcopy feedback forms were made available at Warrawong Library and Customer Service. A hardcopy of the draft report was also made available at Warrawong Library.			
Letter	A letter about the public exhibition, information session and how to submit feedback (via phone, email, in person or post) was mailed to local residents and property owners			
Frequently Asked Questions	Responses to questions about updates to the Study and floodplain risk management were distributed with the letter and emails, published on the project webpage and distributed at the information session			
Posters	Posters were produced to help explain the floodplain risk management			

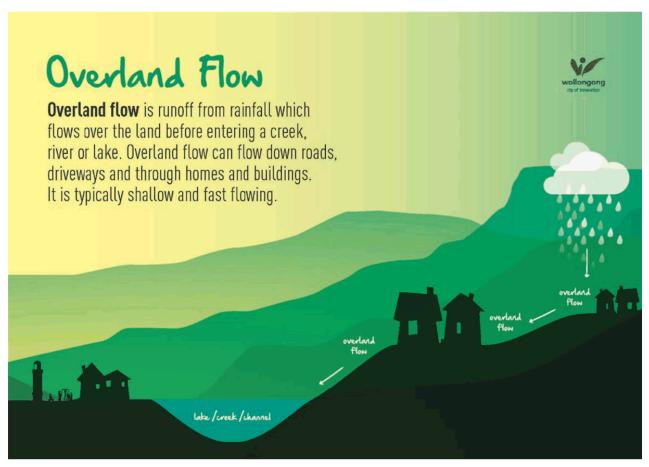


	process and what overland flow is
Engagement HQ Website	 The project webpage hosted background info and supporting documents: Frequently Asked Questions with information on the Study and flood risk management News Feed for updates on project progress Document Library with the Report Floodplain risk management process and overland flow graphics Flood modelling video Flooding in Wollongong video Online survey tool to capture participant's feedback
Video	The Flooding in Wollongong video was used on the Engagement HQ webpage and a flood modelling video was screened at information sessions and on the Engagement HQ webpage
Engagement HQ Website	An online survey tool was used to capture participant's feedback. The page also hosted background info and supporting documents.
Feedback Form	A hardcopy feedback form was made available at Warrawong Library and at the information session
Community Information Sessions	A drop-in session was held to provide the community with information on the work undertaken to date and findings of the Report. The Report, flood modelling maps and flood modelling video were displayed along with the FAQ and feedback forms. Floodplain management engineers working on the Study were on hand to answer questions.

7

Figure 2 Overland Flow Poster

Item 7 - Attachment 2 - Community engagement report - Kully Bay Overland Flow Study 2019







8

Results

Flow Study 2019

All stakeholders and the wider community were invited to provide feedback on the draft Study. This section provides details on the participation at engagement activities (Table 2), and the feedback received during the exhibition period.

Item 7 - Attachment 2 - Community engagement report - Kully Bay Overland

Engagement Participation

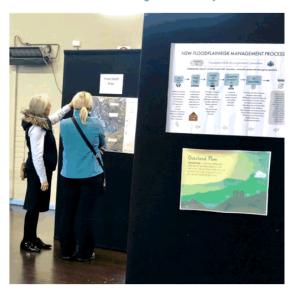
Details of the number of participants for each engagement activity are presented in Table 2.

Table 2: Engagement participation results

Engagement Activities	Participation
Southern Floodplain Risk Management Committee Meeting	8
Drop-in Community Information Session at Warrawong Community Centre	3
Online Participation • Aware – Total number of users who viewed the project page • Informed – Total number of users who clicked a hyperlink, e.g. to download	19
 a document Engaged – Total number of users who actively contributed to the project, e.g. submitted feedback via the online form 	9

Figures 3 and 4 Community Information Session at Warrawong Community Centre





Submission Results

There were no submissions. Feedback themes from discussions at the drop-in session related to general interest about flood risk in the catchment. There was also interest in the flood gates at the entrance of Warrawong Mall.



File: PJ-3183 Doc: IC19/633

ITEM 8 ALLANS CREEK FLOOD STUDY (2019)

The Allans Creek Flood Study (2019) went on public exhibition from 29 July 2019 through to 26 August 2019 and is now finalised. It is recommended Council adopt the Allans Creek Flood Study (2019) which will inform land use planning and planning certificates.

This catchment encompasses various suburbs including Mount Keira, Figtree, Mount Kembla, Kembla Heights, Cordeaux Heights, Unanderra and Port Kembla. It incorporates five main tributaries, namely, Byarong Creek, American Creek, Charcoal Creel, Allans Creek and the Unanderra Industrial Area Drains. The study improves the accuracy and reliability of flood levels and flood behaviour in the Allans Creek Catchment.

The reports and flood models for the Allans Creek Flood Study (2019) will be placed on the NSW Flood data portal so that they can be publicly accessed. This will lead to a greater understanding of flood behaviour and risk and wiser decision making.

RECOMMENDATION

- 1 That the Allans Creek Flood study (2019) be adopted
- 2 That the Floodplain Risk Management Study & Plan for Allans Creek commence as a priority
- 3 Persons who made submissions be thanked and advised of Council's decision

REPORT AUTHORISATIONS

Report of: Mike Dowd, Manager Infrastructure Strategy + Planning

Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

- 1 Allans Creek Flood Study 2019 Community Engagement Report
- 2 Allans Creek Flood Study 2019 Executive Summary
- 3 Key Themes raised during public exhibition and Council's response

BACKGROUND

The NSW Government's Floodplain Development Manual provides a framework to ensure the sustainable use of floodplain environments and incorporates the NSW Flood Prone Policy. Under the Policy, the management of flood liable land remains the responsibility of Local Government with State Government subsidising flood mitigation works to alleviate existing problems and providing specialist technical advice to assist Councils in performing their floodplain management responsibilities.

The Policy provides for technical and financial support by the State Government through five stages:

- 1 Flood Study Determines the nature and extent of flooding.
- 2 Floodplain Risk Management Study Evaluates risks and management options for the floodplain in respect of both existing and proposed development.
- 3 Floodplain Risk Management Plan Involves formal adoption by Council of a plan of management for the floodplain.
- 4 Implementation of the Plan voluntary house purchase, flood readiness and response plans, construction of flood mitigation works to protect existing development and use of planning controls (LEP, DCP) to ensure new development is compatible with the flood hazard.
- 5 Review reviews are recommended on average every 5 years and are also generally recommended after significant flood events, policy changes, or land use changes and where impediments to floodplain management plan implementation exist that warrant a review.



Allans Creek Flood Study

In 2017, Advisian was commissioned by Wollongong City Council (WCC) to review the Allans Creek Flood Study (2006) to take into consideration Council's updated Conduit Blockage Policy (2016). The review incorporates new survey data, more detailed modelling techniques, the updated blockage factors, and additional development within the catchment.

New hydrologic and hydraulic models have been developed and calibrated and verified to historic flood data to confirm their ability to simulate catchment flood behaviour.

Attachment 1 to this report provides an executive summary of the final report recommended for adoption by Council.

PROPOSAL

The Allans Creek Flood Study (2019) be adopted. After adoption, undertake the following actions:

- Update the flood planning levels Planning & Environment
- Update of the relevant Section 10.7 planning certificate Planning & Environment
- Provide flood level information advice in accordance with -new study results Infrastructure & Works

CONSULTATION AND COMMUNICATION

On 26 June 2019, the draft flood study was presented to the Central Floodplain Risk Management Committee who recommended public exhibition of the draft report.

The final draft Flood Study report went on public exhibition from 29 July 2019 through to 26 August 2019. Two community drop-in sessions were attended by 74 community members; the first on Wednesday, 7 August 2019 from 4:00 pm - 5:30 pm at the Figtree Community Centre, and the second on Saturday, 10 August 2019 from 10:30 am - 12 noon at the Berkeley Community Centre.

Mailed out a letter to over 7,700 residents and property owners in flood affected areas (all properties within the extent of the probable maximum flood) to advise of the public exhibition process and seek feedback on the document.

Notices of the public exhibition were published in the local newspaper on 31 July and 7 August 2019. Hard copies of the Flood Study and Frequently Asked Questions were placed at the Unanderra and Wollongong Libraries and PDFs were available through Council's "Have Your Say" page. 200 people viewed the Website's project page. 125 people downloaded the documents from the Website. There were a total of 26 submissions throughout the exhibition period.

Comments from the submissions and at drop in sessions related to:

- Australian Rainfall and Runoff
- Flood modelling
- Mapping
- Observations of flooding
- Creek maintenance
- Flood mitigation
- Flood Risk to individual properties
- Perceived causes of flooding
- 1998 Floods
- Planning / Development
- Insurance premiums

Persons who made a submission were thanked and advised of this matter being reported to Council for adoption.

A community engagement report is provided in attachment 2 and outlines in more detail the process and outcomes of the consultation.

Attachment 3 provides responses to all key themes raised during the consultation.



The comments provided can be addressed through on-going education on floodplain management, or considered as part of the future review of the floodplain risk management study and plan for the catchment. Some submissions were very technical in nature and were considered by the consultants, council's flood engineers and flood experts from the NSW Government Department of Planning, Industry and Environment and resulted in additional information and clarifications being provided in the final report.

On 17 October 2019, a presentation was provided to the Central Floodplain Risk Management Committee summarising the outcomes of the exhibition process and how submissions have been addressed. The Committee, by majority, recommended that the Allans Creek Flood study 2019 report be adopted by Council.

The Northview Estate Flooding Residents Action Group (NEFRAG) representatives on the Committee did not support adoption of the plan by Council as the Flood Study does not apply the new National guidelines for flood estimation (AR&R 2016/19). This is consistent with the submission provided by NEFRAG during the exhibition period. Council has committed to implement AR&R 2016/19 as part of the review of the Floodplain Risk Management Study and Plans, with Allans Creek catchment being the first catchment to be reviewed, commencing in early 2020.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We Value and Protect our Environment". It specifically delivers on the following:

Community Strategic Plan	Delivery Program 2018-2021	Operational Plan 2019-20
Strategy	3 Year Action	Operational Plan Actions
1.1.3 The potential impacts of natural disasters, such as those related to flood and landslips are managed and risks are reduced to protect life, property and the environment	1.1.3.2 Establish effective urban stormwater and floodplain management programs	Develop and implement Floodplain Risk Management Plans

FINANCIAL IMPLICATIONS

The Allans Creek Flood Study (2019) cost \$146,430 excluding GST. The next stage in the flood planning process for this catchment, being the Floodplain Risk Management Study & Plan, will be funded from existing budget allocations and an application has already been made to the State Government for grant funding. It is expected that the Floodplain Risk Management Study & Plan will commence in early 2020.

CONCLUSION

The Allans Creek Flood Study (2019) was prepared with the cooperation, assistance and support of many stakeholders, including community members and State government representatives and the Central Floodplain Risk Management Committee.

The study improves the accuracy and reliability of flood levels and flood behaviour in the Allans Creek Catchment. The reports and flood models for the Allans Creek Flood Study (2019) will be placed on the NSW Flood data portal so that they can be publicly accessed. This will lead to a greater understanding of flood behaviour and risk and wiser decision making.





ALLANS CREEK FLOOD STUDY

ENGAGEMENT REPORT

SEPTEMBER 2019 Z19/203884





Table of Contents

Executive Summary	3
Background	4
Results	8

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

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



Executive Summary

Council is responsible for planning and managing flood prone lands in our area and has updated the Allans Creek Flood Study as part of this commitment. A report on the draft Flood Study was prepared with information on how it was updated and what the results are. The updated Study explains the way flooding happens in the <u>Allans Creek catchment</u>. The study will form a basis for the ongoing management of flood risk in the catchment.

Council's engagement team worked collaboratively with a technical consultant to share the updated Study with the community and key stakeholders. During the public exhibition period, 29 July to 26 August 2019, Council sent letters to more than 7,700 residents and property owners in the catchment area inviting them to learn more about the review. Emails with this information were sent to community, education, Register of Interest (flood), business, government and emergency services' stakeholders. The information was also available at Council's Customer Service Centre. Copies of the draft report, a Frequently Asked Questions sheet and Feedback Form were made available at Unanderra and Wollongong Libraries, as well as information sessions at Figtree Community Hall on 7 August 2019 and Berkeley Community Centre on 10 August 2019. They were also included on the project webpage. Notices of the exhibition were published in the Advertiser on 31 July and 7 August 2019. A media release was distributed on 29 July 2019. The community were invited to provide feedback via Council's website, Customer Service Centre and at the community information sessions.

There were 25 submissions. Some comments were provided at the drop-in information sessions which were attended by a total of 74 community members.

Feedback themes relating to the flood study focused on flood estimation methodology, flood modelling and mapping. Concerns were expressed that Council is not using the most current available data. It was noted that the developers of Cobblers Run took Council to court about using the ARR1987 and were successful, with the new guidelines subsequently being used for that development. Questions were raised about why the new guidelines could not also be used for the rest of Northview Estate. Some detailed technical analyses of the Study were provided, with suggested changes. Comments related to the modelling of calibration events, blockage, hydrologic and hydraulic modelling, estimates, validity, verification, data, catchment delineation, grid size, percentage impervious values, Manning's values and definitions. There was some uncertainty about whether the modelling replicates real events. A comment was made that the mapping confirmed observed flood levels. Some suggested that the resolution of the maps needed to be improved. A method was stepped out as to how to improve this in a way that reduces loss of quality. It was also suggested to remove most maps that are based on "risk management" blockages.

Other feedback themes related to observations of flooding, creek maintenance, flood mitigation, flood risk to individual properties, perceived causes of flooding, 1998 floods, planning/development and insurance premiums.



Background

Wollongong City Council is committed to finding solutions to reduce the social and economic damages of flooding. In 2016, Council updated its Blockage Policy and resolved to review and update its flood studies. The Allans Creek Flood Study is one of 10 studies to undergo review. This catchment is located in Mount Keira, West Wollongong, Figtree, Mount Kembla, Unanderra, Farmborough Heights and Berkeley.

Figure 1 Allans Creek catchment map



The Allans Creek Catchment Flood Study and Floodplain Risk Management Study and Plan were completed by Council in 2006, with addendums to the Flood Study in 2008 and 2009. These studies identified the risk within the Allans Creek catchment and the steps that can be taken to manage this risk now and into the future.

As part of updating the Study, Council's revised Blockage Policy was considered, which helps us work out how blocked stormwater structures might affect flooding. We have improved information, such as recent data from land and waterway surveying. We've included an extended network of drainage pits and pipes and used more improved and detailed modelling techniques. We've also extended the mapping to capture additional flood-prone areas and waterways that were not previously mapped. Data was collected and used to update the computer models used to simulate the flooding in the catchment, and to update flood maps which provide a visual illustration of the flood risk in the catchment.



At the Central Floodplain Risk Management Committee meeting on 26 June 2019, the public exhibition of the draft Allans Creek Flood Study was unanimously supported. The outcomes of the exhibition and resulting amendments to the Study will be reported to the Central Floodplain Risk Management Committee and Council in view of adopting it in 2019.

The study provides an improved understanding of the potential impacts of floods on the local community and will form a basis for the ongoing management of flood risk in the Allans Creek catchment.



Methods

Our Stakeholders



Our Methods

Table 1: Details of Communication and Engagement Methods

Methods	Details of Methods
Presentation	Information about the proposal was presented at the Floodplain Risk Management Committee (Central) meeting on 26 June 2019
The Advertiser	Details of the public exhibition, information sessions and Engagement HQ webpage were included in Council's Community Update pages on 31 July and 7 August
Media release	A media release was made available for media outlets
Email to key stakeholders	An email and FAQ were sent to key stakeholders identified through an analysis process
Register of Interest	An email was sent to all participants with registered interest in 'Flood'
Info packs	Frequently asked question sheets and hardcopy feedback forms were made available at Corrimal Library and Customer Service. Hardcopies of the draft report were also made available at Wollongong and Unanderra Libraries.
Letter	A letter about the public exhibition, information sessions and how to submit feedback (via phone, email, in person or post) was mailed to local residents and property owners
Frequently Asked Questions	Responses to questions about updates to the Study and floodplain risk management were distributed with the letter and emails, published on the project webpage and distributed at the information sessions.



Engagement HQ Website	 The project webpage hosted background info and supporting documents: Frequently Asked Questions with information on the Study and flood risk management News Feed for updates on project progress Document Library with the Report Flood modelling video Flooding in Wollongong video Online survey tool to capture participant's feedback
Video	The Flooding in Wollongong video was used on the Engagement HQ webpage and a flood modelling video was screened at information sessions and on the Engagement HQ webpage
Engagement HQ Website	An online survey tool was used to capture participant's feedback. The page also hosted background info and supporting documents.
Feedback Form	A hard copy feedback form was made available at libraries and engagement activities.
Community Information Sessions	Two drop-in sessions were held to provide the community with information on the work undertaken to date and findings of the Report. The Report, flood modelling maps, flood modelling video and images of flood mitigation work taking place in the catchment were displayed along with the FAQ and



Results

All stakeholders and the wider community were invited to provide feedback on the draft Study. This section provides details on the participation at engagement activities (Table 2), and the feedback received during the exhibition period.

Engagement Participation

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

Table 2: Engagement participation results

Engagement Activities	Participation
Central Floodplain Risk Management Committee Meeting	7
Drop-in Community Information Session at Figtree Community Hall	59
Drop-in Community Information Session at Berkeley Community Centre	15
Online Participation • Aware – Total number of users who viewed the project page • Informed – Total number of users who clicked a hyperlink, e.g. to download a document • Engaged – Total number of users who actively contributed to the project, e.g. submitted feedback via the online form	200 125 3

Figure 2 Community Information Session at Figtree Community Hall





Submission Results

There were 25 submissions, including 6 group submissions from Figtree Gardens Caravan Park Residents' Committee, Neighbourhood Forum 5, Rienco Consulting, Maddan Investments, Northview Estate Figtree Resident Action Group and Cardno. Discussions from drop-in sessions are also presented in this section.

Feedback themes relating to the flood study focused on flood estimation methodology, flood modelling and mapping.

Australian Rainfall and Runoff (ARR)

Concerns were expressed that Council is not using the most current available data. It was noted that the developers of Cobblers Run took Council to court about using the ARR1987 and were successful, with the new guidelines subsequently being used for that development. Questions were raised about why the new guidelines could not also be used for the rest of Northview Estate.

Expedite steps to prove up the ARR2016-19 methodology in Wollongong.

The study should not be formally released until current methodology is used for design flood estimation.

Council's engineers have said there are concerns with the new ARR2019 method and it needs to be adjusted for local characteristics unique to Wollongong. Is Wollongong so different that it can run its own race.

Use of the lower ARR2019 design rainfall for the region inevitably would have led to more scientifically correct and even lower flood levels in the Northview Estate.

Flood modelling

Technical comments were provided on modelling calibration events, blockage, hydrologic and hydraulic modelling, estimates, validity, verification, data, catchment delineation, grid size, percentage impervious values, Mannings values and definitions. There was some uncertainty about whether the modelling replicates real events. A comment was made that the mapping confirmed observed flood levels.

To alleviate confusion surrounding how the modelling has been assembled and its outputs, we recommend a Compendium of Data is published with the adopted Study which documents more of the underlying data that supports the modelling.

The modelling should include consideration of blockage, calibrated against real world events. It is difficult to see whether this has been done or not.

Clarify the hydrologic modelling's validity and superiority over conventional WBNM formulations

Mapping shows American Creek at my location to be increasing in width in the various flood conditions considered. They show increased depth and velocity. This is confirmed by my observations over the years.



Land surveys are required at two key locations where calibration of the model needs additional information to be reliable; these are immediately upstream of the Princes Highway bridge over Byarong Creek and at Figtree Grove Shopping Centre.

For calibration and verification modelling, a more forensic approach to understanding the "apparent blockage" values and harnessing them in cases where their physical significance cannot be reconciled with historical observations.

The definition of floodway includes a criteria that is too low and should be revised to exclude H1 hazard areas

Maps

Some felt the resolution of the maps needed to be improved. A suggestion was made to plot to PDF from GIS software and retain cadastre/contours/velocities as vector data instead of raster data to reduce loss of quality. It was also suggested to remove most maps that are based on "risk management" blockages.

The current maps have a poor resolution and are of little use for examining results at a street or property level.

Other feedback themes were:

Observations of flooding

Experiences of significant flood events in the catchment were recounted.

It went 12 ins up my wife's knee. My son was outside 16 ins in the carport. Within 10 minutes it was gone.

March 2019 - a car drove in floodwaters in Hurt Pde [Unanderra]. SES tried to get them out. Our backyard was underwater.

The area around Figtree Westfield shopping centre was so flooded on The Avenue at the Bowling Club that many cars had been washed over the fence in the front car park. Three houses opposite the Bowling Club were ¾ under water.

I have photographs of the big flood in 1959, 1998 and 1999



Creek Maintenance

Requests were made for creek maintenance on private land, Council land or where the landowner was not identified.

I would like the Council to remove trees that were washed down the creek up against the bridge. The creek needs to be cleared further up so the coral trees won't fall into creek and block the bridge.

Islands of vegetation have been allowed to grow in the middle of the creek, trees have fallen into the creek and in one spot fallen trees have formed a dam.

The banks are eroding toward properties on Leigh Crescent. The waterway needs to be maintained & improved.

The owners of the entry culvert/causeway land at Figtree Gardens Caravan Park have not done any vegetation clearing either side for a number of years. I understand Council can "encourage" them to maintain the area affected and also as it's a public road help with said maintenance to a degree.

Flood mitigation

There was a high level of interest in the next stage of the flood risk management process, i.e. what Council might do to reduce the impact of floods.

How many more studies are Council going to do? And when will we see something being done?

According to the current Wollongong flood map, the M1 is predicted to hold back floodwaters over a length of 1.5km. The American Creek M1 culverts are the most sensitive location along this length. What can Council do to improve this position?

The Forum requests that in the Flood Risk
Management Study priority is given to the
implementation of flood mitigating infrastructure
affecting the Figtree Grove Shopping Centre and the
nearby residential areas that are otherwise suitable
for redevelopment at higher densities.

There were many bright graphs/pictures and we could all see light and dark blue which was the flood water etc -But what is Council going to do?

A range of potential options for mitigating flood impacts was suggested.

Target the 'low hanging fruit' in terms of the suite of flood mitigation management measures e.g. a well-designed debris trap at the M1 culvert

Open the culvert on Gladstone Avenue at least another metre higher and possibly make the spans wider



Flood risk to individual properties

There was uncertainty about what the outcomes of the Study mean for flood risk to individual properties.

We still do not know if we are at risk of a flood according to your studies What should I expect in significant rain events if your proposed plans are adopted?

Perceived causes of flooding

A range of reasons for what people perceived to be the cause of flooding was presented.

Potential flooding is mainly caused by blockage of the M1 Culvert Water is being diverted towards properties by a bridge constructed in 1979 and is eroding a creek bank less than 1 metre from the main sewerage line

[Comments in 1999 letter to the Illawarra Mercury] Byarong Creek gets choked with straight willows. These catch the debris and break free of the mud and flow downstream and block the culvert forming a huge damn.

1998 floods

Experiences of the 1998 flood were shared, including those that occurred in other catchments.

The High Tide was in, the water could not flow back into the ocean. The now MI had been built and the walls on either side of this highway are about 4 to 5 meters high. The water from the creek built up and water accumulated and pushed onto the MI wall and therefore Preston Avenue flooded.

Corrimal Westfield Shopping Centre lower section was totally flooded and all merchandise and equipment etc was ruined. Fairy Meadow Fraternity Club was flooded. Bulli Pass had collapsed. Thirroul Escarpment (Sylvan Way) became a waterfall, creek flooded, water just ran down the mountain.

Planning / development

There was a concern that the Flood Study would add to the cost of making new developments compliant.

Many have been told by Council that they would not get planning permission for their build in Cobblers Run unless they built 1.0m above the ground. This adds significant cost to an average family home.



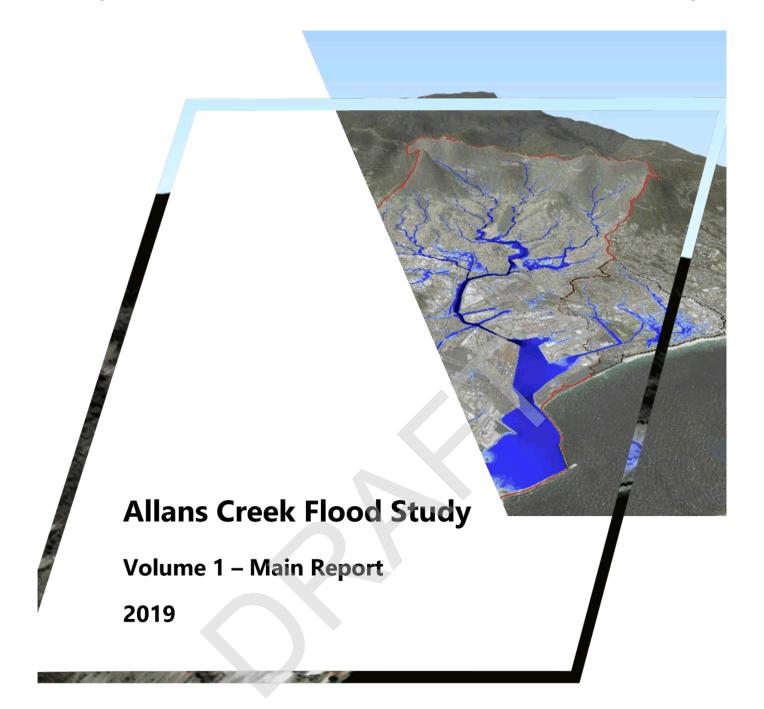
Insurance premiums

Concerns were raised about the impact of the flood study on home insurance premiums.

The modelling results in the 'flood affected' label being unnecessarily applied to hundreds of homes in Figtree which now require flood insurance when clearly they are not flood prone. This adds further annual costs of flood insurance.

People that have lived here for more than 30 years have never seen flood waters on the backyards from rising creek water and yet due to Councils classification it is very costly to have any flood insurance





Level 17, 141 Walker St North Sydney NSW 2060 Australia

Revision B

October 2019

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Cover Photo: Three-dimensional render of major flowpaths in the Allans Creek & Wollongong City catchments (*Source: Advisian*)

Project: Allans Creek Flood Study Draft Flood Study Report

Rev	Description	Author	Review	Advisian Approval	Date
0	Draft Report for Internal Review	LC	CRT		18/7/2019
		L Collins	C Thomas		
Α	Draft Report issued for Public	LC	CRT		00/7/0040
	Exhibition	L Collins	C Thomas		26/7/2019
В	Final Draft Report	LC			
		L Collins			





Table of Contents

Exec	cutive	Summ	ary	. VII		
1 Introduction						
2	Backg	Background3				
	2.1	The N	leed for Floodplain Risk Management	3		
	2.2	The S	tudy Area	3		
	2.3	Flood	History	7		
	2.4	The N	ISW Floodplain Risk Management Process	8		
	2.5	Previ	Previous Studies			
	2.6	The N	leed for Update of the Allans Creek Flood Study	9		
	2.7	Study	Objectives	. 10		
	2.8		ant Manuals and Guidelines			
		2.8.1	Floodplain Development Manual, 2005	10		
		2.8.2	Australian Rainfall and Runoff, 1987			
		2.8.3	Australian Rainfall and Runoff, 2016	10		
		2.8.4	OEH Floodplain Risk Management Guidelines	11		
		2.8.5	Review of Conduit Blockage Policy Summary Report, 2016			
		2.8.6	Revised 2016 Design Rainfalls: Investigations into the Need for and Derivation of Local Techniques, 2018	11		
		2.8.7	Review of Rainfall Losses & Preburst Rainfall – Wollongong LGA, 2018	12		
3	Data Collection and Review13					
	3.1	Торо	graphic Data	. 13		
		3.1.1	LiDAR	13		
		3.1.2	Cross-Sectional Survey	15		
		3.1.3	Structural Survey	15		
		3.1.4	Stormwater Asset Data	15		
		3.1.5	Recent Developments and Works	15		
		3.1.6	Additional Survey	15		
	3.2	Hydro	ometric and Historic Flood Data	. 16		
		3.2.1	Stream Level Data	16		
		3.2.2	Rainfall Data	16		





		3.2.3	Ocean Level Data	10		
		3.2.4	WCC Historic Flood Level Database	16		
4	Floor	d Mod	el Development	18		
	4.1	Mod	elling Approach	18		
	4.2	Hydr	ologic Model Development	18		
		4.2.1	Model Layout	18		
		4.2.2	Runoff Lag and Stream Routing Parameters	19		
		4.2.3	Hydrologic Model Stream Routing and Storages	19		
		4.2.4	Catchment Imperviousness	20		
		4.2.5	Rainfall Loss Rates	21		
	4.3	Hydr	aulic Model Development	23		
		4.3.1	2D Model Domain	23		
		4.3.2	2D Model Terrain	23		
		4.3.3	Boundary Conditions	23		
		4.3.4	Hydraulic Roughness	24		
		4.3.5	Bridges	25		
		4.3.6	Culverts and Stormwater Drainage System	25		
		4.3.7	Road Barriers and Railings	25		
5	Mod	Model Calibration and Verification				
	5.1	Over	view of Model Calibration and Verification	29		
	5.2	Selec	tion of Model Calibration and Verification Events	29		
	5.3	Mod	el Calibration – 17 August 1998 Event	30		
		5.3.1	Event Overview	30		
		5.3.2	Rainfall Data	32		
		5.3.3	Assessment of Rainfall Return Period	33		
		5.3.4	Antecedent Conditions	33		
		5.3.5	Stream Level Data	34		
		5.3.6	Ocean Water Levels	35		
		5.3.7	Hydrologic Model Calibration	36		
		5.3.8	Hydraulic Model Calibration	37		
		5.3.9	Summary of Model Calibration to the August 1998 Flood Event	41		
	5.4	Mod	el Verification – 24 October 1999 Event	42		
		5.4.1	Event Overview	42		
		5.4.2	Rainfall Data	44		





		5.4.3	Assessment of Rainfall Return Period	44
		5.4.4	Antecedent Conditions	45
		5.4.5	Stream Level Data	45
		5.4.6	Ocean Water Levels	46
		5.4.7	Hydrologic Model Verification	46
		5.4.8	Hydraulic Model Verification	47
		5.4.9	Summary of Model Verification to the October 1999 Flood Event	49
	5.5	Mod	el Verification – 21 March 2011 Event	50
		5.5.1	Event Overview	50
		5.5.2	Model Verification Results	51
6	Desi	_	od Estimation	
	6.1	Intro	duction	52
	6.2	Desig	gn Flood Events and Conditions Assessed	52
	6.3	Desig	gn Rainfall	53
		6.3.1	Design Rainfall Depths	53
		6.3.2	Design Rainfall Spatial Pattern	53
		6.3.3	Design Rainfall Temporal Patterns	54
		6.3.4	Design Rainfall Losses	54
		6.3.5	Assessment of Critical Storm Duration	54
	6.4	Desig	gn Boundary Conditions at Port Kembla Harbour	56
	6.5	Cond	luit and Pit Blockage	57
7	Desi	gn Floo	od Results (Scenario ID 2)	59
	7.1	Desig	gn Flood Mapping	59
		7.1.1	Design Flood Maps	59
		7.1.2	Design Flood Envelope	59
		7.1.3	Filtering of Model Results	60
	7.2	Desig	gn Flood Hydrographs	60
	7.3	Com	parison to Previous Flood Study	61
		7.3.1	Comparison of Peak Flood Flows	61
		7.3.2	Comparison of 1% AEP Peak Flood Levels	62
8	Floo	d Haza	rd, Flood Function and Emergency Response	
	Class	sificatio	on (Scenario ID 7-9)	64





	8.1 Provisional Flood Hazard (Scenario ID 7)				
	8.2	Flood Function (Scenario ID 8)			
	8.3	Flood Emergency Response Planning Classification (Scenario ID 9)	67		
9	Assessment of the Potential Impacts of Climate Change (Scenario ID 5)				
	9.1	Climate Change and Flooding	68		
	9.2	Summary of Potential Climate Change Impacts			
		9.2.1 Scenario ID 5A: 1% AEP Event with 20% Increase in Rainfall Intensity	69		
		9.2.2 Scenario ID 5B: 0.4 m Sea Level Rise	69		
		9.2.3 Scenario ID 5C: 0.9 m Sea Level Rise	70		
		9.2.4 Scenario ID 5D: 1% AEP Event with 20% Increase in Rainfall Intensity and 0.4 m Sea Level Rise	70		
		9.2.5 Scenario ID 5E: 1% AEP Event with 20% Increase in Rainfall Intensity and 0.9 m Sea Level Rise	70		
		9.2.6 Summary	71		
10	Sensitivity Analysis (Scenario ID 3, 4 & 6)				
	10.1	1 Sensitivity to Hydraulic Roughness (Scenario ID 3)			
	10.2	Blockage Policy Sensitivity (Scenario ID 4)	73		
		10.2.1 2016 Blockage Policy Risk Management vs Design Blockage Factors	73		
		10.2.2 2016 Blockage Policy vs 2002 Blockage Policy	74		
	10.3	Cumulative Impacts of Development (Scenario ID 6)	75		
11	Conc	lusions and Recommendations	76		
	11.1	Overview	76		
	11.2	Comparison to Previous Flood Study	76		
	11.3	Potential Impacts of Climate Change	77		
	11.4	Parameter Sensitivity	78		
	11.5	Blockage Policy Sensitivity	78		
	11.6	Recommendations	79		
12	Refer	rences	80		





Appendices

- Appendix A Additional Information Data Collection and Review
- Appendix B Additional Information Model Development & Calibration

Figure List

Figure 1-1	Study Location	2
Figure 2-1	Study Area	5
Figure 2-2	Site Topography	6
Figure 2-3	Photography following the August 1998 flood	7
Figure 2-4	Photography during the October 1999 flood	7
Figure 2-5	Stages of the NSW Floodplain Risk Management Process	8
Figure 3-1	Comparison of 2013 and 2005-2007 LiDAR DEMs	14
Figure 3-2	Hydrometric Data Stations	17
Figure 4-1	WBNM Hydrologic Model Sub-Catchment Delineation	22
Figure 4-2	Hydraulic Model Extent and Boundary Conditions	26
Figure 4-3	TUFLOW Hydraulic Roughness Delineation	27
Figure 4-4	TUFLOW Hydraulic Structures	28
Figure 5-1	24 Hour Rainfall Totals to 9 AM 18 August 1998	31
Figure 5-2	Cumulative rainfall plot for the period 9 am 17 August to 9 am 18 August 1998	32
Figure 5-3	Recorded water levels at the Byarong Creek gauge for 17 to 18 August 1998	34
Figure 5-4	MHL ocean level data for 17 to 18 August 1998	35
Figure 5-5	Comparison of recorded and simulated flood levels at the Byarong Creek gauge for the August 1998 event	39
Figure 5-6	Summary of comparison between simulated and surveyed flood levels for the August 1998 event	40
Figure 5-7	24 Hour Rainfall Totals to 11 AM 24 October 1999	43
Figure 5-8	Cumulative rainfall plot for the period 9 am 23 October to 12 pm 24 October 1999	44
Figure 5-9	Recorded water levels at the Byarong Creek gauge for 24 October 1999	45
Figure 5-10	MHL ocean level data for 23 to 24 October 1999	46





Figure 5-11	Comparison of recorded and simulated flood levels at the Byarong Creek gauge for the October 1999 event	48
Figure 5-12	Summary of comparison between simulated and surveyed flood levels for the October 1999 event	49
Figure 5-13	Cumulative rainfall plot for the period 12 am 21 March to 12 am 22 March 2011	50
Figure 5-14	Comparison of recorded and simulated flood levels at the Blackman Parade Upstream gauge for the March 2011 event	51
Figure 7-1	Comparison of 2008 and 2019 study 1% AEP peak flood levels at Byarong Creek cross-section along the upstream side of the Princes Highway	63
Figure 8-1	Flood Hazard Vulnerability curves	64
Table L	ist	
Table 4-1	Adopted WBNM runoff lag and stream routing parameters	19
Table 4-2	Effective percentage impervious by land surface type	20
Table 4-3	Adopted rainfall loss rates	21
Table 4-4	Adopted Manning's 'n' hydraulic roughness coefficients	24
Table 5-1	Rainfall Totals Prior to the August 1998 Flood Event	34
Table 6-1	Design flood events and conditions assessed	52
Table 6-2	Adopted Design Rainfall Intensities	53
Table 6-3	Adopted design initial loss-continuing loss values	54
Table 6-4	Critical storm duration and peak WBNM flood flow at selected assessment locations with no structural blockages	55
Table 6-5	Summary of adopted design ocean boundary conditions at Port Kembla Harbour	57
Table 6-6	Culvert and bridge blockage classifications	58
Table 6-7	"Design" blockage factors (2016 Blockage Policy Table 1)	58
Table 6-8	"Risk Management" blockage factors (2016 Blockage Policy Table 2)	58
Table 7-1	Summary of scenarios used to produce peak design flood envelopes	59
Table 7-2	Comparison of peak design flood flow estimates to previous flood study for 'no blockage' scenario	61
Table 8-1	Criteria and Methodology for Definition of Flood Function	66





Executive Summary

Introduction

The Allans Creek catchment is located within the Wollongong City Council Local Government Area (LGA) in the Illawarra Region of New South Wales. The catchment drains from the Illawarra Escarpment to Port Kembla Harbour, covering an area of approximately 45 km². The study area includes additional areas which drain directly to Port Kembla Harbour totalling about 5 km².

The catchment encompasses various suburbs including Mount Keira, Figtree, Mount Kembla, Kembla Heights, Cordeaux Heights, Unanderra and Port Kembla, and incorporates five main tributaries, namely Byarong Creek, American Creek, Charcoal Creek, Allans Creek and the Unanderra Industrial Area Drains. A number of major transport links also pass through the catchment including the Princes Motorway (M1), Princes Highway and the Illawarra Railway.

The catchment has a history of flooding, with extensive damage caused to private and public property located near the creeks and major drainage channels during floods in August 1998 and October 1999.

Previous floodplain risk management activities completed in the study area by Wollongong City Council (Council) have included the *Allans Creek Flood Study* (*Lawson and Treloar 2006a*), *Allans Creek Floodplain Risk Management Study and Plan (Lawson and Treloar 2006b*), and the implementation of flood risk management measures including creek modification works, riparian corridor management and voluntary property purchase.

Council engaged Advisian (*part of the Worley Group*) to complete an updated Flood Study for the Allans Creek catchment in response to a range of factors including release of Council's Revised Conduit Blockage Policy (*2016*), recent improvements in flood modelling technology, the availability of new data, and changes in the catchment.

The study provides an improved understanding of the potential impacts of floods on the local community and will form a basis for the ongoing management of flood risk in the Allans Creek catchment.

Flood Model Development

New hydrologic and hydraulic flood models have been developed using the latest available data for the catchment and up-to-date guidelines, modelling software and techniques.

The models underwent calibration and verification to historic flood data to confirm their ability to reliably simulate catchment flood behaviour. The models and their outputs will help inform the subsequent preparation of a Floodplain Risk Management Study and Plan for the Allans Creek catchment including the assessment of potential floodplain risk management measures.





Wollongong City Council Allans Creek Flood Study

Design Flood Modelling and Mapping

Design flood conditions are estimated from hypothetical design rainfall events that have a particular statistical probability of occurrence. These design floods are used by Council and other agencies to understand flood risk and help plan for the occurrence of flooding.

The probability of a design event occurring can be expressed in terms of percentage Annual Exceedance Probability (AEP), which provides a measure of the relative frequency and magnitude of the flood event. The new WBNM hydrologic and TUFLOW hydraulic models were used to simulate a range of design flood events including the 20%, 10%, 5%, 2% and 1% AEP floods and the Probable Maximum Flood (PMF). These design flood events were assessed for both 'risk management' and 'design' blockage factors as defined in Council's *Revised Conduit Blockage Policy* (2016).

Resultant flood mapping is presented in **Volume 2** of this report. A selection of flood mapping is reproduced at the end of this Executive Summary.

Summary of Flood Behavior

For design flood events up to and including the 1% AEP a critical storm duration of 120-minutes was found for the majority of the study area. This is indicative of a 'flashy' catchment where flooding generally occurs in response to relatively short durations of intense rainfall and flood levels quickly rise and fall over the course of just a few hours.

For design flood events up to and including the 1% AEP a longer critical storm duration of 360-minutes was found for the lower catchment, from where Allans Creek discharges to Port Kembla upstream to the area where Byarong and American Creeks pass beneath the M1 Motorway. This indicates that flooding in these areas is more sensitive to the total volume of rainfall than other parts of the catchment, and that floodwaters may rise somewhat slower and remain elevated for longer.

Flood model results indicate that flooding can be widespread along the various creeks, and numerous minor tributaries and local overland flow paths in the study area. While numerous properties may be affected, many others are located high on ridges and remain unaffected by flooding even during the PMF.

Flood extents along incised creek channels and in steeper areas of the catchment generally increase in relatively small increments with flood magnitude. However, in the lower, flatter areas of the catchment floodwaters from different tributaries converge and flood extents and depths can increase markedly with flood magnitude. Such areas include Byarong and American Creeks in the vicinity of the Princess Highway and M1 Motorway.

During the 1% AEP flood event, areas of high flood hazard that may pose a significant threat to life and property (e.g. ≥ H4 Hazard) are generally constrained to defined water courses, open channels and flood flow paths. However, there are various exceptions including (but not limited to) properties adjacent to Byarong Creek at Koloona Avenue, Arrow Avenue and Preston Street; properties near a low-point in Phillips Crescent, Mangerton, and; parts of Figtree Gardens Caravan Park and O'Donnell Drive adjacent to American Creek. Flood depths and velocities also become significant along various roads in the study area and would affect vehicle stability and pose constraints for evacuation and emergency response.





Wollongong City Council
Allans Creek Flood Study

During the PMF event, the extent and degree of hazard posed to life and property would increase significantly, with buildings vulnerable to structural damage or failure in various areas. Evacuation and emergency response constraints would also be significantly worse, with some areas requiring early evacuation to avoid rapid isolation and inundation.

Potential Impacts of Climate Change

To assess the potential impacts of climate change on flooding in the Allans Creek catchment the following scenarios were investigated:

- Scenario ID 5A: 1% AEP event with 20% increase in rainfall intensity
- Scenario ID 5B: 1% AEP and PMF events with 0.4m increase in ocean level (2050 conditions)
- Scenario ID 5C: 1% AEP and PMF events with 0.9m increase in ocean level (2100 conditions)
- Scenario ID 5D: 1% AEP event with 20% increase in rainfall intensity and 0.4m increase in ocean level
- Scenario ID 5E: 1% AEP event with 20% increase in rainfall intensity and 0.9m increase in ocean level.

The findings are summarised as follows:

- The investigated sea level rise scenarios of up to 0.9 m would be expected to cause little
 change to existing flood conditions and impacts. This owes to the steep flood gradient in
 Allans Creek approaching Port Kembla, and the relatively high surrounding ground elevations.
- Increases in the intensity of heavy rainfall events would be expected to have a more significant impact on flooding. Flood model results indicate that a 20% increase in rainfall intensity for the 1% AEP event would lead to increases in peak flood level of 0.1 m or more along most tributaries, with localised increases of more than 0.5 m.
- Additional impacts caused by up to 0.9 m of sea level rise in conjunction with a 20% increase in rainfall intensity (beyond those caused by the 20% increase in rainfall intensity alone) would be expected to be small and limited to the lower reaches of Allans Creek.

Blockage Policy Sensitivity

As noted previously, Council's *Revised Conduit Blockage Policy* (2016) includes two different sets of blockage factors, namely 'risk management' and 'design' blockage factors. To quantify the relative impact of these blockage factors on peak design flood levels a comparison was undertaken as discussed in the following. Similarly, a comparison was undertaken between the 2016 Blockage Policy and the 2002 Blockage Policy adopted in the previous flood study.

2016 Blockage Policy Risk Management vs Design Blockage Factors

The revised 2016 blockage policy 'risk management' factors were found to result in higher 1% AEP and PMF peak flood levels upstream of many structures relative to the 'design' blockage factors, though the magnitude of increase is often less than 0.1 m. Localised differences in 1% AEP peak flood levels of up to 0.85 m were however observed. The magnitude of flood level difference is generally lower for the PMF event than the 1% AEP event.





Wollongong City Council Allans Creek Flood Study

2016 Blockage Policy vs 2002 Blockage Policy

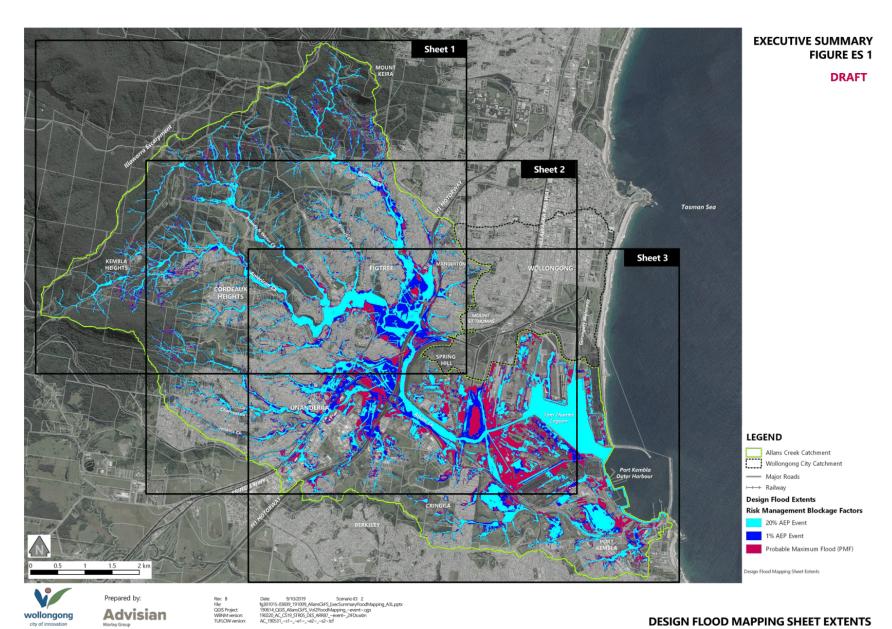
To determine the degree of any changes in peak flood levels that are attributable to the adoption of Council's *Revised Conduit Blockage Policy* (2016) a comparison between the following scenarios was made for the 1% AEP and PMF events using the new TUFLOW hydraulic model:

- 2016 policy 'risk management' blockage factors
- 2002 policy blockage factors as described in Chapter 3 of Allans Creek Flood Study Addendum 1 (Cardno Lawson Treloar 2008) and Chapter 7 of Allans Creek Flood Study (Lawson and Treloar 2006a).

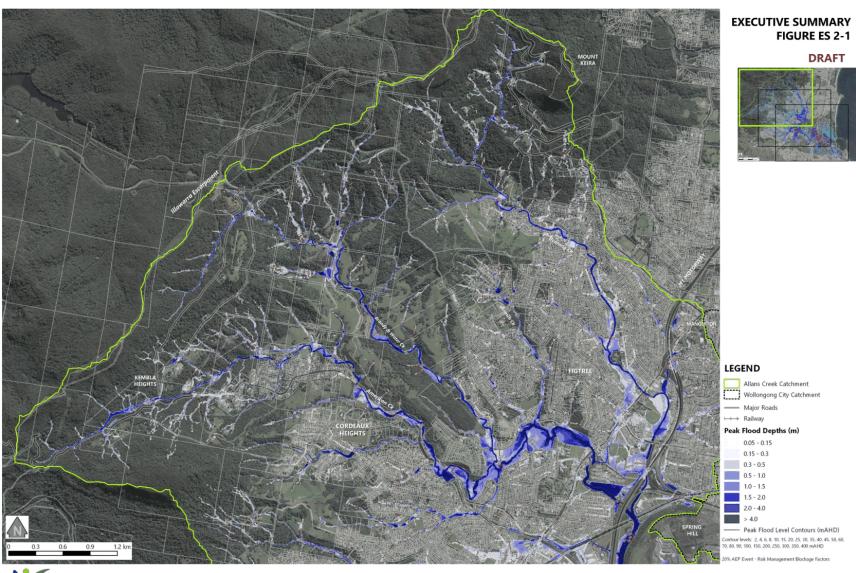
The revised 2016 blockage policy 'risk management' factors were found to result in a decrease in peak flood levels upstream of many structures relative to the 2002 Blockage Policy. No increases in peak flood level were indicated by the model results.











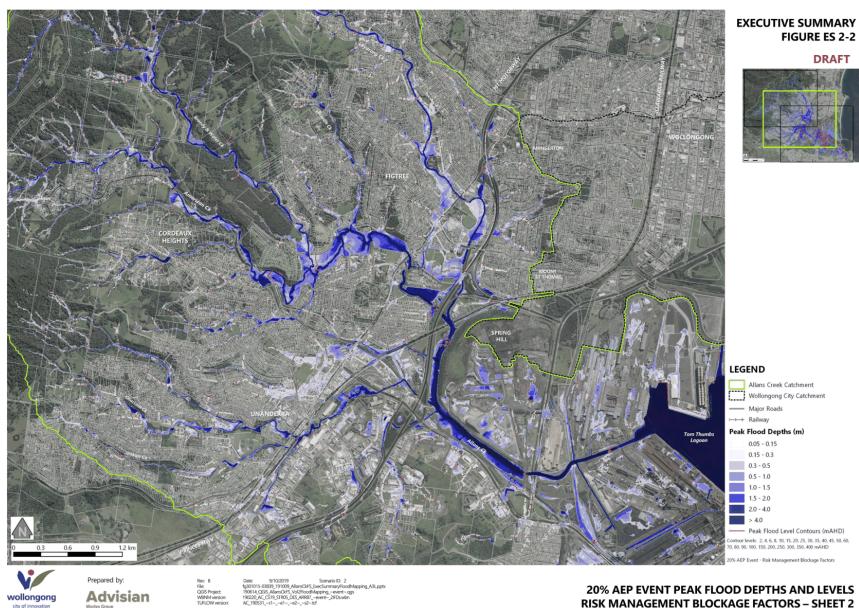


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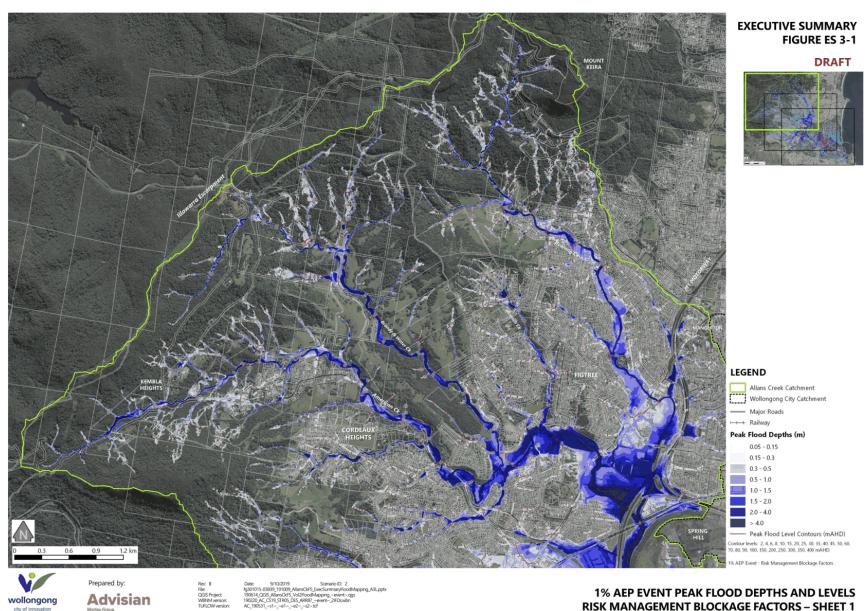






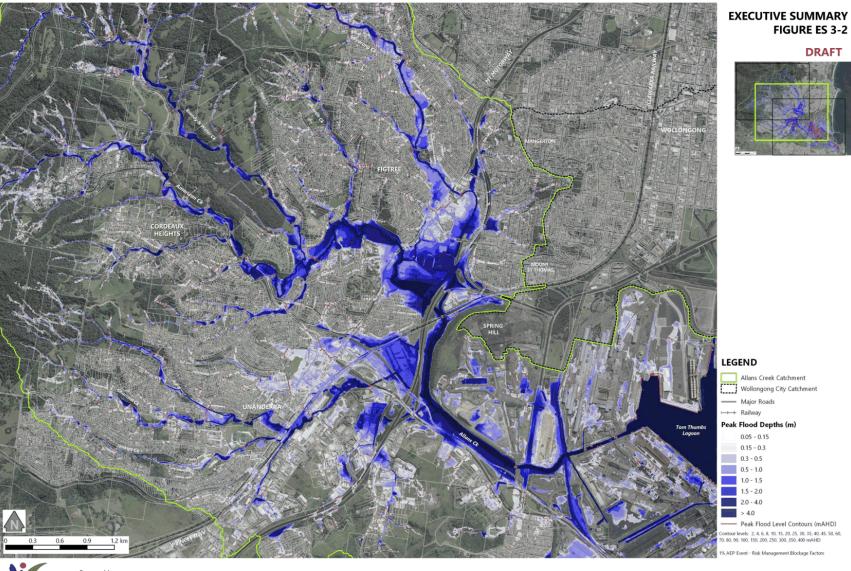
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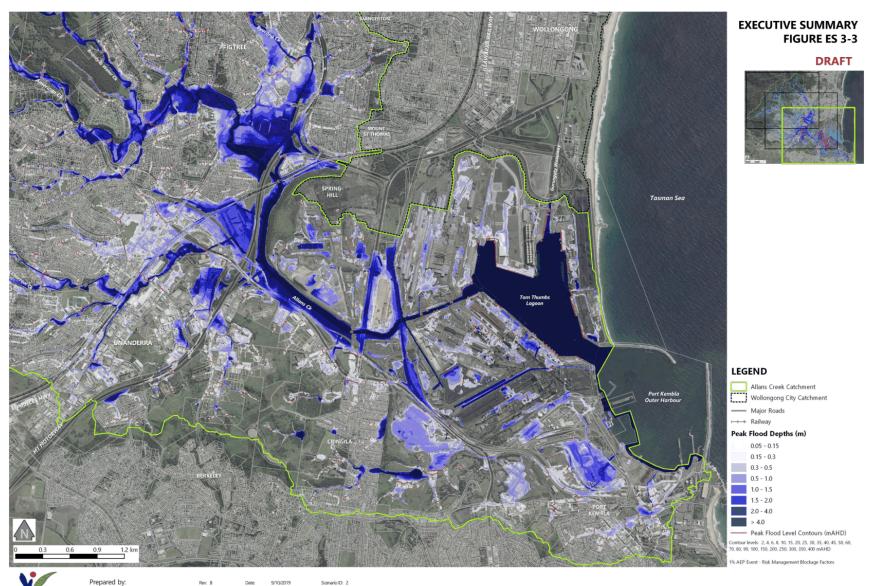


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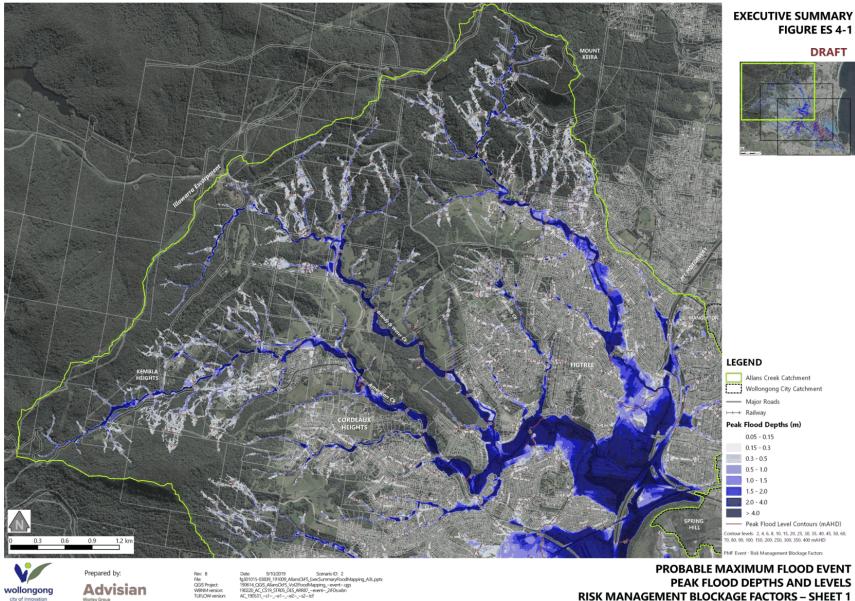
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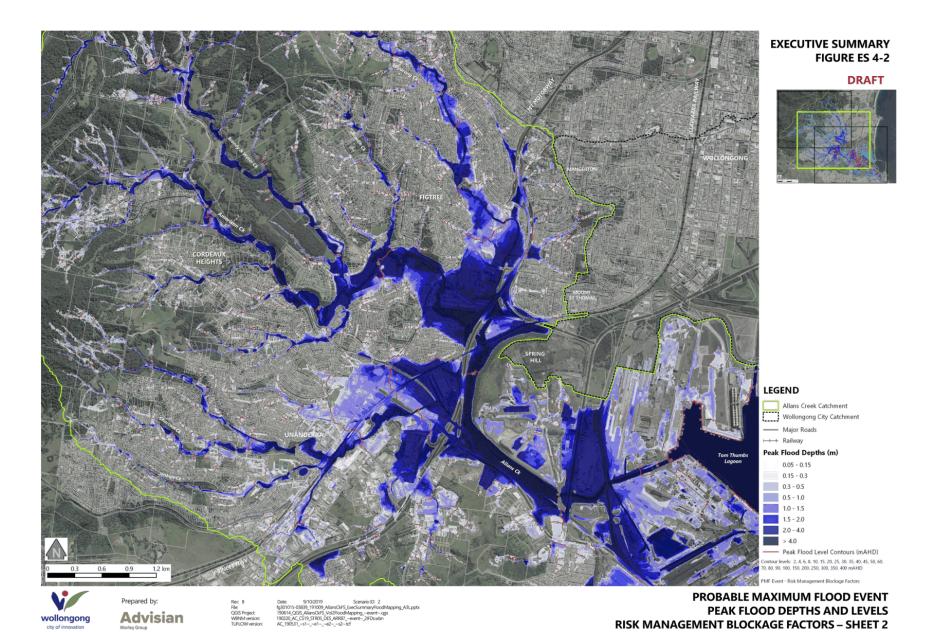


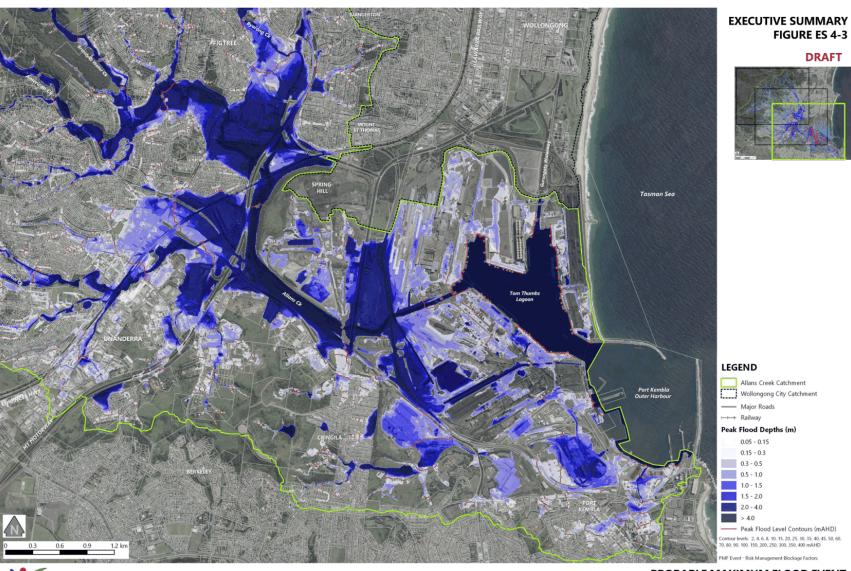
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PROBABLE MAXIMUM FLOOD EVENT **PEAK FLOOD DEPTHS AND LEVELS RISK MANAGEMENT BLOCKAGE FACTORS – SHEET 1**





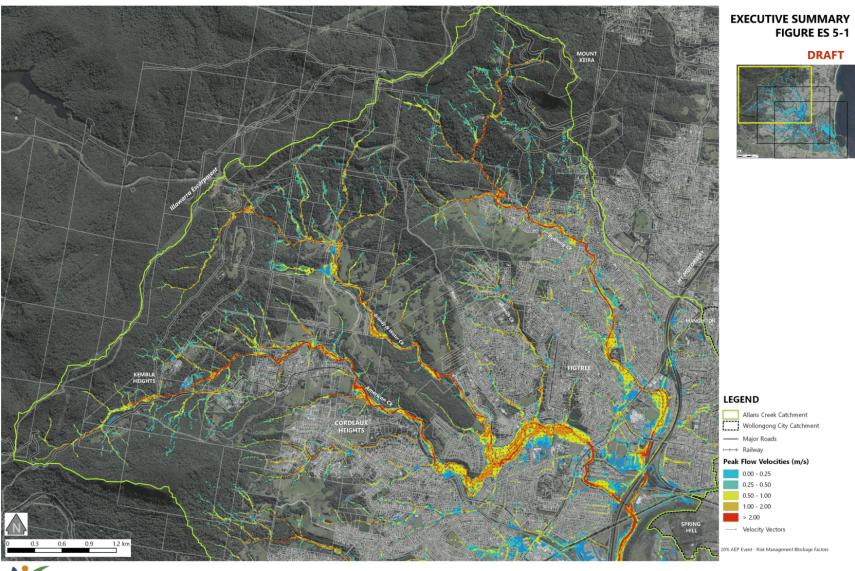




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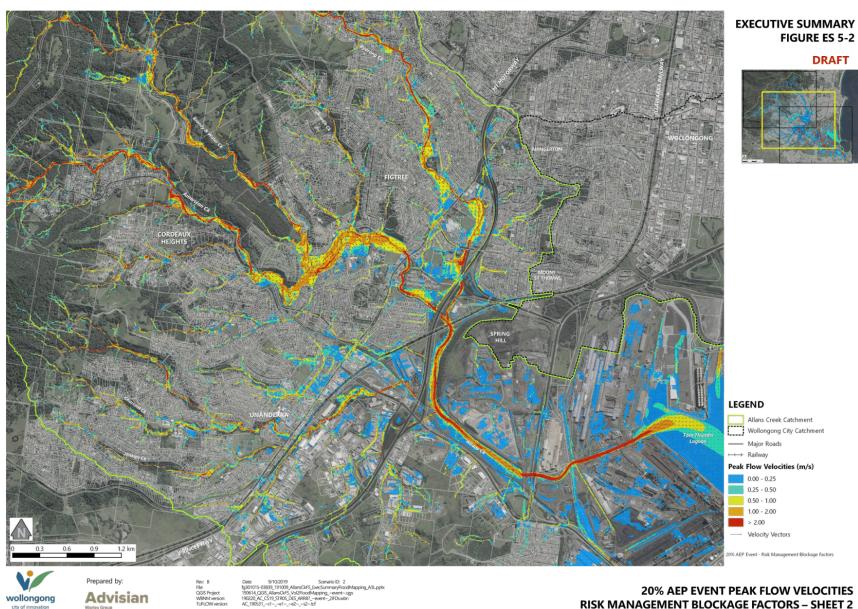




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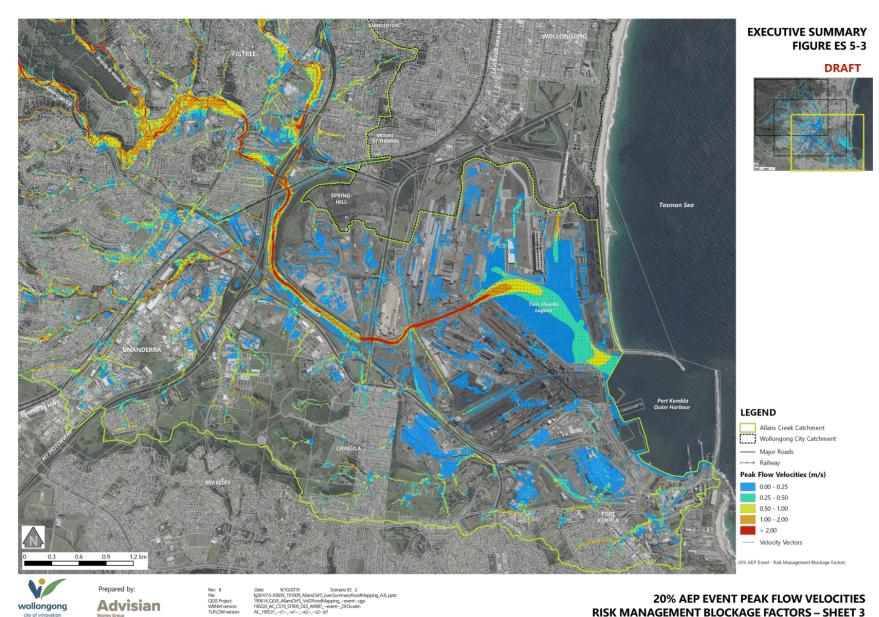
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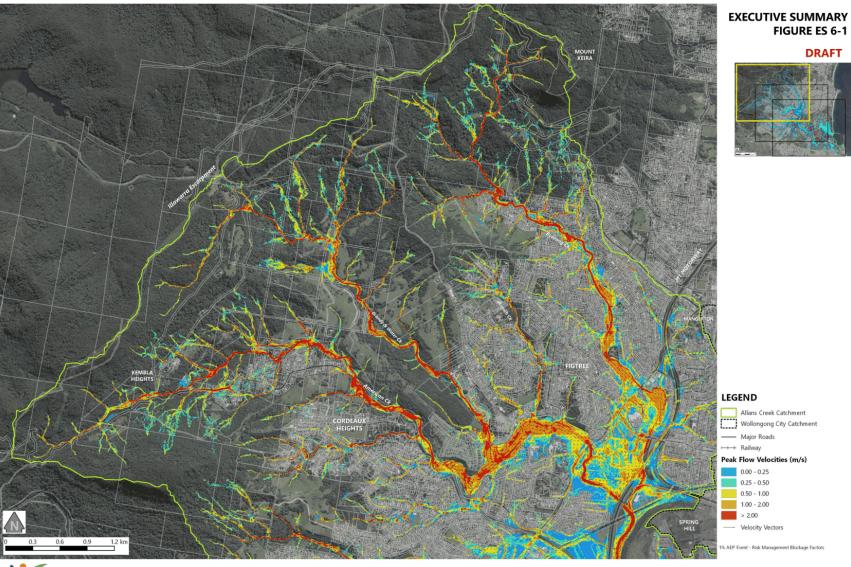
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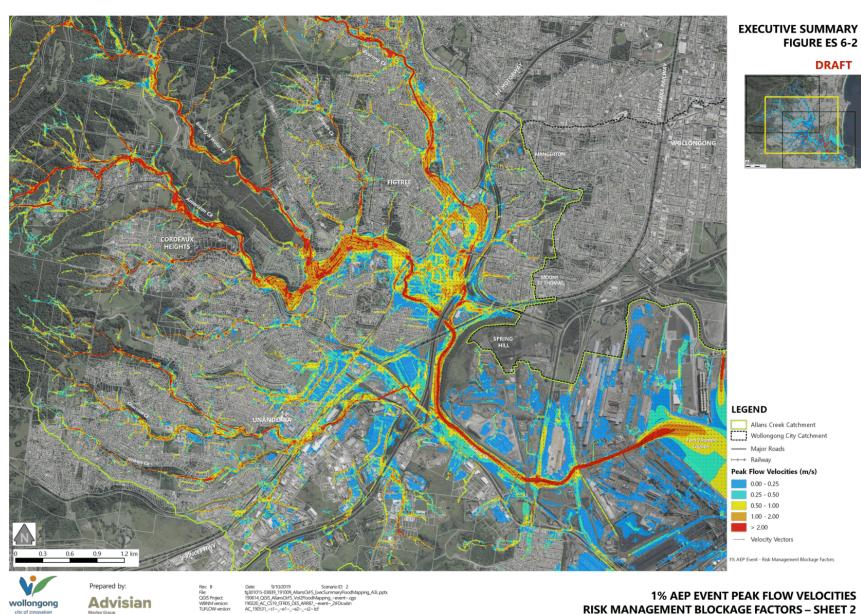
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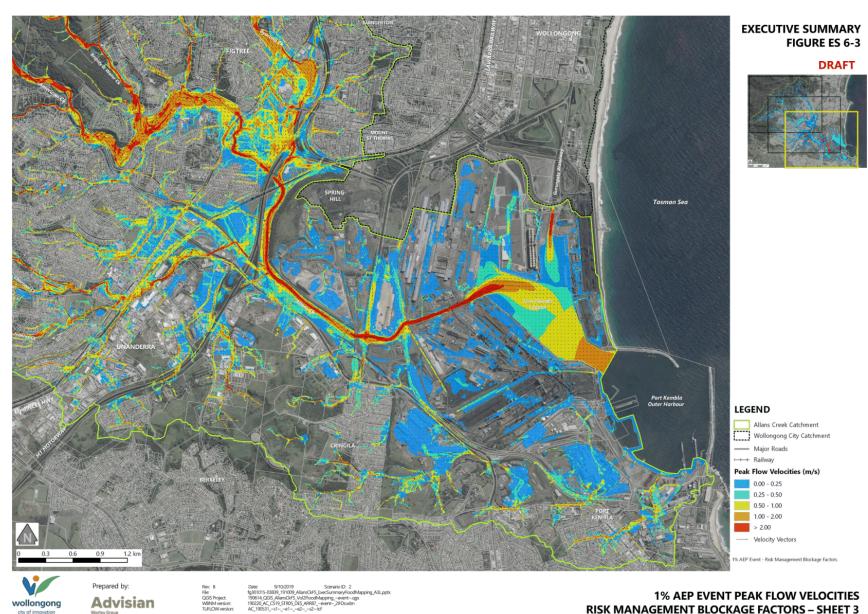
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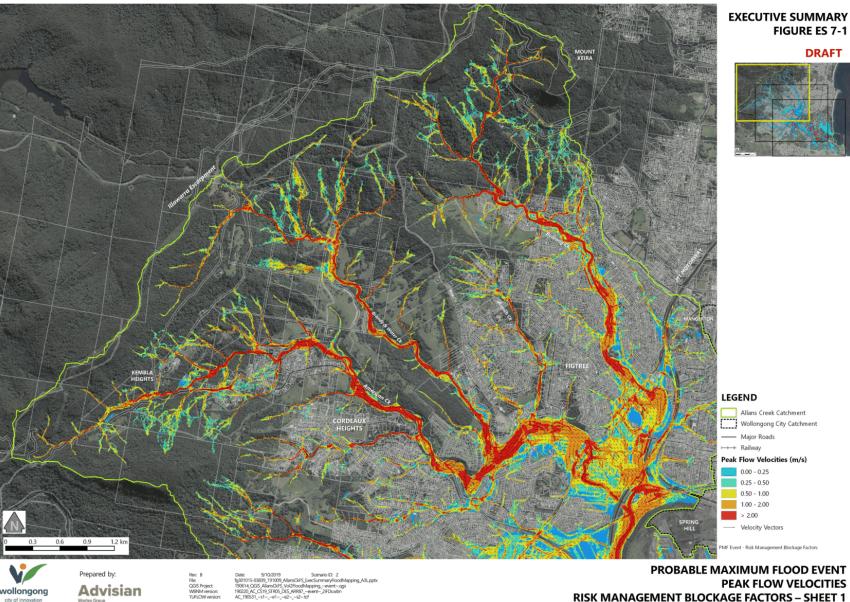
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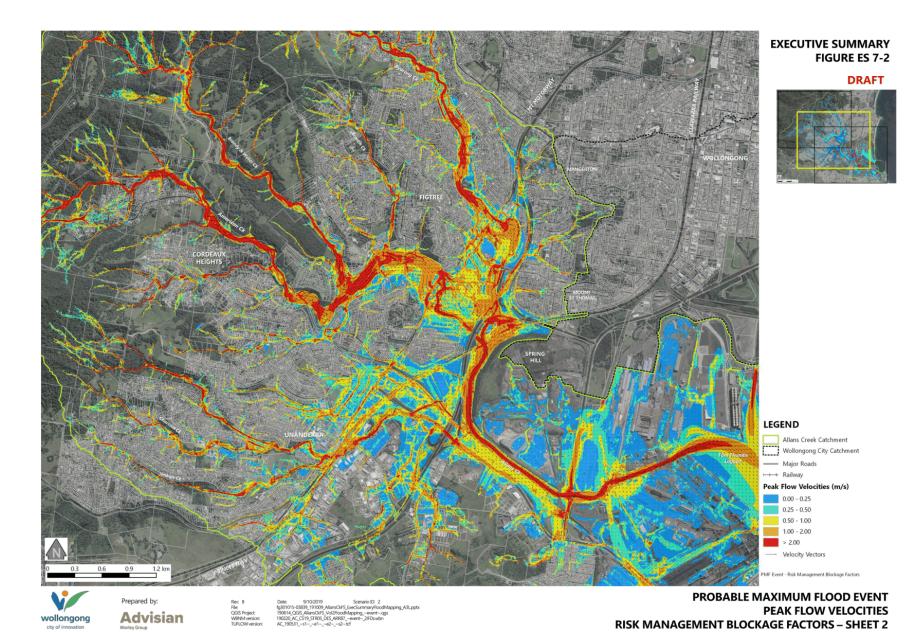
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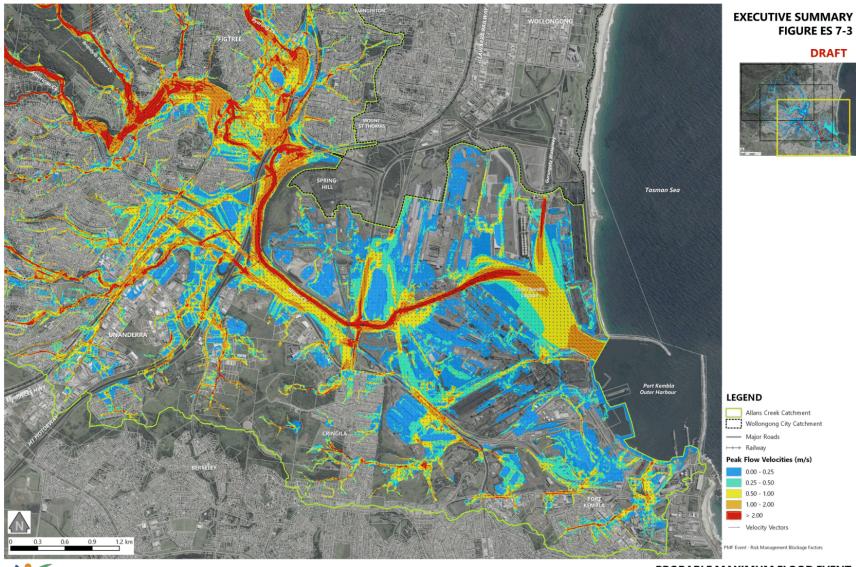


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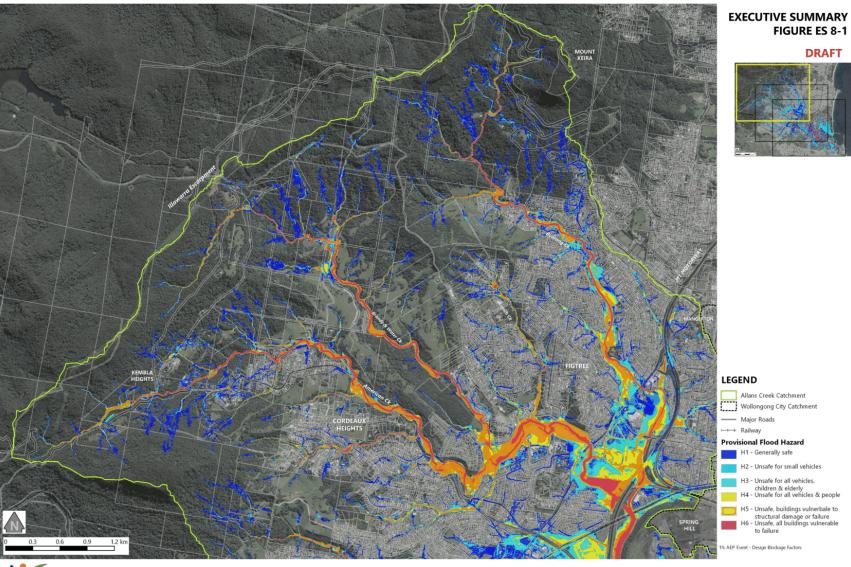


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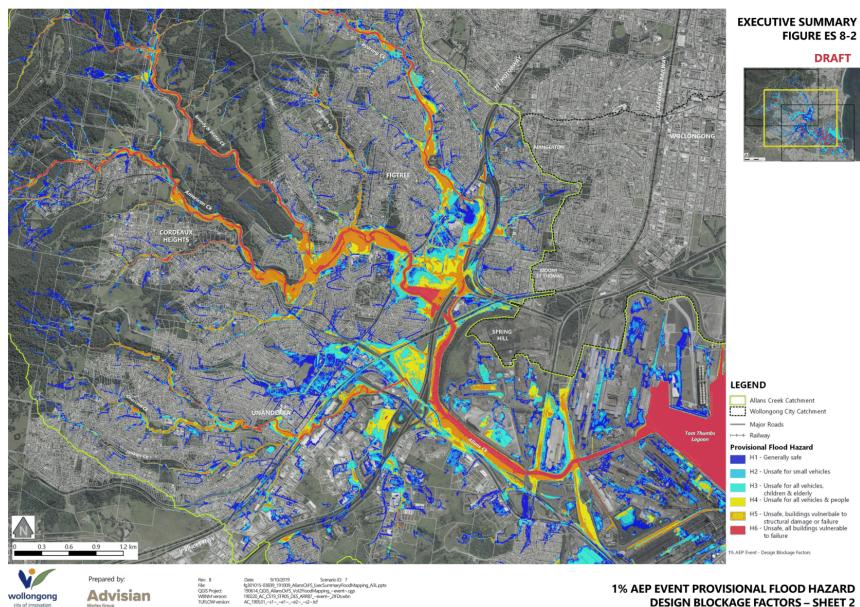
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1% AEP EVENT PROVISIONAL FLOOD HAZARD DESIGN BLOCKAGE FACTORS – SHEET 1

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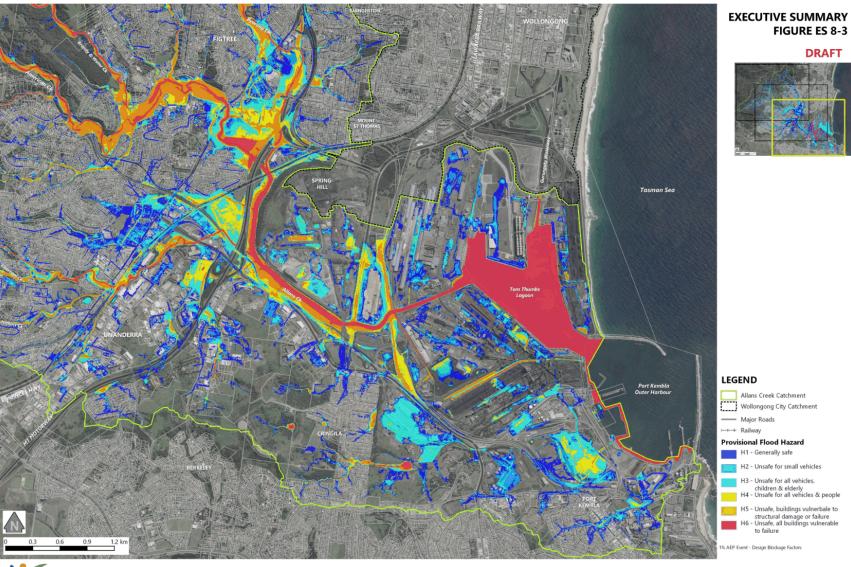
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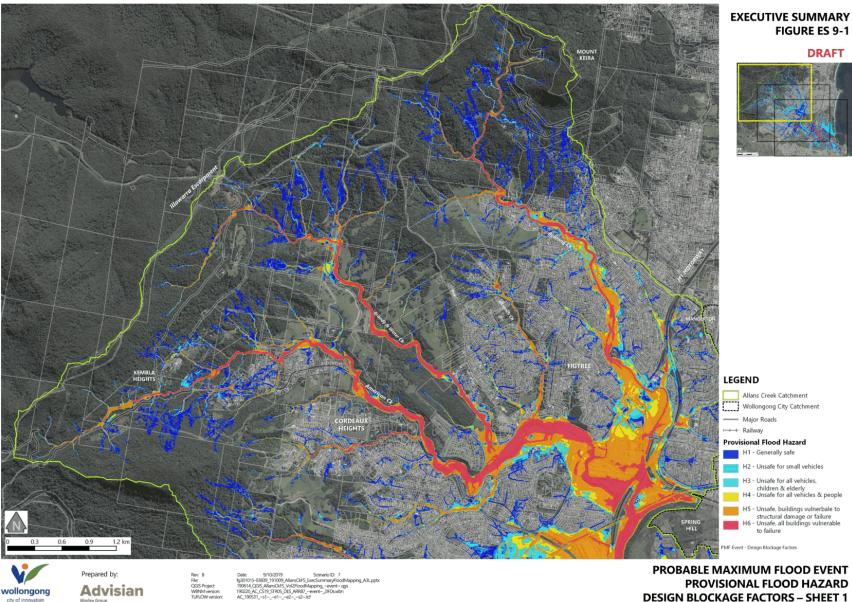
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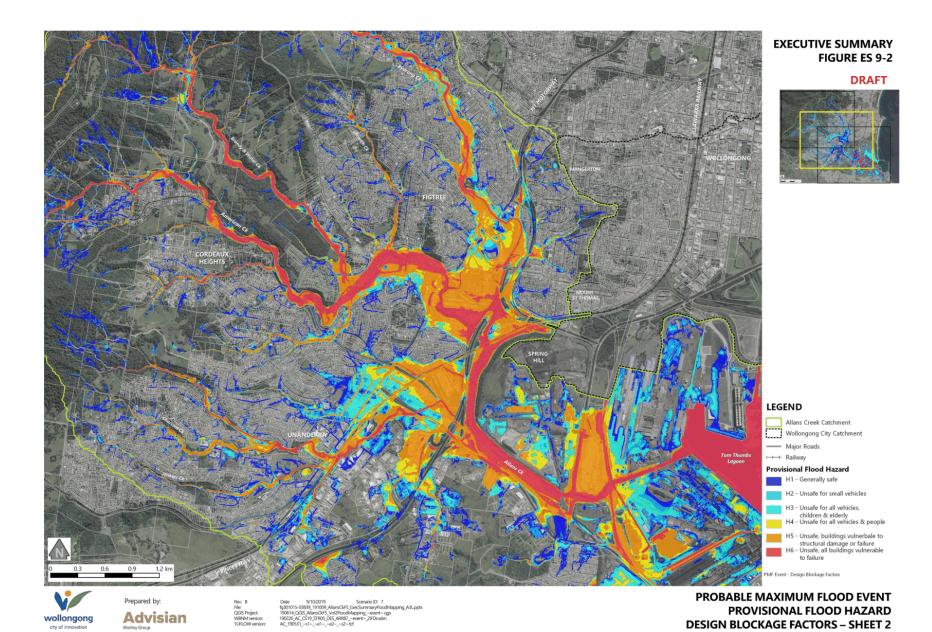
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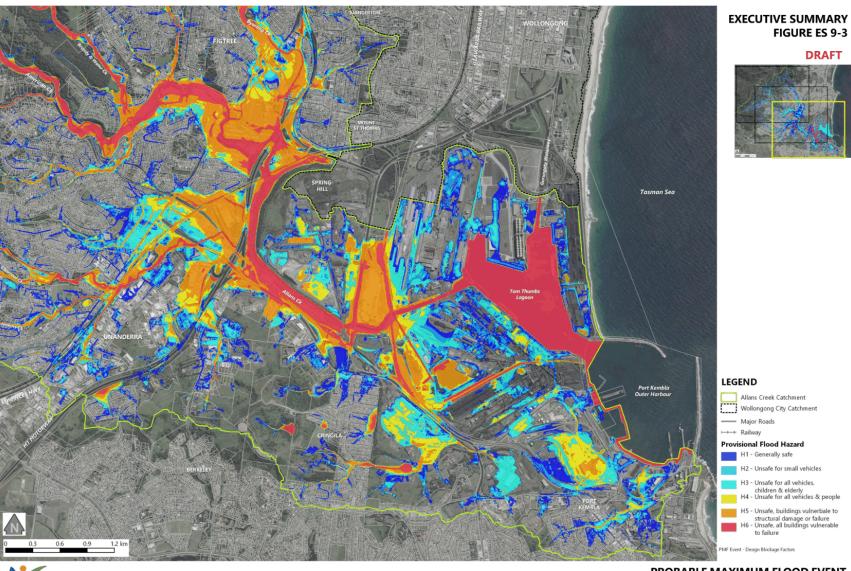


PROBABLE MAXIMUM FLOOD EVENT PROVISIONAL FLOOD HAZARD **DESIGN BLOCKAGE FACTORS - SHEET 1**













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Item 8 - Attachment 3 - Key Themes raised during public exhibition and Council's response

Allans Creek Flood Study 2019

Comments from the submissions and at drop in sessions related to:

Key themes	Council's response	
Adoption of Australian	In accordance with the NSW Government, Floodplain Risk Management	
Rainfall and Runoff	Guide, Incorporating 2016 Australian Rainfall and Runoff in studies, and in	
(ARR) 2016/2019	accordance with Book 1, Chapter 1 of ARR2019, Council is currently	
methodology	finalising procedures and data that are more appropriate for our region so	
	that ARR2019 can be implemented. The ARR 2019 methodology will be	
	considered in the future review of the floodplain risk management study	
	and plan for which Council has allocated resources this financial year and	
	has applied for funding under the NSW Flood Program. Until then, we will	
	continue to use ARR1987.	
Flood modelling	The 2019 flood study has developed a detailed and catchment wide flood	
validity	model with all catchment topography, streams, hydraulic structures and stormwater drainage represented. To confirm the models' ability to	
	simulate actual flood behaviour the hydraulic model was calibrated to a	
	series of surveyed historical flood levels and the Byarong Creek gauge	
	record. No previous model of the study area has undergone calibration to	
	water level gauge data to indicate that the timing or magnitude of flood	
	hydrographs is appropriate. This study has been carried out by	
	experienced flood engineers who have undertaken numerous catchment	
	wide flood studies in accordance with the NSW Floodplain Development	
	Manual. The study was subject to a rigorous technical review process	
	involving Council and NSW Government, DPIE, technical staff.	
Pecalution of the mans	The resolution of the flood manning was selected in order to cover the	
Resolution of the maps	The resolution of the flood mapping was selected in order to cover the large study area with a practical number of 'tiles'. Increasing the number	
	of flood maps and tiles does not necessarily increase their value and,	
	rather, can negatively impact the community's desire or ability to digest the information presented. Owing to the large catchment size mapped	
	and relatively narrow waterways which exhibit a high level of spatial	
	variation in flood result parameters, it can be difficult to determine	
	specific values at an individual property from the flood mapping.	
	However, it is not the purpose of the flood mapping to inform individual	
	property owners or developers of specific details at a property. It is	
	intended to place all output files on the SES flood data portal so that they	
	can be downloaded by local consultants, they provide finer scale	
	resolution.	
Observation of flooding		
Observation of flooding	Council acknowledged and recorded information provided on observed historical flood behaviour. This was used to confirm the model	
	calibration/verification results.	
Request for creek	Where maintenance was requested for sections of creek on Council's	
maintenance	property, they were forwarded to Council's maintenance crews for action.	
maintenance	Where it was brought to Council's attention that maintenance was	
	required on private land, residents were advised on their responsibilities	
	in person or by letter.	
Flood mitigation works	Council has undertaken/is currently undertaking various flood mitigation	
in the catchment	projects in the catchment including debris control structures, creek	
catchinicht	p. ajasta tita autoimient maidung debria aanta aanta at data taj arett	

Council's response

Item 8 - Attachment 3 - Key Themes raised during public exhibition and

207



	restoration works along Council – owned portions of creeks, creek bed and bank stabilisation and voluntary purchase of severely flood affected properties. Council's website includes information on mitigation works in the catchment.	
Flood mitigation options	Potential flood mitigation options will be considered as part of the future review of the floodplain risk management study and plan. At that time, consultation will be undertaken with residents to get their thoughts on potential options. Council is committed to undertake the review of floodplain risk management study and plan and has applied for financial assistance from the State Government for this project.	
Flood risk to individual properties	The purpose of a flood study is to describe existing flood behaviour. Options to reduce flooding on individual properties will be considered as part of the future review of the floodplain risk management study and plan.	
Perceived causes of flooding	The draft flood study takes into consideration factors which may affect flooding such as the alignment and capacity of the existing drainage system (much of which is verified by detailed survey) and the level of vegetation within the waterways. The study also incorporates the developments that have occurred since the completion of the 2006 flood study.	
1998 floods	The 1998 floods that caused significant disruption and damage in the catchment were not as big as a 1% AEP flood. This explains why residents in some areas mapped as flood affected may not have experienced flooding will be affected by the 1% AEP and larger flood events. A 1% AEP is extreme. There is a 1% chance of a flood of this size occurring at a particular location in any given year.	
Impacts of flood study on Planning/development	The draft flood study has been prepared in accordance with the NSW Government's Floodplain Development Manual and incorporates the NSW Flood Prone Policy. The study was overseen by the Central Area Floodplain Risk Management Committee.	
	The NSW Government's Floodplain Development Manual provides a framework to ensure the sustainable use of floodplain environment and incorporates the NSW Flood Prone Policy. Under the Policy, the management of flood liable land remains the responsibility of Local Government. Council's policies are consistent with the framework and ensure minimal damages and less flood risk to newly developed properties.	
Impact of the flood study on home insurance premiums	Fact sheets on insurance were provided to residents. People were advised that the standard definition of 'flood 'for insurance purpose may or may not apply to their properties and that the standard definition does not include overland flows and that overland flows are typically covered as a standard inclusion in home insurance policies. Council doesn't have any say in what and how flood data is used for setting flood premiums. We recommend that homeowners contact their insurer about the flood premium for their properties.	



File: FI-230.01.530 Doc: IC19/608

ITEM 9

TENDER T19/18 - DEMOLITION AND CONSTRUCTION OF WEBB PARK AMENITIES BUILDING, KANAHOOKA

This report recommends acceptance of a tender for the demolition and construction of Webb Park Amenities Building, Kanahooka, in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

Council has approximately 80 sports related buildings (excluding shelters) located on sport fields throughout the City. The proposed works to Webb Park Amenities, Kanahooka allows for the demolition of the existing amenities and reconstruction of a new amenities building including disability compliant access.

RECOMMENDATION

- In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept the tender of Batmac Constructions Pty Ltd for Demolition and Construction of Webb Park Amenities, Kanahooka in the sum of \$866,746.49, excluding GST.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Glenn Whittaker, Manager Project Delivery
Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

1 Location Plan

BACKGROUND

The existing amenities no longer meet the service and functionality requirements of this busy sports field. The existing building contains a single change room, no storage, inadequate toilet facilities and is prone to vandalism. The existing amenities does not meet accessibility standards and has reached the end of its service life.

The proposed new amenities will meet user group expectations, provide Disability Discrimination Act (DDA) compliance and adequately service current usage levels. A scope of works was prepared which includes –

- 1 Demolition of the existing building including concrete paths and other associated services
- 2 Construction of a new building (approximately 134 square metres) with a concrete slab roof for added security which will include:
 - a. "home and away" gender neutral change rooms, with each including one (1) ambulant toilet, two (2) showers with private change area cubicles, benches to the perimeter and clothes hooks.
 - b. One (1) separate fully compliant unisex DDA accessible public toilet and four (4) unisex toilets
 - c. Referees facilities
 - d. Two (2) storage spaces with roller shutters for sporting equipment
 - e. Kiosk area fully fitted out with relevant fixtures to meet food safety requirements



- f. All external doors and openings are secured with steel grilles
- g. Rainwater tank
- h. Sheltered covered area with bench seating to the western façade of the building
- i. Construction of new DDA compliant footpath to the new amenity
- j. Construction of a temporary construction bridge or culvert to provide access during works.

The proposed works ensure that Council facilities are compliant with legislative requirements and that they offer community spaces with a high level of amenity, quality and compliance.

Tenders were invited for this project by the open tender method with a close of tenders of 10.00 am on 3 September 2019.

Seven (7) 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 Governance and Customer Service, Finance, Project Delivery and Library and Community Services Divisions.

The Tender Assessment Panel assessed all tenders in accordance with the following assessment criteria and weightings as set out in the formal tender documents:

Mandatory Criteria

- 1 Satisfactory references from referees for previous projects of similar size and scope
- 2 Financial assessment acceptable to Council which demonstrates the tenderer's financial capacity to undertake the works.

Assessable Criteria

- 1 Cost to Council 45%
- 2 Appreciation of scope of works and construction methodology 15%
- 3 Experience and satisfactory performance in projects of similar size, scope and risk profile 10%
- 4 Staff qualifications and experience 5%
- 5 Proposed sub-contractors 5%
- 6 Project Schedule 5%
- 7 Demonstrated strengthening of local economic capacity 5%
- 8 Workplace Health and Safety Management System 5%
- 9 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
Batmac Constructions Pty Ltd	1
Projection Build Pty Ltd	2
Edwards Constructions (NSW) Pty Ltd	3
Davone Constructions Pty Ltd	4
Advanced Constructions Pty Ltd	5
Project Coordination (Australia) Pty Ltd	6
(T&C) Programmed Industrial Maintenance	NC

PROPOSAL

Council should authorise the engagement of Batmac Constructions 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 4 "We are a connected and engaged community". It specifically delivers on core business activities as detailed in the Asset Management Plans Service Plan 2019-20.

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council's Procurement Policies and Procedures and the Local Government Act 1993.

The risk of the project works or services is considered low based upon Council's risk assessment matrix and appropriate risk management strategies will be implemented.

FINANCIAL IMPLICATIONS

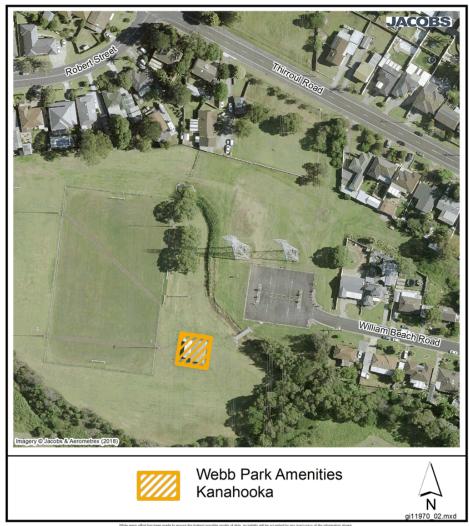
It is proposed that the total project be funded from the following source/s as identified in the Annual Plan –

Capital Budget 2019/20

CONCLUSION

The recommended tenderer has submitted an acceptable tender for this project and Council should endorse the recommendations of this report.

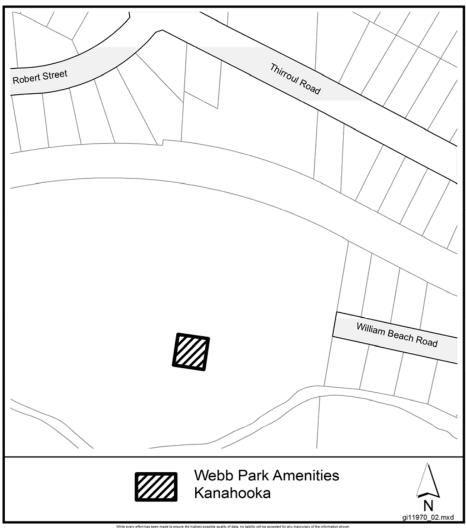




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213



File: FI-230.01.531 Doc: IC19/605

ITEM 10

TENDER T19/19 - DEMOLITION AND CONSTRUCTION OF WISEMAN PARK AMENITIES BUILDING, GWYNNEVILLE

This report recommends acceptance of a tender for the demolition and construction of the Wiseman Park Amenities Building, Gwynneville in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

Council has approximately 80 sports related buildings (excluding shelters) located on sport fields throughout the City. The proposed works to Wiseman Park Amenities, Gwynneville allows for the demolition of the existing amenities and reconstruction of a new amenities building including disability compliant access.

RECOMMENDATION

- In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept the tender of Batmac Constructions Pty Ltd for demolition and construction of Wiseman Park Amenities, Gwynneville in the sum of \$796,048.23, excluding GST.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Glenn Whittaker, Manager Project Delivery
Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

1 Location Plan

BACKGROUND

The existing amenities are no longer serviceable and have reached the end of their service life. All masonry components including walls and floors have major structural cracking borne from movement due to previous footing failure. The current condition and configuration of the building fails to meet user group expectations and needs.

There are currently no compliant amenities in the Wiseman Park Precinct and the proposed new Disability Discrimination Act (DDA) compliant amenity will adequately service expected usage levels to both the adjoining playground and sports field. A scope of works was prepared to rectify these issues including –

- Demolition of the existing building including concrete paths and other associated services.
- Construction of a new building (approximately 122 square metres) which will include:
 - "home and away" gender neutral change rooms, with each including one (1) ambulant toilets, three (3) showers with private change area cubicles, benches to the perimeter and clothes hooks
 - One (1) separate fully compliant unisex DDA accessible public toilet programmable to self-open and close
 - Three (3) storage spaces with roller shutters for sporting equipment
 - Rainwater tank



- Sheltered covered area facing the sportsfield
- o Construction of new DDA compliant carpark and footpath to the new amenity
- o Removal of one (1) tree, a Eucalyptus Teriticornis adjoining the building platform
- o Construction of a ramp and retaining wall on northern side
- Landscaping

The proposed works ensure that Council facilities are compliant with legislative requirements and that they offer community spaces with a high level of amenity, quality and compliance.

Tenders were invited for this project by the open tender method with a close of tenders of 10.00 am on 3 September 2019.

Ten (10) 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 Governance and Customer Service, Finance, Project Delivery and Library and Community Services Divisions.

The Tender Assessment Panel assessed all tenders in accordance with the following assessment criteria and weightings as set out in the formal tender documents:

Mandatory Criteria

- 1 Satisfactory references from referees for previous projects of similar size and scope
- 2 Financial assessment acceptable to Council which demonstrates the tenderer's financial capacity to undertake the works.

Assessable Criteria

- 1 Cost to Council 45%
- 2 Appreciation of scope of works and construction methodology 15%
- 3 Experience and satisfactory performance in projects of similar size, scope and risk profile 10%
- 4 Staff qualifications and experience 5%
- 5 Proposed sub-contractors 5%
- 6 Project Schedule 5%
- 7 Demonstrated strengthening of local economic capacity 5%
- 8 Workplace Health and Safety Management System 5%
- 9 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		
Batmac Constructions Pty Ltd	1		
Matrix Group Pty Ltd 2			
Edwards Constructions (NSW) Pty Ltd 3			
Projection Build Pty Ltd 4			
Sullivans Constructions 5			
Davone Constructions Pty Ltd 6			
Project Coordination (Australia) Pty Ltd 7			
Advanced Constructions Pty Ltd	8		
Peloton Constructions Pty Ltd	9		
(T&C) Programmed Industrial Maintenance Non Confor			

PROPOSAL

Council should authorise the engagement of Batmac Constructions 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 4 "We are a connected and engaged community". It specifically delivers on core business activities as detailed in the Asset Management Plans Service Plan 2019-20.

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council's Procurement Policies and Procedures and the Local Government Act 1993. The risk of the project works or services is considered low based upon Council's risk assessment matrix and appropriate risk management strategies will be implemented.

FINANCIAL IMPLICATIONS

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

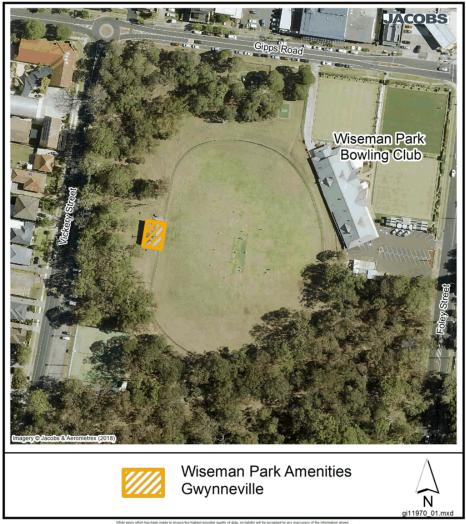
Capital Budget 2019/20



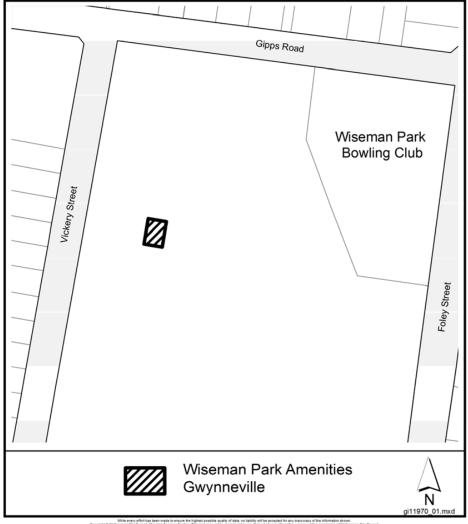
CONCLUSION

The recommended tenderer has submitted an acceptable tender for this project and Council should endorse the recommendations of this report.











File: FI-230.01.533 Doc: IC19/603

TENDER T19/21 RECONSTRUCTION

WATER MAIN INSTALLATION

WONGAWILLI RO

The water main works are required as part of the ongoing Wongawilli Road Upgrade Project. This project includes upgrade of the culverts at Mullet Creek and to accommodate the larger culverts two existing water mains, which service the growing Wongawilli Community, need to be lowered at this location.

This report recommends acceptance of a tender for the installation of two water mains at lowered levels at the intersection of Shone Avenue and Wongawilli Road, Wongawilli, in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

These works require a completion to specifications approved by Sydney Water. As such, this tender called for Sydney Water SW2 pre-qualified contractors.

RECOMMENDATION

- In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept the tender of Cadifern Pty Ltd for the installation of two water mains at lowered levels at the intersection of Shone Avenue and Wongawilli Road, Wongawilli, in the sum of \$421,387, excluding GST.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Mark Roebuck, Manager City Works

Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

Locality Map

BACKGROUND

The Wongawilli Road Upgrade is an ongoing project currently programmed for completion in early 2021. The project has required a number of utility service works packages to be completed prior to the construction of stormwater assets and road widening. Works to relocate and upgrade the DN150 service on the southern side of Wongawilli Road was completed in April 2019. This was one of three water main projects required to facilitate the road upgrade. This tender is for the remaining two mains at the Mullet Creek crossing.

Tenders were invited for this project by the open tender method with a close of tenders of 10.00am on Tuesday 3 September 2019.

Five 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 City Works, Project Delivery and Governance + 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 Sydney Water SW2 Prequalification;
- 2 Satisfactory references from referees for previous projects of similar size and scope;
- 3 Financial assessment acceptable to Council which demonstrates the tenderer's financial capacity to undertake the works.

Assessable Criteria

- 1 Cost to Council 40%;
- 2 Appreciation of scope of works and construction methodology 15%;
- 3 Experience and satisfactory performance in undertaking projects of similar size, scope and risk profile 20%;
- 4 Staff qualifications and experience including proposed sub-contractors 5%;
- 5 Project Schedule 10%;
- 6 Demonstrated strengthening of local economic capacity 5%;
- 7 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
Cadifern Pty Ltd	1
Glennos Constructions Pty Ltd	2
Downer Pipe Tech Pty Ltd	3
Aqua Options Pty Ltd	4
Precision Pipe Networks Pty Ltd	NON CONFORMING

PROPOSAL

Council authorise the engagement of Cadifern Pty Ltd to carry out the water main installation 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;
- 3 External Consultants Equifax Australasia Credit Ratings Pty Ltd.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We have affordable and accessible transport".

It specifically delivers on core business activities as detailed in the Infrastructure Planning and Support Service Plan 2018-2021.

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 H10, based upon Council's risk assessment matrix and appropriate risk management strategies will be implemented.

FINANCIAL IMPLICATIONS

It is proposed that the total project be funded from the following source/s as identified in the Operational and Capital Budget 2019-2022 –

Capital Budget 2019/2020

Developer Contributions – West Dapto

Infrastructure NSW - Restart NSW - Wongawilli Access Project - RNSW1081

CONCLUSION

The recommended tenderer has submitted an acceptable tender for this project and Council is requested to endorse the recommendations of this report.







CASE163936 - DN500 and DN375



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This automated map was produced using TechnologyOne's IntraMaps.



File: FI-230.01.534 Doc: IC19/623

ITEM 12

TENDER T19/22 - PROPOSED CONSTRUCTION OF A RETAINING WALL ALONG THE DIVIDED CARRIAGEWAY AT IRIS AVENUE, CONISTON

This report recommends acceptance of a tender for the construction of a retaining wall and associated earthworks, fencing and drainage along Iris Avenue, Coniston in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

The purpose of the works is to stabilise a large embankment between the divided carriageway at the southern end of Iris Avenue, Coniston through the construction of improved geotechnical, structural and drainage infrastructure.

RECOMMENDATION

- In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept the tender of Cadifern Pty Ltd for the construction of a retaining wall and associated earthworks, fencing and drainage along Iris Avenue, Coniston in the sum of \$690,953.50, excluding GST.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Glenn Whittaker, Manager Project Delivery
Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

1 Locality Map

BACKGROUND

Council in 2017 has previously constructed a temporary concrete block retaining wall following a localised slippage which occurred on the steeply sloped embankment of the divided carriageway in Iris Avenue Coniston. The current temporary treatment was an interim measure and a long-term solution is required to maintain the stability of the roadway along Iris Avenue for local residents and other road users. This project is to ensure the long-term stability of the embankment between the divided carriageway at Iris Avenue, Coniston.

The works involve demolition of existing retaining structures, excavation and removal of unsuitable fill materials and replacement with engineering fill, a new concrete sleeper retaining wall approximately 80m long and up to 2.4m high, drainage works, fencing, landscaping and minor road works.

Tenders were invited for this project by the open tender method with a close of tenders of 10.00 am on 13 August 2019.

Ten (10) 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, Finance 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

Assessable Criteria

- 1 Cost to Council 40%
- 2 Appreciation of scope of works and construction methodology 20%
- 3 Experience and satisfactory performance in undertaking projects of size, scope and risk profile 10%
- 4 Staff qualifications and experience 5%
- 5 Proposed sub-contractors 5%
- 6 Project Schedule 5%
- 7 Demonstrated strengthening of local economic capacity 5%
- 8 Workplace Health and Safety Management System 5%
- 9 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		
Cadifern Pty Ltd	1		
Donnelley Civil Pty Ltd	2		
Josluk Pty Ltd	3		
Select Civil Pty Ltd	4		
GC Civil Contracting Pty Ltd 5			
Dynamic Civil Pty Ltd 6			
Collective Civil Pty Ltd 7			
Piling & Concreting Australia (PCA) Pty Ltd 8			
Civil Mechanical Engineering Contractors Pty Ltd WITHDRA'			
Adbri Masonry NON-CONFORM			

PROPOSAL

Council should authorise the engagement of Cadifern Pty Ltd to carry out the construction of a retaining wall and associated earthworks and drainage along Iris Avenue, Coniston 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 the following:

Community Strategic Plan	Delivery Program 2018-2021	Operational Plan 2019-20
Strategy	3 Year Action	Operational Plan Actions
6.3.2 Maintain the service levels of our roads, footpaths and cycle ways to an acceptable standard	6.3.2.1 Deliver sustainable transport asset renewal programs and projects	Deliver the road resurfacing and reconstruction program

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

FINANCIAL IMPLICATIONS

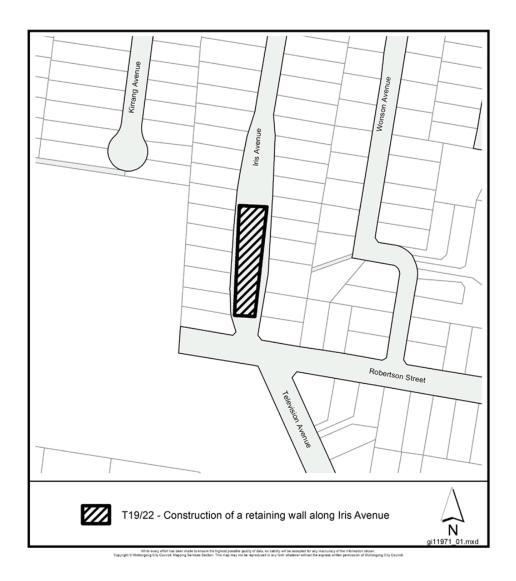
It is proposed that the total project be funded from the following source/s as identified in the Annual Plan –

Capital Budget 2019/20

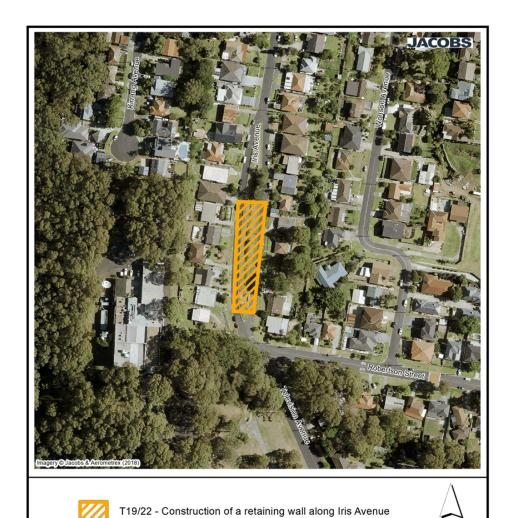
CONCLUSION

The recommended tenderer has submitted an acceptable tender for this project and Council should endorse the recommendations of this report.









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File: FI-230.01.537 Doc: IC19/626

ITEM 13

TENDER T19/24 - PROPOSED REPLACEMENT OF RETAINING WALL ALONG THE LANEWAY CONNECTING BELLEVUE ROAD TO OUTLOOK DRIVE, FIGTREE

This report recommends acceptance of a tender for the replacement of two failing retaining walls along the laneway connecting Bellevue Road and Outlook Drive, Figtree in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

The purpose of the works is to replace existing deteriorated concrete sleeper and timber retaining walls that run along the laneway connecting Bellevue Road and Outlook Drive with a new masonry block retaining wall with associated works.

RECOMMENDATION

- 1 In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept the tender of Growth Civil Landscapes Pty Ltd for the replacement retaining wall on the laneway connecting Bellevue Road and Outlook Drive, in the sum of \$137,281.50, excluding GST.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Glenn Whittaker, Manager Project Delivery
Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

1 Locality Map

BACKGROUND

The existing retaining walls along the laneway connecting Bellevue Road and Outlook Drive, Figtree have deteriorated and require replacement to ensure future stability of the retained embankment.

The purpose of the project is to provide a long-term solution for the retaining structure in maintaining the safe use of the laneway.

The works involve demolition of the existing walls, excavation and removal of unsuitable fill material, concrete encasement of a Sydney Water sewer main, realigning an Endeavour Energy power cable to an adjacent street light, installation of new footings and retaining wall with associated landscaping. The new masonry block wall is 39 metres long and less than 1 metre in height at the maximum point.

Tenders were invited for this project by the open tender method with a close of tenders of 10.00 am on 13 August 2019.

Five (5) 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, Finance 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

wollongong city of innovation

Assessable Criteria

- 1 Cost to Council 40%
- 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 10%
- 4 Staff qualifications and experience 5%
- 5 Proposed sub-contractors 10%
- 6 Project Schedule 5%
- 7 Demonstrated strengthening of local economic capacity 5%
- 8 Workplace Health and Safety Management System 5%
- 9 Environmental Management Policies and Procedures 5%

The mandatory assessment criteria has 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
Growth Civil Landscapes Pty Ltd	1
Cadifern Pty Ltd	2
Donnelley Civil Pty Ltd	3
GC Civil Contracting Pty Ltd	4
Civil Mechanical Engineering Contractors Pty Ltd	5

PROPOSAL

Council should authorise the engagement of Growth Civil Landscapes Pty Ltd to carry out the replacement of the retaining wall along the laneway connecting Bellevue Road and Outlook Drive 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 6 "We have affordable and accessible transport". It specifically delivers on the following:

Community Strategic Plan	Delivery Program 2018-2021	Operational Plan 2019-20
Strategy	3 Year Action	Operational Plan Actions
6.3.2 Maintain the service levels of our roads, footpaths and cycle ways to an acceptable standard	6.3.2.1 Deliver sustainable transport asset renewal programs and projects	Implement footpath and cycleway improvement programs

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

FINANCIAL IMPLICATIONS

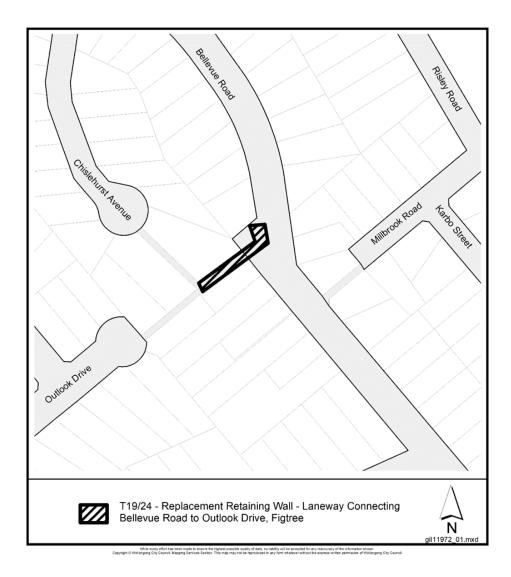
It is proposed that the total project be funded from the following source/s as identified in the Annual Plan –

Capital Budget 2019/20

CONCLUSION

The recommended tenderer has submitted an acceptable tender for this project and Council should endorse the recommendations of this report.









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ITEM 14

TENDER T19/28 - SPORTSFIELD LIGHTING INSTALLATION TO HARRY GRAHAM PARK, FIGTREE, FIGTREE OVAL NO. 2, FIGTREE AND ELIZABETH PARK, BELLAMBI

This report recommends acceptance of a tender for sports field lighting installations at three sites (3) within the city in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

Council has 43 locations (67 fields in total) in the City where sport field lighting has been installed to cater for the increased sporting demands of the community. The proposed works will facilitate the installation of LED sports field lighting at Harry Graham Park, Figtree, Figtree Oval No.2, Figtree and Elizabeth Park, Bellambi to meet the increasing demands of football (soccer) within the city.

RECOMMENDATION

- In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept the tender of Central West Electrical Contractors Pty Ltd for lighting installation to Harry Graham Park, Figtree, Figtree Oval No. 2, Figtree and Elizabeth Park, Bellambi, in the sum of \$911,390.00, excluding GST.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Glenn Whittaker, Manager Project Delivery
Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

1 Location Plans

BACKGROUND

Council's Sports Ground and Sporting Facilities Strategy (2017-2021) identifies 'lighting at sports grounds' as one of the most significant assets that require upgrading to meet the increasing demand and use from existing sporting clubs. Installing new lighting at existing sports grounds provides greater opportunities for sporting clubs to train and play at night and encourage greater participation in community sporting events. New lighting increases the standard of existing facilities and allows a significant increase in the number of games that can be played during the football season.

Utilising the Council's Sports Ground and Sporting Facilities Strategy recommendation, the installation of sports field lighting at Harry Graham Park, Figtree and Figtree Oval No. 2, Figtree was prioritised to meet the demands of football in the southern suburbs.

Council had originally programmed for the upgrading of lighting at Elizabeth Park sports field at Bellambi during the 2020/21 financial year. Early in 2019, Bellambi Football Club, who lease Elizabeth Park sports field at Bellambi applied for and were successful in obtaining a NSW Government Community Building Partnerships (CBP) Grant to the value of \$65,000. During the tender process Bellambi Football Club advised Council they had received advice from the NSW Government stating that all CBP 2018 grant projects must be completed by 31 March 2020. To ensure Council can meet the grant funding milestones and maximise economic advantage of collective tendering, Council during the tender period, issued an addendum that included a \$300,000 Provisional Sum, for the sports field lighting installation to Elizabeth Park, Bellambi. This will allow Council to place orders for the lights and poles which have a substantial delivery time while finalising the geotechnical investigation at the Bellambi site.



Tenders were invited for this project by the open tender method with a close of tenders of 10.00 am on 17 September 2019.

Four (4) 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, City Works, Property and Recreation, Finance and Governance + 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

Assessable Criteria and Weightings

- 1 Cost to Council 45%
- 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 10%
- 4 Staff Qualifications and experience 5 %
- 5 Proposed Subcontractors 5%
- 6 Project Schedule 5%
- 7 Demonstrated strengthening of local economic capacity 5%
- 8 Workplace Health and Safety Management System 5%
- 9 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
Central West Electrical Contractors Pty Ltd	1
ARA Electrical high Voltage Pty Ltd T/A Transelect	2
Havencord Pty Ltd T/A Floodlighting Australia	3
ETE Services Pty Ltd	NON-CONFORMING

PROPOSAL

Council should authorise the engagement of Central West Electrical Contractors 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
- 3 External Consultants Paul Anthony Electrical

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal 4 "We are a connected and engaged community". It specifically delivers on core business activities as detailed in the Asset Management Plans Service Plan 2019-20.

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council's Procurement Policies and Procedures and the Local Government Act 1993.

The risk of the project works or services is considered low based upon Council's risk assessment matrix and appropriate risk management strategies will be implemented.

FINANCIAL IMPLICATIONS

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

2019/20 Capital Budget

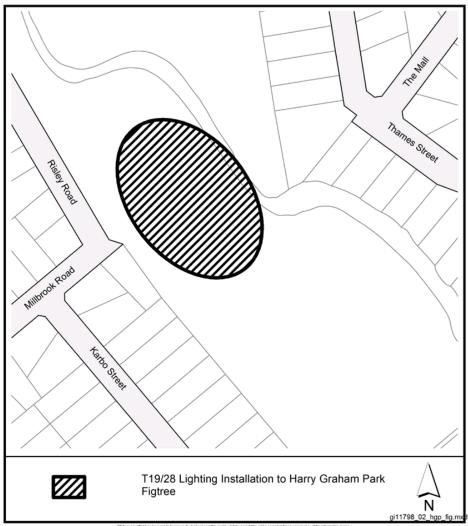
CONCLUSION

The recommended tenderer has submitted an acceptable tender for this project and Council should endorse the recommendations of this report.





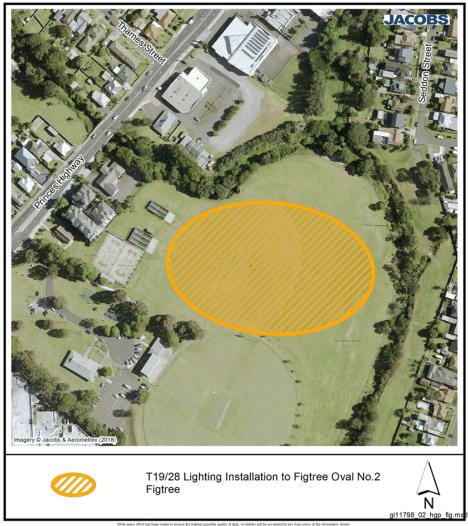




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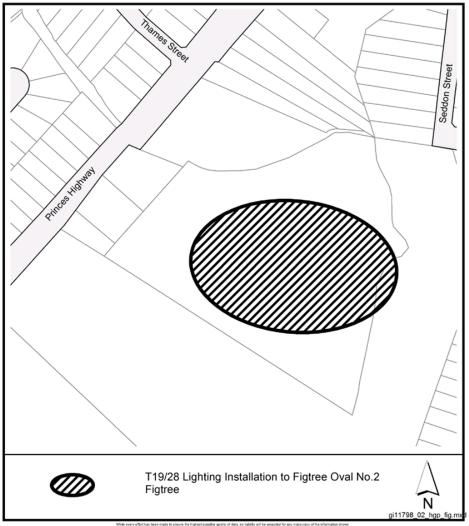




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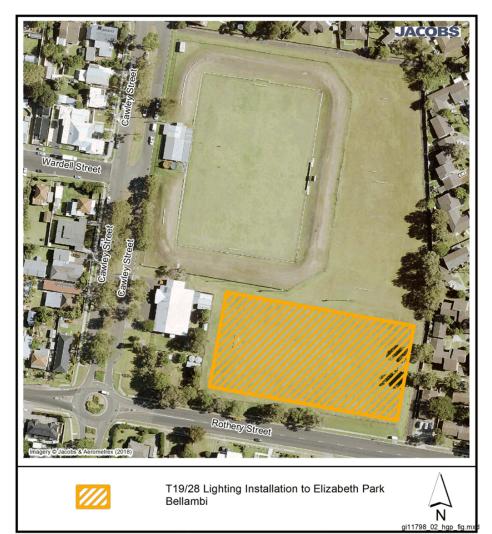




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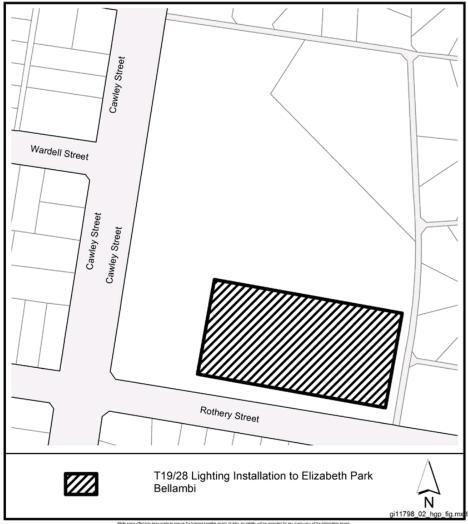




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File: FI-914.05.001 Doc: IC19/652

ITEM 15

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 - POST ADVERTISING

This report is provided to formally present Council's Financial Statements for the year ended 30 June 2019, together with the Auditor's Report to the public, in accordance with Section 419 of the Local Government Act 1993 (as amended).

RECOMMENDATION

1 The audited Financial Statements for the year ended 30 June 2019, together with the Auditor's report, be presented to the public.

REPORT AUTHORISATIONS

Report of: Brian Jenkins, Chief Financial Officer

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

ATTACHMENTS

1 Annual Financial Statements for the year ended 30 June 2019

BACKGROUND

Council's Auditors, Audit Office of NSW, addressed the Council meeting of 23 September 2019 outlining the financial result for the year ended 30 June 2019 as reflected in the Financial Statements. Council resolved that the audited Financial Statements and the Auditor's Report be presented to the public at this Council meeting.

Public Notice of the presentation of the audited Financial Statements at this meeting was given in *The Advertiser* on 9 October 2019 and was also on Council's website from 9 October 2019.

Copies of the audited Financial Statements are available for inspection by members of the public at Council's Administration Building and any person can make written submissions to Council with respect to the Statements within the next seven-day period. Any submissions received will be subsequently reported to Council.

PROPOSAL

The audited Financial Statements for the year ended 30 June 2019, together with the Auditor's Report, be presented to the public at this meeting.

CONSULTATION AND COMMUNICATION

The Director, Financial Audit Services, the Audit Leader and staff of the Audit Office of NSW have been consulted throughout the preparation of the Annual Financial Statements.

Executive, senior managers and relevant senior officers were requested to ensure that all appropriate information with regards to the 2018-2019 transactions relating to their area/s of responsibility had either been entered into the financial records or disclosed.

The Annual Financial Statements were presented to the Audit, Risk and Improvement Committee on 17 September 2019 and to Council on 23 September 2019.

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:



4.3.2 Resources (finance, technology, assets and people) are effectively managed to ensure (finance, technology, assets and people) are effectively managed to ensure (finance, 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	(finance, transparent technology, assets financial continuous budget management is in place, controlled and reported systems are in	Comn	nunity Strategic Plan Strategy		ivery Program 2018-2021 Year Action	Operational Plan 2019-20 Operational Plan Actions
effectively systems are in Provide accurate and timely financial reports monthly, quarterly	effectively systems are in managed to ensure long term financial systems are in place and via the annual statement	4.3.2	(finance, technology, assets	4.3.2.1	transparent financial	Continuous budget management is in place, controlled and
	long term financial and via the annual statement		effectively	systems are in	Provide accurate and timely financial reports monthly, quarterly	

RISK ASSESSMENT

The Annual Financial Statements are required to be prepared in accordance with the Local Government Act 1993 (as amended), the Local Government Code of Accounting Practice and Financial Reporting and the Australian Accounting Standards. Council has professionally qualified staff to ensure compliance with the reporting requirements. Council staff have also undertaken additional training in specialised areas. A higher level of assurance is attained from Council's auditors, Audit Office of NSW.

Further to this, Council's Executive, senior management and relevant senior officers each signed a document giving the necessary assurances that:

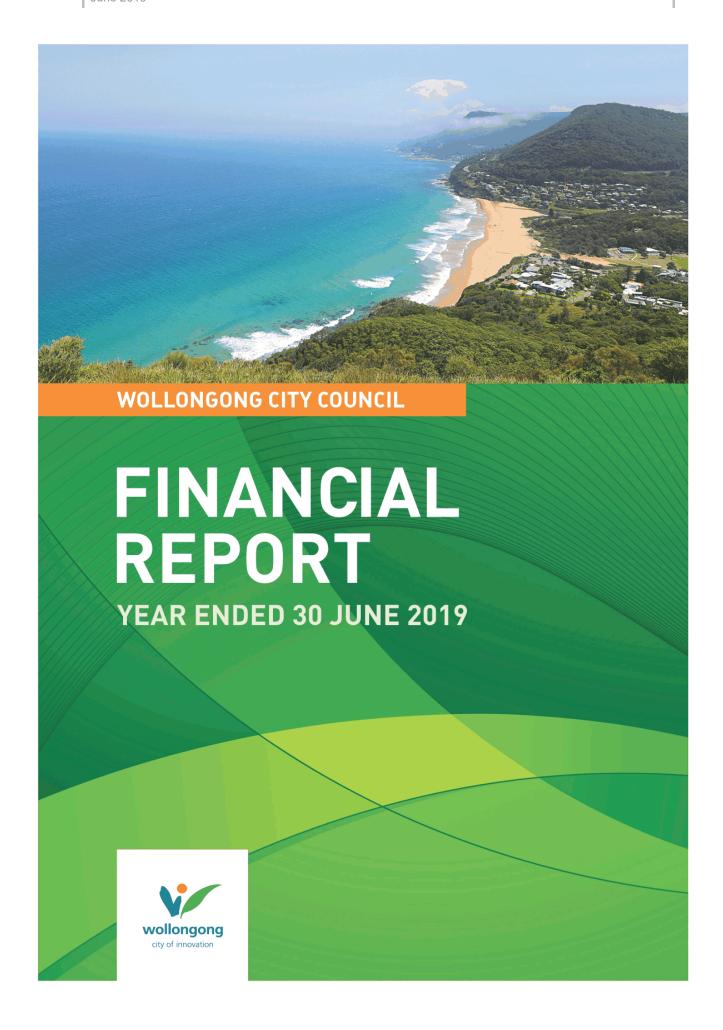
- 1 No matters or occurrences have come to their attention in respect to their areas of responsibility that would materially affect the Financial Statements or disclosures therein, or which are likely to materially affect the future results or operations of the Council.
- 2 Should any such matters or occurrences come to their attention after the date of signing the document, the Chief Financial Officer will be immediately advised.

Consequently, there is considered to be a low risk of any material errors or omissions in reporting.

CONCLUSION

The audited Financial Statements for the year ended 30 June 2019, together with the Auditor's Report, are available for presentation to the public at this meeting.







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EXECUTIVE SUMMARY

As General Manager of Wollongong City Council, I present the Annual Financial Statements for 2018-2019. These statements continue to reflect Council's transformation in recent years to an organisation which is financially stable having the capacity to manage short, medium and longer term challenges.

The Income Statement shows a net operating surplus of \$52.1 million compared to a surplus of \$48.8 million in 2017-2018. The net operating result before capital grants and contributions was a deficit of \$7.5 million. While this result compares to a surplus of \$8.1 million in 2017-2018, the result was impacted by a large number of valuation adjustments primarily related to external economic conditions on long term accounting estimates. We are confident that our underlying financial performance is on track and remains sustainable.

Council's Balance Sheet shows the vast extent of assets managed by Council for the community. The total value of Council's assets at 30 June 2019 was \$2.78 billion. During 2018-2019, Council completed capital works of \$115.8 million including the construction and acquisition of \$64.0 million of new assets and \$51.8 million for the renewal of existing assets. The program includes projects such as the continuation of West Dapto Access Works including the extension of Fowlers Road to Fairwater Drive, new waste cells at Whytes Gully, our first synthetic football field at lan McLennan Park, additional sections of the Grand Pacific Walk, Stanwell Park Beach Kiosk, power supply to Mt Keira, Wombarra Rock Pool Refurbishment, and various upgrades to community centres, amenities and buildings at Council parks, gardens and sports fields across the Local Government Area.

Council maintains a strong position in cash and investments, with holdings of \$155 million at 30 June 2019 [\$158 million in 2017-2018]. \$139 million of Council's cash [\$142 million in 2017-2018] is restricted in its use to specific purposes by external bodies, legislation and Council resolution.

Council's unrestricted current ratio decreased from 2.93:1 in 2017-2018 to 2.70:1 in 2018-2019. This ratio, which measures Council's liquidity and ability to satisfy short-term obligations, is above the Local Government Benchmark of >1.5:1. Council's strategy is to better utilise cash and target a lean unrestricted cash ratio, however significant cash assets held for future waste facility requirements are included in this ratio. The measure is expected to remain above the benchmark until payments are required.

Rates and Annual Charges outstanding increased from 4.66% in 2017-2018 to 5.09% in 2018-2019. Although Council continue to improve the recovery processes for all rate payers, there has been an increase in debt owed to Council by pensioners that Council policy allows.

Council continues to have relatively low levels of borrowing and did not undertake any additional borrowings in 2018-19. This contrasts to recent years where borrowings under attractive and/or subsidised terms for specific works have been sought. Low debt levels remain a financial strength of Council and adds flexibility in making financial decisions for the future. The 2018-2019 debt service ratio decreased slightly to 3.28% compared to 3.34% in 2017-2018. This change is the result of increased income from continuing operations rather than a shift in borrowing levels. This ratio remains positive in comparison to the Local Government benchmark of <10% and is within Council's financial strategy to operate within a ratio of <4%.

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

Greg Doyle General Manager

Wollongong City Council



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Financial Commentary 2018-2019

2018-2019 FINANCIAL OVERVIEW

This report provides an overview of Council's 2018-2019 Financial Statements. The Financial Statements are prepared by Council to provide information in relation to Council's financial performance and position. The Statements are prepared in accordance with Australian Accounting Standards, the NSW Local Government Act 1993 and the NSW Local Government Code of Accounting Practice and Financial Reporting (Update N° 27). The Statements are independently audited by the Audit Office of NSW, reviewed by the Audit, Risk and Improvement Committee, reported to Council, placed on public exhibition and lodged with the Office of Local Government. The Financial Statements are made up of five key financial reports; Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.

The 2018-2019 Financial Statements shows a positive Net Operating Result of \$52.1M. This result includes grants and contributions for capital purposes which increases the asset base of Council however is not considered to truly reflect the underlying operating performance of the organisation.

The Net Operating Result before Grants and Contributions for Capital Purposes was a deficit of \$7.5M which is below Council's targeted position of a small surplus result. The 2018-2019 result has been impacted by a number of significant one off non-cash adjustments related to valuation of employee leave and workers compensation provisions, loss on disposal of assets (assets renewed that had remaining book value, not sold), and reclassification of prior year capital works-in-progress (WIP) to operational expense. These adjustments alone were reported in Council's June Quarterly Review to have negatively impacted the result by \$15.7M. These variations do not change the underlying capacity of the organisation over a period of time, and while there are also some positive one off items reported, Council considers our underlying financial performance to be on track to meet financial strategies and targets in the short, medium and long term.





Financial Commentary 2018-2019

2

2018-2019 HIGHLIGHTS

\$2.78B Total Assets

LY \$2.57B

3.28%
Debt Service Ratio

LY 3.34%

\$64.0M

Capital Works - New

LY \$39.4M

\$51.8M

Capital Works - Renew

LY \$56.4M

\$52.1M Surplus

Net Operating Result

LY \$48.8M Surplus

\$7.5M Deficit

Net Operating Result Before Capital Grants & Contributions

LY \$8.1M Surplus

\$7.4M

Contributed Assets Recognised

LY \$18.2M

2.70:1

Unrestricted Current Ratio

LY 2.79:1

\$154.8M

Cash Assets & Investments

LY \$157.8M

5.09%

Rates, Annual Charges, Interest & Extra Charges Outstanding

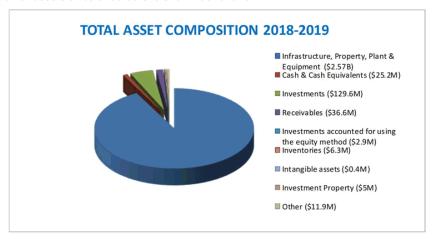
LY 4.66%





ASSETS

Council is the custodian of community assets with a total value of \$2.78B at 30 June 2019. The composition of assets at balance date is shown as follows:



Infrastructure, Property, Plant & Equipment (IPPE)

With a carrying value of \$2.57B IPPE is Council's most significant asset group representing 92% of total asset value. This asset group include roads, drains, footpaths, community facilities, recreational facilities, parks and gardens.

During 2018-2019, Council achieved its target and delivered a capital works program of \$115.8M including the construction and purchase of \$64.0M of new assets and renewal of existing assets of \$51.8M. After accounting for annual depreciation expense, the overall value of IPPE increased by \$309.6M during 2018-2019. This is mainly the result of revaluations to operational land and buildings. Further financial details of IPPE are shown at Note 10.

Cash and Investments

Council maintained robust levels of cash and investments, with holdings of \$155M at 30 June 2019. Cash and investment positions over recent years are as follows:

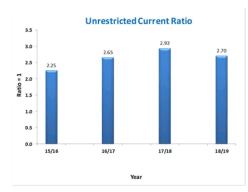
CASH, INVESTMENTS & AVAILABLE FUNDS (\$M)									
	YTD Actual 30 June 2016	YTD Actual 30 June 2017	YTD Actual 30 June 2018	YTD Actual 30 June 2019					
TOTAL CASH & INVESTMENTS	154.025	167.577	157.768	154.822					
Less Restrictions:									
External	75.276	75.788	74.192	77.657					
Internal	55.377	57.379	68.129	61.203					
AVAILABLE CASH	23.372	34.410	15.447	15.962					
Adjusted for :									
Current payables	(37.432)	(41.617)	(30.010)	(35.020)					
Receivables	24.487	34.211	37.702	48.499					
AVAILABLE FUNDS	10.427	27.004	23.139	29.441					

Council's cash and investment position is robust at face-value; however these funds are subject to restriction. Council's true cash position is more accurately depicted by considering available funds which are uncommitted and not subject to restriction. External restrictions are funds held by Council that must be spent for a specific purpose and cannot be used by Council for general operations. restrictions are funds that Council has determined will be used for a specific future purpose.

At 30 June 2019, Council achieved an available funds position of \$29.4M, which is significantly higher than the Financial Strategy target range of 3.5% to 5.5% of operational revenue (pre-capital). The result at balance date was uplifted by the early receipt of the first two instalments of the Financial Assistance Grant for 2019-2020 totalling \$9.4M.

Financial Commentary 2018-2019





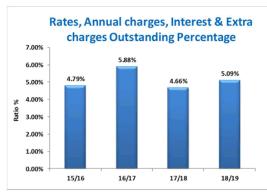
Measures: Cash/Liquidity Position or Council's ability to satisfy obligations in the short term from its unrestricted activities.

Strategy: Council's strategy is to maximise the use of available funds for asset renewal by targeting a lean Unrestricted Current Ratio. Cash assets held for future waste facility requirements are captured in this ratio. As these amounts are significant, this ratio is expected to exceed the benchmark until payments are required.

Performance: Council's performance is above the Local Government Benchmark of >1.5:1 and is consistent with prior years.

Receivables

Receivables are the amount of money that is owed to Council or funds that Council has paid in advance. At 30 June 2019, receivables totalled \$36.6M, an increase of \$9.6M compared to the 2017-2018 reporting period. The fluctuation is related to an increase in Government Grants and Subsidies receivable. Full details of receivables are provided in Note 7.



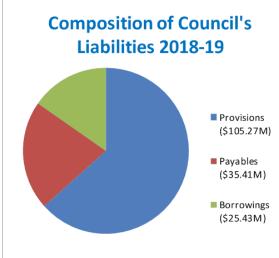
Measures: The impact of uncollected rates and other charges on liquidity and the adequacy of recovery efforts.

Target: Industry standard of <5%.

Performance: Council's Debt Recovery Policy has produced a result which exceeds target and performance in recent years. Although Council continues to improve the debt recovery processes for all rate payers, there has been an increase in debt owed to Council by pensioners that Council policy allows.

LIABILITIES

At 30 June 2019 Council's Total Liabilities were \$166.1M. The composition of Council's Total Liabilities is shown below.



Provisions: Account for 63.4% of Council's Liabilities with the most significant provisions relating to Employee Leave Entitlements [\$54.5M], Waste Depot Remediation Provision [\$42.9M], Workers' Compensation Provision [\$7.1M] and Self-Insurance [\$0.7M].

Account for 21.3% of Council's Pavables: Liabilities. The most significant payables being goods and services received and capital expenditure incurred but not yet paid for, and accrued expenditure.

Borrowings: Account for 15.3% of Council's Liabilities and relate to the interest free Infrastructure Loan from the State Government secured in 2010 and the subsidised Local Infrastructure Renewal Scheme Programs (1, 2 and 3) secured over the previous five financial years.

Financial Commentary 2018-2019



Provisions

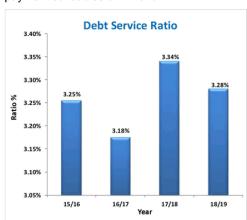
Provisions increased during 2018-2019 by \$10.3M. The increase is mainly attributable to the revaluation of employee leave entitlements [\$5.2M] and the reassessment of prior year workers' compensation claims to reflect broader community valuation trends [\$2.0M]. Although the provisions are revalued each financial year, these changes are the result of external economic conditions through the application of discount rates to reflect the value of the provisions as at 30 June 2019.

Borrowings

Council continues to remain a relatively low debt user. In 2018-2019 Council did not undertake additional borrowings, all activity related to the repayment of previously secured loans.

In prior years Council took advantage of borrowing opportunities enabling it to accelerate specific capital programs. The loan facilities which Council has in place include an interest free infrastructure loan from the NSW State Government for West Dapto Access Works, which was secured in 2010 for a 10 year term which will continue to be repaid over the next two years.

Council also has subsidised loans under the Local Government Infrastructure Renewal Scheme (LIRS). Funds were secured under LIRS rounds 1, 2 and 3. The projects funded under round 1 (Citywide Footpaths and Shared Path Renewal and Missing Links Construction Program) and round 2 (Upgrade Berkeley and Corrimal Community Centres and Thirroul Pavilion and Kiosk) are complete. The project funded by the round 3 applications, (the West Dapto Access Project to construct Fowlers Road to Fairwater Drive) is still active. Repayment of LIRS loans will continue in accordance with the various payment schedules until 2025.



The proportion of revenues that is Measures: required to meet Council's annual loan repayments.

Target: Council's Financial Strategy allows for a ratio of 4%.

Performance: A low level of debt is reflected in Council's Debt Service Ratio of 3.28%. This is exceptionally low in comparison to the Local Government benchmark ratio of <10%, and is within Council's own Strategy.

The Debt Service Ratio decreased slightly in the 2018-2019 reporting period. This is due to an increase in Council's income from continuing operations.

Operational Performance - Income & Expenses

Council achieved a Net Operating Surplus from Continuing Operations of \$52.1M in 2018-2019 in comparison to a Surplus of \$48.8M in 2017-2018. Council's underlying measure of long term operational performance, the Operational Result before Capital Grants and Contributions, is a deficit of \$7.5M, compared to a surplus of \$8.1M in 2017-2018. The 2018-2019 result has been impacted by a number of large valuation transactions primarily related to the accounting treatment of employee liabilities.

Income

Council's Income from Continuing Operations for 2018-2019 was \$338.5M compared to a prior year result of \$314.8M. This increase is mainly attributed to an increase in Capital Grants and Contributions [\$19.0M] due to an increase in developer contributions and capital grants funding for transport infrastructure associated with the West Dapto Urban Release Area, partially offset by lower levels of subdivision dedications.

The composition of Council's revenue remained reasonably consistent compared to previous years as depicted in the table below. Exceptions include Grants and Contributions Capital which increased in its portion of total income from continuing operations [from 13% to 18%]. It is noted that Council does not control the flow of asset dedications by developers and contributions vary from year to year.



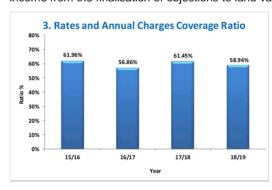


Financial Commentary 2018-2019



COME FROM CONTINUING OPERATIONS		Year en 30/06/20 \$'000		Year end 30/06/20 \$'000		Year er 30/06/2 \$'000		Year ended 30/06/2019	
COME PROMICON	INDING OPERATIONS	\$ 000	70	\$ 000	70	\$ 000	70	\$'000	%
tes & Annual Charges		174,149	62%	184,530	57%	193,419	61%	199,524	599
er Charges & Fees		31,252	11%	37,491	12%	34,805	11%	32,793	109
erest & Investment Reve	enues	5,597	2%	5,909	2%	5,162	2%	5,069	19
her Revenues		12,891	5%	14,418	4%	10,551	3%	12,125	49
ants & Contributions - C	perating	30,461	11%	39,639	12%	29,384	9%	28,856	9
ants & Contributions - C	Capital	26,548	9%	42,022	13%	40,637	13%	59,656	189
ofit on Disposal of Asse	ts	0	0%	0	0%	5	0%	220	0
t Share of interests in J	oint Ventures &								
sociated Entities using	the equity method	150	0%	525	0%	803	0%	293	0
tal Income from Cont	inuing Operations	281,048	100%	324,534	100%	314,766	100%	338,536	100
90% 90% 80%							_	■ Net Share of interpolation Ventures & Associated Entite the equity meth ■ Profit on Disposition of the Capital	k ies us in od al of As
60%							_	Grants & Contril	butions
50%							_	■ Other Revenues	
40%				\vdash			_		
30%				_			_	■ Investment Reve	enues
20%				\vdash			_	User Charges an	d Fees
10%							_	Rates and Annua	al Charg
0%				ļ					

Income from Rates and Annual Charges, Council's largest revenue stream, totalled \$199.5M in 2018-2019, an increase of \$6.1M on the prior year. The increase is due to indexation and additional income from the finalisation of objections to land values from previous financial years.



Measures: The degree of Council's dependence upon revenue from rates and annual charges and the security of Council's income.

Performance: This ratio indicates a decreased level of dependence on rates and annual charges revenue compared to last year. It is noted that this year's performance is in line with the 2016-2017 result and was skewed by an increase in the flow of developer contributions. As predicted, this ratio is subject to some fluctuation, and the current year performance is as expected.





June 2019

Financial Commentary 2018-2019

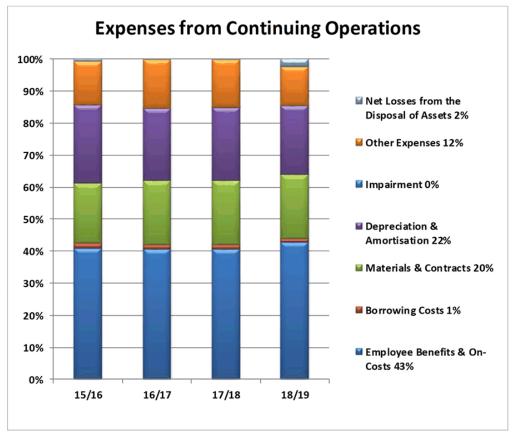
Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30

7

Expenses

Expenses from Continuing Operations for 2018-2019 totalled \$286.4M, an increase on prior year expenditure of \$20.4M. This increase can be predominately explained by Employee Costs rising from \$107.8M in 2017-2018 to \$122.4M in 2018-2019. This is partly due to the impact of the revaluation of employee leave entitlements [\$5.2M] and the reassessment of prior year workers' compensation claims to reflect broader community valuation trends [\$2.0M]. The increase in expenses has also been impacted by an increase in Loss on Disposal of Assets from \$0.4M in 2017-2018 to \$6.9M in 2018-2019.

In terms of composition, the proportion of each expenditure category against total expenses from continuing operations has remained consistent compared to prior years with the exception of net losses from the disposal of assets. Material budget variations from the 2018-2019 year for income and expenditure items are detailed in Note 21 of the statements.







Financial Commentary 2018-2019



Wollongong City Council

Historical Financial Data

Income Statement

	Notes	Actual 2015/16 \$'000	Actual 2016/17 \$'000	Actual 2017/18 \$'000	Actual 2018/19 \$'000
Income from Continuing Operations		,		,	
Revenue:					
Rates & Annual Charges	За	174,149	184,530	193,429	199,524
User Charges & Fees	3b	31,252	37,491	34,805	32,793
Interest and Investment Revenue	3c	5,597	5,909	5,162	5,069
Other Revenues	3d	12,891	14,418	10,551	12,125
Grants & Contributions provided for Operating Purposes	3e,f	30,461	39,639	29,384	28,856
Grants & Contributions provided for Capital Purposes	3e,f	26,548	42,022	40,637	59,656
Other Income:		,_	,	-	,
Net Gains from the Disposal of Assets	5	-	-	-	-
Fair Value Increment on Investment Property	11	_	_	5	220
Profit from interests in Joint Ventures & Associates		-	-	-	-
Entities using the equity method	17	150	525	803	293
Total Income from Continuing Operations		281,048	324,534	314,776	338,536
Expenses from Continuing Operations					
Employee Benefits & On-Costs					
Employee Benefits & On-Costs	4a	103,547	103,139	107,843	122,445
Borrowing Costs	4b	4,223	4,071	3,819	3,337
Materials & Contracts	4c	47,144	47,032	53,709	57,432
Depreciation & Amortisation	4d	61,882	61,271	60,067	61,781
Impairment	4d	6	-	-	-
Other Expenses	4e	34,782	35,594	40,211	34,571
Net Losses from the Disposal of Assets	5	1,627	3,960	361	6,856
Loss from interests in Joint Ventures & Associates	19				
Total Expenses from Continuing Operations		253,211	255,067	266,010	286,422
Operating Result from Continuing Operations		27,837	69,467	48,766	52,114
NET OPERATING RESULT FOR THE YEAR		27,837	69,467	48,766	52,114
Less: Grants & Contributions provided for Capital Purposes Net Operating Result for the year before Grants and	3e,f	26,548	42,022	40,637	59,656
Contributions provided for Capital Purposes		1,289	27,445	8,129	(7,542)

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



Financial Commentary 2018-2019



Wollongong City Council

Historical Financial Data

Statement of Financial Position

	Notes	Actual 2015/16 \$'000	Actual 2016/17 \$'000	Actual 2017/18 \$'000	Actual 2018/19 \$'000
ASSETS					
Current assets					
Cash & cash equivalents	6a	17,747	23,534	26,491	25,187
nvestments	6b	126,193	119,458	109,162	114,579
Receivables	7	21,280	23,531	27,036	36,620
nventories	8	6,027	298	306	33
Other	8	3,207	10,680	10,666	11,879
Assets held for sale (previously non-current)	9 _		6,381		
Fotal current assets	-	174,454	183,882	173,661	188,602
Non-current assets					
Cash assets	6a	-	-	-	
nvestments	6b	10,085	24,585	22,115	15,056
Receivables	7	-			
nventories	8	-	5,791	5,835	5,94
nfrastructure, property, plant & equipment	10	2,270,419	2,309,628	2,356,306	2,565,09
nvestments accounted for using the equity method	17	1,310	1,835	2,638	2,92
nvestment property	11	4,775	4,775	4,780	5,00
ntangible assets	12	1,043	653	388	44
Non-current assets classified as 'held for sale'		-			
Other	_	-			
Total non-current assets	_	2,287,632	2,347,267	2,392,062	2,594,468
FOTAL ASSETS	-	2,462,086	2,531,149	2,565,723	2,783,070
LIABILITIES					
Current liabilities					
Payables	13	34,238	38,660	26,754	30,006
ncome received in advance	13	3,194	2,957	3,256	5,014
nterest bearing liabilities	13	6,690	7,513	7,716	7,93
Provisions	14	50,683	48,853	50,377	58,214
Total current liabilities	_	94,805	97,983	88,103	101,168
Non-current liabilities					
Payables	13	_	-	700	38
nterest bearing liabilities	13	33.940	32,188	25,039	17,49
Provisions	14	44,031	48,121	44,566	47,05
Total non-current liabilities	_	77,971	80,309	70,305	64,930
TOTAL LIABILITIES		172,776	178,292	158,408	166,104
NET ASSETS	\$	2,289,310	2,352,857	2,407,315	2,616,96
EQUITY		_	_		
	15	1 202 642	1 200 005	1 441 000	1 462 044
Retained earnings	15 15	1,302,643	1,389,905	1,441,990	1,463,84
Revaluation reserves	15 15	986,667	962,952	965,325	1,153,069 56
Council Equity Interest	15 _	2 200 240	2 252 057	2 407 245	
Council Equity Interest		2,289,310	2,352,857	2,407,315	2,616,96
Minority Equity Interest	_	-	-		0.045.55
FOTAL EQUITY	\$	2,289,310	2,352,857	2,407,315	2,616,960

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





ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2019





GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2019





June 2019

Financial Statements 2019

General Purpose Financial Statements

for the year ended 30 June 2019

Contents	Page
1. Statement by Councillors & Management	3
2. Primary Financial Statements: Income Statement Statement of Comprehensive Income Statement of Financial Position Statement of Changes in Equity Statement of Cash Flows	4 5 6 7 8
3. Notes to the Financial Statements	9
4. Independent Auditor's Reports: On the Financial Statements (Sect 417 [2]) On the Financial Statements (Sect 417 [3])	79 82

Overview

Wollongong City Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

41 Burelli Street Wollongong NSW 2500

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- · principles applying to the exercise of functions generally by council,
- · principles to be applied when making decisions,
- · principles of community participation,
- · principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.wollongong.nsw.gov.au.



Financial Statements 2019

Wollongong City Council

General Purpose Financial Statements

for the year ended 30 June 2019

Statement by Councillors and Management made pursuant to Section 413(2)(c) of the Local Government Act 1993 (NSW) (as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:

- · the Local Government Act 1993 (NSW) (as amended) and the regulations made thereunder,
- · the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board,
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

- · present fairly the Council's operating result and financial position for the year,
- · accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 23 September 2019.

Gordon Bradbery

Lord Mayor

23 September 2019

General Manager

23 September 2019

David Brown

Deputy Lord Mayor 23 September 2019

Brian Jenkins

Responsible Accounting Officer

23 September 2019



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actua
2019	\$ 000	Notes	2019	2018
	Income from continuing operations			
	Revenue:			
197,686	Rates and annual charges	За	199,524	193,42
34,967	User charges and fees	3b	32,793	34,80
4,572	Interest and investment revenue	3c	5,069	5,16
10,062	Other revenues	3d	12,125	10,55
19,837	Grants and contributions provided for operating purposes	3e,3f	28,856	29,38
53,752	Grants and contributions provided for capital purposes	3e,3f	59,656	40,63
,	Other income:		,	,
_	Fair value increment on investment properties	11	220	
	Net share of interests in joint ventures and associates	17		
_	using the equity method		291	80
320,876	Total income from continuing operations		338,534	314,77
	Expenses from continuing operations			
112,838	Employee benefits and on-costs	4a	122,445	107,84
3,310	Borrowing costs	4b	3,337	3,81
55,983	Materials and contracts	4c	57,432	53,70
64,508	Depreciation and amortisation	4d	61,781	60,06
37,360	Other expenses	4e	34,571	40,21
-	Net losses from the disposal of assets	5	6.856	36
273,999	Total expenses from continuing operations		286,422	266,01
46,877	Operating result from continuing operations		52 112	48,76
40,077	Operating result from continuing operations		52,112	40,70
46,877	Net operating result for the year		52,112	48,766
46 877	Net operating result attributable to council		52 112	48,76
46,877		•	•	<u> </u>
(6,875)	Net operating result for the year before grants and contri provided for capital purposes	butions	(7,544)	8,129

⁽¹⁾ The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement

The above Income Statement should be read in conjunction with the accompanying notes.



Financial Statements 2019

Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018 1
Net operating result for the year (as per Income Statement)		52,112	48,766
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result	10	100.010	5 000
Gain (loss) on revaluation of IPP&E	10 -	196,818	5,692
Total items which will not be reclassified subsequently to the operating result		196,818	5,692
Amounts which will be reclassified subsequently to the operating result when s conditions are met	pecific		
Gain(/loss) on revaluation of equity instruments at fair value through other comprehensive income		(32)	_
Total items which will be reclassified subsequently to the operating result when specific conditions are met		(32)	
result when specific conditions are met		(32)	_
Total other comprehensive income for the year	_	196,786	5,692
Total comprehensive income for the year	_	248,898	54,458
Total comprehensive income attributable to Council		248,898	54,458

⁽¹⁾ The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019 1	2018 ²
ASSETS			
Current assets			
Cash and cash equivalent assets	6(a)	25,187	26,491
Investments	6(b)	114,579	109,162
Receivables	7	36,620	27,036
Inventories	8a	337	306
Other	8b	11,879	10,666
Total current assets		188,602	173,661
Non-current assets			
Investments	6(b)	15,056	22,115
Inventories	8a	5,948	5,835
Infrastructure, property, plant and equipment	10	2,565,095	2,356,306
Investment property	11a	5,000	4,780
Intangible assets	12	440	388
Investments accounted for using the equity method	17	2,929	2,638
Total non-current assets		2,594,468	2,392,062
TOTAL ASSETS		2,783,070	2,565,723
LIABILITIES			
Current liabilities			
Payables	13	30,006	26,754
Income received in advance	13	5,014	3,256
Borrowings	13	7,934	7,716
Provisions	14	58,214	50,377
Total current liabilities		101,168	88,103
Non-current liabilities			
Payables	13	385	700
Borrowings	13	17,497	25,039
Provisions	14	47,054	44,566
Total non-current liabilities		64,936	70,305
TOTAL LIABILITIES		166,104	158,408
Net assets		2,616,966	2,407,315
FOURTY			
EQUITY	15a	1 462 045	1 111 000
Accumulated surplus Revaluation reserves	15a	1,463,845	1,441,990
Other reserves	15a 15a	1,153,065 56	965,325
Council equity interest	1Ja	2,616,966	2,407,315
Total equity		2,616,966	2,407,315

⁽¹⁾ Opening balances for 2019 have been adjusted to reflect the correction of errors relating to a previous reporting period as described in

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

⁽²⁾ The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement

Financial Statements 2019

Wollongong City Council

Statement of Changes in Equity

for the year ended 30 June 2019

		20	019			2018 ¹			
\$ '000	Notes	Accumulated surplus	IPP&E revaluation reserve		Total equity	Accumulated surplus	IPP&E revaluation reserve	Investment Revaluation Reserve	Total equity
Opening balance		1,441,990	965,325	_	2,407,315	1,389,905	962,952	_	2,352,857
Correction of prior period errors	15b	(30,652)	(8,573)	_	(39,225)	-	-	_	
Adoption of new accounting standards – not retrospective	15c	(110)	_	88	(22)	_	_	_	_
Restated opening balance		1,411,228	956,752	88	2,368,068	1,389,905	962,952	_	2,352,857
Net operating result for the year		52,112	_	_	52,112	48,766	_	_	48,766
Restated net operating result for the period		52,112	_	_	52,112	48,766	_	_	48,766
Other comprehensive income									
 Gain (loss) on revaluation of IPP&E 	10	_	196,818	_	196,818	_	5,692	_	5,692
 Gain(/loss) on revaluation of equity instruments at fair value through other comprehensive income 		-	-	(32)	(32)	-	-	-	-
Other comprehensive income		_	196,818	(32)	196,786	_	5,692	_	5,692
Total comprehensive income		52,112	196,818	(32)	248,898	48,766	5,692	_	54,458
Transfers between equity items		505	(505)	_		3,319	(3,319)	_	_
Equity – balance at end of the reporting period		1,463,845	1,153,065	56	2,616,966	1,441,990	965,325	_	2,407,315

⁽¹⁾ The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Statement of Cash Flows

for the year ended 30 June 2019

Original unaudited budget			Actual	Actual
2019	\$ '000	Notes	2019	2018
	Cash flows from operating activities Receipts			
197,421	Rates and annual charges		198,536	193,451
34,967	User charges and fees		35,009	35,362
4,572	Investment and interest revenue received		4,859	5,426
63,420	Grants and contributions		74,808	50,700
9,598	Bonds, deposits and retention amounts received		3,060	591
_	Other		25,603	23,198
(440.450)	Payments		(110.010)	(407.005)
(110,458)	Employee benefits and on-costs Materials and contracts		(116,018)	(107,925)
(92,522) (1,089)	Borrowing costs		(76,382) (1,096)	(65,774) (1,263)
(1,009)	Bonds, deposits and retention amounts refunded		(907)	(1,543)
_	Other		(33,844)	(52,022)
	Net cash provided (or used in) operating	16b		(,,
105,909	activities		113,628	80,201
	Cash flows from investing activities			
	Receipts			
(205)	Sale of investment securities		61,106	67,557
1,795	Sale of infrastructure, property, plant and equipment		1,920	10,923
	Payments Discharge of investment accurities		(50.067)	(E4 CC4)
(97,962)	Purchase of investment securities Purchase of infrastructure, property, plant and equipment		(59,267) (110,578)	(54,661) (93,506)
(97,902)	Purchase of real estate assets		(113)	(44)
_	Purchase of intangible assets		(285)	(++)
(96,372)	Net cash provided (or used in) investing activities		(107,217)	(69,731)
(00,012)			(101,211)	(00,701)
	Cash flows from financing activities Payments			
(7,692)	Repayment of borrowings and advances		(7,715)	(7,513)
(7,692)	Net cash flow provided (used in) financing activities		(7,715)	(7,513)
1,845	Net increase/(decrease) in cash and cash equivalents		(1,304)	2,957
131,797	Plus: cash and cash equivalents – beginning of year	16a	26,491	23,534
	Cash and cash equivalents – end of the	16a		
122 642	year		25 197	26 404
133,642	your		25,187	26,491
	Additional Information:			
_	plus: Investments on hand – end of year	6(b)	129,635	131,277
133,642	Total cash, cash equivalents and investments		154,822	157,768
100,072	. I I I I I I I I I I I I I I I I I I I		107,022	101,100

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Basis of preparation	10
2(a)	Council functions/activities – financial information	14
2(b)	Council functions/activities – component descriptions	15
3	Income from continuing operations	16
4	Expenses from continuing operations	23
5	Gains or losses from the disposal, replacement and de-recognition of assets	27
6(a)	Cash and cash equivalent assets	28
6(b)	Investments	28
6(c)	Restricted cash, cash equivalents and investments – details	31
7	Receivables	33
8	Inventories and other assets	35
9	Non-current assets classified as held for sale	36
10	Infrastructure, property, plant and equipment	37
11	Investment property	39
12	Intangible assets	41
13	Payables and borrowings	42
14	Provisions	44
15	Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors	47
16	Statement of cash flows – additional information	49
17	Interests in other entities	50
18	Commitments	53
19	Contingencies and other assets/liabilities not recognised	54
20	Financial risk management	56
21	Material budget variations	59
22	Fair Value Measurement	61
23	Related Party Transactions	70
24	Events occurring after the reporting date	72
25	Statement of developer contributions	72
26	Financial result and financial position by fund	75
27(a)	Statement of performance measures – consolidated results	75
	Additional Council disclosures (unaudited)	
27(b)	Statement of performance measures – consolidated results (graphs)	76
28	Council information and contact details	78



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 23 September 2019. Council has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity for the purposse of preparing these financial statements. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts.

Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- · Statement of cash flows
- Note 21 Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019. Those newly adopted standards which had an impact on reported position, performance and/or disclosures have been discussed in Note 15.

(b) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of infrastructure, property, plant and equipment and investment property.

(c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of investment properties refer Note 11
- (ii) estimated fair values of infrastructure, property, plant and equipment refer Note 10
- (iii) estimated tip remediation provisions refer Note 14
- (iv) employee benefit provisions refer Note 14.

Significant judgements in applying the council's accounting policies

(i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables - refer Note 7.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

Monies and other assets received by Council

(a) The Consolidated Fund

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

(b) The Trust Fund

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

Trust monies and property subject to Council's control have been included in these reports.

The following Trust monies and properties are held by Council but not considered to be under the control of Council and therefore are excluded from these financial statements:

- · WCC Trust Account (deposits from sale of land/properties due to unpaid rates)
- · Lord Mayor's Relief Fund
- Art Gallery (bequeaths/donations)
- · Environment Foundation Gift Trust

A separate statement of monies held in the Trust Fund is available for inspection at the council office by any person free of charge.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

New accounting standards and interpretations issued not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by Council).

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial positon and cash flows) are set out below:

AASB 16 Leases

AASB 16 will result (for the year ending 30 June 2020 and beyond) in all operating leases being recognised on the balance sheet by Council with the distinction between operating and finance leases removed.

Under the new standard, a financial liability (ie. a lease liability) and an asset (ie. a right to use the leased item) will be recognised for nearly all arrangements where Council commits itself to paying a rental fee for the use of a specific asset.

The only exceptions are short-term and low-value leases which are exempt from the accounting (but not disclosure) requirements of AASB 16 - Leases.

Council staff have reviewed all of Council's leasing arrangements over the last 12 months taking into consideration the new lease accounting rules in AASB 16 (applicable from 1 July 2019). Further investigation of the waste services contracts in consultation with suppliers is required to determine potential inclusion.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

AASB 16 will (on the whole) affect Council's accounting for existing operating lease agreements that are in place as at 30 June 2019.

At the end of this reporting period, Council has non-cancellable operating lease commitments of \$1,273,319 - refer Note 18.

No portion of these commitments relate to short-term leases or low value leases.

Council anticipates it will recognise lease liabilities (on its balance sheet) of \$1,148,929 (after adjustments for prepayments and accrued lease payments recognised as at 30 June 2019) and also recognise complimentary right-of-use assets (on its balance sheet) totalling \$1,148,929 on 1 July 2019.

From a financial position standpoint, as a result of recognising the above lease liabilities and right-of-use assets, Council's net assets (as at 1 July 2019) will remain unchanged, while net current assets will be \$335,056 lower due to the presentation of a portion of the lease liability as a current liability.

From a financial performance standpoint, Council expects that net operating result will be unchanged for the year ending 30 June 2020 as a result of adopting the standard.

Operating cash flows will increase and financing cash flows decrease by approximately \$1,148,929 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

AASB 15 Revenue from Contracts with Customers and associated amending standards.

AASB15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Councils should assess each revenue stream but particular impact is expected for grant income and rates which are paid before the commencement of the rating period.

The changes in revenue recognition requirements in AASB15 may cause changes to the timing of revenue recorded in the financial statements as well as additional disclosures. The new standard requires that revenue received under a contract with sufficiently specific performance obligations be recognised when control of the goods or services are transferred to the customer. Where revenue is not connected to a contract with sufficiently specific performance obligations, it will generally be recognised upon receipt. Currently revenue is recognised when it is received, and where income is received in arrears an accrual is made by reference to the stage of completion of the transaction.

AASB 1058 Income of NFP Entities

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions.

Under AASB 1058, the future timing of income recognition will depend on whether the transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service) related to an asset (such as cash or another asset) received by an entity.

AASB 1058 also applies when a council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the council's objective is principally to enable the asset to further the council's objectives.

Upon initial recognition of the asset, this standard requires council to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable accounting standard, such as:

- (a) contributions by owners
- (b) revenue, or a contract liability arising from a contract with a customer
- (c) a lease liability
- (d) a financial instrument, or
- (e) a provision.



Financial Statements 2019

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

If the transaction is a transfer of a financial asset to enable council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), the council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will then recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

If the transaction does not enable council to acquire or construct a recognisable non-financial asset to be controlled by council, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

It is anticipated that the adoption of AASB 1058 may impact the timing of income recognition relating to some capital grants. Council will also be required to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. Currently volunteer services are not recognised.

AASB 2018-8 Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities

This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below market terms and conditions, principally to enable the entity to further its objectives (for example, concessionary or peppercorn leases).

The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such right-of-use assets at cost rather than fair value) to include additional disclosures in the financial statements to ensure users understand the effects on the financial position, financial performance and cash flows of the entity arising from these leases

As per a NSW Office of Local Government recommendation, Council has elected to measure right-of-use assets (under a concessionary or peppercorn lease) at cost. The standard requires additional disclosures be provided in relation to below market-value leases measured at cost.

Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2018.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 2(a). Council functions/activities – financial information

Income, expenses and assets have been directly attributed to the following functions or activities.

Details of those functions or activities are provided in Note 2(b).

		Income from Expe		penses from			in ir	ts included ncome from operations	Total assets held (current and non-current)	
\$ '000	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Functions or activities										
Planning and engagement	27,520	13,355	28,058	26,099	(538)	(12,744)	273	1,369	258,471	269,637
Environment	49,350	48,375	61,691	62,198	(12,341)	(13,823)	2,941	1,470	470,695	354,637
Transport services/infrastructure	29,491	17,113	50,189	48,466	(20,698)	(31,353)	26,623	14,130	476,782	457,146
Community services/facilities	8,155	9,033	33,661	32,730	(25,506)	(23,697)	4,732	4,758	37,374	31,089
Recreation and open space	13,954	12,274	47,796	45,762	(33,842)	(33,488)	367	209	79,719	93,734
Regulatory services and safety	8,241	8,417	19,284	18,574	(11,043)	(10,157)	476	521	1,527	1,641
Governance and internal services	194,427	188,042	45,743	32,181	148,684	155,861	16,983	17,281	1,458,502	1,357,839
Contributed Assets	7,396	18,167	_	_	7,396	18,167	-	-	_	-
Total functions and activities	338,534	314,776	286,422	266,010	52,112	48,766	52,395	39,738	2,783,070	2,565,723



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 2(b). Council functions/activities - component descriptions

Details relating to the Council's functions/activities as reported in Note 2(a) are as follows:

Planning and engagement

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

Environment

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

Transport services/infrastructure

Transport Services and Infrastructure works

Community services/facilities

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

Recreation and open space

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

Regulatory services and safety

Emergency Management, Development Assessment, Regulatory Control, Public Health

Governance and internal services

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

Contributed Assets

Contributed assets relate mainly to the handover of transport and stormwater assets from various subdivisions in the West Dapto area.



June 2019

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations

\$ '000	2019	2018
(a) Rates and annual charges		
Ordinary rates		
Residential	115,655	112,264
Farmland	313	302
Mining	914	897
Business	46,927	45,436
Less: pensioner rebates (mandatory)	(2,902)	(2,885)
Less: pensioner rebates (Council policy)	(377)	(410)
Abandonments	(42)	(94)
Rates levied to ratepayers	160,488_	155,510
Pensioner rate subsidies received	1,596	1,551
Total ordinary rates	162,084	157,061
Special rates		
City centre	403	395
Mall	1,107	1,044
Rates levied to ratepayers	1,510	1,439
Total special rates	1,510	1,439
Annual charges		
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	34,560	33,601
Stormwater management services	1,831	1,817
Less: pensioner rebates (mandatory)	(797)	(798)
Less: pensioner rebates (Council policy)	(97)	(107)
Abandonments – annual charges ¹	(5)	(13)
Annual charges levied	35,492	34,500
Pensioner subsidies received:		
		429
Total annual charges	35,930	34,929
TOTAL RATES AND ANNUAL CHARGES	199,524	193,429
Domestic waste managementTotal annual charges	438 35,930 199,524	

Council has used 2016 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy for rates and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates.

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

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



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(b) User charges and fees		
Specific user charges		
(per s.502 - specific 'actual use' charges)		
Waste management services (non-domestic) 1	9,632	11,062
Total specific user charges	9,632	11,062
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Contestable building services	386	334
Inspection services	509	507
Planning and building regulation	2,790	2,874
Registration fees	233	252
Section 10.7 certificates (EP&A Act)	517	587
Section 603 certificates (rating certificate)	261	316
Section 611 charges (occupation of land)	192	187
Other	60	45
Total fees and charges – statutory/regulatory	4,948	5,102
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Additional waste services	91	117
Art gallery	11	9
Car parking	852	823
Credit card payment processing fee	139	124
Crematorium and cemeteries ²	1,495	2,219
Design review meeting application fees	113	150
Golf course	567	549
Health inspections	293	290
Hire charges	601	589
Leaseback fees – Council vehicles	679	710
Library	44	44
Marketing	39	39
Outdoor dining	92	91
Parking meters	1,172	1,262
Pre-lodgement meeting fees	113	127
Recreation	4,152	3,984
Road opening permits	363	271
Stallholder fees Tourist parks	119	103
Tourist parks	7,135 85	6,961 93
Tree management requests Other	58	93 86
Total fees and charges – other	18,213	18,641
TOTAL USER CHARGES AND FEES	32,793	34,805

Accounting policy for user charges and fees

User charges and fees are recognised as revenue when the service has been provided.

⁽¹⁾ Non-Domestic waste management services income has reduced in comparison to the prior financial year as a result of commercial customers using alternate facilities.

⁽²⁾ Crematorium operations ceased at the end of the 2017/18 financial year.



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(c) Interest and investment revenue (including losses)		
Interest on financial assets measured at amortised cost		
 Overdue rates and annual charges (incl. special purpose rates) 	606	597
 Cash and investments 	4,227	4,435
Dividend income relating to investments held at fair value through other comprehensive income	95	_
Fair value adjustments		
 Movements in investments at fair value through profit and loss 	141	130
TOTAL INTEREST AND INVESTMENT REVENUE	5,069	5,162
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	606	597
General Council cash and investments	2,576	2,566
Restricted investments/funds – external:		
Development contributions		
- Section 7.11	844	580
Unexpended infrastructure loan	153	226
Other externally restricted assets	890	1,193
Total interest and investment revenue	5,069	5,162

Accounting policy for interest and investment revenue

Interest income is recognised using the effective interest rate at the date that interest is earned.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Notes	2019	2018
(d) Other revenues			
Diesel rebate		197	207
Fines		645	700
Fines – parking		2,426	2,336
Insurance claims recoveries		325	302
Legal fees recovery – rates and charges (extra charges)		180	271
Legal settlements		25	50
Outgoings reimbursements		129	125
Reimbursements		295	486
Rental income – investment property	11	389	347
Rental income – other council properties		4,676	4,400
Sales – general		2,183	709
Sponsorship and promotional income		50	71
Other		605	547
TOTAL OTHER REVENUE		12,125	10,551

Accounting policy for other revenue

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Parking fees are recognised as revenue when the service has been provided. Fines are recognised when the penalty has been applied.

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

Sales - general are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance	18,596	18,655		_
Total general purpose	18,596_	18,655		_
Specific purpose				
Arts and culture	79	82	_	_
Buildings	_	_	_	600
Community development and support	286	302	_	_
Economic development	_	289	_	_
Emergency services	418	439	_	_
Environmental management and enhancement	2	74	_	_
Environmental programs	58	82	_	_
Floodplain and stormwater management	173	87	1,072	620
Footpaths and cycleways	_	_	_	454
HACC community transport	2,629	2,591	_	_
Heritage and cultural	19	254	_	31
Library	450	480	_	-
LIRS subsidy	835	992	_	_
Local bus route subsidy	79	56	_	_
Natural area management	197	146	_	_
Parks, gardens and sportsfields	_	60	545	71
People and learning	74	36	_	_
Playgrounds	_	_	_	27
Recreation and culture	_	_	36	41
Strategic city planning	95	59	_	-
Street lighting	700	684	_	-
Transport (other roads and bridges funding)	99	22	21,691	9,517
Transport (roads to recovery)	_	_	1,433	1,408
Voluntary purchase scheme	_	_	1,390	39
Waste performance improvement	216	236	_	-
Wollongong multi service outlet	1,223	1,304	_	_
Total specific purpose	7,632	8,275	26,167	12,808
Total grants	26,228	26,930	26,167	12,808
Grant revenue is attributable to:				
- Commonwealth funding	18,679	22,195	8,266	3,872
- State funding	7,549	4,735	17,901	8,936
•	26,228	26,930	26,167	12,808
				,500

Page 20 continued on next page ...



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(f) Contributions					
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA): Cash contributions					
S 7.4 – contributions using planning agreements		_	_	_	141
S 7.11 – contributions towards amenities/services		_	_	17,848	3,915
S 7.12 – fixed development consent levies		_	_	5,805	5,066
Other developer contributions – Calderwood					9
Total developer contributions – cash				23,653	9,131
Non-cash contributions					
S 7.12 – fixed development consent levies		_	_	_	49
Planning agreements		_	_	_	1,433
Total developer contributions non-cash		_		_	1,482
Total developer contributions	25			23,653	10,613
Other contributions:					
Cash contributions					
Floodplain and stormwater management		299	_	_	_
Heritage/cultural		_	_	5	_
Roads and bridges		39	52	125	140
RMS contributions (regional roads, block grant)		1,431	1,403	_	_
Buildings		_		1,003	282
Community development and support		89	171	_	_
Community services and facilities		561	682	1 200	100
Parks, gardens and sportsfields People and learning		17 74	43 18	1,306	109
Pollution minimisation		118	85	_	_
Total other contributions – cash		2,628	2,454	2,439	531
			2,101	2,100	
Non-cash contributions				740	700
Bushfire services		_	_	748 6,403	730 15,642
Dedications – subdivisions (other than by s7.11) Wollongong City Gallery collection		_	_	246	313
Total other contributions – non-cash				7,397	16,685
Total other contributions from cush				1,591	10,005
Total other contributions		2,628_	2,454	9,836	17,216
Total contributions		2,628	2,454	33,489	27,829
TOTAL GRANTS AND CONTRIBUTIONS	<u>3</u>	28,856	29,384	59,656	40,637

Accounting policy for grants and contributions

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner, or used over a particular period, and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed below.

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Financial Statements 2019

Wollongong City Council

June 2019

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979*.

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

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

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

\$ '000	2019	2018
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	2,637	2,688
Add: operating grants recognised in the current period but not yet spent	1,232	1,237
Add: operating grants received for the provision of goods and services in a future period	_	_
Less: operating grants recognised in a previous reporting period now spent	(575)	(1,288)
Unexpended and held as restricted assets (operating grants)	3,294	2,637
Capital grants		
Unexpended at the close of the previous reporting period	78	361
Add: capital grants recognised in the current period but not yet spent	8	59
Add: capital grants received for the provision of goods and services in a future period	-	_
Less: capital grants recognised in a previous reporting period now spent	(26)	(342)
Unexpended and held as restricted assets (capital grants)	60	78
Contributions		
Unexpended at the close of the previous reporting period	18,990	16,583
Add: contributions recognised in the current period but not yet spent	18,180	3,799
Add: contributions received for the provision of goods and services in a future period	_	_
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate	-	-
Less: contributions recognised in a previous reporting period now spent	(356)	(1,392)
Unexpended and held as restricted assets (contributions)	36,814	18,990



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations

\$ '000	2019	2018
(a) Employee benefits and on-costs		
Employee leave entitlements (ELE) 1	20,101	12,815
Salaries and wages	99,408	93,529
Superannuation	11,869	11,617
Change in workers compensation provision	2,209	723
Workers compensation – self insurance	1,791	1,425
Fringe benefit tax (FBT)	145	114
Payroll tax	33	47
Training costs (other than salaries and wages)	859	766
Protective clothing	349	298
Labour hire	475	486
Other	364	285
Total employee costs	137,603	122,105
Less: capitalised costs	(15,158)	(14,262)
TOTAL EMPLOYEE COSTS EXPENSED	122,445	107,843

Accounting policy for employee benefits and on-costs

Employee benefit expenses are recorded when the service has been provided by the employee.

Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Superannuation plans

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

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 19 for more information.

(1) Employee leave entitlements reflect the current value of the future payments which are discounted based on published long term government bond rates. As the average discount factor has reduced from 2.6% in June 2018 to 1.2% in June 2019, the value of the provision has increased by \$5.2M resulting in a larger than anticipated movement in the provision during 2018-2019.

\$ '000	Notes	2019	2018
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		1,096	1,263
Total interest bearing liability costs expensed		1,096	1,263
(ii) Other borrowing costs			
Fair value adjustments on recognition of advances and deferred debtors			
Remediation liabilities	14	1,850	1,989
Amortisation of discount on interest free (& favourable) loans to council		391	567
Total other borrowing costs		2,241	2,556
TOTAL BORROWING COSTS EXPENSED		3,337	3,819



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

Accounting policy for borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

\$ '000	2019	2018
(c) Materials and contracts		
Raw materials and consumables	17,208	16,100
Contractor and consultancy costs	94,996	78,793
- Waste Contractor	17,546	16,618
 Road Works Contractor 	3,468	5,789
- Building Contractor	2,360	1,906
- Parks Contractor	2,065	1,817
- Cleaning Contractor	960	957
- Security Contractor	1,120	1,145
 Software Maintenance and Support Contractor 	4,229	1,825
- Internal audit	144	149
Auditors remuneration ¹	162	141
Legal expenses:		
 Planning and development 	_	6
- Other	866	959
Operating leases:		
 Minimum lease payments 	327	335
Total materials and contracts	145,451	126,540
Less: capitalised costs	(88,019)	(72,831)
TOTAL MATERIALS AND CONTRACTS	57,432	53,709

Accounting policy for operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1. Auditor remuneration

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services Audit and review of financial statements	154	133
Remuneration for audit and other assurance services	154	133
Total Auditor-General remuneration	154	133
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Other audit and assurance services	8	8
Remuneration for audit and other assurance services	8	8
Total remuneration of non NSW Auditor-General audit firms	8	8
Total Auditor remuneration	162	141



June 2019

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2019	2018
(d) Depreciation, amortisation and impairment of			
intangible assets and IPP&E			
Depreciation and amortisation			
Plant and equipment		4,334	4,301
Office equipment		988	695
Furniture and fittings		269	172
Infrastructure:			
- Bridges		1,941	1,918
- Buildings - non-specialised		5,186	5,377
- Buildings - specialised		6,535	5,681
- Footpaths		4,021	3,818
- Other open space/recreational assets		3,668	3,448
- Other structures		582	597
- Roads		20,460	20,224
- Stormwater drainage		10,246	10,165
- Swimming pools		475	475
Other assets:			
 Library books 		1,162	1,073
- Other		1,541	1,509
Reinstatement, rehabilitation and restoration assets:			
- Tip assets	10,14	141	220
Intangible assets	12	232	394
Total gross depreciation and amortisation costs		61,781	60,067
Total depreciation and amortisation costs	_	61,781	60,067
TOTAL DEPRECIATION, AMORTISATION AND			
IMPAIRMENT / REVALUATION DECREMENT FOR			
INTANGIBLES AND IPP&E		61,781	60,067

Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 10 for IPPE assets and Note 12 for intangible assets.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(e) Other expenses		
Advertising	286	309
Bad and doubtful debts	138	(74)
Bank charges	612	497
Contributions/levies to other levels of government		
- Emergency services levy (includes FRNSW, SES, and RFS levies)	287	336
– NSW fire brigade levy	2,769	2,806
– NSW rural fire service levy	480	494
Waste and environment levy	11,890	15,297
Councillor expenses – mayoral fee	97	95
Councillor expenses – councillors' fees	401	387
Councillors' expenses (incl. mayor) – other (excluding fees above)	128	106
Donations, contributions and assistance to other organisations (Section 356)		
- City Centre management	27	5
- Illawarra Institute of Sport	35	35
- Illawarra Joint Project Organisation	61	53
- Illawarra Performing Arts Centre	999	690
– Illawarra Regional Information Service	88	88
- Illawarra Surf Life Saving	55	53
Neighbourhood youth program	115	129
– Sponsorship fund	53	53
– Tourism	1,410	1,396
- Wollongong Shuttle Service	350	_
- Other	690	420
Elections	_	966
Insurance	2,737	2,659
Light, electricity and heating	1,987	1,937
Membership fees	213	191
Postage	446	466
Royalty payments	343	336
Rental agreements	57	37
Provision for self insurance claims	(26)	140
Sewerage charges	185	225
Street lighting	3,500	3,116
Telephone and communications	627	754
Valuation fees	447	437
Volunteer reimbursements	280	280
Water rates	735	975
Other	2,689	4,539
Total other expenses	35,191	40,233
Less: capitalised costs	(620)	(22)
TOTAL OTHER EXPENSES	34,571	40,211
TOTAL OTTILITED TOTAL	34,371	40,211

Accounting policy for other expenses

Other expenses are recorded on an accruals basis as the Council receives the goods or services.



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2019	2018
Property (excl. investment property)			
Proceeds from disposal – property		30	52
Less: carrying amount of property assets sold/written off		(10)	(27)
Net gain/(loss) on disposal		20	25
Plant and equipment	10		
Proceeds from disposal – plant and equipment		1,890	1,621
Less: carrying amount of plant and equipment assets sold/written off	_	(870)	(1,243)
Net gain/(loss) on disposal	_	1,020	378
Infrastructure	10		
Proceeds from disposal – infrastructure		_	_
Less: carrying amount of infrastructure assets sold/written off	_	(7,895)	(3,633)
Net gain/(loss) on disposal	_	(7,895)	(3,633)
Investments	6(b)		
Proceeds from disposal/redemptions/maturities – investments		61,106	67,557
Less: carrying amount of investments sold/redeemed/matured	_	(61,106)	(67,557)
Net gain/(loss) on disposal			_
Non-current assets classified as 'held for sale'	9		
Proceeds from disposal – non-current assets 'held for sale'		_	9,250
Less: carrying amount of 'held for sale' assets sold/written off	_		(6,381)
Net gain/(loss) on disposal	_		2,869
Intangible assets	12		
Proceeds from disposal – intangible assets		_	_
Less: carrying amount of intangible assets sold/written off	_	(1)	
Net gain/(loss) on disposal	_	(1)	
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS	_	(6,856)	(361)

Accounting policy for disposal of assets

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

⁽¹⁾ The increased expense is the result of replacing assets that have not been fully depreciated and have a book value at the time of replacement. During 2018-2019, the replacement of the roof at Beaton Park Leisure Centre and replacement of roads including Harry Graham Drive have had a significant impact on the losses recognised.



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Wollongong City Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
Cash and cash equivalents		
Cash on hand and at bank	1.968	1,390
Cash-equivalent assets	.,	,,
– Deposits at call	10,218	4,796
- Managed funds	10,001	20,305
- Short-term deposits	3,000	_
Total cash and cash equivalents	25,187	26,491

Accounting policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Note 6(b). Investments

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Investments				
a. 'Financial assets at fair value through profit and loss'				
 - 'Designated at fair value on initial recognition' 	47,549	_	43,162	_
b. 'Financial assets at amortised cost' / 'held to maturity' (2018)	67,030	15,000	66,000	22,115
 d. 'Financial assets at fair value through other comprehensive income' / 'available for sale financial assets' (2018) 	_	56	_	_
Total Investments	114,579	15,056	109,162	22,115
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	139,766	15,056	135,653	22,115
Financial assets at fair value through the profit and	loss			
Managed funds	2,304	_	2,115	_
NCD's, FRN's (with maturities > 3 months)	43,582	_	39,374	_
Mortgage backed securities	1,663	_	1,673	_
Total	47,549	_	43,162	_
Financial assets at amortised cost / held to maturity	(2018)			
Long term deposits	67,030	15,000	66,000	22,115
Total	67,030	15,000	66,000	22,115
Financial assets at fair value through other compreh (2018)	nensive inco	me / available	for sale finan	cial assets
Unlisted equity securities	_	56	_	_
Total	_	56	_	_



June 2019

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

	Dividend income
	recognised
Fair value at	during 1/7/18 -
30/06/19	30/6/19

Financial assets designated as at fair value through other comprehensive income

At 1 July 2018, Council designated the investments shown below as financial assets as at fair value through other comprehensive income because these financial assets represent investments that the Council intends to hold for the long-term for strategic purposes. In 2018, these investments were classified as available for sale.

Southern Phones Ordinary & Preference Shares	56	95
Total	56	95

No strategic investments were disposed of during 2019, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Accounting policy for investments

Accounting policy under AASB 9 – applicable from 1 July 2018

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- · fair value through other comprehensive income equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

- · the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Fair value through other comprehensive income - equity instruments

Council has strategic investment in an entitiy over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

Other net gains and losses excluding dividends are recognised in Other Comprehensive Income Statement.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in FRNs in the Statement of Financial Position

Accounting policy under AASB 139 - applicable for 2018 comparatives only

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are held at fair value with changes in value taken through profit or loss at each reporting period.

(b) Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables (Note 7) in the Statement of Financial Position. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

(d) Available for sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term. Assets in this category are held at fair value with changes in fair value taken to other comprehensive income.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Income Statement as gains and losses from investment securities.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

Impairment of financial assets

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

Impairment of available for sale investments

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Note 6(c). Restricted cash, cash equivalents and investments – details

	2019	2019	2018	2018
\$ '000	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	139,766	15,056	135,653	22,115
attributable to:				
External restrictions	62,601	15,056	52,077	22,115
Internal restrictions	61,203	_	68,129	_
Unrestricted	15,962	_	15,447	_
	139,766	15,056	135,653	22,115



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(c). Restricted cash, cash equivalents and investments – details

\$ '000	2019	2018
Details of restrictions		
External restrictions – other		
Developer contributions – general ^A	36,768	18,961
RMS contributions ^B	46	29
Specific purpose unexpended grants ^c	3,354	2,715
Domestic waste management D	13,763	12,813
Stormwater management D	1,668	1,265
Unexpended loan ^E	3,470	7,019
Private contributions	5,761	6,064
Special rates levy – Wollongong mall	135	164
Special rates levy – city centre	40	(42)
Local infrastructure renewal scheme round 3 F	1,867	14,721
West Dapto home deposits issued	_	85
West Dapto home deposit assistance program	10,785	10,398
External restrictions – other	77,657	74,192
Total external restrictions	77,657	74,192
Internal restrictions		
Car parking strategy	1,629	1,061
Darcy Wentworth Park	171	171
Maccabe Park development	1,290	1,140
Sports Priority Program	644	642
Waste Disposal Facility	(638)	2,165
West Dapto Development	5,076	4,759
Strategic Projects	44,015	49,404
Property Investment Fund	8,416	8,276
Southern Phone natural areas	267	266
Lake Illawarra Estuary Management Fund	333	245
Total internal restrictions	61,203	68,129
TOTAL RESTRICTIONS	138,860_	142,321

⁽A) Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions

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

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

⁽D) Domestic Waste Management and other special rates/levies/charges are externally restricted assets and must be applied for the purposes for which they were raised.

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

⁽F) State Government subsidised loans to be administered on infrastructure projects over the Local Government Area.



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Purpose	0.000		0.005	
Rates and annual charges	9,023	_	8,035	_
Interest and extra charges	1,543	-	1,459	-
User charges and fees	5,942	_	4,688	_
Accrued revenues				
 Interest on investments 	871	_	886	_
 Other income accruals 	1,744	_	2,004	_
Government grants and subsidies	16,517	_	8,492	_
Net GST receivable	1,457	_	1,701	_
Total	37,097	_	27,265	_
Less: provision of impairment				
User charges and fees	(477)	_	(229)	_
Total provision for impairment –			` ,	
receivables	(477)_		(229)	_
TOTAL NET RECEIVABLES	36,620	_	27,036	_

Restrictions applicable to receivables

There are no restrictions applicable to the above assets.

\$ '000	2019	2018
Movement in provision for impairment of receivables		
Amount restated through opening retained earnings on adoption of AASB 9	110	_
Balance at the beginning of the year (calculated in accordance with AASB 139)	229	351
+ new provisions recognised during the year	170	_
- amounts already provided for and written off this year	_	(33)
 previous impairment losses reversed 	(32)	(89)
Balance at the end of the period	477	229

Accounting policy for receivables

Recognition and measurement

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

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.



Financial Statements 2019

Notes to the Financial Statements for the year ended 30 June 2019

Note 7. Receivables (continued)

Impairment

Accounting policy under AASB 9 applicable from 1 July 2018

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presentation that a financial asset is in default when:

the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held)

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Accounting policy under AASB 139 - applicable for 2018 comparatives only

Where impairment of receivables occurs the carrying amount of the asset is reduced and the amount is recognised in the

Collectability of receivables is reviewed on an ongoing basis. A provision for impairment of receivables account is used to recognise debtors balances that are unlikely to be collected under Council's Debt Recovery and Hardship Assistance Policy. When a receivable, for which an impairment allowance has been recognised, becomes uncollectable in a subsequent period, it is written off against the impairment provision account. Subsequent recoveries of amounts previously written off result in the reversal of write-off transactions.

Rates and annual charges outstanding are secured against the property.

293



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Inventories				
(i) Inventories at cost				
Real estate for resale	_	5,948	_	5,835
Stores and materials	337	_	306	_
Total inventories at cost	337	5,948	306	5,835
TOTAL INVENTORIES	337	5,948	306	5,835
(b) Other assets				
Prepayments	11,879	_	10,666	_
TOTAL OTHER ASSETS	11,879		10,666	_

(i) Other disclosures

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Details for real estate development				
Residential	_	5,948	_	5,835
Total real estate for resale	_	5,948	_	5,835
(Valued at the lower of cost and net realisable value) Represented by:				
Acquisition costs	_	5,835	_	5,791
Development costs	_	113	_	44
Total costs	_	5,948	_	5,835
Total real estate for resale		5,948		5,835
Movements:				
Real estate assets at beginning of the year	_	5,835	_	5,791
 Purchases and other costs 	_	113	_	44
Total real estate for resale	_	5,948	_	5,835

Accounting policy for inventories and other assets

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets (continued)

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

Note 9. Non-current assets classified as held for sale

Council did not classify any non-current assets as held for sale during the 2018/19 financial year.

(ii) Reconciliation of non-current assets 'held for sale' and disposal groups – i.e. discontinued operations

\$ '000	2019 Assets 'held for sale'	2018 Assets 'held for sale'
Opening balance Balance still unsold after 12 months:		6,381
<u>Less:</u> Less: carrying value of assets/operations sold that were re-classified this reporting period Closing balance of 'held for sale' non-current assets and operations		(6,381)

Accounting policy for non-current assets classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets arising from employee benefits; financial assets; and investment properties that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Infrastructure, property, plant and equipment

Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

		as at 30/6/2018		Asset movements during the reporting period						as at 30/6/2019							
\$ '000	Gross carrying amount	Accumulated depreciation	Net carrying amount	Restatement of Net carrying amount at 1/7/2018	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Other movements- Transfer to Expense	Other movements - Waste Remediation Reassessment	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	99,074	_	99,074	_	35,231	38,340	-	_	(51,044)	-	(1,651)	-	-	_	119,950	_	119,950
Plant and equipment	43,048	(20,698)	22,350	(278)	5,822	_	(869)	(4,334)	-	-	_	-	_	_	42,040	(19,349)	22,691
Office equipment	7,500	(3,755)	3,745	_	619	-	-	(988)	-	-	-	-	-	_	8,118	(4,742)	3,376
Furniture and fittings	2,404	(537)	1,867	-	499	-	-	(269)	-	-	-	-	-	-	2,904	(807)	2,097
Land:																	
- Operational land	170,106	-	170,106	(7,214)	-	2,467	(10)	-	-	(159)	-	-	-	84,653	249,843	-	249,843
- Community land	230,990	(760)	230,230	(4,726)	-	3,564	-	-	-	82	-	-	-	-	229,910	(760)	229,150
- Crown land	108,721	-	108,721	-	-	-	-	-	-	-	-	-	-	-	108,721	-	108,721
Land under roads (post 30/6/08)	30,165	-	30,165	(26,182)	-	150	-	-	-	77	-	-	-	1,474	5,684	-	5,684
Infrastructure:																	
 Buildings – non-specialised 	203,416	(123,640)	79,776	(174)	39	5	(212)	(5,186)	2,958	-	-	-	-	62,666	213,464	(73,592)	139,872
 Buildings – specialised 	319,580	(202,440)	117,140	(101)	1,095	147	(1,580)	(6,535)	8,316	(149)	-	-	-	44,959	326,555	(163,263)	163,292
- Other structures	15,544	(8,935)	6,609	-	69	99	-	(582)	149	(9)	-	-	-	1,147	13,971	(6,489)	7,482
- Roads	1,401,805	(849,463)	552,342	215	9,021	12,707	(4,549)	(20,460)	19,810	913	-	-	-	-	1,426,090	(856,091)	569,999
- Bridges	150,163	(51,637)	98,526	-	933	1,314	(355)	(1,941)	262	-	-	-	-	-	152,318	(53,579)	98,739
- Footpaths	279,783	(143,942)	135,841	(368)	1,593	661	(572)	(4,021)	15,022	(966)	-	-	-	-	291,660	(144,470)	147,190
 Stormwater drainage 	931,671	(407,815)	523,856	(386)	2,776	3,119	(518)	(10,246)	1,989	46	-	-	-	_	937,821	(417,185)	520,636
 Swimming pools 	30,218	(22,933)	7,285	-	-	-	-	(475)	-	(479)	-	-	-	-	29,738	(23,407)	6,331
 Other open space/recreational assets 	157,008	(45,553)	111,455	(11)	286	810	(110)	(3,668)	1,033	644	-	-	(16)	-	158,109	(47,686)	110,423
Other assets:																	
 Heritage collections 	12,842	-	12,842	-	-	344	-	-	-	-	-	-	-	1,935	15,121	-	15,121
 Library books 	8,158	(3,707)	4,451	-	1,207	-	-	(1,162)	-	-	-	-	-	-	8,162	(3,666)	4,496
- Other	47,249	(13,048)	34,201	-	47	265	-	(1,541)	1,505	-	-	-	-	-	49,066	(14,589)	34,477
Reinstatement, rehabilitation and restoration assets (refer Note 14):																	
- Tip assets	14,875	(9,151)	5,724	_	-	_	-	(141)	-	_	-	(58)	_	_	14,817	(9,292)	5,525
Total Infrastructure, property, plant and equipment	4,264,320	(1,908,014)	2,356,306	(39,225)	59,237	63,992	(8,775)	(61,549)	_	_	(1,651)	(58)	(16)	196,834	4,404,062	(1,838,967)	2,565,095

⁽¹⁾ Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. Independent comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Increases in the carrying amounts arising on revaluation are credited to the revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

It is noted that useful live estimates are unchanged from the 2016 reporting period.

Plant and equipment	Years	Other equipment	Years
Office equipment	6 to 10	Playground equipment	10 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	2 to 10		
Vehicles	3 to 5	Buildings	
Heavy plant/road making equipment	8 to 10	Buildings: masonry	50 to 100
Other plant and equipment	2 to 15	Buildings: other	15 to 40
Stormwater assets			
Drains	80 to 100		
Culverts	80 to 100		
Flood control structures	75		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20 to 40	Bulk earthworks	Infinite

Transportation assets		Other infrastructure assets	
Sealed roads: surface	20 to 40	Bulk earthworks	Infinite
Sealed roads: structure	80	Swimming pools	50
Unsealed roads	25	Other open space/recreational assets	10 to 30
Bridge: concrete	80	Other infrastructure	20 to 80
Bridge: other	30 to 40		
Road pavements	80		
Kerb, gutter and footpaths	80		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

Land under roads

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

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

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



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Infrastructure, property, plant and equipment (continued)

Crown reserves

June 2019

Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed".

These Rural Fire Service assets are recognised as assets of the Council in these financial statements.

Note 11. Investment property

\$ '000	2019	2018
(a) Investment property at fair value		
Investment property on hand	5,000	4,780
Reconciliation of annual movement:		
Opening balance	4,780	4,775
 Net gain/(loss) from fair value adjustments 	220	5
CLOSING BALANCE – INVESTMENT PROPERTY	5,000	4,780

(b) Valuation basis

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

The 2019 revaluations were based on independent assessments made by: Brendan Carr Certified Practising Valuer.

(c) Contractual obligations at reporting date

Refer to Note 18 for disclosures relating to any capital and service obligations that have been contracted.



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Investment property (continued)

\$ '000	2019	2018
(d) Leasing arrangements – Council as lessor		
The investment properties are leased to tenants under long-term operating leases with rentals payable monthly.		
Future minimum lease payments receivable under non-cancellable investment property operating leases not recognised in the financial statements are receivable as follows:		
Within 1 year	371	283
Later than 1 year but less than 5 years	720	300
Total minimum lease payments receivable	1 001	583

Leases for Council's investment property are generally of a 5 year term with an option for a further 5 years. Rent is paid monthly in advance with tenants paying 100% of outgoings. Rent reviews are a mix of C.P.I. and market reviews. There is a requirement on tenants to hold \$20m public liability insurance.

(e) Investment property income and expenditure – summary

Rental incom	e from	investment	property:
--------------	--------	------------	-----------

- Minimum lease payments	389	347
Direct operating expenses on investment property:		
- that generated rental income	(140)	(149)
Net revenue contribution from investment property	249	198
plus:		
Fair value movement for year	220	5
Total income attributable to investment property	469	203

Accounting policy for investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as a separate line item.

Properties that are under construction for future use as investment properties are regarded as investment property. These are also carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Intangible assets

\$ '000	2019	2018
Intangible assets are as follows:		
Opening values at 1 July		
Gross book value	2,333	2,204
Accumulated amortisation	(1,945)	(1,551)
Net book value – opening balance	388	653
Movements for the year		
- Purchases	285	129
 Amortisation charges 	(232)	(394)
 Gross book value written off 	(113)	_
 Accumulated amortisation charges written off 	112	-
Closing values at 30 june		
Gross book value	2,506	2,333
Accumulated amortisation	(2,066)	(1,945)
TOTAL INTANGIBLE ASSETS - NET BOOK VALUE (1)	440	388
The net book value of intangible assets represents:		
- Software	440	388
	440	388

Accounting policy for intangible assets

IT development and software

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

Costs capitalised include external direct costs of materials and service, direct payroll, and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to five years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, and where Council has an intention and ability to use the asset.

Financial Statements 2019



Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings

	2019	2019	2018	2018
\$ '000	Current	Non-current	Current	Non-current
Payables				
Goods and services – operating expenditure	3,302	_	7,668	_
Goods and services – capital expenditure Accrued expenses:	3,627	-	9,758	-
 Other expenditure accruals 	18,299	_	6,762	_
Security bonds, deposits and retentions	3,758	_	1,605	_
Agency Funds	385	385	350	700
Other	635	_	611	_
Total payables	30,006	385	26,754	700
Income received in advance				
Payments received in advance	5,014	_	3,256	_
Total income received in advance	5,014		3,256	_
Borrowings				
Loans – secured 1	7,934	17,497	7,716	25,039
Total borrowings	7,934	17,497	7,716	25,039
TOTAL PAYABLES AND				
BORROWINGS	42,954	17,882	37,726	25,739

⁽¹⁾ Loans are secured over the general rating income of Council. Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 20.

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Payables and borrowings relating to res	tricted assets			
Externally restricted assets				
Loans	7,934	17,497	7,716	25,039
Total payables and borrowings relating to restricted assets	7,934	17,497	7,716	25,039
Total payables and borrowings relating to unrestricted assets	35,020	385	30,010	700
TOTAL PAYABLES AND BORROWINGS	42,954	17,882	37,726	25,739
\$ '000			2019	2018
(b) Current payables and borrowings not at the next twelve months	nticipated to be	e settled within		
The following liabilities, even though classified as cu	urrent, are not ex	pected to be settled in	1	
Payables – security bonds, deposits and retentions			3,088	1,205
Total payables and borrowings			3.088	1.205



June 2019

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings (continued)

(c) Changes in liabilities arising from financing activities

	as at 30/6/2018					as at 30/6/2019
\$ '000	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance
Loans – secured	32,755	(7,716)	_	_	392	25,431
TOTAL	32,755	(7,716)	_	_	392	25,431
\$ '000	as at 30/6/2017 Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	as at 30/6/2018 Closing balance
Loans – secured	39,701	(7,513)	_		567	32.755
TOTAL	39,701	(7,513)	_	_	567	32,755
\$ '000					2019	2018
\$ '000 (d) Financing arrangement (i) Unrestricted access wellines of credit: Bank overdraft facilities 1 Credit cards/purchase cards		ance date to	the following		300	300
(d) Financing arrangement (i) Unrestricted access wellines of credit:	as available at bala	ance date to	the following			300 835
(d) Financing arrangement (i) Unrestricted access wallines of credit: Bank overdraft facilities 1 Credit cards/purchase cards Total financing arrangement	as available at bala ents	ance date to	the following		300 835	300 835
(d) Financing arrangement (i) Unrestricted access white white words and credit: Bank overdraft facilities 1 Credit cards/purchase cards Total financing arrangem Drawn facilities as at bala Credit cards/purchase cards	as available at bala ents ance date:	ance date to	the following		300 835	300 835 1,135
(d) Financing arrangement (i) Unrestricted access white white words are distincted access white soft credit: Bank overdraft facilities 1 Credit cards/purchase cards Total financing arrangem Drawn facilities as at balance of the cards/purchase cards	as available at bala ents ance date:	ince date to	the following		300 835 1,135	300 835 1,135
(d) Financing arrangement (i) Unrestricted access whines of credit: Bank overdraft facilities 1 Credit cards/purchase cards Total financing arrangem Drawn facilities as at balance and cards/purchase cards Total drawn financing arrangem Undrawn facilities as at balance are series.	as available at bala nents ance date: s rangements	ance date to	the following		300 835 1,135 100 100	300 835 1,135 98
(d) Financing arrangement (i) Unrestricted access white sof credit: Bank overdraft facilities 1 Credit cards/purchase cards Total financing arrangem Drawn facilities as at balancement of the cards/purchase cards Total drawn financing arrangem	as available at bala nents ance date: s rangements palance date:	ince date to	the following		300 835 1,135	300 835 1,135

Additional financing arrangements information

Broachos and defaults

During the current and prior year, there were no defaults or breaches on any of the loans.

Accounting policy for payables and borrowings

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Council comprise trade payables and loans.

Payables 4 3 2

These amounts represent liabilities for goods and services provided to the council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

⁽¹⁾ The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings (continued)

Borrowings

June 2019

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective-interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Note 14. Provisions

	2019	2019	2018	2018
\$ '000	Current	Non-current	Current	Non-curren
Provisions				
Employee benefits				
Annual leave	10,025	_	9,367	-
Sick leave	167	_	144	-
Long service leave	42,505	680	36,872	517
Other leave	1,097	_	1,037	-
Sub-total – aggregate employee benefits	53,794	680	47,420	517
Asset remediation/restoration:				
Asset remediation/restoration (future works)	2,292	40,647	1,200	40,134
Sub-total – asset remediation/restoration	2,292	40,647	1,200	40,134
Other provisions				
Self insurance – workers compensation	1,758	5,363	1,327	3,585
Self insurance – claims incurred	370	364	430	330
Sub-total – other provisions	2,128	5,727	1,757	3,915
TOTAL PROVISIONS	58,214	47,054	50,377	44,566
\$ '000			2019	2018
(a) Current provisions not anticipated to be s months	ettled within the r	next twelve		
The following provisions, even though classified as c in the next 12 months.	urrent, are not expec	ted to be settled		
Provisions – employees benefits			43,517	37,710
		_	43,517	37,710

303



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Provisions (continued)

(b) Description of and movements in provisions

		Other pr	ovisions	
\$ '000	Self Insurance: Claims incurred	Self Insurance: Workers compen- sation	Asset remediation	Total
2019				
At beginning of year	760	4,912	41,334	47,006
Additional provisions	_	2,108	_	2,108
Amounts used (payments)	_	(2,523)	_	(2,523)
Remeasurement effects	_	2,624	_	2,624
Unwinding of discount	_	_	1,850	1,850
Unused amounts reversed	(26)	_	(57)	(83)
Other	-	_	-	_
Expenditure incurred attributable to provisions		_	(188)	(188)
Total other provisions at end of period	734	7,121	42,939	50,794
2018				
At beginning of year	620	4,189	44,237	49,046
Additional provisions	140	1,676	_	1,816
Amounts used (payments)	_	(1,970)	_	(1,970)
Remeasurement effects	_	1,017	(4,863)	(3,846)
Unwinding of discount	-	_	1,989	1,989
Other	-	_	-	-
Expenditure incurred attributable to provisions			(29)	(29)
Total other provisions at end of period	760	4,912	41,334	47,006

Nature and purpose of non-employee benefit provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the open Whytes Gully Waste Disposal Depot and closed Helensburgh Waste Dapto Rehabilitation.

Self-insurance- workers compensation

To recognise liabilities for outstanding claims (uninsured losses) arising from Council's decision to undertake self-insurance for certain risks faced.

Self-insurance - claims incurred

To recognise liabilities for both (i) claims expected to be incurred but not reported and (ii) claims reported and estimated as a result of Council being self insurer up to certain levels of excess.

Accounting policy for provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Page 45 continued on next page ...



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Provisions (continued)

Employee benefits

Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods. These amounts include superannuation which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period. The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Asset Remediation/Restoration

Restoration

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Rehabilitation

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

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process, and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Close-down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close-down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain,



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Provisions (continued)

Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

Self-insurance

Council has decided to self-insure for various risks, including public liability and professional indemnity. A provision for self-insurance has been made to recognise outstanding claims. Council also maintains cash and investments to meet expected future claims; refer to Note 6(c).

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

Investment revaluation reserve

Changes in the fair value of financial assets are taken through the investment revaluation reserve. The accumulated changes in fair value are transferred to profit or loss when the financial asset is derecognised or impaired.

Available for sale investments revaluation reserve (2018 only)

The available for sale financial investments revaluation reserve is used to account for the fair value movements in all financial assets so classified that remain on had at year end.

Upon sale, amounts in reserves are recognised in the Income Statement (in full) by way of transfer from the reserve.

(b) Correction of errors relating to a previous reporting period

Nature of prior-period error

As part of an on-going inspection program and data cleansing process it was found that IPPE that Council owned had not been recognised (\$3.623M) and IPPE that had been recognised was disposed of in previous years (\$17.202M). In addition, an error in the application of accounting policy to the valuation of Land Under Road required further discounting on the value of these assets (\$25.646M).

These errors relate to an undetermined period making it impractical to restate prior period comparatives. Accordingly, Council has restated the opening balances for the year ended 30 June 2019.

(c) Changes in accounting policies due to adoption of new accounting standards (not-retrospective)

During the year, Council adopted a number of new accounting standards. The impact of the adoption and associated transition disclosures are shown below.

The Council has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July 2017. As part of the adoption of AASB 9, the Council adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the income statement. In prior year, this information was presented as part of other expenses.
- AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9. These disclosures have been provided for the current year.

The key changes to Council's accounting policy and the impact on these financial statements from applying AASB 9 are described below.



June 2019

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except Council has not restated any amounts relating to classification and measurement requirements, including impairment, which have been applied from 1 July 2018.

Classification of financial assets

The financial assets of Council have been reclassified into one of the following categories on adoption of AASB 9, based primarily on the business model in which a financial asset is managed and its contractual cash flow characteristics are:

- measured at amortised cost
- fair value through profit or loss
- fair value through other comprehensive income equity instruments

Measurement of equity instruments

All equity instruments of the Council are measured at fair value under AASB 9 whereas there was a cost exception under AASB 139 that allowed certain unlisted investments to be carried at amortised cost in the absence of a reliable measurement of fair value. Any difference in the previous carrying amount and the fair value is recognised in the opening retained earnings (or other component of equity, as appropriate) at 1 July 2018.

Equity instruments are no longer subject to impairment testing and therefore all movements on equity instruments, classified as fair value through other comprehensive income, are taken to the relevant reserve.

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost. This has resulted in the earlier recognition of credit loss (bad debt provisions).

\$ '000	Investmen t revaluatio n reserve	Accumula ted surplus	Total
Opening equity balances as at 1 July 2018	_	1,411,338	1,411,338
Reclassify investments from 'available for sale' to fair value through other comprehensive income – equity	88	_	88
Increase in expected credit losses for trade receivables	_	(110)	(110)
Adjusted Opening equity balances at 1 July 2018 – AASB 9	88	1,411,228	1,411,316

The opening balances for the year ended 30 June 2019 have been adjusted for the recognition of the Southern Phones Ordinary and Preference share at fair value through other comprehensive income as disclosed in Note 6(b) and to restate the opening balance of the provision for impairment of receivables as disclosed in Note 7.

\$ '000	Classific- ation under AASB 139	Classific- ation under AASB 9	Carrying amount under AASB 139	Reclassi- fication	Remeasu- rements	Carrying amount under AASB 9
Financial assets						
Southern Phones Shares	Amortised Cost	FVOCI - equity	_	88	-	88
Receivables	Loans & Receivables	Amortised Cost	27,036	_	(110)	26,926
Total financial assets under AASB 9 at 1 July 2018			27,036	88	(110)	27,014



June 2019

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Statement of cash flows - additional information

(a) Reconciliation of cash assets Total cash and cash equivalent assets Balance as per the Statement of Cash Flows (b) Reconciliation of net operating result to cash provided from operating activities Net operating result from Income Statement Adjust for non-cash items: Depreciation and amortisation Net losses/(gains) on disposal of assets Non-cash capital grants and contributions Losses/(gains) recognised on fair value re-measurements through the P&L: - Investments classified as 'at fair value' or 'held for trading' - Investment property Amortisation of premiums, discounts and prior period fair valuations - Interest exp. on interest-free loans received by Council (previously fair valued) Unwinding of discount rates on reinstatement provisions Share of net (profits)/losses of associates/joint ventures using the equity method +/- Movement in operating assets and liabilities and other cash items: Decrease/(increase) in receivables Increase/(decrease) in inventories Decrease/(increase) in other current assets Increase/(decrease) in other current assets Increase/(decrease) in other accrued expenses payable Increase/(decrease) in other accrued expenses payable Increase/(decrease) in other provisions Net cash provided from/(used in) operating activities from the Statement of Cash Flows	es 2019	2018
Balance as per the Statement of Cash Flows (b) Reconciliation of net operating result to cash provided from operating activities Net operating result from Income Statement Adjust for non-cash items: Depreciation and amortisation Net losses/(gains) on disposal of assets Non-cash capital grants and contributions Losses/(gains) recognised on fair value re-measurements through the P&L: - Investments classified as 'at fair value' or 'held for trading' - Investment property Amortisation of premiums, discounts and prior period fair valuations - Interest exp. on interest-free loans received by Council (previously fair valued) Unwinding of discount rates on reinstatement provisions Share of net (profits)/losses of associates/joint ventures using the equity method +/- Movement in operating assets and liabilities and other cash items: Decrease/(increase) in receivables Increase/(decrease) in inventories Decrease/(increase) in inventories Decrease/(increase) in other current assets Increase/(decrease) in other accrued expenses payable Increase/(decrease) in other liabilities Increase/(decrease) in other liabilities Increase/(decrease) in other provisions Net cash provided from/(used in) operating activities from the Statement of Cash Flows		
(b) Reconciliation of net operating result to cash provided from operating activities Net operating result from Income Statement Adjust for non-cash items: Depreciation and amortisation Net losses/(gains) on disposal of assets Non-cash capital grants and contributions Losses/(gains) recognised on fair value re-measurements through the P&L: - Investments classified as 'at fair value' or 'held for trading' - Investment property Amortisation of premiums, discounts and prior period fair valuations - Interest exp. on interest-free loans received by Council (previously fair valued) Unwinding of discount rates on reinstatement provisions Share of net (profits)/losses of associates/joint ventures using the equity method +/- Movement in operating assets and liabilities and other cash items: Decrease/(increase) in receivables Increase/(decrease) in inventories Decrease/(increase) in inventories Decrease/(increase) in other current assets Increase/(decrease) in other accrued expenses payable Increase/(decrease) in other liabilities Increase/(decrease) in other liabilities Increase/(decrease) in other provisions Net cash provided from/(used in) operating activities from the Statement of Cash Flows	25,187	26,491
Net operating result from Income Statement Adjust for non-cash items: Depreciation and amortisation Net losses/(gains) on disposal of assets Non-cash capital grants and contributions Losses/(gains) recognised on fair value re-measurements through the P&L: - Investments classified as 'at fair value' or 'held for trading' - Investment property Amortisation of premiums, discounts and prior period fair valuations - Interest exp. on interest-free loans received by Council (previously fair valued) Unwinding of discount rates on reinstatement provisions Share of net (profits)/losses of associates/joint ventures using the equity method +/- Movement in operating assets and liabilities and other cash items: Decrease/(increase) in receivables Increase/(decrease) in provision for impairment of receivables Decrease/(increase) in other current assets Increase/(decrease) in other current assets Increase/(decrease) in other accrued expenses payable Increase/(decrease) in other liabilities Increase/(decrease) in provision for employee benefits Increase/(decrease) in other provisions Net cash provided from/(used in) operating activities from the Statement of Cash Flows	25,187	26,491
Share of net (profits)/losses of associates/joint ventures using the equity method +/- Movement in operating assets and liabilities and other cash items: Decrease/(increase) in receivables Increase/(decrease) in provision for impairment of receivables Decrease/(increase) in inventories Decrease/(increase) in other current assets Increase/(decrease) in payables Increase/(decrease) in other accrued expenses payable Increase/(decrease) in other liabilities Increase/(decrease) in provision for employee benefits Increase/(decrease) in other provisions Net cash provided from/(used in) operating activities from the Statement of Cash Flows	52,112 61,781 6,856 (7,397) (141) (220)	48,766 60,067 361 (18,167) (130) (5)
Decrease/(increase) in receivables Increase/(decrease) in provision for impairment of receivables Decrease/(increase) in inventories Decrease/(increase) in other current assets Increase/(decrease) in payables Increase/(decrease) in other accrued expenses payable Increase/(decrease) in other liabilities Increase/(decrease) in provision for employee benefits Increase/(decrease) in other provisions Net cash provided from/(used in) operating activities from the Statement of Cash Flows	1,850 (291)	1,989 (803)
(c) Non-cash investing and financing activities	(9,832) 138 (31) (1,213) (4,366) 1,861 3,655 6,537 1,938	(3,383) (122) (8) 14 597 (5,947) 425 9 (4,029)
Developer contributions 'in kind' Other dedications Contributed Art Works Contributed Bush Fire Assets Total non-cash investing and financing activities	6,403 246 748 7,397	1,482 15,642 313 730 18,167



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Interests in other entities

	Council's share of	Council's share of net assets		
\$ '000	2019	2018	2019	2018
Joint ventures	291	803	2,929	2,638
Total	291	803	2,929	2,638

(a) Joint arrangements

(i) Joint ventures

Council has incorporated the following joint ventures into its consolidated financial statements. Included are the total amounts as per the joint venture financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

(a) Net carrying amounts - Council's share

\$ '000	Nature of relationship	Measurement method	2019	2018
Civic West	Joint venture	Equity	2,060	1,584
Civic Risk	Joint venture	Equity	869	1,054
Total carrying amounts – material joint ventures			2,929	2,638

(b) Details

Principal activity
Insurance Insurance

(c) Relevant interests and fair values

	Quote fair val		Interes outpu		Interes owners		Proporti voting p	
\$ '000	2019	2018	2019	2018	2019	2018	2019	2018
Civic West	2,062	1,584	4.4%	3.8%	4.4%	3.8%	9.1%	10.0%
Civic Risk	869	1,054	12.5%	12.4%	12.5%	12.4%	5.9%	6.3%

309



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Interests in other entities (continued)

	Civic We		Civic Ris	
\$ '000	2019	2018	2019	201
(d) Summarised financial information for joint ver	ntures			
Statement of financial position				
Current assets				
Cash and cash equivalents	2,961	3,022	1,813	1,15
Other current assets	27,370	19,442	7,216	5,75
Non-current assets	36,522	41,740	5,368	5,98
Current liabilities				
Current financial liabilities (excluding trade and other payables and provisions)	6,657	6,111	4,827	2,69
Other current liabilities Non-current liabilities	740	720	346	29
Non-current financial liabilities (excluding trade and other payables and provisions)	12,116	15,612	2,279	1,44
Net assets	47,340	41,761	6,945	8,46
Reconciliation of the carrying amount				
Opening net assets (1 July)	41,761	37,976	8,468	6,49
Profit/(loss) for the period	5,579	5,913	(1,524)	1,97
Other adjustments to equity	_	(2,128)	_	,
Closing net assets	47,340	41,761	6,944	8,46
Council's share of net assets (%)	4.4%	3.8%	12.5%	12.49
Council's share of net assets (\$)	2,060	1,584	869	1,05
Statement of comprehensive income				
ncome	6,295	6,076	11,320	9,42
nterest income	3,672	3,261	447	43
nterest expense	(17)	(17)	_	
Other expenses	(4,371)	(3,408)	(13,291)	(7,886
Profit/(loss) from continuing operations	5,579	5,912	(1,524)	1,97
Profit/(loss) for the period	5,579	5,912	(1,524)	1,97
Total comprehensive income	5,579	5,912	(1,524)	1,97
Share of income – Council (%)	8.5%	10.1%	12.1%	10.59
Profit/(loss) – Council (\$)	476	596	(185)	20
Total comprehensive income – Council (\$)	476	596	(185)	20
Summarised Statement of cash flows				
Cash flows from operating activities	2,439	113	2,904	90
Cash flows from investing activities	(2,500)	1,510	(2,250)	(250
Cash flows from financing activities		(1,537)		
Net increase (decrease) in cash and cash				
equivalents	(61)	86	654	65

Accounting policy for joint arrangements

Council has determined that it has only joint ventures.

Joint Ventures

Interests in joint ventures are accounted for using the equity method in accordance with AASB128 Investments in Associates and Joint Ventures. Under this method, the investment is initially recognised as a cost and the carrying amount is increased



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Interests in other entities (continued)

or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition.

If the Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Council discontinues recognising its share of further losses.

The Council's share in the joint venture's gains or losses arising from transactions between itself and its joint ventures are eliminated.

Adjustments are made to the joint venture's accounting policies where they are different from those of the Council for purpose of the consolidated financial statements.

(b) Subsidiaries, joint arrangements and associates not recognised

The following subsidiaries, joint arrangements and associates have not been recognised in this financial report.

		2019	2019
Name of entity/operation	Principal activity/type of entity	Net profit	Net assets
Illawarra Shoalhaven Joint Organisation	Inter-Governmental Collaboration Joint Venture	111	885

Reasons for non-recognition

Council has assessed this operation as not material for recognition in these statements.

		2019	2019
Name of entity/operation	Principal activity/type of entity	Net profit	Net assets
Illawarra District Noxious Weed Authority	Administer Noxious Weeds Act Joint Venture	8	802

Reasons for non-recognition

Council has assessed this operation as not material for recognition in these statements.

Name of entity/operation	Principal activity/type of entity	2019 Net profit	2019 Net assets
Destination Wollongong	Tourism Development & Promotion Associate	(129)	(72)

Reasons for non-recognition

Council has assessed this operation as not material for recognition in these statements.

Name of entity/operation	Principal activity/type of entity	2019 Net profit	2019 Net assets
Illawarra Performing Arts Centre	Theatre & Town Hall Management Associate	50	359

Reasons for non-recognition

Council has assessed this operation as not material for recognition in these statements.

311



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Commitments

\$ '000	2019	2018
(a) Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	387	2,957
Infrastructure	17,975	3,399
Land	110	_
Total commitments	18,472	6,356
These expenditures are payable as follows:		
Within the next year	18,289	6,356
Later than one year and not later than 5 years	183	_
Total payable	18,472	6,356
Sources for funding of capital commitments:		
Unrestricted general funds	6,269	4,881
Section 94 Funds	7,172	_
Future grants and contributions	5,031	1,415
Unexpended grants	_	60
Total sources of funding	18,472	6,356

Details of capital commitments

Buildings include Kembla Terraces Roof and Administration building Fire Panel.

Land includes 16 and 18 Otford Road Otford.

Infrastructure includes Unanderra and Towradgi Beach SLSC Carpark, Blackman Parade Culvert, Harry Graham Drive Stabilisation, Bellambi Rockpool and seawall, Porter Street Shareway, Helensburgh Landfill Rehabilitation, Mt Keira Power Supply, Northcliffe Drive extension, Walker Street Helensburgh Water Main protection, Russell Vale retaining wall, Matron Dunster Park Carpark, Thirroul Pool saltwater intake pipes, Bong Bong Road Traffic signals, West Dapto Access Road, Beaton Park Leisure Centre Filter enclosure.

(b) Operating lease commitments (non-cancellable)

a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:

Within the next year	335	335
Later than one year and not later than 5 years	428	661
Later than 5 years	510	612
Total non-cancellable operating lease commitments	1,273	1,608

b. Non-cancellable operating leases include the following assets:

Lease of land for Dapto Ribbonwood Centre and lease of Warrawong Library.

Conditions relating to finance and operating leases:

- All operating lease agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Council regarding future debt etc.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Contingencies and other assets/liabilities not recognised

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

ASSETS NOT RECOGNISED

1. Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

2. Various Insurances - HIH & CIC

Council placed or was a party to various liability, property and workers compensation insurance policies with HIH & CIC. During 2000/2001 HIH & CIC went into liquidation. Both HIH & CIC remain responsible for payment of their portion of each Council claim incurred which exceeded Council's insurance excess. Council has recovered \$1,123,732 to date. The total of Council's unrecovered claims is currently \$1,173,770. At this time, based on the liquidator's estimated final dividend rates, Council expects to recover a further \$75,000 from the remaining assets of HIH & CIC.

LIABILITIES NOT RECOGNISED

1. Bank Guarantees

Council has provided Bank Guarantees totalling \$610,547 as security over damages for work that may impact a third party.

Council has provided security to Work Cover for outstanding workers compensation claims liability in the form of a bank guarantee to the sum of \$7,711,000.

Council is also Guarantor on a mortgage for a third party of \$180,000.

2. Defined benefit superannuation contribution plans

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees.

Member Councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category with member Councils required to make a higher contribution during the reporting period. This amounted to \$1.778M for Council in 2018/19. Council's LTFM includes forecast payments of \$1.828M in 2019/20 and \$1.868M in 2020/21. At this stage there has not been any advice regarding any future extension of the top up payment.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its Defined Benefit Scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable - similar to the accounting for Defined Contributions Plans.

3. Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

4. Development Contributions

Council levies Development Contributions upon various development across the Council area through the required Contributions Plans. As part of these Plans, Council has received funds for which it will be required to expend the monies in accordance with those Plans.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Contingencies and other assets/liabilities not recognised (continued)

As well, these Plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's General Funds.

These future expenses do not yet qualify as liabilities as of the Reporting Date, but represent Councils intention to spend funds in the manner and timing set out in those plans.

5. Greenhouse Park

Council owns and manages a former landfill site at Greenhouse Park. The landfill was constructed prior to contemporary environmental regulations and used as both a putrescible and builders waste landfill. Following the closure of the site as a landfill, remediation of the site has been progressively occurring to transform the site into a natural area.

Council is also working with the EPA and specialised consultants to manage the landfill waste which was placed on the site. Total remediation costs at this stage are unknown and will be dependent on the remediation strategies implemented. Council is currently working with the EPA and specialised consultants to determine the remediation actions required.

6. Helensburgh Landfill Site

Council manages a former landfill site at Helensburgh located off Halls Road/Nixon Place. The landfill was commenced prior to contemporary environmental regulations and was used at various times for both putrescible and builders construction waste. Following the closure of the site as a landfill, Council is required to remediate the site in accordance with EPA requirements and licence conditions. Council is currently working with EPA and specialised consultants to prepare the final design documentation for this project. Final remediation costs at this stage are in the order of \$7.4M to \$11.8M depending on the source of capping materials and the final design solution adopted. Council's current provision is approximately \$4.1M. If a shortfall eventuates this will impact the income statement.

7. Native Title

In January 2018, the National Native Title Tribunal accepted registration of a native title claim that includes the Wollongong LGA. The claim will takesome time to determine. Private freehold land, and certain other land owned by Council is not affected. Council will continue to pursue updates on the progress of the claim.



Financial Statements 2019

Notes to the Financial Statements for the year ended 30 June 2019

Note 20. Financial risk management

Risk management

Council's activities expose it to a variety of financial risks including (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's finance section under policies approved by the Council.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- Price risk the risk that the capital value of Investments may fluctuate due to changes in market prices, whether
 there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors
 affecting similar instruments traded in a market.
- Interest rate risk the risk that movements in interest rates could affect returns and income.
- · Liquidity risk the risk that Council will not be able to pay its debts as and when they fall due.
- Credit risk the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council be it of a capital or income nature.

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

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

(a) Market risk – price risk and interest rate risk

The following represents a summary of the sensitivity of Council's Income Statement and accumulated surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the chnage in interest rates would have been constant throughout the reporting period.

	Increase of val	ues/rates	Decrease of values/rates		
\$ '000	Profit	Equity	Profit	Equity	
2019					
Possible impact of a 10% movement in price of investments	4,755	4,755	(4,755)	(4,755)	
Possible impact of a 1% movement in interest rates	1,072	1,072	(1,072)	(1,072)	
2018					
Possible impact of a 10% movement in price of investments	4,316	4,316	(4,316)	(4,316)	
Possible impact of a 1% movement in interest rates	1,146	1,146	(1,146)	(1,146)	



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial risk management (continued)

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

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

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2019						
Gross carrying amount	-	5,975	1,415	939	2,237	10,566
2018						
Gross carrying amount	-	5,331	1,367	851	1,945	9,494

Receivables - non-rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2019 is determined as follows. The expected credit losses incorporate forwardlooking information.

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
4 000	Overdue	Overdue	Overdue	Overdue	Overdue	Total
2019						
Gross carrying amount	23,982	812	173	157	1,407	26,531
Expected loss rate (%)	0.23%	2.09%	2.31%	7.01%	27.71%	1.80%
ECL provision	55	17	4	11	390	477
2018						
Gross carrying amount	15,753	652	328	82	956	17,771
Expected loss rate (%)	0.53%	2.15%	2.44%	7.12%	23.95%	1.91%
ECL provision	83	14	8	6	229	340

Page 57 continued on next page ...



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial risk management (continued)

(c) Liquidity risk

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

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

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

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

\$ '000	Weighted average interest rate	Without defined maturity	≤1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2019							
	0.000/	0.750	00.475	005		00.040	00.004
Trade/other payables	0.00%	3,758	26,175	385	_	30,318	30,391
Loans and advances	1.50%	_	8,814	21,947	_	30,761	25,431
Total financial liabilities		3,758	34,989	22,332		61,079	55,822
2018							
Trade/other payables	0.00%	1,605	25,194	700	_	27,499	27,454
Loans and advances	1.50%	_	8,814	27,448	3,313	39,575	32,755
Total financial liabilities		1,605	34,008	28,148	3,313	67,074	60,209



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Material budget variations

Fair value increment on investment property

Council's original financial budget for 18/19 was adopted by the Council on 25/06/2018 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements must disclose the original budget adopted by Council, the *Local Government Act 1993* requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

Material variations represent those variances between the original budget figure and the actual result that amount to 10% or more.

Variation Key: F = Favourable budget variation, U = Unfavourable budget variation.

	2019	2019	2019	a .	
\$ '000	Budget	Actual	Varian	-	
DEVENUE					
REVENUES					
Rates and annual charges	197,686	199,524	1,838	1%	F
User charges and fees	34,967	32,793	(2,174)	(6)%	U
Interest and investment revenue	4,572	5,069	497	11%	F
Interest & investment income is greater due to inc	-,	-,		timing of de	livor.

Interest & investment income is greater due to increased cash holdings for a significant part of the year due to timing of delivery of project and favourable operating performance and positive fair valuation of a number of investment assets.

Other revenues 10,062 12,125 2,063 21% F

Other revenues has a positive variance due to additional land sales (\$1.5M), receipt of an insurance claim (\$0.3M) and a license relating to the lease of an easement of land (\$0.2M).

Operating grants and contributions 19,837 28,856 9,019

Operating grants is affected by the early receipt of two instalments of the Financial Assistance Grant relating to the 2019/20 financial year (\$9.4M) and additional grants received during the year, partially offset by the timing of grant payments.

Capital grants and contributions	53,752	59,656	5,904	11%	F
Capital grants and contributions are impacted by acceleration	of the West D	apto Access St	rategy (\$11.2M), gr	eater City \	Wide
and City Centre developer contributions (\$4.6M) and additio	nal grants rec	eived during th	ne year (\$2.0M). Th	ese have	been

and City Centre developer contributions (\$4.6M) and additional grants received during the year (\$2.0M). These have beer partially offset by lower West Dapto developer contributions (\$9.1M) and lower contributed assets (\$2.8M).

220

220

Joint ventures and associates – net profits	-	291	291	00	F
EXPENSES					
Employee benefits and on-costs	112,838	122,445	(9,607)	(9)%	U
Borrowing costs	3,310	3,337	(27)	(1)%	U
Materials and contracts	55,983	57,432	(1,449)	(3)%	U
Depreciation and amortisation	64,508	61,781	2,727	4%	F
Other expenses	37,360	34,571	2,789	7%	F
Net losses from disposal of assets This budget variation is largely a result of disposal of civil	assets that have	6,856 e residual values	(6,856)	00	U

45%



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Material budget variations

	2019	2019	2019)	
\$ '000	Budget	Actual	Varian	ce	
STATEMENT OF CASH FLOWS					
Net cash provided from (used in) operating activities	105,909	113,628	7,719	7%	F
Net cash provided from (used in) investing activities	(96,372)	(107,217)	(10,845)	11%	U
This unfavourable variance has resulted from an incr infrastructure, property, plant and equipment higher the			the financial year	with purcha	se of
Net cash provided from (used in) financing activities	(7,692)	(7,715)	(23)	0%	U



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement

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

- Infrastructure, property, plant and equipment
- Investment property
- Financial assets and liabilities

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

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

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

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

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

(1) Assets and liabilities that have been measured and recognised at fair values

		Fair value measurement hierarchy						
2019	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobserv- able inputs	Tota		
Recurring fair value measurements								
Financial assets								
Investments	6(b)							
- 'Designated at fair value on initial recognition'		30/06/19	_	_	47,549	47,54		
- 'Financial assets at fair value through other comprehensive income'		30/06/19	-	-	56	5		
Total financial assets			_	_	47,605	47,60		
Investment property	11							
Commercial building		30/06/19	_	_	5,000	5,00		
Total investment property			_	_	5,000	5,00		
Infrastructure, property, plant and equipment	10							
Roads		30/06/17	_	_	569,999	569,99		
Bridges		30/06/17	_	-	98,739	98,73		
Footpaths		30/06/17	_	_	147,190	147,19		
Stormwater		30/06/17	_	-	520,636	520,63		
Plant and equipment		N/A	_	_	22,691	22,69		
Office equipment		N/A	_	_	3,376	3,37		
Furniture and fittings		N/A	_	_	2,097	2,09		
Operational land		30/06/19	_	_	249,843	249,84		
Community land		30/06/16	_	_	337,871	337,87		
Land under roads		30/06/19	_	_	5,684	5,68		
Buildings		30/06/19	_	_	303,164	303,16		
Other structures		30/06/19	_	_	7,482	7,48		
Swimming pools		30/06/16	_	_	6,331	6,33		
Library books		N/A	_	_	4,496	4,49		
Other open space/recreational assets		30/06/16	_	_	110,423	110,42		
Tip asset		30/06/19	_	-	5,525	5,52		
Works in progress		N/A	_	_	119,950	119,95		
Artworks		30/06/19	_	_	15,121	15,12		
Other		30/06/16	_	_	34,477	34,47		
Total infrastructure, property, plant and								
equipment			_	_	2,565,095	2,565,09		



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

		Fair value measurement hierarchy						
2018	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobserv- able inputs	Tota		
Recurring fair value measurements								
Financial assets								
nvestments	6(b)							
- 'Designated at fair value on initial recognition'		30/06/18	_	_	43,162	43,162		
Total financial assets			_	_	43,162	43,162		
Investment property	11							
Commercial building		30/06/18	_	_	4,780	4,780		
Total investment property			_	_	4,780	4,780		
Infrastructure, property, plant and equipment	10							
Roads		30/06/17	_	_	548,394	548,394		
Bridges		30/06/17	_	_	98,172	98,172		
Footpaths		30/06/17	_	_	130,662	130,662		
Stormwater		30/06/17	_	_	523,775	523,775		
Plant and equipment		30/06/18	_	_	22,350	22,35		
Office equipment		30/06/18	_	_	3,745	3,74		
Furniture and fittings		30/06/18	_	_	1,867	1,86		
Operational land		30/06/14	_	_	170,106	170,100		
Community land		30/06/16	_	_	338,951	338,95°		
_and under roads		30/06/14	_	_	30,165	30,16		
Buildings		30/06/14	_	-	188,583	188,583		
Other structures		30/06/16	_	_	5,967	5,967		
Swimming pools		30/06/16	_	-	6,805	6,80		
Library books		30/06/18	_	_	4,451	4,45		
Other open space/recreational assets		30/06/16	_	_	109,986	109,986		
Γip asset		30/06/18	_	_	5,724	5,72		
Works in progress		30/06/18	_	_	119,560	119,560		
Artworks		30/06/17	_	_	12,842	12,84		
Other		30/06/16		_	34,201	34,20		
Total infrastructure, property, plant and equipment			_	_	2,356,306	2,356,306		

Note that capital WIP is not included above since it is carried at cost.



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

(2) Valuation techniques used to derive level 2 and level 3 fair values

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

Level 2 inputs include;

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

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

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

Level 3 inputs include;

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

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

Financial assets

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

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

Investment property

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

Fair Value Hierarchy - the fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size.

The most significant inputs into this valuation approach are rental yields and price per square metre.

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



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Infrastructure, property, plant and equipment (IPP&E)

Infrastructure - Council's Infrastructure incorporates;

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

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

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

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

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

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

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

Operational Land

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

Fair Value Hierarchy – the fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size.

The most significant inputs into this valuation approach is price per square metre. The level of evidence to support the critical assumptions of Council's operational land valuation was considered to be significant due to high levels of variability in the market for similar properties and future demands. As such the level of valuation input for these properties was considered level 3.

Community Land

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

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



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Land Under Roads

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

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

As such the level of valuation input for these properties was considered level 3.

Buildings - Non-Specialised and Specialised

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

Fair Value Hierarchy – Specialised and Non-Specialised buildings are generally assessed at level 3 of the fair value hierarchy due to lack of market evidence. Key inputs are unit rates and remaining useful life. The exception is non-specialised residential properties which have been valued using sale prices of comparable properties (level 2).

The most significant input into this valuation approach is price per square metre. The level of evidence to support the critical assumptions of Council's residential property valuation was considered to be significant due to high levels of variability in the market for rental yields and future demands. As such the level of valuation input for all buildings was considered level 3.

Intangible Assets

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

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

Other Structures

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

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

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

Other Open Space / Recreational Assets

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

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

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



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Swimming Pools - Structures

Valuation Technique – Swimming Pools and Rock Pools are valued using the cost approach, which equates to the current replacement cost of a modern equivalent asset.

The cost to replace the asset is to equal the amount that a market participant buyer of that asset would pay to acquire it. External Valuer Ninnes Fong undertook the original valuation in 2009. An internal valuation was undertaken during the 2016 financial year.

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

Artworks

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

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

Library Books

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

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

Other Assets

Other Assets is a catch all for the remaining assets held by Council and includes Waste Assets such as Cell Development and Liners, Public Art, Power Poles and Crematorium and Cemetery Beams and Walls.

Valuation Technique - Other Assets are recognised using the cost method.

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

Tip Remediation Asset

Valuation Technique - Council's Tip Remediation Asset is measured using the cost method.

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



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

A summary of the Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

Asset Category	Valuation Frequency	Description of Process	Valuer*	Responsibility
		Monthly valuation using the current price in an		
Financial Acceta			External	Einanaa Division
rinancial Assets	ivioritrily	active market for similar	External	Finance Division
		assets		
		Assessed each year for		
Investment Properties	Annually	material change and	External	Property Division
·	_	adjusted accordingly		
		Full valuation using		
		current unit rates and		1.6 1 1 0
	_	comparable work.		Infrastructure &
Infrastructure	5 years	Assessed each year for	Internal	Strategic Planning
		material change and		Division
		adjusted accordingly		
		Assessment of		
		remaining useful life		
		undertaken with		
Property Plant &	Annually	adjustments to	Internal	Finance Division
Equipment	Aillidally	consumption patterns	intellial	I IIIalice Division
		that may impact fair		
		value		
		Assessment of		
		remaining useful life		
Office Equipment &	A II.	undertaken with	1-4	Figure Division
Furniture & Fittings	Annually	adjustments to	Internal	Finance Division
9		consumption patterns		
		that may impact fair		
		value		
	5 17	Full valuation every 5		
Operational Land	5 Years	years or index applied	External	Property Division
		annually if material		
		Valuer General Land		
		Values or Average Unit		Property / Finance
Community Land	5 Years	Rate for similar	Valuer General / Internal	Division
		properties if not		211101011
		available		
		Valuer General Land		
Land Under Roads	5 Years	Values or Average Unit	Valuer General / Internal	Finance Division
Edita Offaci (Yodas	0 10013	Rate used as proxy to	Value Contrait / internal	T ITIGITION DIVISION
		derive en globo rate		
Buildings – Non		Full valuation every 5		Infrastructure &
Specialised &	5 Years	years or index applied	External / Internal	Strategic Planning
Specialised & Specialised	Jieals	annually if material	LAGITIAI / IIIGITIAI	Division / Property
Оресіанови		-		Division
		Assessment of		<u> </u>
		remaining useful life		
		undertaken with		
Intangibles	5 Years	adjustments to	Internal	Finance Division
		consumption patterns		
		that may impact fair		
		value		
		Assessment of		
		remaining useful life		
Other Structures		undertaken with		Infrastructure &
	5 Years	adjustments to	Internal	Strategic Planning
		consumption patterns		Division
		that may impact fair		211101011
		value		



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Asset Category	Valuation Frequency	Description of Process	Valuer*	Responsibility
Other Open Space / Recreational Assets	5 Years	Full valuation every 5 years or index applied annually if material	Internal	Infrastructure & Strategic Planning Division
Swimming Pools - Structures	5 Years	Full valuation every 5 years or index applied annually if material	External / Internal	Infrastructure & Strategic Planning Division
Library Books	Annually	Assessment of remaining useful life undertaken with adjustments to consumption patterns that may impact fair value	Internal	Finance Division
Other Assets	5 years	Full valuation every 5 5 years years or index applied Internal annually if material		Various
Tip Remediation Asset	Annually	Reassessment of discount rate and application to discounted cash flows if material	Internal	Finance Division

^{*}Internal Valuation refers to the utilisation of in-house expertise to value Council's assets.



Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

(3) Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

¢ 1000	Financial	Investment	IPP&E	Held for sale	Total
\$ '000	assets	property	IPPαE	assets	Total
2018					
Opening balance	43,428	4,775	2,309,628	6,381	2,364,212
Purchases (GBV)	3,348	_	114,042	_	117,390
Disposals (WDV)	(4,057)	_	(8,447)	(6,381)	(18,885)
Depreciation and impairment	-	-	(59,673)	-	(59,673)
FV gains – other comprehensive income	_	-	5,692	-	5,692
FV gains – Income Statement 1	443	5	_	-	448
Waste remediation reassessment	_	_	(4,863)	-	(4,863)
Transfer to expense	_	_	(73)	_	(73)
Closing balance	43,162	4,780	2,356,306	-	2,404,248
2019					
Opening balance	43,162	4,780	2,356,306	_	2,404,248
Purchases (GBV)	14,299	_	123,229	_	137,528
Disposals (WDV)	(10,021)	_	(8,775)	_	(18,796)
Depreciation and impairment	_	_	(61,549)	_	(61,549)
FV gains – other comprehensive income	_	_	196,818	_	196,818
FV gains – Income Statement 1	165	220	_	_	385
Prior Period Error	_	_	(39,225)	_	(39,225)
Waste remediation reassessment	_	_	(58)	_	(58)
Transfer to expense	_	_	(1,651)	_	(1,651)
Closing balance	47,605	5,000	2,565,095	_	2,617,700

⁽¹⁾ FV gains recognised in the Income Statement relating to assets still on hand at year end total

Notes to the Financial Statements

for the year ended 30 June 2019

Note 23. Related Party Transactions

(a) Key management personnel

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

	2019	2018
Compensation:		
Short-term benefits	2,239	2,176
Termination benefits	42	
Total	2,281	2,176

(b) Other transactions with KMP and their related parties

Council has assessed other transactions with KMP and their related parties as not material for recognition in these statements.

(c) Other related party transactions

\$'000s	Value of transactions during the year	Outstanding balance	Terms and conditions
2019	during the your	Bululioo	Torrito and conditions
Associate			
Marketing, events, business and investment in LGA	1,419	-	Amounts provided under a funding agreement.
Event sponsorship & support	71	-	Based on specific events.
LGA Major Events	10	-	Amounts provided under a funding agreement.
Partner program	6	-	
Merchandise	1	-	
Associate			
Performing Arts Centre Management	1,006	-	Amounts provided under a funding agreement.
Town Hall management	388	-	Amounts provided under a funding agreement.
Community Subsidy	20	-	Amounts provided under a funding agreement.
Venue Hire	11	_	agrooment.
Asset Maintenance	9	-	
Catering	2	-	

Notes to the Financial Statements

for the year ended 30 June 2019

Note 23. Related Party Transactions (continued)

	Value of		
	transactions	Outstanding	
\$'000s	during the year	balance	Terms and conditions
2018			
Associate			
Marketing, events, business and investment in LGA	1,376	-	Amounts provided under a funding agreement.
Subsidised office space	146	-	Amounts provided under a funding agreement.
Event sponsorship & support	91	-	Based on specific events.
LGA Major Events	20	-	Amounts provided under a funding agreement.
Feasibility study	8	-	S .
Visitor guide	4	-	
Partner program	3	-	
Contribution to Green Bus Service Extension	3	-	
Commission on accommodation bookings Associate	1	-	
Performing Arts Centre Management	690	-	Amounts provided under a funding agreement.
Town Hall management	375	-	Amounts provided under a funding agreement.
Community Subsidy	23	-	Amounts provided under a funding agreement.
Venue hire	11	_	9
Ticket purchase	9	-	
Town Hall – evacuation users	6	_	
Student Transportation	1	_	



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 24. Events occurring after the reporting date

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

Note 25. Statement of developer contributions

Under the Environmental Planning and Assessment Act 1979, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

Summary of contributions and levies

	as at 30/6/2018						as at 30/6	2019
		Contribution received during to		Interest	Expenditure	Internal	Held as	Cumulative internal
\$ '000	Opening Balance	Cash	Non-cash	earned in year	during year	borrowing (to)/from	restricted asset	borrowings due/(payable)
Drainage	4,088	2,460	_	146	_	_	6,694	_
Roads	(7,751)	13,247	-	(106)	(6,037)	_	(647)	_
Open space	5,360	1,737	_	174	-	_	7,271	_
Community facilities	1,116	71	-	33	-	_	1,220	_
Administration	(1,177)	302	_	_	(301)	_	(1,176)	_
Public transport	577	31	_	17	_	_	625	_
S7.11 contributions – under a plan	2,213	17,848	_	264	(6,338)	_	13,987	_
S7.12 levies – under a plan	16,266	5,805	_	562	(352)		22,281	_
Total S7.11 and S7.12 revenue under plans	18,479	23,653	-	826	(6,690)	-	36,268	-
S7.11 not under plans	337	-	_	10	_	_	347	_
S7.4 planning agreements	145	_	_	8	-	_	153	_
Total contributions	18,961	23,653	_	844	(6,690)		36,768	_



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25. Statement of developer contributions (continued)

	as at 30/6/2018						as at 30/6	/2019
		Contributions received during the year			Expenditure	Internal	Held as	Cumulative internal
\$ '000	Opening Balance	Cash	Non-cash	earned in year	during year	borrowing (to)/from	restricted asset	borrowings due/(payable)
S7.11 Contributions – under a	plan							
CONTRIBUTION PLAN – WEST DAPTO								
Drainage	4,088	2,460	_	146	_	_	6,694	_
Roads	(7,751)	13,247	_	(106)	(6,037)	_	(647)	-
Open space	5,360	1,737	-	174	-	-	7,271	-
Community facilities	1,116	71	_	33	_	_	1,220	-
Administration	(1,177)	302	_	_	(301)	_	(1,176)	-
Public transport	577	31	-	17	-	_	625	_
Total	2,213	17,848	_	264	(6,338)	_	13,987	_
S7.12 Levies – under a plan								
CONTRIBUTION PLAN - WOLLONGONG	, в							
City Wide	16,818	4,082	_	546	(352)	_	21,094	-
City Centre	(552)	1,723	_	16	_	_	1,187	_
Total	16,266	5,805	_	562	(352)		22,281	_

⁽A) The Wollongong City-Wide Development Contributions Plan is a levy based plan that reflects development activity in the Local Government Area excluding areas covered by the West Dapto Section 94 Plan.

⁽B) Figures provided include amounts collected under the Wollongong City-Wide Development Plan as well as contributions received from relevant development consents approved prior to 2006 that contained conditions for contributions to



Wollongong City Council Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25. Statement of developer contributions (continued)

Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

	as at 30/6/2018						as at 30/6	/2019
		Contribution received during to		Interest	Expenditure	Internal	Held as	Cumulative internal
\$ '000	Opening Balance	Cash	Non-cash	earned in year	during year	borrowing (to)/from	restricted asset	borrowings due/(payable)
S7.11 Contributions – not u	under a plan							
CONTRIBUTION PLAN - CALDERWO	OD A, B, C							
Roads	337	-	_	10	-	_	347	-
Total	337	_	_	10	_	_	347	_

⁽A) The Calderwood Urban Release Area was historically in the Shellharbour City Local Government Area. However, the Urban Release Are was later expanded during the State Government's major project approval process to include land that straddles the local government boundary, which comprises 107 hectares of land in the Wollongong Local Government Area at Marshall Mount.

S7.4 planning agreements

S7.4 planning agreements Roads 145 8 153 Total 145 8 153

⁽B) In 2013, the Land and Environment Court imposed a development contribution condition on Stage 1 of the Calderwood development within Shellharbour City Council Local Government Area, requiring the payment of a contribution of \$1,320 per lot to Wollongong City Council to be used towards upgrades of Marshall Mount Road and Yallah Road. The payments reflected in the above relate to these court proceedings.

⁽C) Wollongong City Council and Lendlease Communities (Australia) Limited have entered into a Planning Agreement for the remainder of the contributions relating to the Calderwood development. No contributions have been received as a result of the Planning Agreement.



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Financial Statements 2019

Wollongong City Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 26. Financial result and financial position by fund

Council utilises only a general fund for its operations.

Note 27(a). Statement of performance measures – consolidated results

	Amounts	Indicator	Prior p	eriods	Benchmark
\$ '000	2019	2019	2018	2017	
Operating performance ratio					
Total continuing operating revenue excluding capital					
grants and contributions less operating expenses 1,2	(1,340)	(0.48)%	2.76%	10.74%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	278,226	(0.40)70	2.70	10.1170	0.0070
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all	0.47.000				
grants and contributions 1	247,336	73.20%	77.06%	74.75%	>60.00%
Total continuing operating revenue 1	337,882				
3. Unrestricted current ratio					
Current assets less all external restrictions ³	126,001	2.70x	2.93x	2.65x	>1.50x
Current liabilities less specific purpose liabilities ⁴	46,629	2.70%	2.55%	2.00%	71.50X
4. Debt service cover ratio					
Operating result before capital excluding interest and					
depreciation/impairment/amortisation 1	63,778	5.77x	6.30x	8.51x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	11,052				
sorrowing costs (moonic otaloment)					
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	10,566				
Rates, annual and extra charges collectible	207,770	5.09%	4.66%	5.88%	<10.00%
. tates, annual and ontice onlinger composition	201,110				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all	407.047				
term deposits	107,217	5.45	5.83 mths	6.90 mths	>3.00 mths
Monthly payments from cash flow of operating and financing activities	19,663	mths	muis	111015	HILLIS

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

⁽²⁾ Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and

⁽³⁾ Refer to Notes 6-8 inclusive. Excludes any real estate and land for resale not expected to be sold in next 12 months.

⁽⁴⁾ Refer to Notes 13 and 14. Excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).



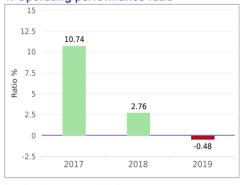
Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 27(b). Statement of performance measures – consolidated results (graphs)





Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2018/19 result

2018/19 ratio (0.48)%

The 2019 result has been unfavourably impacted by a number of unusual factors that include the change in discount factors applicable to employee leave entitlements (\$5.2M), valuation of workers compensation liability to recognise impact of external valuation trends on Council's active claims (\$2.0M) and the reclassification of capital expenditure for current and prior years (\$2.3M). Without these abnormal variations, this indicator would be 2.9%.

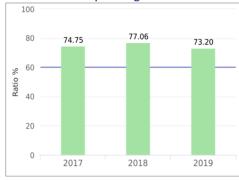
Benchmark: - > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2018/19 result

2018/19 ratio 73.20%

This result is consistent with previous reporting periods. It is noted that total revenue includes non-cash contributed assets which fluctuate from year to year and impact the result.

Benchmark: - > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2018/19 result

2018/19 ratio 2.70x

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

Benchmark: - > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark



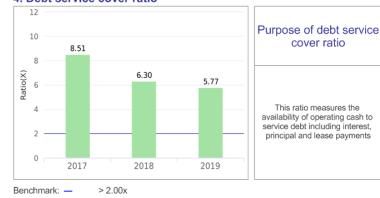
Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 27(b). Statement of performance measures – consolidated results (graphs)

4. Debt service cover ratio





Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio is outside benchmark

5. Rates, annual charges, interest and extra charges outstanding percentage



Purpose of rates, annual charges, interest and extra charges outstanding

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

Commentary on 2018/19 result

2018/19 ratio 5.09%

Although Council continue to improve the recovery processes for all rate payers, there has been an increase in debt owed to Council by pensioners that Council policy allows

Benchmark: -< 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2018/19 result

2018/19 ratio 5.45 mths

The result of this measure reflects a high level of liquidity in Council's investment portfolio at the end of 2018/19.

Benchmark: -> 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark



Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 28. Council information and contact details

Principal place of business:

41 Burelli Street Wollongong NSW 2500

Contact details

Mailing Address:

Locked Bag 8821 Wollongong NSW 2500

Telephone: (02) 4227 7111 Facsimile: (02) 4227 7277

Officers

GENERAL MANAGER

Greg Doyle

RESPONSIBLE ACCOUNTING OFFICER

Brian Jenkins

PUBLIC OFFICER

Todd Hopwood

AUDITORS

Audit Office of New South Wales Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney, Cath Blakey NSW, 2000

Opening hours:

Administration Building: 8:30am - 5:00pm

Internet: www.wollongong.nsw.gov.au Email: council@wollongong.nsw.gov.au

Elected members

LORD MAYOR

Gordon Bradbery

COUNCILLORS

Ward 1

Leigh Colacino Mithra Cox Janice Kershaw Jenelle Rimmer

Ward 2

David Brown Tania Brown John Dorahy

Ward 3

Dom Figliomeni Vicky King Ann Martin Cameron Walters

Other information

ABN: 63 139 525 939





INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements Wollongong City Council

To the Councillors of the Wollongong City Council

Opinion

June 2019

I have audited the accompanying financial statements of Wollongong City Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13, Part 3, Division 2 (the Division)
- · the financial statements:
 - have been presented, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

June 2019



Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Special Purpose Financial Statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.



A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors-responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

- · that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 21 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Dominika Ryan

Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

11 October 2019 SYDNEY





Councillor Gordon Bradbery OAM Lord Mayor Wollongong City Council Locked Bag 8821 WOLLONGONG DC NSW 2500

Contact: Dominika Ryan
Phone no: 02 9275 7336
Our ref: D1921960/1811

11 October 2019

Dear Lord Mayor

Report on the Conduct of the Audit for the year ended 30 June 2019 Wollongong City Council

I have audited the general purpose financial statements (GPFS) of the Wollongong City Council (the Council) for the year ended 30 June 2019 as required by section 415 of the *Local Government Act* 1993 (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2019 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2019	2018	Variance
	\$m	\$m	%
Rates and annual charges revenue	199.5	193.4	3.2
Grants and contributions revenue	88.5	70.0	26.4
Operating result for the year	52.1	48.8	6.9
Net operating result before capital grants and contributions	(7.5)	8.1	192.8



Council's operating result (\$52.1 million including the effect of depreciation and amortisation expense of \$61.8 million) was \$3.3 million higher than the 2017–18 result. The increase was primarily driven by:

- increase in grants and contributions revenue by \$18.5 million
- increase in other revenue of \$1.6 million
- increase in rates and annual charges of \$6.1 million
- increase in employee benefits and on-costs of \$14.6 million
- decrease in other expenses of \$5.6 million.

The net operating result before capital grants and contributions (\$7.5) million was \$15.7 million lower than the 2017–18 result.

Rates and annual charges revenue (\$199.5 million) increase by \$6.1 million (3.2 percent) in 2018–2019 due to:

- 1.5 per cent general rate increase
- · growth in subdivision in West Dapto area and infill developments
- increase in domestic waste management services as Wollongong City grows.

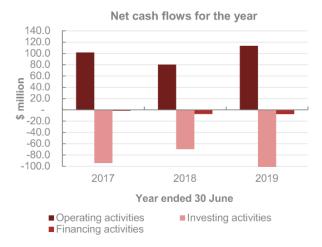
Grants and contributions revenue (\$88.5 million) increased by \$18.5 million (26.4 percent) in 2018–2019 due to:

- timing of financial assistance grants received in the past 3 years
- higher level of subdivision contribution.

STATEMENT OF CASH FLOWS

After remaining largely steady from 2016–17 to 2017–18, cash flows from operating activities increased by \$33.4 million in 2018–19. This was due to lower payments during the year and increase in rates and annual charges. The increase in grants and contributions also contributed to higher cash flows.

Cash flows from investing activities was also \$37.5 million higher than 2017–18 mainly due to increase purchase of infrastructure, property, plant and equipment.





FINANCIAL POSITION

Cash and investments

Cash and investments	2019	2018	Commentary
	\$m	\$m	
External restrictions	77.7	74.2	Council's cash and investments at 30 June 2019 was
Internal restrictions	61.2	68.1	lower by \$2.9 million compared to previous year. The decrease was mainly due to decrease investments in
Unrestricted	15.9	15.4	long term deposits.
Cash and investments	154.8	157.7	Externally restricted balances include unexpected specific loans, developer contributions and domestic waste management charges.
			Balances are internally restricted due to Council policy or decisions for forward plans including works program.
			Unrestricted balances provide liquidity for day-to-day operations.

Debt

At 30 June 2019, Council has external borrowings of \$25.4 million (2018: \$32.8 million). The loans are secured over Council's general rating income.

At 30 June 2019, Council also has access to a \$300,000 (2018: \$300,000) bank overdraft facility. This facility was unused at year end.

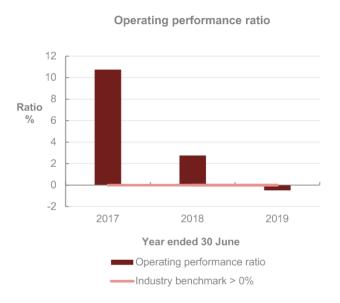
PERFORMANCE

Operating performance ratio

The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the former Office of Local Government (OLG) is greater than zero percent.

Council's operating performance ratio fell short of the industry benchmark of greater than zero percent for the first time in three years. The two main reasons for the unfavourable impact include:

- change in discount factors applicable to employee leave entitlements (\$5.2m)
- valuation of workers compensation liability to recognise impact of external valuation trends on Council's active claims (\$2.0m).



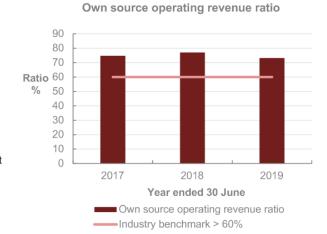


June 2019

Own source operating revenue ratio

The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by the former OLG is greater than 60 percent.

Council's own source operating revenue ratio exceeded the industry benchmark over the past three years. The current year ratio of 73.2 per cent is largely consistent with the previous reporting periods.



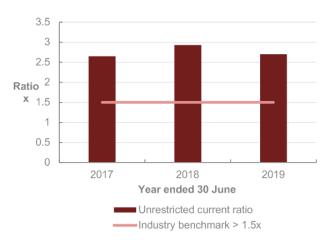
Unrestricted current ratio

The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by the former OLG is greater than 1.5 times.

Council's unrestricted current ratio exceeded the industry benchmark over the past three years. The ratio remains steady in 2019 because:

- the Council's strategy is to maximise the use of available funds and target a lean unrestricted ratio
- cash assets held for future waste facility requirements are held in the unrestricted ratio.

Unrestricted current ratio

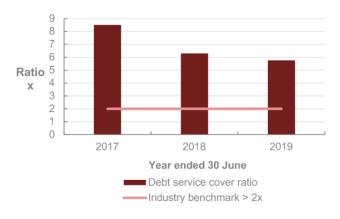


Debt service cover ratio

The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.

Council's debt service cover ratio exceeded the industry benchmark over the past three years. Its ratio decreased from 6.3 to 5.8 at 30 June 2019.

Debt service cover ratio

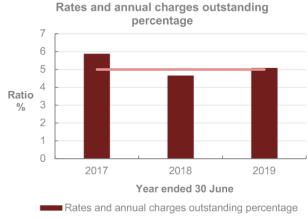




Rates and annual charges outstanding percentage

The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by the former OLG is less than 5 per cent for metro councils.

Council met rates and annual charges outstanding ratio benchmark in 218-19. Although the ratio has improved from last year, the Council continued to experience an increase in pensioner's debts. The Council advised Council policy allows for this debt.



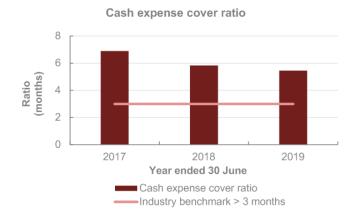
Industry benchmark < 5%</p>

Cash expense cover ratio

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by the former OLG is greater than three months.

Council's cash expense cover ratio exceeded the industry benchmark over the past three years. The ratio ranged from 6.9 to 5.5 months.

Although Council's ratio continued to decline, it is still well above the benchmark.





OTHER MATTERS

New accounting standards implemented

Application period

Overview

AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'

For the year ended 30 June 2019

AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and changes the way financial instruments are treated for financial reporting.

Key changes include:

- a simplified model for classifying and measuring financial assets
- · a new method for calculating impairment
- a new type of hedge accounting that more closely aligns with risk management.

The revised AASB 7 includes new disclosures as a result of AASB 9.

Council's disclosure of the impact of adopting AASB 9 is disclosed in Note 15.

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

The Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the general purpose financial statements
- staff provided all accounting records and information relevant to the audit.

Dominika Ryan

Director, Financial Audit Services

Kyan

Delegate of the Auditor-General for New South Wales

cc: Mr Greg Doyle, General Manager

Tim Hurst, Acting Chief Executive of the Office of Local Government Jim Betts, Secretary of the Department of Planning, Industry and Environment



SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2019





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Special Purpose Financial Statements 2019

Wollongong City Council

June 2019

Special Purpose Financial Statements

for the year ended 30 June 2019

Contents	Page
Statement by Councillors & Management	3
Special Purpose Financial Statements	
Income Statement – Waste Disposal Income Statement – Tourist parks Income Statement – Health & Fitness Income Statement – Crematorium & Cemeteries	4 5 6 7
Statement of Financial Position – Waste Disposal Statement of Financial Position – Tourist parks Statement of Financial Position – Health & Fitness Statement of Financial Position – Crematorium & Cemeteries	8 9 10 11
Note 1 – Significant Accounting Policies	12
Auditor's Report on Special Purpose Financial Statements	15

Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.
 - Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.
 - These include (a) those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and (b) those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities.
- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must (a) adopt a corporatisation model and (b) apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).



Special Purpose Financial Statements 2019

Wollongong City Council

Special Purpose Financial Statements

for the year ended 30 June 2019

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Statements have been prepared in accordance with:

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses A Guide to Competitive Neutrality'.
- · the Local Government Code of Accounting Practice and Financial Reporting,

To the best of our knowledge and belief, these statements:

- · present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- · accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 23 September 2019.

Gordon Bradbery

Lord Mayor

23 September 2019

General Manager

23 September 2019

David Brown

Deputy Lord Mayor 23 September 2019

Brian Jenkins

Responsible Accounting Officer

23 September 2019



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Wollongong City Council

Special Purpose Financial Statements 2019

Income Statement - Waste Disposal

\$ '000	2019 Category 1	2018 Category 1
Income from continuing operations	<u> </u>	
User charges	27.821	28,716
Other income	516	516
Total income from continuing operations	28,337	29,232
Expenses from continuing operations		
Employee benefits and on-costs	1,905	1,755
Borrowing costs	1,849	1,989
Materials and contracts	2,466	1,533
Depreciation, amortisation and impairment	1,221	1,265
Calculated taxation equivalents	529	393
EPA levy	11,764	15,369
Other expenses	1,903	1,890
Total expenses from continuing operations	21,637	24,194
Surplus (deficit) from continuing operations before capital amounts	6,700	5,038
Surplus (deficit) from continuing operations after capital amounts	6,700	5,038
Surplus (deficit) from all operations before tax	6,700	5,038
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(1,843)	(1,385)
SURPLUS (DEFICIT) AFTER TAX	4,857	3,653
Plus accumulated surplus Plus adjustments for amounts unpaid:	45,500	40,069
- Taxation equivalent payments	529	393
- Corporate taxation equivalent	1,843	1,385
Closing accumulated surplus	52,729	45,500
Return on capital %	21.6%	19.2%



Special Purpose Financial Statements 2019

Wollongong City Council

June 2019

Income Statement - Tourist parks

	2019	2018
\$ '000	Category 1	Category 1
Income from continuing operations		
User charges	7,153	6,975
Other income	144	128
Total income from continuing operations	7,297	7,103
Expenses from continuing operations		
Employee benefits and on-costs	2,813	2,639
Materials and contracts	1,157	958
Depreciation, amortisation and impairment	1,095	967
Loss on sale of assets	53	28
Calculated taxation equivalents	535	522
Other expenses	1,192	1,169
Total expenses from continuing operations	6,845	6,283
Surplus (deficit) from continuing operations before capital amounts	452	820
Surplus (deficit) from continuing operations after capital amounts	452	820
Surplus (deficit) from all operations before tax	452	820
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(124)	(226)
SURPLUS (DEFICIT) AFTER TAX	328	594
Plus accumulated surplus Plus adjustments for amounts unpaid:	12,018	10,676
- Taxation equivalent payments	535	522
Corporate taxation equivalent	124	226
Closing accumulated surplus	13,005	12,018
Return on capital %	1.7%	3.4%

June 2019

352



Special Purpose Financial Statements 2019

Wollongong City Council

Income Statement - Health & Fitness

	2019	2018
\$ '000	Category 1	Category 1
Income from continuing operations		
User charges	2,896	2,628
Grants and contributions provided for non-capital purposes	_	16
Other income	95	96
Total income from continuing operations	2,991_	2,740
Expenses from continuing operations		
Employee benefits and on-costs	2,521	2,353
Materials and contracts	332	396
Depreciation, amortisation and impairment	54	54
Loss on sale of assets	-	1
Calculated taxation equivalents	176	174
Other expenses	977	995
Total expenses from continuing operations	4,060	3,973
Surplus (deficit) from continuing operations before capital amounts	(1,069)	(1,233)
Surplus (deficit) from continuing operations after capital amounts	(1,069)	(1,233)
Surplus (deficit) from all operations before tax	(1,069)	(1,233)
SURPLUS (DEFICIT) AFTER TAX	(1,069)	(1,233)
Plus accumulated surplus Plus adjustments for amounts unpaid:	(12,055)	(10,996)
- Taxation equivalent payments	176	174
Closing accumulated surplus	(12,948)	(12,055)
Return on capital %	(24.3)%	(29.2)%
Subsidy from Council	1,127	1,344



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Special Purpose Financial Statements 2019

Wollongong City Council

Income Statement - Crematorium & Cemeteries

\$ '000	2019 Category 1	2018 Category 1
Income from continuing operations		
User charges	1,550	2,296
Other income	9	11
Total income from continuing operations	1,559_	2,307
Expenses from continuing operations		
Employee benefits and on-costs	1,431	1,468
Materials and contracts	269	320
Depreciation, amortisation and impairment	9	10
Loss on sale of assets	7	_
Calculated taxation equivalents	173	133
Other expenses	560	561
Total expenses from continuing operations	2,449	2,492
Surplus (deficit) from continuing operations before capital amounts	(890)	(185)
Surplus (deficit) from continuing operations after capital amounts	(890)	(185)
Surplus (deficit) from all operations before tax	(890)	(185)
SURPLUS (DEFICIT) AFTER TAX	(890)	(185)
Plus accumulated surplus Plus adjustments for amounts unpaid:	(827)	(775)
- Taxation equivalent payments	173	133
Closing accumulated surplus	(1,544)	(827)
Return on capital %	(13.6)%	(3.7)%
Subsidy from Council	976	317



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Special Purpose Financial Statements 2019

Wollongong City Council

Statement of Financial Position – Waste Disposal

as at 30 June 2019

\$ '000	2019 Category 1	2018 Category 1
ASSETS		
Current assets		
Investments		2,165
Total current assets	_	2,165
Non-current assets		
Receivables	70,160	53,277
Infrastructure, property, plant and equipment	39,543	36,680
Total non-current assets	109,703	89,957
TOTAL ASSETS	109,703	92,122
LIABILITIES Current liabilities		
Payables	638	_
Total current liabilities	638	_
Non-current liabilities		
Provisions	42,939	36,994
Total non-current liabilities	42,939	36,994
TOTAL LIABILITIES	43,577	36,994
NET ASSETS	66,126	55,128
EQUITY		
Accumulated surplus	52,729	45,500
Revaluation reserves	13,397	9,628
TOTAL EQUITY	66,126	55,128



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Special Purpose Financial Statements 2019

Wollongong City Council

Statement of Financial Position - Tourist parks

as at 30 June 2019

\$ '000	2019 Category 1	2018 Category 1
Ψ 000	Category	Category 1
ASSETS		
Non-current assets		
Receivables	4,127	3,663
Infrastructure, property, plant and equipment	26,480	24,210
Total non-current assets	30,607	27,873
TOTAL ASSETS	30,607	27,873
NET ASSETS	30,607	27,873
EQUITY		
Accumulated surplus	13,005	12,018
Revaluation reserves	17,602	15,855
TOTAL EQUITY	30,607	27,873



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Special Purpose Financial Statements 2019

Wollongong City Council

Statement of Financial Position - Health & Fitness

as at 30 June 2019

\$ '000	2019 Category 1	2018 Category 1
ASSETS		
Non-current assets		
Infrastructure, property, plant and equipment	4,398	4,224
Total non-current assets	4,398	4,224
TOTAL ASSETS	4,398	4,224
LIABILITIES		
Non-current liabilities		
Payables	13,901	13,063
Total non-current liabilities	13,901	13,063
TOTAL LIABILITIES	13,901	13,063
NET ASSETS	(9,503)	(8,839)
EQUITY		
Accumulated surplus	(12,946)	(12,055)
Revaluation reserves	3,443	3,216
TOTAL EQUITY	(9,503)	(8,839)



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Special Purpose Financial Statements 2019

Wollongong City Council

Statement of Financial Position - Crematorium & Cemeteries as at 30 June 2019

A 1000	2019	2018
\$ '000	Category 1	Category 1
ASSETS		
Non-current assets		
Infrastructure, property, plant and equipment	6,534	5,021
Total non-current assets	6,534	5,021
TOTAL ASSETS	6,534	5,021
LIABILITIES		
Non-current liabilities		
Payables	4,585	3,494
Total non-current liabilities	4,585	3,494
TOTAL LIABILITIES	4,585	3,494
NET ASSETS	1,949_	1,527
EQUITY		
Accumulated surplus	(1,535)	(827)
Revaluation reserves	3,484	2,354
TOTAL EQUITY	1,949	1,527



Special Purpose Financial Statements 2019

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

Note 1. Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

In accordance with Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

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

Category 2

(where gross operating turnover is less than \$2 million)

Nil

continued on next page ... Page 12



Wollongong City Council Special Purpose Financial Statements 2019

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

(i) Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate - 27.5%

<u>Land tax</u> – the first \$692,000 of combined land values attracts **0**%. For the combined land values in excess of \$692,001 up to \$4,321,000 the rate is **1.6**% **+ \$100**. For the remaining combined land value that exceeds \$4,321,000 a premium marginal rate of **2.0**% applies.

Payroll tax - 5.45% on the value of taxable salaries and wages in excess of \$850,000.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 27.5% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

continued on next page ... Page 13



Special Purpose Financial Statements 2019

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(iii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.32% at 30/6/19.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.





INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements Wollongong City Council

To the Councillors of the Wollongong City Council

Opinion

June 2019

I have audited the accompanying Special Purpose Financial Statements (the financial statements) of Wollongong City Council's (the Council) declared business activities, which comprise the Income Statement of each declared business activity for the year ended 30 June 2019, the Statement of Financial Position of each declared business activity as at 30 June 2019 and Significant Accounting Policies for the business activities declared by Council, and the Statement by Councillors and Management.

The declared business activities of the Council are:

- Waste Disposal
- Tourist parks
- Health & Fitness
- Crematorium & Cemeteries.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared business activities as at 30 June 2019, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code).

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of councils
- precluding the Auditor-General from providing non-audit services.

June 2019

audit opinion.

362



I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my

Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the General Purpose Financial Statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the Local Government Act 1993, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 'Permissible income for general rates'.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors responsibilities/ar4.pdf. The description forms part of my auditor's report.



My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Dominika Ryan

Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

11 October 2019 SYDNEY



SPECIAL SCHEDULES for the year ended 30 June 2019





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Special Schedules 2019

Special Schedules

for the year ended 30 June 2019

Contents	Page
Special Schedules	
Permissible income for general rates	3
Report on Infrastructure Assets - Values	7



June 2019

Special Schedules 2019

Permissible income for general rates

for the year ended 30 June 2019

\$ '000		Calculation 2019/20	Calculation 2018/19
Notional general income calculation ¹			
Last year notional general income yield	а	165,477	160,469
Plus or minus adjustments ²	b	730	854
Notional general income	c = a + b	166,207	161,323
Permissible income calculation			
Or rate peg percentage	е	2.70%	2.30%
Or plus rate peg amount	$i = e \times (c + g)$	4,488	3,710
Sub-total Sub-total	k = (c + g + h + i + j)	170,695	165,033
Plus (or minus) last year's carry forward total	I	4	190
Less valuation objections claimed in the previous year	m	(396)	(138)
Sub-total Sub-total	n = (I + m)	(392)	52
Total permissible income	o = k + n	170,303	165,085
Less notional general income yield	р	170,562	165,477
Catch-up or (excess) result	q = o - p	(259)	(392)
Plus income lost due to valuation objections claimed ⁴	r	265	396
Less unused catch-up ⁵	S	(4)	_
Carry forward to next year ⁶	t = q + r + s	2	4

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.





Special Schedules 2019

INDEPENDENT AUDITOR'S REPORT

Special Schedule - Permissible income for general rates Wollongong City Council

To the Councillors of Wollongong City Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Wollongong City Council (the Council) for the year ending 30 June 2020.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code), and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.



Special Schedules 2019

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements [, special purpose financial statements] and Special Schedule 'Report on infrastructure assets as at 30 June 2019'.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements [and] [the special purpose financial statements].

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.



Special Schedules 2019

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.

Dominika Ryan

Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

11 October 2019

SYDNEY



Special Schedules 2019

Report on Infrastructure Assets

as at 30 June 2019

Asset Class	Asset Category	Estimated cost to bring assets	agreed level of	2018/19	2018/19		Gross	Assets		ition as a eplacem		
		to satisfactory standard	,	Required anintenance	Actual maintenance	Net carrying amount	replacement cost (GRC)	1	2	3	4	5
(a) Report	on Infrastructure Assets	- Values										
Buildings	Buildings	5,152	6,926	21,298	20,833	303,164	540,019	3.0%	17.1%	78.7%	0.7%	0.6%
	Sub-total	5,152	6,926	21,298	20,833	303,164	540,019	3.0%	17.1%	78.7%	0.7%	0.5%
Other	Other structures	963	1,284	551	539	7,482	13,971	4.6%	18.2%	68.0%	2.4%	6.8%
structures	Sub-total	963	1,284	551	539	7,482	13,971	4.6%	18.2%	68.0%	2.4%	6.8%
Roads	Sealed roads	67,173	89,737	16,943	16,317	569,999	1,426,090	6.7%	10.5%	74.5%	1.4%	7.0%
	Bridges	902	1,203	1,810	1,743	98,739	152,318	12.7%	36.5%	50.0%	0.2%	0.5%
	Footpaths	3,078	6,155	3,465	3,337	147,190	291,660	15.2%	19.7%	63.0%	1.3%	0.8%
	Sub-total	71,153	97,095	22,218	21,397	815,928	1,870,068	8.5%	14.0%	70.7%	1.3%	5.5%
Stormwater	Stormwater drainage	76	101	2,568	2,596	520,636	937,830	4.2%	13.1%	82.6%	0.0%	0.1%
drainage	Sub-total	76	101	2,568	2,596	520,636	937,830	4.2%	13.1%	82.6%	0.0%	0.1%
Open space / recreational	Swimming pools & Open Space/Recreation	6,936	10,377	25,305	26,816	116,754	187,847	2.9%	12.4%	71.8%	6.6%	6.4%
assets	Sub-total	6,936	10,377	25,305	26,816	116,754	187,847	2.9%	12.4%	71.8%	6.6%	6.3%

⁽a) Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

(1) Cost to bring up to 'satisfactory standard' refers to the estimated cost to replace the calculated percentage of each asset type that are below satisfactory. Satisfactory standard is generally defined as condition 2 (see Asset Condition Definitions). As identified through Council's Securing our Future community engagement, for footpaths and shared paths, this is condition 3. Cost estimates are based on adopted valuation methodologies and do not generally include the cost of enhancements/upgrades to existing assets. The nominated percentage of each asset type below satisfactory standard is detailed under Condition of Public Works in the Annual Report.

(2) Required Annual Maintenance' is the amount that should be spent to maintain assets in a satisfactory standard and to ensure that the estimated remaining life of the asset is achieved PLUS the new requirement to include the "operating expenses required to keep the asset in a functional state for community use'. During the 2016/17 financial year this process was completely reviewed to ensure inclusion of all labour and materials on all 'asset operation' tasks.

continued on next page ... Page 7



Wollongong City Council

Special Schedules 2019

Report on Infrastructure Assets - Values (continued)

as at 30 June 2019

- (3) Current Annual Maintenance' is the total expenditure incurred during the year to maintain assets. It also includes the actual expenditure on operational costs to keep the asset in a functional state for community use', which includes costs such as mowing, painting, lighting, cleaning, energy supply etc. It does not include operational overheads (e.g. administration staff) or capital expenditure.
- (4) Cost to bring to agreed service level is defined as "The proportion of the GRC that have reached the intervention level based on condition." The outstanding renewal works compared to the total replacement cost of Councils assets. That is calculated as the cost of bringing condition 4 and 5 assets to condition 1.
- (5) Below is a summary of asset types included in Asset Class:

Buildings: Community Facilities, Cultural Facilities, Childcare Centres, Public Toilets, Exeloos, Grandstands, Surf Life Saving Clubs, Amenities, Office/Shops, Industrial, Residences, Cabins and Leisure Centres

Roads and Road Related Assets: Road seal, base, sub-base, kerb and gutter, guardrails and traffic facilities (roundabouts, speedhumps, medians etc)

Bridge, Boardwalks and Jetties: Road Bridges, Pedestrian Bridges, Boardwalks and Jetties **Footpaths and Cycleways:** Footpaths and cycleways (excluding off road footpaths in parks)

Car parks: Surface car parks (not multi-storey) and Boat ramps Stormwater: Pits, Pipes, Headwalls, Culverts and Riparian Assets

Recreation: Pools, Playgrounds, Sport Courts, Park Furniture, Picnic Shelters and Landscaping. Does not include non-depreciable land and earthworks

Condition of Public Assets

In assessing the condition of Public Assets, Council has considered the existing condition and function of each asset. The results shown for the condition of assets within each category are an average. Therefore, a proportion of assets in each category are above and below the average result. Council recognise that the ratings scale used (as outlined below) may be different from those used by other Councils but has been based on the rating scale in the International Infrastructure Management Manual.

Asset Condition Definitions

Rating	Status
1	As new
2	Good
3	Fair
4	Poor
5	To be replaced

continued on next page ... Page 8



Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019

Special Schedules 2019

Wollongong City Council

Report on Infrastructure Assets (continued)

as at 30 June 2019

	Amounts	Indicator	Prior p	eriods	Benchmark
\$ '000	2019	2019	2018	2017	
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹ Asset renewals ² Depreciation, amortisation and impairment	49,733 53,114	93.63%	104.26%	104.90%	>=100.00%
Infrastructure backlog ratio ¹ Estimated cost to bring assets to a satisfactory standard Net carrying amount of infrastructure assets	84,280 1,763,964	4.78%	5.50%	5.72%	<2.00%
Asset maintenance ratio Actual asset maintenance Required asset maintenance	72,181 71,940	100.34%	98.54%	98.07%	>100.00%
Cost to bring assets to agreed service level Estimated cost to bring assets to an agreed service level set by Council Gross replacement cost	<u>115,783</u> 3,549,735	3.26%	3.47%	3.68%	

^(*) All asset performance indicators are calculated using classes identified in the previous table.

continued on next page ... Page 9

⁽¹⁾ Excludes Work In Progress (WIP)

⁽²⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

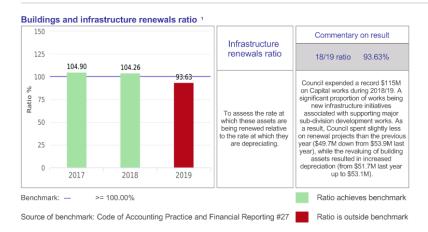


Wollongong City Council

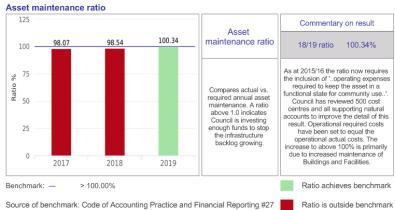
Special Schedules 2019

Report on Infrastructure Assets (continued)

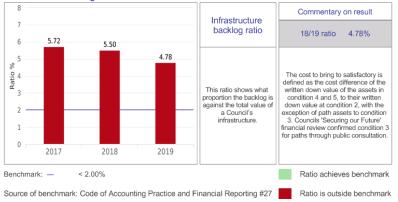
as at 30 June 2019



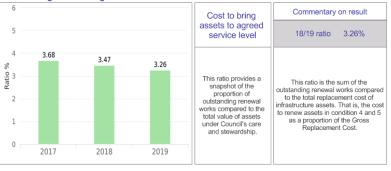
Item 15 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2019



Infrastructure backlog ratio



Cost to bring assets to agreed service level



(1) Excludes Work In Progress (WIP)



File: FI-914.05.001 Doc: IC19/651

ITEM 16 SEPTEMBER 2019 FINANCIALS

The September 2019 key financial results are largely positive compared to phased budget. The Operating Result [pre capital] shows a favourable variance of \$1.5M and the Funds Available from Operations and Funds Result show favourable variances of \$0.2M and \$1.8M respectively. The Operating Result that shows an unfavourable variance of \$1.9M is impacted by timing of capital grants and contributions.

The Balance Sheet at the end of the period indicates that there is sufficient cash to support external restrictions.

Council has expended \$21.8M on its capital works program representing 22% of the annual budget. The year to date budget for the same period was \$25.5M.

RECOMMENDATIONS

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

REPORT AUTHORISATIONS

Report of: Brian Jenkins, Chief Financial Officer

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

ATTACHMENTS

- 1 Income and Funding Statement September 2019
- 2 Capital Project Report September 2019
- 3 Balance Sheet September 2019
- 4 Cash Flow Statement September 2019

BACKGROUND

This report presents the Income and Expense Statement, Balance Sheet and Cash Flow Statement for September 2019. Council's current budget has a Net Funding (cash) deficit of \$9.7M, an Operating Deficit [pre capital] of \$9.4M and a capital expenditure of \$99.1M.

The following table provides a summary view of the organisation's overall financial results for the year to date.

FORECAST POSITION	Original Budget	Revised Budget	YTD Forecast	YTD Actual	Variation
	\$M	\$M	\$M	\$M	\$M
KEY MOVEMENTS	1-Jul	27-Sep	27-Sep	27-Sep	
Operating Revenue	273.0	273.0	66.8	66.0	(0.8)
Operating Costs	(282.4)	(282.4)	(69.8)	(67.4)	2.4
Operating Result [Pre Capital]	(9.4)	(9.4)	(2.9)	(1.4)	1.5
Capital Grants & Contributions	42.9	42.9	10.4	6.9	(3.5)
Operating Result	33.5	33.5	7.5	5.5	(1.9)
Funds Available from Operations	56.7	56.7	12.1	12.3	0.2
Capital Works	99.8	98.4	25.5	21.8	3.7
Contributed Assets	6.7	6.7	-	-	-
Transfer to Restricted Cash	1.4	1.4	0.4	0.4	(0.0)
Borrowings Repaid	7.9	7.9	1.2	1.2	-
Funded from:					
- Operational Funds	56.7	56.7	12.1	11.1	(1.0)
- Other Funding	49.5	48.1	10.3	8.1	(2.1)
Total Funds Surplus/(Deficit)	(9.7)	(9.7)	(4.7)	(2.9)	1.8



Financial Performance

The September 2019 Operating Result [pre capital] shows a favourable variance compared to phased budget of \$1.5M that is largely due to lower depreciation expenditure (\$1.7M), lower expenditure on materials and contracts (\$1.2M) partially offset by lower recoveries from capital using internal resources (\$0.8M), timing of operational grant income (\$0.4M) and other more minor variances.

The Operating Result shows a negative variance of \$1.9M compared to budget. This includes the net variation above as well as a lower level of capital income of \$3.5M. This is mainly due to lower developer contributions income at West Dapto.

The Funds Available from Operations indicates a favourable variation of \$0.2M. This result includes the Operating Result (\$1.9M unfavourable), lower use of restricted cash to fund operational projects (\$0.6M) and the non-cash item depreciation (\$1.7M), however excludes the timing impacts of grants and contributions that are transferred to restricted cash (\$4.0M) and other more minor variations.

Funds Result

The Total Funds result as at 27 September 2019 shows a favourable variance of \$1.8M compared to phased budget. This includes the funds component of the operating result (\$0.2M) and lower net expenditure on capital works compared to budget (\$1.6M).

Capital Budget

At the end of September the capital program shows an expenditure of \$21.8M compared to a phased budget of \$25.5M. Funding associated with this expenditure has decreased from a budget of \$10.2M to actuals of \$8.1M resulting in a net impact on the result of \$1.6M.

Through the adoption of the Operational Plan 2019-2020, Council approved a capital budget for 2019-2020 of \$98.8M. The revised projections at August and September 2019 recommend a reduction of \$0.7M and \$0.8M respectively that are offset by a similar decrease in funding. The reduction is primarily due to re-phasing of various projects which are supported by external funding or restricted cash. These include recognition of the accelerated land purchase for Warrawong Community Centre and Library initially planned for 2019-2020 that commenced in June 2019. Details of these changes are provided in the Capital Project reports and commentary (attachment 2).



Available Cash

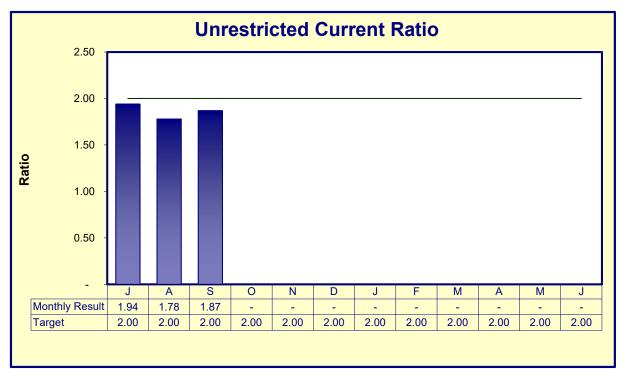
CASH, INVESTMENTS & AVAILABLE FUNDS							
	Actual 2018/19	Original Budget 2019/20 \$M	Actual Ytd September 2019 \$M				
Total Cash and Investments	154.8	130.0	157.9				
Less Restrictions: External Internal Total Restrictions Available Cash	77.7 61.2 138.9 16.0	78.0 46.7 124.7 5.3	79.4 61.1 140.5 17.4				
Adjusted for : Payables Receivables Other Net Payables & Receivables	(35.0) 36.6 11.9 13.5	(25.4) 24.6 11.2 10.5	(36.2) 30.8 14.6 9.2				
Available Funds	29.4	15.7	26.6				

Council's cash and investments decreased during September to holdings of \$157.9M compared to \$159.2M at the end of August 2019. This reflects normal trends for this time of the year.

The Available Funds position excludes restricted cash. 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.

The Unrestricted Current Ratio measures the cash/liquidity position of an organisation. This ratio is intended to disclose the ability of an organisation to satisfy payment obligations in the short term from the unrestricted activities of Council. Council's current ratio is below the Local Government Benchmark of >2:1, with the strategy being to maximise the use of available funds for asset renewal by targeting a lean Unrestricted Current Ratio.





Receivables

Receivables are the amount of money owed to Council or funds that Council has paid in advance. At September 2019, receivables totalled \$33.1M compared to receivables of \$17.6M at September 2018. The increase in level of receivables compared to the same period last year relates predominantly to outstanding grant payments associated with West Dapto projects that are funded though the National Stronger Regions and Restart NSW programs.

Payables

Payables (the amount of money owed to suppliers) of \$36.2M were owed at September 2019 compared to payables of \$34.3M in September 2018. The difference in payables relate to goods and services and capital projects delivered but not yet paid for and timing of the Financial Assistance Grant payments that are received quarterly.

Debt

Council continues to have financial strength in its low level of borrowing. The industry measure of debt commitment is the Debt Service Ratio that measures the proportion of revenues that are required to meet annual loan repayments.

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. Council currently has borrowings through an interest free loan and the subsidised Local Government Infrastructure Renewal Scheme (LIRS). In 2009-2010, Council borrowed \$26M interest free to assist in the delivery of the West Dapto Access Plan. Council has also been successful in securing subsidies for loans under the three rounds of the LIRS program and has entered into loans of \$20M in 2012-2013 for Round 1, \$4.3M in 2013-2014 for Round 2 and \$20.5M for Round 3. The LIRS program provides a loan subsidy of 4% for Round 1 and 3% for the subsequent rounds. Loan funds have been used to accelerate the Citywide Footpaths, Shared Path Renewal, Missing Links Construction Program, building refurbishment works for Berkeley Community Centre, Corrimal Library and Community Centre, Thirroul Pavilion and Kiosk and to support the West Dapto Access – Fowlers Road project respectively.

Council's Debt Service Ratio forecast for 2019-2020 is a target of <4% and remains low in comparison to the Local Government's benchmark ratio of <10%. It is noted that non-cash interest expense relating to



the amortisation of the income recognised on the West Dapto Access Plan Loan is not included when calculating the Debt Service Ratio.

Assets

The Balance Sheet shows that \$2.6B of assets are controlled and managed by Council for the community as at 30 September 2019. The 2019-2020 capital works program includes projects such as the West Dapto Access strategy, civil asset renewals including roads, car parks and buildings and purchase of library books. Council has expended \$21.8M on its capital works program representing 22% of the annual budget. The year to date budget for the same period was \$25.5M.

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:

Comn	Delivery Program 2018-2021 Strategy 3 Year Action		2018-2021	Operational Plan 2019-20 Operational Plan Actions
4.3.2	Resources (finance, technology, assets and people) are	nance, transparent chnology, assets financial	Monitor and review achievement of Financial Strategy Continuous budget management is in place, controlled and reported	
	effectively managed to ensure long term financial sustainability		systems are in place	Provide accurate and timely financial reports monthly, quarterly and via the annual statement
		<u> </u>		Manage and further develop a compliance program to promote awareness and compliance with Council's procurement policies and procedures and other related policies

CONCLUSION

The financial results at September 2019 are generally favourable compared to phased budget and indicate that Council is on track to achieve the projected annual result.



1 July 2019 to 27 September 2019										
	2019/2020 Original Budget \$'000	2019/2020 Current Budget \$'000	2019/2020 YTD Budget \$'000	2019/2020 Actual YTD \$'000	2019/2020 Variance \$'000					
	Income	Statement								
Income From Continuing Operations										
Revenue:										
Rates and Annual Charges	202,991	202,991	49,361	49,524	162					
User Charges and Fees	33,665 4,882	33,665 4,882	7,683 1,187	7,365 : 999 :	(318)					
Interest and Investment Revenues Other Revenues	10,598	10,598	2,577	2,409	(168					
Grants & Contributions provided for Operating Purposes	20,840	20,840	6,031	5,654	(377					
Grants & Contributions provided for Capital Purposes	42,927	42,927	10,386	6,936	(3,450					
Profit/Loss on Disposal of Assets	0	0	(0)	0	C					
Total Income from Continuing Operations	315,903	315,903	77,225	72,887	(4,338					
Expenses From Continuing Operations										
Employee Costs	134,742	134,742	32,849	32,490	358					
Borrowing Costs Materials Contracts & Other Expenses	2,722 97,916	2,722 97,916	662 24,273	769 23,091	(107)					
Materials, Contracts & Other Expenses Depreciation, Amortisation + Impairment	66,276	66,276	16,660	14,933	1,181					
Internal Charges (labour)	(17,558)	(17,558)	(4,270)	(3,466)	(804)					
Internal Charges (not labour)	(1,694)	(1,694)	(412)	(453)	41					
Total Expenses From Continuing Operations	282,404	282,404	69,761	67,364	2,397					
Total Expenses From Continuing Operations	282,404	202,404	69,761	67,304	2,397					
Operating Results From Continuing Operations	33,499	33,499	7,464	5,523	(1,941)					
Net Operating Result for the Year	33,499	33,499	7,464	5,523	(1,941)					
Net Operating Result for the Year before Grants &										
Contributions provided for Capital Purposes NET SURPLUS (DEFICIT) [Pre capital] %	(9,429) 10.6%	(9,429) 10.6%	(2,922) 9.7%	(1,413) 7.6%	1,509 44.7%					
7.5										
	Funding	Statement								
Net Operating Result for the Year	Funding	Statement 33,499	7,464	5,523	(1,941					
			7,464	5,523	(1,941)					
Add back :	33,499	33,499								
Add back : - Non-cash Operating Transactions			7,464 21,024 4,035	5,523 19,441 3,465	(1,583					
Add back :	33,499 84,272	33,499 84,272	21,024	19,441	(1,583 (570					
Add back : - Non-cash Operating Transactions - Restricted cash used for operations	33,499 84,272 16,491	33,499 84,272 16,491	21,024 4,035	19,441 3,465	(1,583 (570 4,042					
Add back: - Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method	33,499 84,272 16,491 (63,420) (14,162)	84,272 16,491 (63,420) (14,162)	21,024 4,035 (16,932) (3,444)	19,441 3,465 (12,890) (3,209)	(1,583 (570 4,042 235					
Add back: - Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method	33,499 84,272 16,491 (63,420)	33,499 84,272 16,491 (63,420)	21,024 4,035 (16,932)	19,441 3,465 (12,890)	(1,583 (570 4,042 235					
Add back: - Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method Funds Available from Operations	33,499 84,272 16,491 (63,420) (14,162)	84,272 16,491 (63,420) (14,162)	21,024 4,035 (16,932) (3,444)	19,441 3,465 (12,890) (3,209)	(1,583) (570) 4,042 235					
Add back: - Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method Funds Available from Operations Borrowings repaid	33,499 84,272 16,491 (63,420) (14,162) 56,680	84,272 16,491 (63,420) (14,162) 56,680	21,024 4,035 (16,932) (3,444)	19,441 3,465 (12,890) (3,209)	(1,583) (570) 4,042 235 183					
Add back: - Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method Funds Available from Operations Borrowings repaid Operational Funds Available for Capital Budget	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913)	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913)	21,024 4,035 (16,932) (3,444) 12,146 (1,237)	19,441 3,465 (12,890) (3,209) 12,329 (1,237)	(1,583) (570) 4,042 235 183					
Add back: - Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method Funds Available from Operations Borrowings repaid Operational Funds Available for Capital Budget CAPITAL BUDGET	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913)	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913)	21,024 4,035 (16,932) (3,444) 12,146 (1,237)	19,441 3,465 (12,890) (3,209) 12,329 (1,237)	(1,583) (570) 4,042 235 183 (0)					
Add back: - Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method Funds Available from Operations Borrowings repaid Operational Funds Available for Capital Budget CAPITAL BUDGET Assets Acquired	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913)	21,024 4,035 (16,932) (3,444) 12,146 (1,237)	19,441 3,465 (12,890) (3,209) 12,329 (1,237)	(1,583 (570 4,042 235 183 (0 182					
Add back: - Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method Funds Available from Operations Borrowings repaid Operational Funds Available for Capital Budget CAPITAL BUDGET Assets Acquired Contributed Assets	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767	21,024 4,035 (16,932) (3,444) 12,146 (1,237) 10,909	19,441 3,465 (12,890) (3,209) 12,329 (1,237) 11,092	(1,583 (570 4,042 235 183 (0 182					
Add back: - Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method Funds Available from Operations Borrowings repaid Operational Funds Available for Capital Budget CAPITAL BUDGET Assets Acquired Contributed Assets Transfers to Restricted Cash Funded From:	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (99,795) (6,726) (1,431)	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (98,369) (6,726) (1,431)	21,024 4,035 (16,932) (3,444) 12,146 (1,237) 10,909 (25,525) 0 (353)	19,441 3,465 (12,890) (3,209) 12,329 (1,237) 11,092 (21,766) 0 (358)	(1,583 (570 4,042 235 183 (0 182 3,759					
Add back: - Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method Funds Available from Operations Borrowings repaid Operational Funds Available for Capital Budget CAPITAL BUDGET Assets Acquired Contributed Assets Transfers to Restricted Cash Funded From: - Operational Funds	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (99,795) (6,726) (1,431) 48,767	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (98,369) (6,726) (1,431) 48,767	21,024 4,035 (16,932) (3,444) 12,146 (1,237) 10,909 (25,525) 0 (353) 10,909	19,441 3,465 (12,890) (3,209) 12,329 (1,237) 11,092 (21,766) 0 (358)	(1,583) (570) 4,042 235 183 (0) 182 3,759 0 (5)					
Add back: - Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method Funds Available from Operations Borrowings repaid Operational Funds Available for Capital Budget CAPITAL BUDGET Assets Acquired Contributed Assets Transfers to Restricted Cash Funded From: - Operational Funds - Sale of Assets	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (99,795) (6,726) (1,431) 48,767 1,292	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (98,369) (6,726) (1,431) 48,767 1,292	21,024 4,035 (16,932) (3,444) 12,146 (1,237) 10,909 (25,525) 0 (353) 10,909 110	19,441 3,465 (12,890) (3,209) 12,329 (1,237) 11,092 (21,766) 0 (358) 11,092 0	(1,583 (570) 4,042 235 183 (0) 182 3,758 (5)					
Add back: Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method Funds Available from Operations Borrowings repaid Operational Funds Available for Capital Budget CAPITAL BUDGET Assets Acquired Contributed Assets Transfers to Restricted Cash Funded From: - Operational Funds - Sale of Assets - Internally Restricted Cash	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (99,795) (6,726) (1,431) 48,767 1,292 14,029	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (98,369) (6,726) (1,431) 48,767 1,292 11,415	21,024 4,035 (16,932) (3,444) 12,146 (1,237) 10,909 (25,525) 0 (353) 10,909 110 935	19,441 3,465 (12,890) (3,209) 12,329 (1,237) 11,092 (21,766) 0 (358) 11,092 0 733	(1,583 (570) 4,042 235 183 (0) 182 3,758 (5) (5)					
Add back: - Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method Funds Available from Operations Borrowings repaid Operational Funds Available for Capital Budget CAPITAL BUDGET Assets Acquired Contributed Assets Transfers to Restricted Cash Funded From: - Operational Funds - Sale of Assets - Internally Restricted Cash - Borrowings	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (99,795) (6,726) (1,431) 48,767 1,292 14,029 0	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (98,369) (6,726) (1,431) 48,767 1,292 11,415 0	21,024 4,035 (16,932) (3,444) 12,146 (1,237) 10,909 (25,525) 0 (353) 10,909 110 935 0	19,441 3,465 (12,890) (3,209) 12,329 (1,237) 11,092 (21,766) 0 (358) 11,092 0 733 0	(1,583 (570) 4,042 236 183 (0) 182 3,758 (5) (5)					
Add back: - Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method Funds Available from Operations Borrowings repaid Operational Funds Available for Capital Budget CAPITAL BUDGET Assets Acquired Contributed Assets Transfers to Restricted Cash Funded From: - Operational Funds - Sale of Assets - Internally Restricted Cash - Borrowings - Capital Grants	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (99,795) (6,726) (1,431) 48,767 1,292 14,029 0 7,353	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (98,369) (6,726) (1,431) 48,767 1,292 11,415 0 8,275	21,024 4,035 (16,932) (3,444) 12,146 (1,237) 10,909 (25,525) 0 (353) 10,909 110 935 0 2,784	19,441 3,465 (12,890) (3,209) 12,329 (1,237) 11,092 (21,766) 0 (358) 11,092 0 733 0 5,543	(1,583 (570) 4,042 235 183 (0) 182 3,758 (5) (5) (110) (202 (2,758					
Add back: - Non-cash Operating Transactions - Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method Funds Available from Operations Borrowings repaid Operational Funds Available for Capital Budget CAPITAL BUDGET Assets Acquired Contributed Assets Transfers to Restricted Cash Funded From: - Operational Funds - Sale of Assets - Internally Restricted Cash - Borrowings	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (99,795) (6,726) (1,431) 48,767 1,292 14,029 0	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (98,369) (6,726) (1,431) 48,767 1,292 11,415 0	21,024 4,035 (16,932) (3,444) 12,146 (1,237) 10,909 (25,525) 0 (353) 10,909 110 935 0	19,441 3,465 (12,890) (3,209) 12,329 (1,237) 11,092 (21,766) 0 (358) 11,092 0 733 0	(1,583) (570) 4,042 235 183 (0) 182 3,759 0 (5) 182 (110) (202) 0 2,758 (3,553)					
- Restricted cash used for operations - Income transferred to Restricted Cash - Payment of Accrued Leave Entitlements Net Share Joint Venture using Equity Method Funds Available from Operations Borrowings repaid Operational Funds Available for Capital Budget CAPITAL BUDGET Assets Acquired Contributed Assets Transfers to Restricted Cash Funded From : Operational Funds - Sale of Assets - Internally Restricted Cash - Borrowings - Capital Grants - Developer Contributions (Section 94)	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (99,795) (6,726) (1,431) 48,767 1,292 14,029 0 7,353 16,867	33,499 84,272 16,491 (63,420) (14,162) 56,680 (7,913) 48,767 (98,369) (6,726) (1,431) 48,767 1,292 11,415 0 8,275 17,092	21,024 4,035 (16,932) (3,444) 12,146 (1,237) 10,909 (25,525) 0 (353) 10,909 110 935 0 2,784 4,435	19,441 3,465 (12,890) (3,209) 12,329 (1,237) 11,092 (21,766) 0 (358) 11,092 0 733 0 5,543 882	(1,941) (1,583) (570) 4,042 235 183 (0) 182 (110) (202) 0 2,758 (3,553) (32) (983)					



Manager Project Delivery Division Commentary on August to September 2019 Capital Budget Report

On 24 June 2019, Council approved a Capital budget for 2019-2020 of \$98.8M. During August and September 2019, the approved Capital Budget had decreased to \$97.6M due predominately to re-phasing of Strategic Projects Reserve (SPR) funding for the purchase of properties required for design and construction of the new Warrawong Community Centre and Library, the re-phasing of dedicated funding for design and construction of two projects in the West Dapto Infrastructure Expansion Program and the transfer of Sports Priority funding from Capital Budget to Operational accounts. Council was successful in purchasing two of the required properties for Warrawong Community Centre late in June 2019 which effectively accelerated the purchases from the 2019-2020 budget which has now resulted in this adjustment to the 2019-2020 Capital Budget. Offsetting this reduction in SPR funding was the introduction of additional Roads to Recovery funding from the Federal Government which was allocated to existing roads reconstruction projects.

Council achieved expenditure at the end of September 2019 of \$21.8M compared to the phased budget expenditure of \$25.5M.

Program	Major Points of change to Capital Budget
Traffic Facilities	Reallocate budget from roadworks Program to Traffic Facilities program to provide additional budget for a number of traffic signal, pedestrian signals and intersection upgrade projects
Roadworks	Reallocate budget from Roadworks program to Traffic Facilities Program.
	Introduce roads to Recovery funding for existing projects.
West Dapto Infrastructure Expansion	Introduce funding for existing project to design Huntley/Avondale Rd upgrade and rephase funding for 2 existing design and construct projects for new/upgraded road infrastructure
Footpaths	Reallocate budget from Contingency to Footpaths program.
	Reallocate budget from Commercial Centre Upgrades – footpaths and Shareways to Footpaths program
Commercial Centre Upgrades - Footpaths and Cycleways	Introduce funding for design of Wollongong CBD Wayfinding signage.
Floodplain Management	Reallocate budget from Floodplain Management to Stormwater Management Program.
Stormwater Management	Reallocate budget from Stormwater Treatment Devices Programs to Stormwater Management Program
Stormwater Treatment Devices	Reallocate budget from Stormwater Treatment Devices to Stormwater Management Program.
Cultural Centres (IPAC, Gallery, Town Hall)	Reallocate budget from Administration Buildings Program to Cultural Centres (IPAC, Gallery, Town Hall) Program. Reallocate budget from Cultural Centres (IPAC, Gallery, Town Hall) Program to Community Buildings Program
Community Buildings	Re-phase Strategic projects Reserve funding for existing project
Administration Buildings	Reallocate budget from Administration Buildings Program to Cultural Centres (IPAC, Gallery, Town Hall) Program.
Public Facilities (Shelters, Toilets etc)	Reallocate budget from Public Facilities (Shelters, Toilets etc) Program to Tourist Parks - Upgrade and Renewal Program.
Tourist Parks - Upgrade and Renewal.	Reallocate budget from Public Facilities (Shelters, Toilets etc) Program to Tourist Parks - Upgrade and Renewal Program.



Program	Major Points of change to Capital Budget
Sporting Facilities	Transfer sports priority funding from Capital Budget to Operational accounts for distribution to sporting clubs.
	Reallocate budget from Capital Budget Contingency to Sporting Facilities program.
Rock and Tidal Pools	Reallocate funds from Rock and Tidal Pools Program to Capital Budget Contingency
Natural Area Management and Rehabilitation	Reallocate funds from Natural Area Management and Rehabilitation program to Capital Budget Contingency.
Whytes Gully New Cells	Rephase Waste Levy Reserve funding for Whytes Gully New Cells Program.
	Reallocate Waste Levy Reserve funding from Whytes Gully Works program to Whytes Gully New Cells Program.
Whytes Gully Renewal works	Reallocate Waste Levy Reserve funding from Whytes Gully Renewal Works Program to Whytes Gully New Cells Program.
Motor Vehicles	Transfer budget from Operational Account to Capital budget for purchase of 2 additional vehicle for Regulation and Enforcement Rangers
Land Acquisitions	Re-phase Strategic Projects funding for purchase of properties for Warrawong CC&L.
Contingency	Multiple budget reallocations detailed above to and from Capital Budget Contingency.



CAPITAL PROJECT REPORT 1 July 2019 to 27 September 2019									
	\$10	00	\$1000)		\$100	0		
	CURRENT	BUDGET	WORKING B	WORKING BUDGET		VARIATION			
ASSET CLASS PROGRAMME	EXPENDITURE	OTHER FUNDING	EXPENDITURE	OTHER FUNDING	YTD EXPENDITURE	EXPENDITURE	OTHER FUNDING		
Roads And Related Assets									
Traffic Facilities	2,420	(630)	2,520	(630)	813	100	0		
Public Transport Facilities Roadworks	430 14,142	(50) (1,775)	430 14,872	(50) (2,605)	44 4,204	730	0 (830)		
Bridges, Boardwalks and Jetties	1,895	0	1,895	0	148	0	0		
TOTAL Roads And Related Assets	18,887	(2,455)	19,717	(3,285)	5,209	830	(830)		
West Dapto									
West Dapto Infrastructure Expansion	16,859	(16,859)	16,439	(16,439)	5,634	(420)	420		
TOTAL West Dapto	16,859	(16,859)	16,439	(16,439)	5,634	(420)	420		
Footpaths And Cycleways									
Footpaths	8,535	(3,743)	8,735	(3,743)	2,386	200	(0)		
Cycle/Shared Paths Commercial Centre Upgrades - Footpaths and Cyclewa	3,065 3,340	(1,165)	3,065 3,250	(1,165)	601 280	0 (90)	0 (10)		
TOTAL Footpaths And Cycleways	14,940	(4,938)	15,050	(4,948)	3,268	110	(10)		
Carparks									
Carpark Construction/Formalising	550	(190)	550	(190)	179	(0)	0		
Carpark Reconstruction or Upgrading	1,478	(7)	1,477	(7)	108	(0)	0		
TOTAL Carparks	2,028	(197)	2,027	(197)	287	(0)	0		
Stormwater And Floodplain Manageme	ent								
Floodplain Management	1,799	(160)	1,564	(160)	93	(235)	0		
Stormwater Management Stormwater Treatment Devices	3,820 855	(340)	4,114 796	(380)	1,333	294	(40) 40		
TOTAL Stormwater And Floodplain N	6,474	(290)	6,474	(790)	1,766	(59)	(0)		
·	9,174	(132)	9,111	(100)	1,100	(0)	(4)		
Buildings									
Cultural Centres (IPAC, Gallery, Townhall) Administration Buildings	2,861 1,807	(50)	1,998 1,771	(50)	97 92	(863)	0		
Community Buildings	6,096	(399)	6,946	(349)	915	850	50		
Public Facilities (Shelters, Toilets etc.)	570	0	420	0	22	(150)	0		
TOTAL Buildings	11,335	(449)	11,135	(399)	1,127	(200)	50		
-	11,000	(410)	11,100	(655)	,,	(200)			
Commercial Operations									
Tourist Park - Upgrades and Renewal Crematorium/Cemetery - Upgrades and Renewal	1,240 265	0	1,390 265	0	412 32	150	0		
Leisure Centres & RVGC	280	0	280	0	2	0	0		
TOTAL Commercial Operations	1,785	0	1,935	0	446	150	0		
Parks Gardens And Sportfields									
Play Facilities	1,365	(325)	1,365	(325)	209	(0)	0		
Recreation Facilities	401	(136)	401	(136)	16	(0)	0		
Sporting Facilities	2,564	(1,165)	2,824	(865)	145		300		
Lake Illawarra Foreshore	10	0	10	0	0		0		
TOTAL Parks Gardens And Sportfield	4,340	(1,626)	4,600	(1,326)	370	260	300		



	C		PROJECT 9 to 27 Septem		Т		
	\$10		\$1000			\$1000)
	CURRENT	CURRENT BUDGET		WORKING BUDGET		VARIATION	
ASSET CLASS PROGRAMME	EXPENDITURE	OTHER FUNDING	EXPENDITURE	OTHER FUNDING	YTD EXPENDITURE	EXPENDITURE	OTHER FUNDING
Beaches And Pools							
Beach Facilities	384	0	384	0	24	(0)	0
Rock/Tidal Pools Treated Water Pools	3,530 1,653	0	3,030 1,653	0	1,167 851	(500)	0
TOTAL Beaches And Pools	5,567	0	5,067	0	2,042	(500)	0
Natural Areas Natural Area Management and Rehabilitation	250	0	50	0	0	(200)	0
TOTAL Natural Areas	250	0	50	0	0	(200)	0
Waste Facilities							
Waste Facilities Whytes Gully New Cells	2,170	(1,420)	2,222	(2,222)	279	52	(802)
Whytes Gully Renewal Works	1,375	(1,325)	1,335	(1,335)	166	(40)	(10)
Helensburgh Rehabilitation TOTAL Waste Facilities	1,306	(1,306)	506	(506)	69	(800)	800
	4,851	(4,051)	4,063	(4,063)	514	(788)	(12)
Fleet							
Motor Vehicles TOTAL Fleet	1,700	(517)	1,768	(517)	244 244	68	0
TOTAL Fleet	1,700	(517)	1,768	(517)	244	68	0
Plant And Equipment							
Portable Equipment (Mowers etc.) Mobile Plant (trucks, backhoes etc.)	125 2,890	(62) (738)	125 2,890	(62) (737)	(18) 63	0 (0)	0
TOTAL Plant And Equipment	3,015	(800)	3,015	(800)	45	0	0
Information Technology							
Information Technology	1,005	(60)	1,005	(60)	7	(0)	0
TOTAL Information Technology	1,005	(60)	1,005	(60)	7	(0)	0
Library Books							
Library Books	1,221	0	1,221	0	544	(0)	0
TOTAL Library Books	1,221	0	1,221	0	544	(0)	0
Public Art							
Art Gallery Acquisitions	100	0	100	0	60	0	0
TOTAL Public Art	100	0	100	0	60	0	0
Emergency Services							
Emergency Services Plant and Equipment	52	0	52	0	60	(0)	0
TOTAL Emergency Services	52	0	52	0	60	(0)	0
Land Acquisitions							
Land Acquisitions	4,496	(4,196)	2,856	(2,556)	157	(1,640)	1,640
TOTAL Land Acquisitions	4,496	(4,196)	2,856	(2,556)	157	(1,640)	1,640
Non-Project Allocations							
Capital Project Contingency	167	0	1,007	0	0	840	0
Capital Project Plan	20	0	20	0	0	(0)	0
TOTAL Non-Project Allocations	187	0	1,027	0	0	840	0
GRAND TOTAL	99,092	(36,939)	97,601	(35,381)	21,766	(1,491)	1,558



WOLLONGONG CITY C	OUNCI	L
	Actual 2019/20 \$'000	Actual 2018/19 \$'000
Balance Sheet	V 4.0.0	V 000
Current Assets		
Cash Assets	28,253	25,187
Investment Securities	121,600	114,579
Receivables	30,817	36,620
Inventories	415	337
Other	14,952	11,879
Assets classified as held for sale	0	0
Total Current Assets	196,036	188,602
Non-Current Assets	190,030	100,002
		45.000
Non Current Cash Assets Non Current Investment Securities	8,000 56	15,000 56
Non-Current Receivables	0	0
Non-Current Inventories	5,948	5,948
	0	0
Property, Plant and Equipment	2,571,061	2,565,095
Investment Properties	5,000	5,000
Westpool Equity Contribution	2,931	2,931
Intangible Assets	425	440
Total Non-Current Assets	2,593,420	2,594,470
TOTAL ASSETS	2,789,456	2,783,072
Current Liabilities		
Circust Baraklas	26 209	25.020
Current Payables Current Provisions payable < 12 months	36,208 15,460	35,020 14,697
Current Provisions payable > 12 months	43,517	43,517
Current Interest Bearing Liabilities	7,934	7,934
Total Current Liabilities	103,118	101,168
Non-Current Liabilities		
Non Current Payables	0	385
Non Current Interest Bearing Liabilities	16,310	17,497
Non Current Provisions	47,539	47,054
Total Non-Current Liabilities	63,849	64,936
TOTAL LIABILITIES	166,967	166,104
NET ASSETS	2,622,489	2,616,968
Equity		
Accumulated Surplus	1,328,859	1,324,990
Asset Revaluation Reserve	1,153,123	1,153,123
Restricted Assets	140,508	138,856
TOTAL EQUITY	2 622 492	2 646 069
TOTAL EQUIT	2,622,489	2,616,968



WOLLONGONG CITY COUNCIL CASH FLOW STATEMENT as at 27 September 2019 YTD Actual Actual 2019/20 2018/19 \$ '000 \$ '000 **CASH FLOWS FROM OPERATING ACTIVITIES** Rates & Annual Charges 56,833 198,536 User Charges & Fees 17,326 35,009 Interest & Interest Received 1,260 4,859 Grants & Contributions 11,584 74,808 1,609 Other 28,663 Payments: Employee Benefits & On-costs (28,324) (116,018) Materials & Contracts (13,327) (76,382) **Borrowing Costs** (412) (1,096)Other (13,966) (34,751)Net Cash provided (or used in) Operating Activities 32,583 113,628 **CASH FLOWS FROM INVESTING ACTIVITIES** Sale of Infrastructure, Property, Plant & Equipment 1,920 Deferred Debtors Receipts Payments: Purchase of Investments Purchase of Investment Property Purchase of Infrastructure, Property, Plant & Equipment (28,274) (110,976) Purchase of Interests in Joint Ventures & Associates (2) Net Cash provided (or used in) Investing Activities (28,274) (109,056) CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from Borrowings & Advances Payments: (1,221) (7,715) Repayment of Borrowings & Advances Repayment of Finance Lease Liabilities Other Financing Activity Payments Net Cash Flow provided (used in) Financing Activities (1,221) (7,715) Net Increase/(Decrease) in Cash & Cash Equivalents 3,089 (1,304)154,822 156,126 plus: Cash & Cash Equivalents and Investments - beginning of year Cash & Cash Equivalents and Investments - year to date 157,911 154,822

as at 27 September	YTD Actual 2019/20	Actual 2018/19
	\$ '000	\$ '000
Total Cash & Cash Equivalents and Investments		
- year to date	157,911	154,82
Attributable to:		
External Restrictions (refer below)	79,430	77,6
Internal Restrictions (refer below)	61,078	61,2
Unrestricted	17,403	15,9
	157,911	154,82
External Restrictions		
Developer Contributions	37,244	36,7
RMS Contributions	45	
Specific Purpose Unexpended Grants	3,813	3,3
Special Rates Levy Wollongong Mall	146	1
Special Rates Levy Wollongong City Centre	40	
Local Infrastructure Renewal Scheme	1,878	1,8
Unexpended Loans	3,274	3,4
Domestic Waste Management	14,142	13,7
Private Subsidies	5,944	5,7
West Dapto Home Deposit Assistance Program	10,846	10,7
Stormwater Management Service Charge	2,058	1,6
West Dapto Home Deposits Issued	-	
Carbon Price		
Total External Restrictions	79,430	77,6
Internal Restrictions		
	8,464	0.4
Property Investment Fund Strategic Projects	42,785	8,4 44,0
Sports Priority Program	782	44,0
Car Parking Stategy	1,745	1,6
MacCabe Park Development	1,328	1,0
Darcy Wentworth Park	171	1,2
Garbage Disposal Facility	(142)	(6
West Dapto Development Additional Rates	5,345	5,0
Southern Phone Natural Areas	267	2
Lake Illawarra Estuary Management Fund	333	3



File: FI-914.05.001 Doc: IC19/641

ITEM 17 STATEMENT OF INVESTMENT - AUGUST AND SEPTEMBER 2019

This report provides an overview of Council's investment portfolio performance for the months of August and September 2019.

Council's average weighted return for August 2019 was 1.59% which was above the Bloomberg Bank Bill Index Benchmark return of 1.06%. The average weighted return for September 2019 was 1.72% which was above the Bloomberg Bank Bill Index Benchmark return of 0.99%. The results were primarily due to the positive returns from the Emerald Mortgage backed securities and NSW TCorp Hourglass facilities in Council's portfolio. The remainder of Council's portfolio continues to provide a high level of consistency in income and a high degree of credit quality and liquidity.

RECOMMENDATION

1 Council receive the Statement of Investment for August and September 2019.

REPORT AUTHORISATIONS

Report of: Brian Jenkins, Chief Financial Officer

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

ATTACHMENTS

- 1 Statement of Investment August and September 2019
- 2 Investment Income Compared to Budget 2019-2020

BACKGROUND

Council is required to invest its surplus funds in accordance with the Ministerial Investment Order and Division of Local Government guidelines. The Order reflects a conservative approach and restricts the investment types available to Council. In compliance with the Order and Division 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 that 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 30 August 2019 were \$158,416,807 (Statement of Investment attached) [31 August 2018 \$171,204,856] and as at 27 September 2019 were \$157,796,872 (Statement of Investment attached) [28 September 2018 \$168,357,039].

Council's average weighted return for August 2019 was 1.59% which was above the Bloomberg Bank Bill Index Benchmark return of 1.06%. The average weighted return for September 2019 was 1.72% which was above the Bloomberg Bank Bill Index Benchmark return of 0.99%. The results were primarily due to the positive returns from the Emerald Mortgage backed securities and NSW TCorp Hourglass facilities in Council's portfolio. The remainder of Council's portfolio continues to provide a high level of consistency in income and a high degree of credit quality and liquidity.

At 27 September 2019, year to date interest and investment revenue of \$886,506 was recognised compared to the year to date budget of \$1,028,915.

Council's floating rate notes had a net decrease in value of \$97,815 for August 2019, and a net decrease in value of \$78,430 for September 2019.



Council holds two Mortgaged Backed Securities (MBS) that recorded a net decrease in value of \$9,247 for August 2019 and a net increase in value of \$3,293 for September 2019. 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 these investments. While the maturity dates are outside Council's control, the investment advisors had previously indicated that capital is not at risk at that stage and recommended a hold strategy due to the illiquid nature of the investment.

Council has two investment holdings under the NSW TCorp Hour Glass Facility: the Long-Term Growth Facility and the NSW TCorpIM Cash Fund. The Long-Term Growth recorded a net decrease in value of \$5,916 in August and an increase of \$25,746 in September. The fluctuation in the Long-Term Growth Facility is a reflection of the current share market volatility both domestically and internationally. The Cash Fund recorded a net increase in value of \$11 in August 2019 and a net increase of \$7,568 in September. The Cash Fund provides relatively stable returns with low potential for capital loss while maintaining high levels of liquidity, similar to an at call account. The fund only invests in Australian cash and fixed interests.

At the September 2019 RBA meeting, the official cash rate remained unchanged at 1.00%, however during the October 2019 meeting the cash rate was cut by 25 basis points, down to a record low 0.75%. The RBA has advised that it would 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 inflation rate is quite low and below target.

Council's Investment Policy includes counterparty limits to spread the institutional risk applied at the time of investment. Review of the Members Equity Bank percentages, currently at 12%, has concluded that the percentage at purchase was actually 11% and therefore marginally above Council's Investment Policy limit of 10%. Corrective action on this operational error is in action, with updated process and increased vigilance by staff and advisor to ensure that investment limits are in compliance with Council's Investment Policy. Council's Responsible Accounting Officer has signed the 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.

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:

Comn	nunity Strategic Plan Strategy	Delivery Program 2018-2021 3 Year Action		Operational Plan 2019-20 Operational Plan Actions
4.3.2	Resources (finance, technology, assets	4.3.2.1	Effective and transparent financial	Monitor and review achievement of Financial Strategy Continuous budget management is in place, controlled and
	and people) are effectively	management systems are in		reported
	managed to ensure long term financial		place	Provide accurate and timely financial reports monthly, quarterly and via the annual statement
	sustainability			Manage and further develop a compliance program to promote awareness and compliance with Council's procurement policies and procedures and other related policies

CONCLUSION

The investments for August and September 2019 have performed unfavourably compared to the year to date budget, however the portfolio recorded an average weighted return above the annualised Bloomberg Bank Bill Index Benchmark.



WOLLONGONG CITY COUNCIL STATEMENT OF INVESTMENT 30 August 2019

On Call & Term Deposits

DIRECT INVESTMENTS							
Investment Body	Rating	Purchase Price \$	Fair Value of Holding \$	Security	Purchase Date	Maturity Date	Interest / Coupon Rate
NAB Professional Maximiser	A1+	-	29,615,364	Prof Fund A/c	30/08/2019	30/08/2019	1.40%
NAB General Fund	A1+	-	6,082,089	General A/c	30/08/2019	30/08/2019	
BOQ	A2	1,000,000	1,000,000	T/Deposit	06/09/2017	06/09/2019	2.80%
BEN	Moodys ST P-2	3,000,000	3,000,000	T/Deposit	07/12/2018	06/09/2019	2.75%
IMB	BBB	1,000,000	1,000,000	T/Deposit	04/09/2018	04/10/2019	2.75%
SUN	A1	5,000,000	5,000,000	T/Deposit	14/03/2019	17/10/2019	2.60%
NAB	AA-	1,030,000	1,030,000	T/Deposit	19/06/2018	19/11/2019	2.80%
ME	BBB	2,000,000	2,000,000	T/Deposit	24/08/2018	22/11/2019	2.80%
IMB	BBB	2,000,000	2,000,000	T/Deposit	24/08/2018	25/11/2019	2.80%
WBC	AA-	2,000,000	2,000,000	T/Deposit	01/12/2017	02/12/2019	2.68%
ME	BBB	4,000,000	4,000,000	T/Deposit	07/12/2018	09/12/2019	2.75%
IMB	BBB	3,000,000	3,000,000	T/Deposit	07/12/2018	09/12/2019	2.70%
IMB	BBB	3,000,000	3,000,000	T/Deposit	22/12/2017	20/12/2019	2.65%
WBC	AA-	5,000,000	5,000,000	T/Deposit	22/12/2017	23/12/2019	2.77%
ME	BBB	3,000,000	3,000,000	T/Deposit	04/01/2018	06/01/2020	2.75%
ME	A2	5,000,000	5,000,000	T/Deposit	14/03/2019	14/01/2020	2.65%
BOQ	Moodys ST P-2	2,000,000	2,000,000	T/Deposit	24/06/2019	24/01/2020	2.10%
BOQ	Moodys A3	2,000,000	2,000,000	T/Deposit	19/02/2018	10/02/2020	2.88%
CBA	A1+	3,000,000	3,000,000	T/Deposit	30/08/2019	25/02/2020	1.61%
BOQ	Moodys ST P-2	2,000,000	2,000,000	T/Deposit	04/06/2019	05/03/2020	2.15%
WBC	AA-	2,000,000	2,000,000	T/Deposit	06/11/2018	06/03/2020	2.78%
sun	A1	2,000,000	2,000,000	T/Deposit	28/06/2019	24/03/2020	1.85%
IMB	BBB	2,000,000	2,000,000	T/Deposit	29/03/2018	27/03/2020	2.85%
BOQ	Moodys A3	2,000,000	2,000,000	T/Deposit	14/03/2019	14/05/2020	2.71%
BOQ	Moodys A3	3,000,000	3,000,000	T/Deposit	06/03/2019	03/06/2020	2.70%
BEN	Moodys A3	2,000,000	2,000,000	T/Deposit	14/03/2019	14/07/2020	2.60%
вод	Moodys A3	3,000,000	3,000,000	T/Deposit	24/08/2018	24/08/2020	3.00%
ME	BBB	2,000,000	2,000,000	T/Deposit	14/09/2018	14/09/2020	2.82%
BOQ	Moodys A3	3,000,000	3,000,000	T/Deposit	14/03/2019	14/12/2020	2.73%
BOQ	Moodys A3	3,000,000	3,000,000	T/Deposit	21/02/2019	19/02/2021	2.80%
WBC	AA-	2,000,000	2,000,000	T/Deposit	06/03/2019	06/03/2024	2.83%
Total			110,727,453				



Item 17 - Attachment 1 - Statement of Investment - August and September 2019

WOLLONGONG CITY COUNCIL STATEMENT OF INVESTMENT 30 August 2019 continu

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
Bendigo Bank	Fitch A-	1,000,000	1,004,910	FRN	16/09/2015	17/09/2019	2.23%
Bendigo Bank	Fitch A-	2,000,000	2,007,480	FRN	21/11/2016	21/02/2020	2.08%
CUA	BBB	2,000,000	2,020,100	FRN	20/03/2017	20/03/2020	2.54%
ME Bank	BBB	2,000,000	2,014,580	FRN	06/04/2017	06/04/2020	2.38%
NAB	AA-	3,000,000	3,027,600	FRN	24/06/2015	03/06/2020	2.20%
Bendigo Bank	Fitch A-	2,000,000	2,012,880	FRN	18/08/2015	18/08/2020	2.07%
SUN Corp	A+	1,500,000	1,517,730	FRN	20/10/2015	20/10/2020	2.36%
NAB	AA-	1,000,000	1,009,920	FRN	05/11/2015	05/11/2020	2.07%
Newcastle Permanent Building Society	BBB	500,000	502,450	FRN	26/02/2019	26/02/2021	2.06%
UN	A+	2,000,000	2,034,860	FRN	12/04/2016	12/04/2021	2.51%
MP	A-	2,000,000	2,006,580	FRN	24/05/2016	24/05/2021	2.31%
Vestpac	AA-	3,000,000	3,057,360	FRN	03/06/2016	03/06/2021	2.57%
WZ	AA-	2,000,000	2,027,140	FRN	16/08/2016	16/08/2021	2.09%
CUA	BBB	1,200,000	1,218,372	FRN	06/09/2018	06/09/2021	2.63%
MP	A-	1,500,000	1,505,205	FRN	10/09/2018	10/09/2021	2.45%
Vestpac	AA-	1,500,000	1,510,650	FRN	16/11/2018	25/10/2021	1.78%
CUA	Moody's Baa1	1,000,000	1,015,400	FRN	04/03/2019	04/03/2022	2.62%
AMP	A-	3,000,000	2,989,440	FRN	30/03/2017	30/03/2022	2.25%
UN	A+	1,500,000	1,513,650	FRN	30/08/2017	16/08/2022	1.94%
MERALD A Mortgage Backed Security *	AAA	575,423	426,014	M/Bac	17/07/2006	21/08/2022	1.43%
WZ	AA-	1,000,000	1,009,640	FRN	09/05/2018	09/05/2023	1.87%
NAB	AA-	3,000,000	3,039,990	FRN	26/09/2018	26/09/2023	2.11%
Westpac	AA-	1,500,000	1,516,320	FRN	16/11/2018	16/11/2023	1.92%
wz	AA-	2,000,000	2,038,580	FRN	06/12/2018	06/12/2023	2.41%
NAB	AA-	2,000,000	2,025,460	FRN	12/06/2019	19/06/2024	2.18%
EMERALD B Mortgage Backed Security *	Fitch AA	2,000,000	1,230,860	M/Bac	17/07/2006	21/08/2056	1.73%
Total			45,283,171				

Managed Funds & Other

Wanagea ranas & Other						
MANAGED FUNDS						
Investment Body	Rating	Purchase Price \$	Fair Value of Holding \$	Purchase Date	Monthly Return (Actual)	FYTD (Actual)
TcorpIM Cash Fund Facility	N/A	14,473	14,473	28/06/2019	0.07%	0.26%
Tcorp Long Term Growth Facility Trust	N/A	1,773,197	2,336,209	13/06/2007	-0.25%	1.41%
Total			2,350,682			

Investment Body		Purchase Price \$	Face Value	Purchase Date	Security
Southern Phone Company- Ordinary share **	N/A	1	55,500	22/10/2002	unlisted shares
Southern Phone Company-Preference share **	N/A	1	1	22/10/2002	unlisted shares
Total		•	55,501		

TOTAL INVESTMENTS \$ 158,416,807

This is to certify that all of the above investments have been placed in accordance with the Act, the regulations and Council's Investment Policies.

Brian Jenkins

RESPONSIBLE ACCOUNTING OFFICER

^{*} The maturity date provided is the weighted-average life of the security. This is the average amount of time that will elapse from the date of security's issuance until each dollar is repaid based on an actuarial assessment. Assessments are carried out on a regular basis which can potentially extend the life of the investment. Current assessments anticipate an extension of life of the investment.

^{**} Southern Phone Company ordinary and preference shares are valued annually.



WOLLONGONG CITY COUNCIL STATEMENT OF INVESTMENT 27 September 2019

On Call & Term Deposits

DIRECT INVESTMENTS							
Investment Body	Rating	Purchase Price \$	Fair Value of Holding \$	Security	Purchase Date	Maturity Date	Interest / Coupon Rate
NAB Professional Maximiser	A1+	-	17,116,364	Prof Fund A/c	27/09/2019	27/09/2019	1.40%
NAB General Fund	A1+	-	1,002,976	General A/c	27/09/2019	27/09/2019	
IMB Bank	S&P BBB	1,000,000	1,000,000	T/Deposit	04/09/2018	04/10/2019	2.75%
Suncorp Group Limited	S&P ST A1	5,000,000	5,000,000	T/Deposit	14/03/2019	17/10/2019	2.60%
National Bank of Australia	S&P AA-	1,030,000	1,030,000	T/Deposit	19/06/2018	19/11/2019	2.80%
Member Equity Bank	S&P BBB	2,000,000	2,000,000	T/Deposit	24/08/2018	22/11/2019	2.80%
IMB Bank	S&P BBB	2,000,000	2,000,000	T/Deposit	24/08/2018	25/11/2019	2.80%
Westpac Banking Corporation	S&P AA-	2,000,000	2,000,000	T/Deposit	01/12/2017	02/12/2019	2.68%
Member Equity Bank	S&P BBB	4,000,000	4,000,000	T/Deposit	07/12/2018	09/12/2019	2.75%
IMB Bank	S&P BBB	3,000,000	3,000,000	T/Deposit	07/12/2018	09/12/2019	2.70%
IMB Bank	S&P BBB	3,000,000	3,000,000	T/Deposit	22/12/2017	20/12/2019	2.65%
Westpac Banking Corporation	S&P AA-	5,000,000	5,000,000	T/Deposit	22/12/2017	23/12/2019	2.77%
Member Equity Bank	S&P BBB	3,000,000	3,000,000	T/Deposit	04/01/2018	06/01/2020	2.75%
Member Equity Bank	S&P ST A2	5,000,000	5,000,000	T/Deposit	14/03/2019	14/01/2020	2.65%
Bank of Queens land Limited	Moodys ST P-2	2,000,000	2,000,000	T/Deposit	24/06/2019	24/01/2020	2.10%
Bank of Queens land Limited	Moodys A3	2,000,000	2,000,000	T/Deposit	19/02/2018	10/02/2020	2.88%
Suncorp Group Limited	S&P ST A1	3,000,000	3,000,000	T/Deposit	13/09/2019	10/02/2020	1.72%
Commonwealth Bank of Australia	S&P STA1+	3,000,000	3,000,000	T/Deposit	30/08/2019	25/02/2020	1.61%
Bank of Queens land Limited	Moodys ST P-2	2,000,000	2,000,000	T/Deposit	04/06/2019	05/03/2020	2.15%
Westpac Banking Corporation	S&P AA-	2,000,000	2,000,000	T/Deposit	06/11/2018	06/03/2020	2.78%
Suncorp Group Limited	S&P ST A1	2,000,000	2,000,000	T/Deposit	28/06/2019	24/03/2020	1.85%
IMB Bank	S&P BBB	2,000,000	2,000,000	T/Deposit	29/03/2018	27/03/2020	2.85%
Bendigo & Adelaide Bank Ltd.	Moodys ST P-2	3,000,000	3,000,000	T/Deposit	06/09/2019	03/04/2020	1.62%
Bank of Queensland Limited	Moodys A3	2,000,000	2,000,000	T/Deposit	14/03/2019	14/05/2020	2.71%
Bank of Queensland Limited	Moodys A3	3,000,000	3,000,000	T/Deposit	06/03/2019	03/06/2020	2.70%
Bank of Queensland Limited	Moodys ST P-2	1,000,000	1,000,000	T/Deposit	06/09/2019	06/07/2020	1.65%
Bendigo & Adelaide Bank Ltd.	Moodys A3	2,000,000	2,000,000	T/Deposit	14/03/2019	14/07/2020	2.60%
Bank of Queensland Limited	Moodys A3	3,000,000	3,000,000	T/Deposit	24/08/2018	24/08/2020	3.00%
Commonwealth Bank of Australia	S&P ST A1+	5,000,000	5,000,000	T/Deposit	13/09/2019	07/09/2020	1.63%
Member Equity Bank	S&P BBB	2,000,000	2,000,000	T/Deposit	14/09/2018	14/09/2020	2.82%
Bank of Queensland Limited	Moodys A3	3,000,000	3,000,000	T/Deposit	14/03/2019	14/12/2020	2.73%
Bank of Queensland Limited	Moodys A3	3,000,000	3,000,000	T/Deposit	21/02/2019	19/02/2021	2.80%
Westpac Banking Corporation	S&P AA-	2,000,000	2,000,000	T/Deposit	06/03/2019	06/03/2024	2.83%
Total			101,149,340				



Item 17 - Attachment 1 - Statement of Investment - August and September 2019

WOLLONGONG CITY COUNCIL STATEMENT OF INVESTMENT

Bond and Floating Rate Note Securities

Investment Body	Rating	Purchase Price \$	Fair Value of Holding \$	Security	Purchase Date	Maturity Date	Interest / Coupon Rate
Bendigo & Adelaide Bank Ltd.	Fitch A-	2,000,000	2,009,500	FRN	21/11/2016	21/02/2020	2.08%
Credit Union Australia Limited	S&P BBB	2,000,000	2,009,260	FRN	20/03/2017	20/03/2020	2.22%
Member Equity Bank	S&P BBB	2,000,000	2,017,160	FRN	06/04/2017	06/04/2020	2.38%
National Bank of Australia	S&P AA-	3,000,000	3,013,740	FRN	24/06/2015	03/06/2020	1.76%
Bendigo & Adelaide Bank Ltd.	Fitch A-	2,000,000	2,015,120	FRN	18/08/2015	18/08/2020	2.07%
Suncorp Group Limited	S&P A+	1,500,000	1,519,440	FRN	20/10/2015	20/10/2020	2.36%
National Bank of Australia	S&P AA-	1,000,000	1,010,840	FRN	05/11/2015	05/11/2020	2.07%
Newcastle Permanent Building Society	S&P BBB	500,000	503,110	FRN	26/02/2019	26/02/2021	2.06%
Suncorp Group Limited	S&P A+	2,000,000	2,036,960	FRN	12/04/2016	12/04/2021	2.51%
AMP Limited	S&P BBB+	2,000,000	2,007,860	FRN	24/05/2016	24/05/2021	2.31%
Westpac Banking Corporation	S&P AA-	3,000,000	3,040,500	FRN	03/06/2016	03/06/2021	2.13%
Australia and New Zealand Banking Group	S&P AA-	2,000,000	2,029,360	FRN	16/08/2016	16/08/2021	2.09%
Credit Union Australia Limited	S&P BBB	1,200,000	1,212,132	FRN	06/09/2018	06/09/2021	2.25%
AMP Limited	S&P BBB+	1,500,000	1,497,555	FRN	10/09/2018	10/09/2021	2.09%
Westpac Banking Corporation	S&P AA-	1,500,000	1,512,075	FRN	16/11/2018	25/10/2021	1.78%
Credit Union Australia Limited	Moodys Baa1	1,000,000	1,010,190	FRN	04/03/2019	04/03/2022	2.21%
AMP Limited	S&P BBB+	3,000,000	2,992,080	FRN	30/03/2017	30/03/2022	2.25%
Suncorp Group Limited	S&P A+	1,500,000	1,515,120	FRN	30/08/2017	16/08/2022	1.94%
EMERALD A Mortgage Backed Security *	S&P AAA	575,423	426,647	M/Bac	17/07/2006	21/08/2022	1.43%
Australia and New Zealand Banking Group	S&P AA-	1,000,000	1,009,840	FRN	09/05/2018	09/05/2023	1.87%
National Bank of Australia	S&P AA-	3,000,000	3,025,680	FRN	26/09/2018	26/09/2023	1.88%
Westpac Banking Corporation	S&P AA-	1,500,000	1,516,425	FRN	16/11/2018	16/11/2023	1.92%
Australia and New Zealand Banking Group	S&P AA-	2,000,000	2,026,700	FRN	06/12/2018	06/12/2023	2.03%
National Bank of Australia	S&P AA-	2,000,000	2,017,220	FRN	12/06/2019	19/06/2024	1.89%
EMERALD B Mortgage Backed Security *	Fitch AA	2,000,000	1,233,520	M/Bac	17/07/2006	21/08/2056	1.73%
Total			44,208,034				

Managed Funds & Other

Manageu i unus & Other								
MANAGED FUNDS								
Investment Body	Rating	Purchase Price \$	Fair Value of Holding \$	Purchase Date	Monthly Return (Actual)	FYTD (Actual)		
TcorpIM Cash Fund Facility	N/A	10,022,041	10,022,041	28/06/2019	0.09%	0.35%		
Tcorp Long Term Growth Facility Trust	N/A	1,773,197	2,361,955	13/06/2007	1.10%	2.53%		
Total			12,383,997					

Investment Body		Purchase Price \$	Face Value	Purchase Date	Security
Southern Phone Company-Ordinary share **	N/A	1	55,500	22/10/2002	unlisted shares
Southern Phone Company-Preference share **	N/A	1	1	22/10/2002	unlisted shares
Total			55,501	·	

TOTAL INVESTMENTS \$ 157,796,872

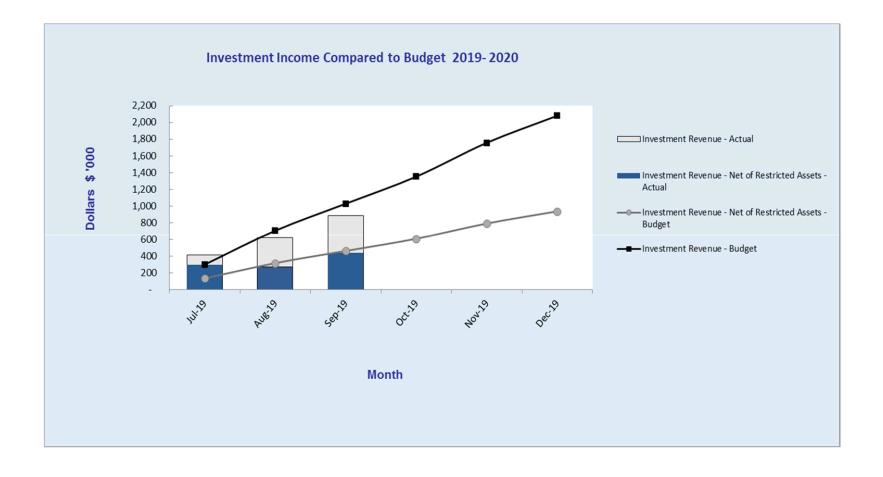
This is to certify that all of the above investments have been placed in accordance with the Act, the regulations and Council's Investment Policies.

Brian Jenkins RESPONSIBLE ACCOUNTING OFFICER

^{*} The maturity date provided is the weighted-average life of the security. This is the average amount of time that will elapse from the date of security's issuance until each dollar is repaid based on an actuarial assessment. Assessments are carried out on a regular basis which can potentially extend the life of the investment. Current assessments anticipate an extension of life of the investment.

^{**} Southern Phone Company ordinary and preference shares are valued annually.







File: IW-911.01.191 Doc: IC19/630

CITY OF WOLLONGONG TRAFFIC COMMITTEE MINUTES OF MEETING HELD 2

OCTOBER 2019

The City of Wollongong Traffic Committee meeting was held on 2 October 2019. Items listed in Sections 2, 4 to 6 are to be adopted by Council through delegated authority. The items listed in Section 3 must be determined by Council and is recommended to Council for approval for temporary Regulation of Traffic on public roads for works or events by independent parties.

RECOMMENDATION

In accordance with the powers delegated to Council, the Minutes and Recommendations of the City of Wollongong Traffic Committee held on 2 October 2019 in relation to Regulation of Traffic be adopted.

REPORT AUTHORISATIONS

Report of: Mike Dowd, Manager Infrastructure Strategy + Planning

Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

- 1 Standard Conditions for Road Closures
- 2 Australia Day Aquathon
- 3 VODICI Saving the Cross Procession
- 4 Orthodox Easter Processions
- 5 Tri-the-Gong
- 6 Illawarra Cycle Club Criterium

BACKGROUND

1 FAIRY MEADOW – Ward 2 (Item 3.1 of Wollongong Traffic Committee Minutes of Meeting)

Elliotts Road- Australia Day Aquathon Sunday 26 January 2020

Background

Activate Events have applied to hold an Australia Day Aquathon event on Sunday 26 January 2020. The event requires the road closure of Elliotts Road from 8:00am to 9:30am. Runners are to keep to the right side of Elliotts Road and barriers will be placed to close off Fairy Meadow Surf Club car park. Council will be running the normal activities on Australia Day 2020 and there will be other road closures in the vicinity of Belmore Basin to cover the area where this event commences.

Consultation

For this agenda item consultation is required as part of the approval.

PROPOSAL SUPPORTED UNANIMOUSLY

The proposed Regulation of Traffic on Elliotts Road from 8am to 9:30am on Sunday 26 January 2020 be approved subject to the submitted Traffic Management Plans being amended to include a note that gaps around the vehicles be no more than 1.2m at the point of road closure, and Council's Standard Conditions for Road Closures.

2 WOLLONGONG – Ward 2 (Item 3.2 of Wollongong Traffic Committee Minutes of Meeting)

Stewart Street to Wollongong Boat Harbour- VODICI, Saving the Cross Procession on Sunday 19 January 2020 - Road Closures

Background

On behalf of the Macedonian Orthodox Community in Stewart Street, Wollongong, the Macedonian Church has requested permission for road closures of Stewart Street, Marine Drive and Cliff Road for the purpose of the traditional Orthodox Saving the Cross Procession. The road closures will take effect from 11:30am until 12:00pm on Sunday 19 January 2020. The traffic management plans show suitable vehicle mitigation to protect attendees from out of control vehicles.

The procession will occupy Stewart Street outside the Church but will proceed on the shared paths from Harbour Street to Belmore Basin. The closures on Marine Drive and Cliff Road will be short in order to allow the procession to cross these streets.

Consultation

For this agenda item consultation is required as part of the approval.

PROPOSAL SUPPORTED UNANIMOUSLY

The proposed Regulation of Traffic on Stewart Street to Wollongong Boat Harbour from 11:30am until 12:00pm on Sunday 19 January 2020 be approved subject to the submitted Traffic Management Plans being amended to include a note that gaps around the vehicles be no more than 1.2m at the point of road closure, and Council's Standard Conditions for Road Closures.

3 WOLLONGONG – Ward 2 (Item 3.3 of Wollongong Traffic Committee Minutes of Meeting)

Stewart Street, Harbour Street and Burelli Street- Orthodox Easter Processions on Friday 17 April 2020

Background

On behalf of both the Macedonian and Greek Orthodox Communities in Stewart Street, Wollongong, the Macedonian Church has requested permission for road closures of Stewart, Harbour and Burelli Streets for the purpose of the traditional Orthodox Easter Processions. The road closures will take effect from 8:00pm to 10:00pm on Friday 17 April 2020. The traffic management plans show suitable vehicle mitigation to protect attendees from out of control vehicles.

The Macedonian Church procession will occupy Stewart, Harbour and Burelli Streets, but will be confined to the footpath on Corrimal Street as it returns to the Church. Following completion of the first procession, the Greek Orthodox Church will process on the same route and use the same traffic management company. For the duration of the closure all bus services will need to divert via Crown and Corrimal Streets.

Consultation

For this agenda item consultation is required as part of the approval.

PROPOSAL SUPPORTED UNANIMOUSLY

The proposed Regulation of Traffic on Stewart, Harbour and Burelli Streets from 8:00pm to 10:00pm on Friday 17 April 2020 for the Macedonian and Greek Orthodox Churches be approved subject to the submitted Traffic Management Plans being amended to include a note that gaps around the vehicles be no more than 1.2m at the point of road closure, and Council's Standard Conditions for Road Closures.



4 WOLLONGONG – Ward 2 (Item 3.4 of Wollongong Traffic Committee Minutes of Meeting)

Tri-the-Gong Sunday 19 April 2020- Various Streets

Background

The 'Tri-the-Gong' Triathlon Festival Wollongong 2020 is a festival that will consist of five triathlon events on Sunday 19 April 2020.

The following road closures are required from approximately 6am to 1pm:

- Cliff Rd from Marine Dr to George Hanley Dr
- Bourke St from Cliff Rd to the entry of the Novotel North Beach
- Corrimal St from Blacket St to George Hanley Dr
- George Hanley Dr from Cliff Rd to Squires Way
- Squires Way from George Hanley Dr to Pioneer Rd
- Pioneer Rd from Squires Way to Towradgi Rd

The following parking lane closures are required from approximately 5pm Saturday 18 April 2020 through to 1pm Sunday 19 April 2020:

• All parking lanes along Cliff Rd (both sides), between Bourke Street and Marine Drive.

It is understood the organiser is currently arranging road occupancy licences for the traffic signal intersections on the route of the triathlon.

Additional Information:

- Resident access lane will be opened to residents 9:15am to 9:45am.
- Roads north of Elliotts Rd are to be opened approximately 10:30am and all other roads will be opened progressively when safe to do so up to 1pm.
- The marshal controlled pedestrian access will be provided at all major intersections and other key points.

The Gong Shuttle will need to divert along Montague, Flinders, Bourke and Corrimal Streets from 6am until 1pm. The route services 3 and 8 will also need to be diverted to avoid using the streets south of Towradgi Road. The Campbelltown 887 bus service will divert via Bourke and Corrimal Streets during the closure.

Consultation

For this agenda item consultation is required as part of the approval.

PROPOSAL SUPPORTED UNANIMOUSLY

The road closures for 'Tri-the-Gong' Triathlon Festival Wollongong on Sunday 19 April 2020 be approved subject to the submitted Traffic Management Plans and Council Standard Conditions for Road Closures.

5 WOLLONGONG – Ward 2 (Item 3.5 of Wollongong Traffic Committee Minutes of Meeting)

2019 Illawarra Cycle Club Criterium on Sunday 1 December 2019

Background

The 2019 Illawarra Cycle Club has applied to hold a Criterium Cycling Event on Sunday 1 December 2019. The event will start at 8am and finish at 4pm and take place on Endeavour Drive and will require a full road closure. The traffic control plan has been submitted and shows traffic controllers within the Wollongong Harbour Complex in order to allow two-way traffic flow. The organisers may wish to include vehicle mitigation at the junction of Cliff Road and Endeavour Drive based on the outcome of the Hostile vehicles self-assessment.



Consultation

Consultation with the business community in the vicinity of Wollongong Harbour is a requirement of approval for the event.

PROPOSAL SUPPORTED UNANIMOUSLY

The proposed road closure of Endeavour Drive on Sunday 1 December 2019 be approved subject to the submitted Traffic Management Plans and Council's Standard Conditions to Road Closures.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We have affordable and accessible transport".

It specifically delivers on core business activities as detailed in the Service Plan 2019-20.



Attachment 1 - Standard Conditions for Road Closures

Standard Conditions for Road Closures

For Special Events and Work Related activities Within Council Road Reserves.

Following approval by Wollongong City Council, road closures are subject to the additional Council conditions:

- The Applicant must complete the Council form 'Application to Open and Occupy or Underbore a Roadway or Footpath' (Refer to Checklist below – relates to Section 138 of the Roads Act.)
- NSW Police Approval: The Applicant must obtain written approval from NSW Police, where required under the Roads Act.
- If the Road Closure is within 100m of any traffic control signals or on a 'State Classified Road' the Applicant must obtain a Road Occupancy Licence (ROL) from NSW Roads & Maritime Services (RMS).
- 4. The Applicant must advise all affected residents and business owners within the closure area of the date/s and times for the closure, at least 7 days prior to the intended date of works.
- 5. The Applicant must advise Emergency Services: Ambulance, Fire Brigade and Police, Taxi and Bus Companies of the closure dates and times in writing, 7 days prior to the intended date of works. The Applicant must endeavour to minimise the impact on bus services during the closure.
- Traffic Management Plan: The closure must be set up in accordance with the approved Traffic Management Plan (TMP) prepared by an appropriately qualified traffic controller; a copy of whose qualifications must be included with the submitted TMP.
- Traffic Management Plan Setup: The Traffic Management Plan must be set up by appropriately qualified traffic control persons or the NSW Police.
- Access to properties affected by the road closure must be maintained where possible. Where
 direct access cannot be achieved, an alternative arrangement must be agreed to by both the
 applicant and the affected person/s.
- Public Notice Advertisement: The Applicant must advertise the road closure in the Public Notices section of the local paper, detailing closure date/s and times at least 7 days prior to the closure.
- 10. Public Liability Policy: The Applicant must provide Council with a copy of their current insurance policy to a value of no less than \$20 million dollars to cover Wollongong City Council from any claims arising from the closure.

Checklist:

Completed Council Form: 'Application to Open and Occupy or Underbore a Roadway or Footpath'.

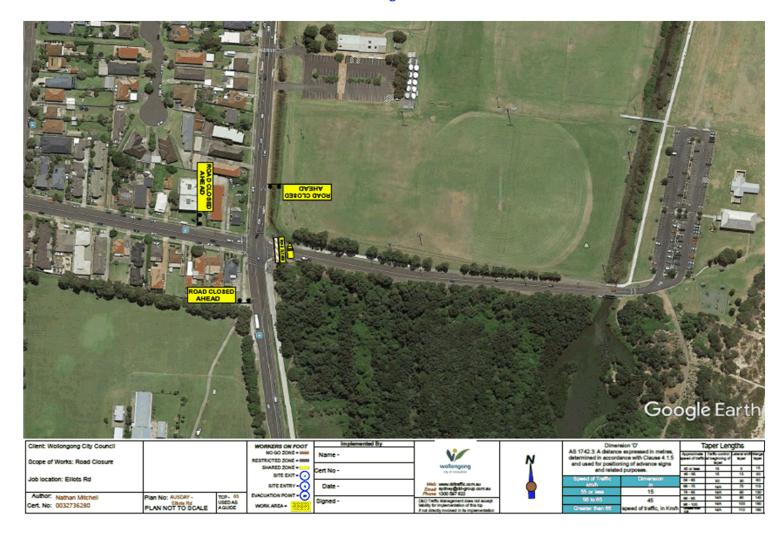
Required information as shown below MUST be attached:

- $\ensuremath{\square}$ A copy of the letter from the Traffic Committee authorising the closure
- $\ oxdot$ The Traffic Management Plan (TMP)
- ☑ The Road Occupancy Licence (ROL) if required
- ☑ Written approval from NSW Police
- ☑ Public Liability Insurance

Applications may be lodged in the Customer Service Centre located on the Ground Floor of Council's Administration Building, 41 Burelli Street Wollongong between 8.30am and 5pm Monday to Friday.



Attachment 2- Australia Day Aquathon Page 1 of 3





Attachment 2- Australia Day Aquathon Page 2 of 3



Elliots Road Runner Path

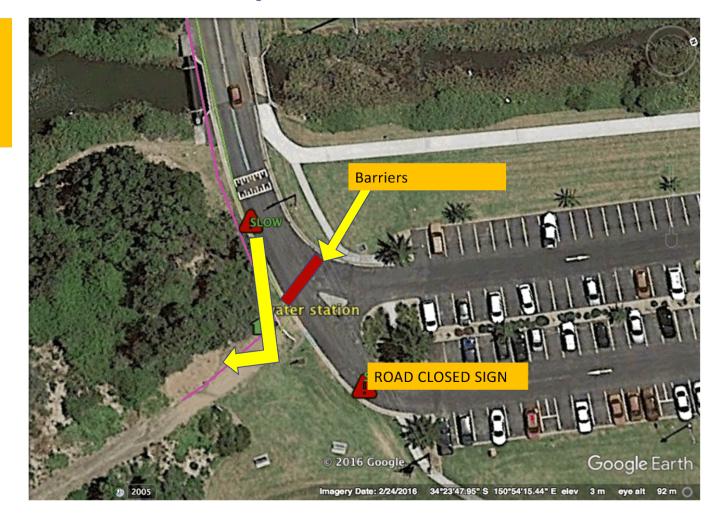


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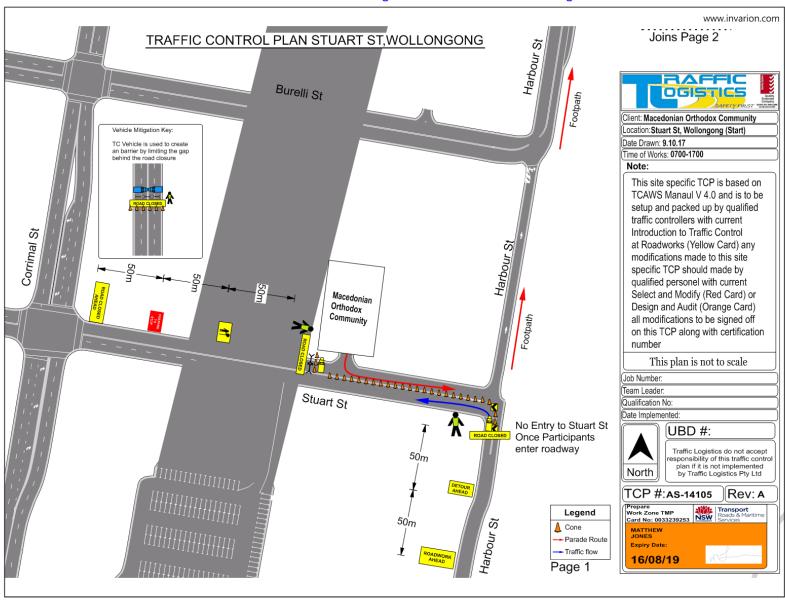
Attachment 2- Australia Day Aquathon Page 3 of 3

Elliots Road Fairy meadow surf club water



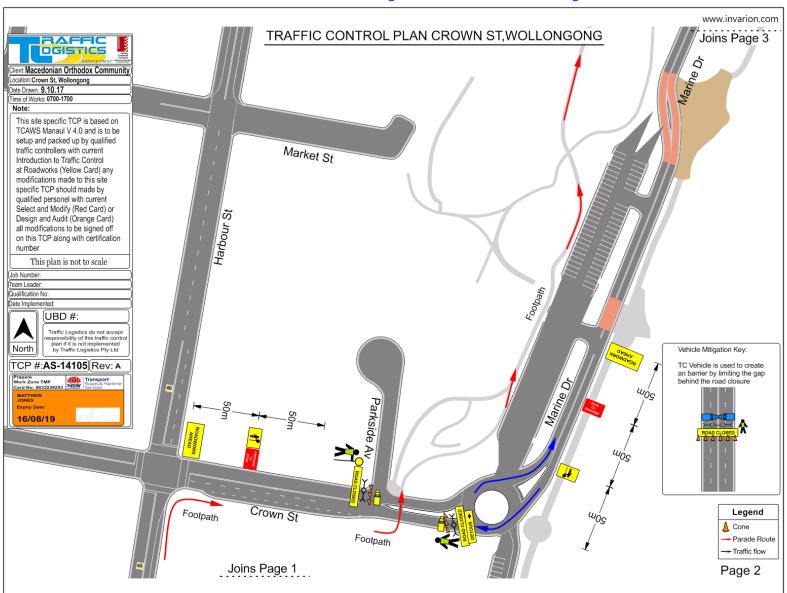


Attachment 3- VODICI Saving the Cross Procession - Page 1 of 3



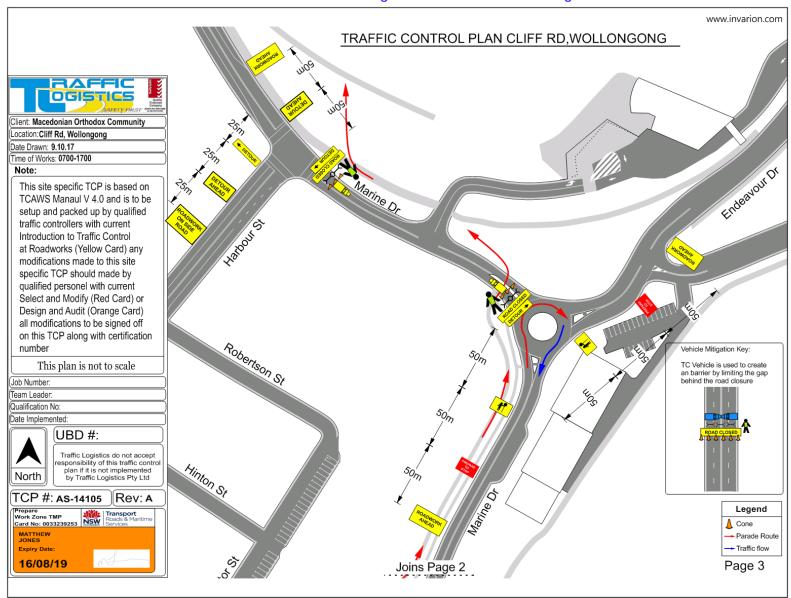


Attachment 3- VODICI Saving the Cross Procession - Page 2 of 3



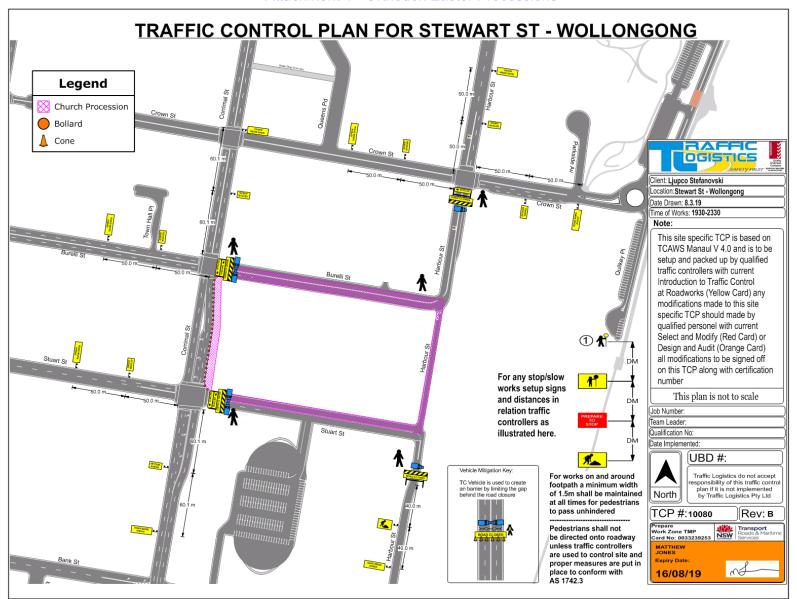


Attachment 3- VODICI Saving the Cross Procession - Page 3 of 3



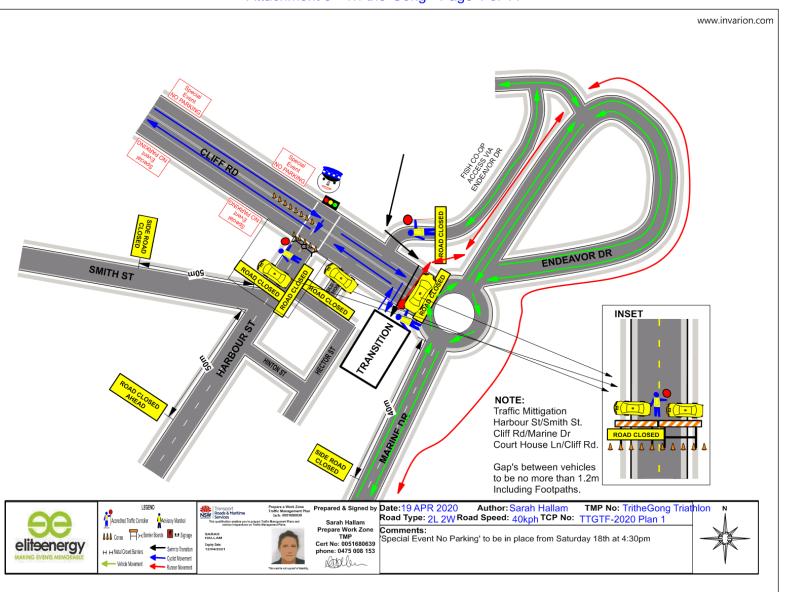


Attachment 4 - Orthodox Easter Processions



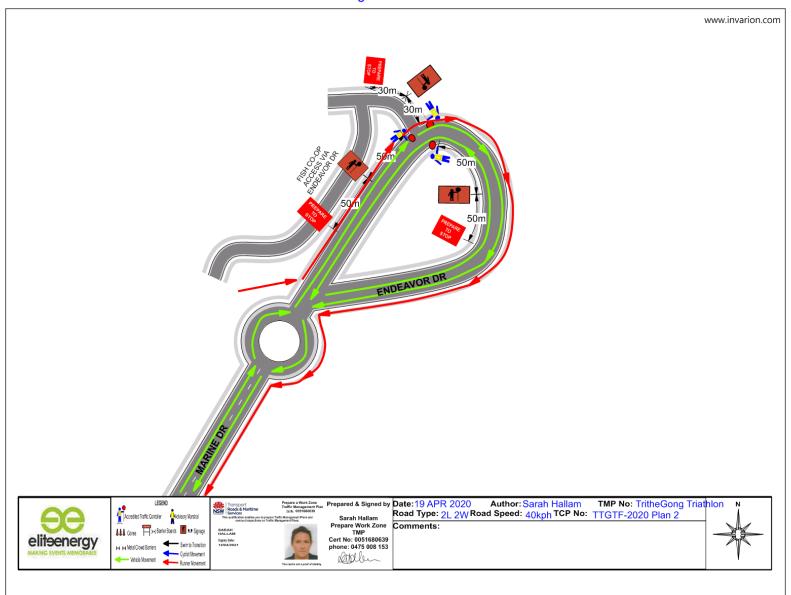


Attachment 5 - Tri-the-Gong - Page 1 of 11



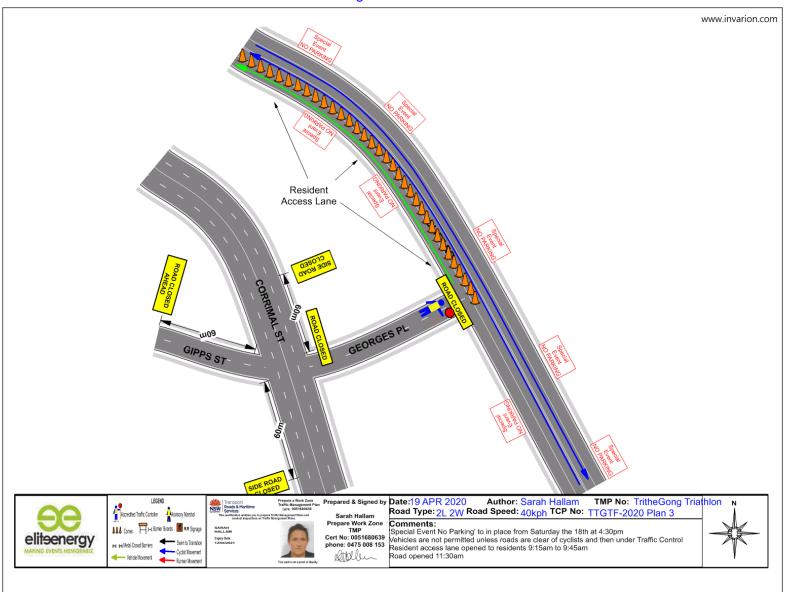


Page 2 of 11



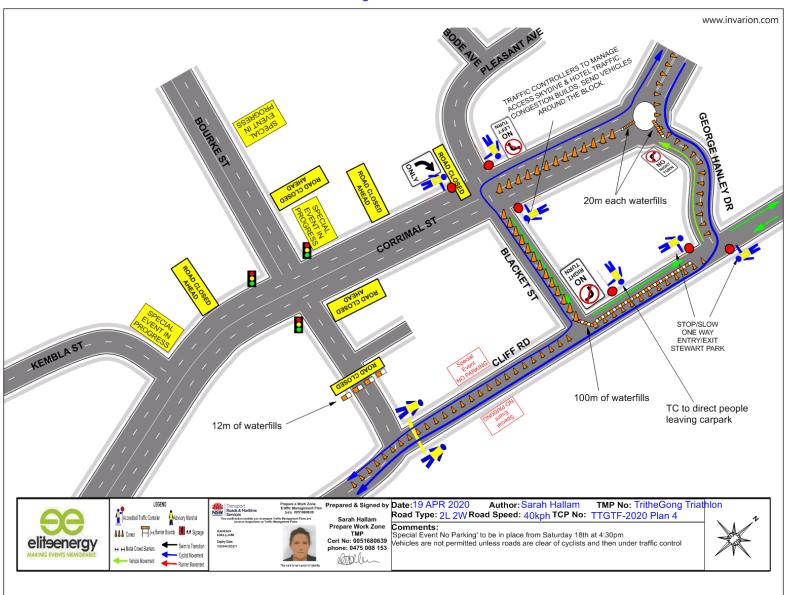


Page 3 of 11



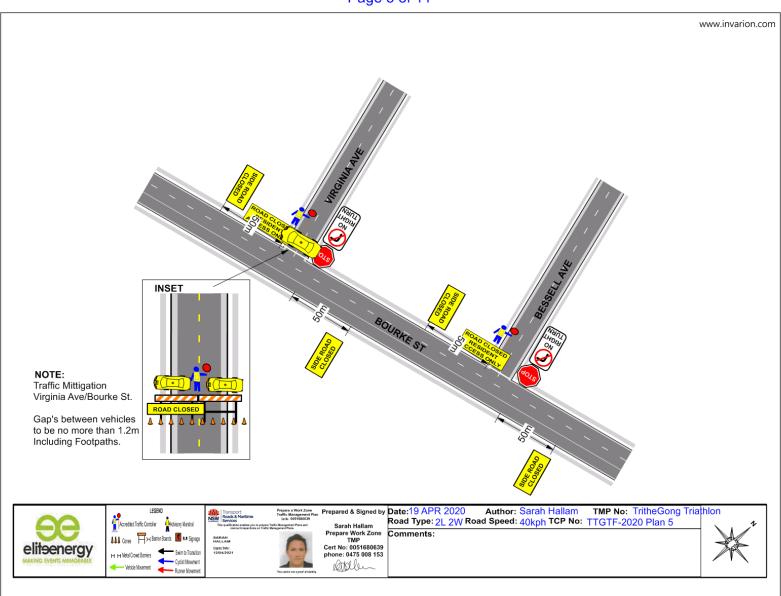


Page 4 of 11



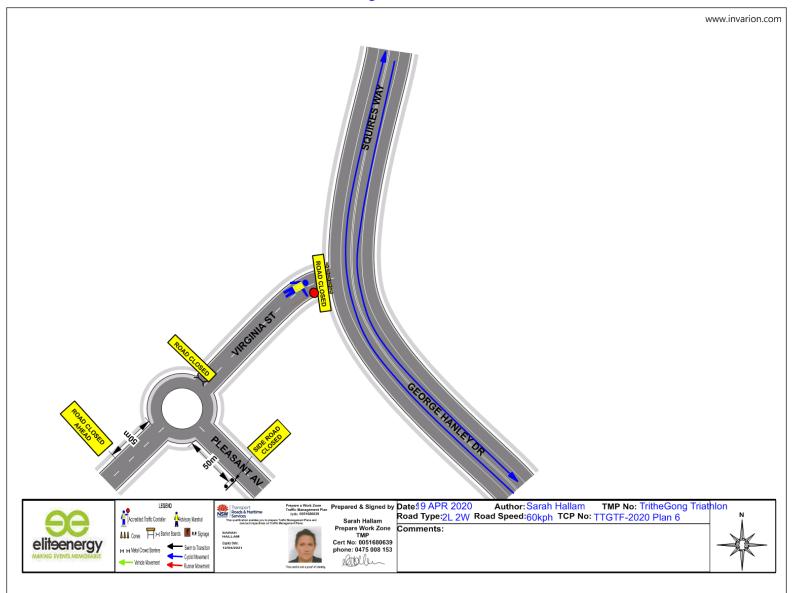


Page 5 of 11



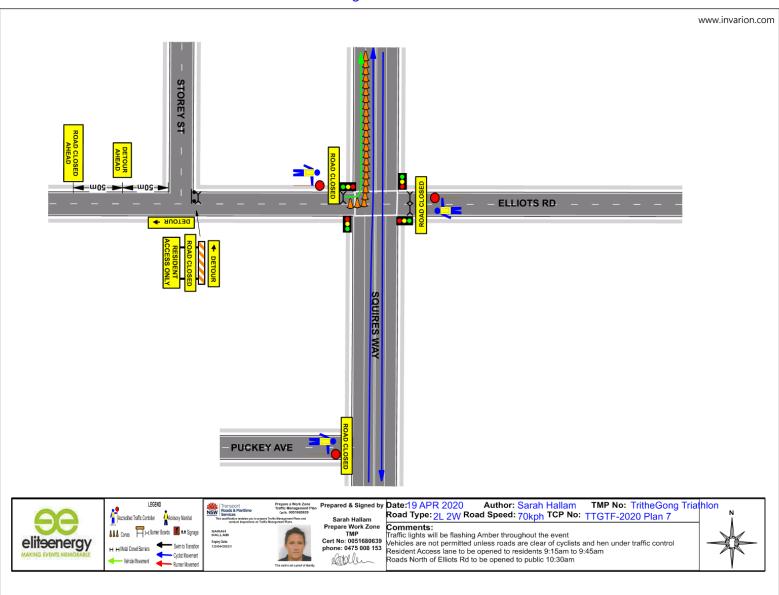


Page 6 of 11



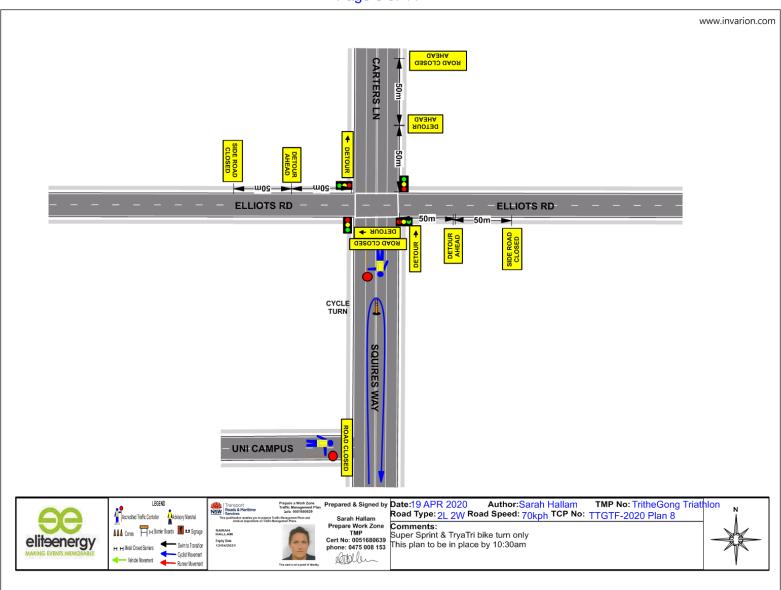


Page 7 of 11



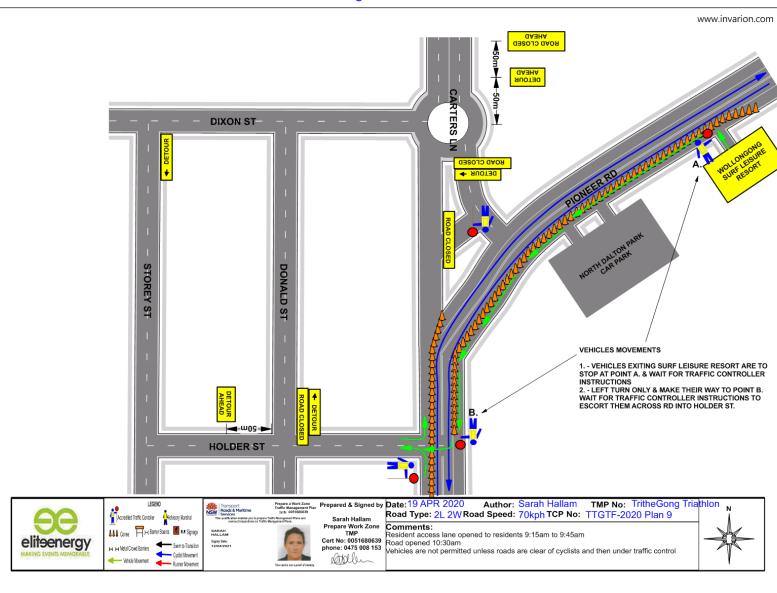


Page 8 of 11



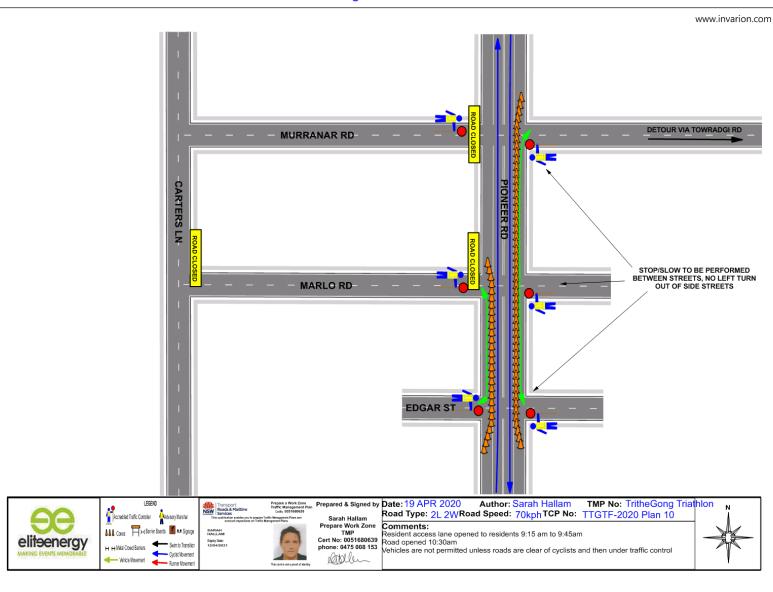


Page 9 of 11



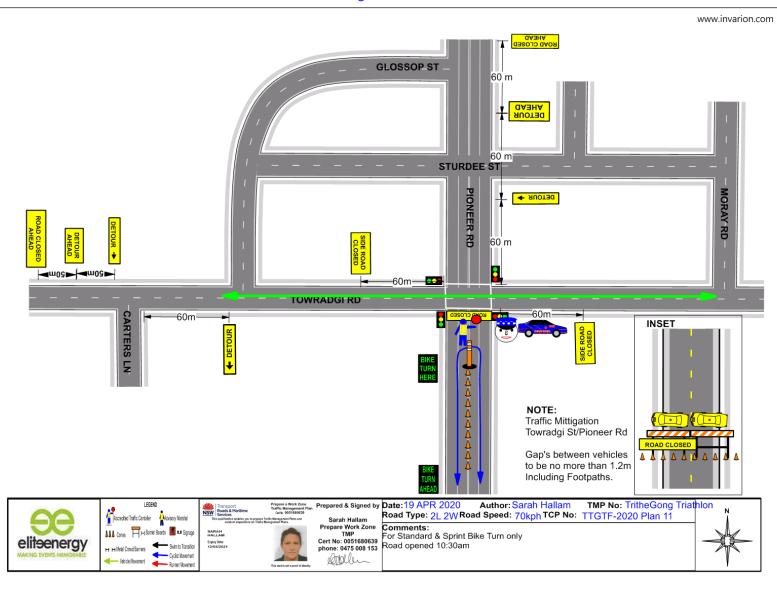


Page 10 of 11



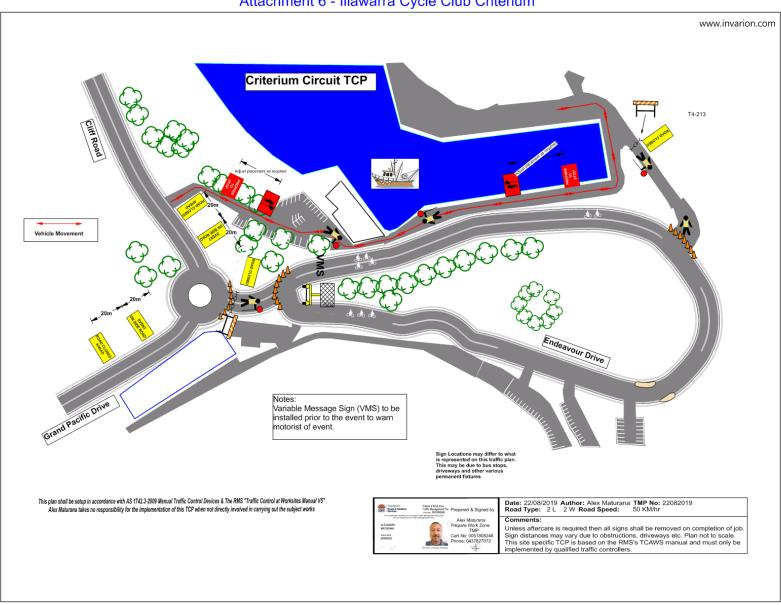


Page 11 of 11





Attachment 6 - Illawarra Cycle Club Criterium





ITEM 19

BI-MONTHLY RETURNS OF DISCLOSURES OF INTERESTS AND OTHER MATTERS - OCTOBER 2019

The Model Code of Conduct requires the General Manager to table all Returns of Disclosures of Interest lodged by persons nominated as designated persons. Returns are submitted to Council on a bi-monthly basis.

RECOMMENDATION

Council note the tabling of the Returns of Disclosures of Interest as required by Part 4 of the Model Code of Conduct.

REPORT AUTHORISATIONS

Report of: Todd Hopwood, Manager Governance and Customer Service

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

ATTACHMENTS

1 Returns of Disclosures of Interests (to be tabled at meeting)

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "We are a connected and engaged community". It specifically delivers on core business activities as detailed in the Governance and Administration Service Plan 2018-19.



ITEM 20

ANNUAL TABLING OF RETURNS OF DISCLOSURE OF PECUNIARY INTERESTS AND OTHER MATTERS - 2018 TO 2019

The Model Code of Conduct for Local Councils in NSW (the Model Code) requires the General Manager to table all Annual Returns of Disclosure of Pecuniary Interests and Other Matters (the return) lodged by the prescribed due date of 30 September 2019 at the first Council meeting after that date. This report is submitted in addition to the bi-monthly report which tables Primary and Interim Returns.

RECOMMENDATION

Council note the tabling of the Annual Returns of Disclosure of Pecuniary Interests and Other Matters as required by Clause 4.26 of the Model Code of Conduct for Local Councils in NSW.

REPORT AUTHORISATIONS

Report of: Todd Hopwood, Manager Governance and Customer Service

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

ATTACHMENTS

1 Register of Returns of Disclosure of Pecuniary Interests and Other Matters (to be tabled at meeting)

BACKGROUND

Council Officers forwarded the Office of Local Government guidelines and designated forms for the completion of returns to all relevant Councillors, staff and designated persons outlining their responsibilities to complete the return for the period 1 July 2018 to 30 June 2019 in order to comply with the provisions of the *Model Code*.

All designated persons must lodge their return with the General Manager by 30 September each year. Council has identified 211 designated persons and as at the date of this report 12 returns remain outstanding. Council officers continue to follow up outstanding returns.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal under the objective *our local Council has the trust of the community* (Community Goal) *we are a connected and engaged community*.

It specifically delivers on core business activities as detailed in the Governance and Community Services, Service Plan 2019-20.



ITEM 21

NOTICE OF MOTION - COUNCILLOR FIGLIOMENI - PORT KEMBLA COMMUNITY INVESTMENT FUND (PKCIF)

Councillor Figliomeni has submitted the following Notice of Motion -

"I formally move that Council consider approval of the following actions -

- 1 The Conservation Management Plan (CMP) for Hill 60 is finalised and actions for its implementation are agreed with Ward 3 Councillors no later than 28 February 2020.
- 2 Future Council funding requests under the Port Kembla Community Investment Fund (PKCIF) are directed towards
 - a Completion of the Ngaraba-aan Cultural Trail including construction of a board walk where appropriate
 - b Restoration of the Hill 60 WWII tunnels in readiness for the UCI World Cycling Championships.
- An investigation is initiated and a report provided to Council for consideration by 30 June 2020 on the possible opportunities to establish externally-funded commercial hospitality and tourist facilities at Hill 60.
- 4 Council contribute funding towards the above in accordance with the Capital Works program.
- 5 That the Aboriginal Heritage Assessment Report currently underway is progressed in conjunction with the Aboriginal Community as a matter of urgency.
- That Council approach the Office of Heritage and Environment seeking urgent approval for the total implementation of the Hill 60 Master Plan Projects including item 2 above."

Background provided by Councillor Figliomeni:

The first CMP recognising the historic significance and importance of Hill 60 was completed approximately 20 years ago. Since then, little has been done on the site and due to the flux of time the 2000 CMP has been rendered obsolete with a new plan now in progress.

This motion seeks to develop a strategic direction for the site and to create a community asset that will generate long term benefits for Port Kembla and the Wollongong LGA.

Hill 60 is visited by the community, including tourists and wedding photography, on a regular basis, even in its currently dilapidated state.

As noted, to date little if any progress has been made on restoration of the tunnels or provision of facilities and the time is right to use funds available via the PKCIF to commence work on how the site can be developed to be an economic driver and enabler for Port Kembla including the Aboriginal Community.



ITEM 22

NOTICE OF MOTION - COUNCILLOR DORAHY - LIGHT RAIL NETWORK - 21ST CENTURY WOLLONGONG - CITY OF INNOVATION

Councillor Dorahy has submitted the following Notice of Motion -

"I formally move that Wollongong City Council investigate the opportunity to install a Light Rail Network across the Wollongong LGA, bringing Wollongong's public transport infrastructure into the 21st Century. I seek Councillor support for the following actions in this matter -

- A Briefing be provided to Councillors by 27 July 2020 providing feedback and commentary on the Opportunity Cost versus the Opportunity Benefit to be determined through the following measures
 - a Contact made with NSW Government Premier Berejiklian; Minister for Infrastructure and Transport Andrew Constance; Minister for Finance Dominic Perrottet; Local MP's Gareth Ward, Ryan Park and Paul Scully to seek support and options to achieve funding for the project.
 - b Contact the following Federal Government Ministers to, at a minimum, seek a meeting/s to discuss the merits of Wollongong's desire to build a Light Rail Network and to seek support for the critical funding for the project Minister for Finance Mathias Cormann; Minister for Infrastructure and Transport Michael McCormack; Minister for Regional Development, Territories and Local Government Dr John McVeigh; Minister for Cities, Urban Infrastructure and Population The Hon Alan Tudge MP; Minister for Regional Services, Decentralisation and Local Government & Assistant Minister for Trade and Investment Mark Coulton; Local Federal MP's Senator Concetta Fierravanti-Wells, Member for Cunningham Sharon Bird and Member for Whitlam Stephen Jones.
 - c Contact made with the Illawarra Business Chamber and Regional Development Australia (Illawarra) CEO's regarding the utilisation of their strong lobbying channels and business connections to assist in achieving this capital project opportunity for Wollongong.
 - d Local, national and international business groups with expertise to deliver a plan for light rail infrastructure, be identified and contacted, to determine the potential costs of this project against WCC's Draft design for corridors.
 - e Development of a scalable Draft Plan to achieve this opportunity outcome with potential corridor uptake, cost and timeline indications, with the initial section to include Crown Street from Marine Drive to the Hospital.
- 2 WCC Councillors put forward their support for the third largest City in NSW to be brought into the 21st Century with a view to application for and lobbying to receive funding from both State and Federal Governments to this potential project.
- WCC, through the Lord Mayor, make an approach to WCC International contacts in Wollongong's Sister Cities and connections in the North of England where experience and expertise could be gained to fast track the opportunity for a Light Rail Network in a wider scale through a potential Public Private Partnership option.
- 4 WCC undertake a Survey with the residents in Q1-20 for the concept of a Light Rail Network and where residents perceive the best corridors are suited for a Light Rail Network to operate.
- WCC convene a small Committee of WCC executives, Councillors and two to four invited Local Businesspersons to plan and advance the opportunity. The committee to begin its role from late January 2020.

I therefore put it to Councillors to support this Motion that Council investigate and bring a Briefing Report to Councillors by 27 July 2020 regarding Scalable Opportunity to future proof the Wollongong transport needs in consideration of population growth and the option to install a Light Rail Network across the Wollongong LGA for the benefit of its residents and visitors."



ITEM 23 NOTICE OF MOTION - COUNCILLOR COX - LOCAL RECYCLING INDUSTRY

Councillor Cox has submitted the following Notice of Motion -

"I formally move that -

- 1 Council welcomes the announcement from Prime Minister Scott Morrison, that the federal government will commit \$20 million for innovative projects to grow the Australian recycling industry.
- 2 Council writes to Prime Minster Morrison, the NSW Premier and the Federal Minister for Industry, Science and Technology, Karen Andrews, to express an interest that Wollongong be the site of a new Australian recycling plant."

Background provided by Councillor Cox:

Wollongong is an ideal location to develop a new recycling industry, given that we have a port, rail access, industrial land, and a skilled work force. New jobs in the recycling industry would be welcomed in our city, and would assist in diversifying our economy.

Already, the South Coast Labor Council has called for more support for green jobs in the Illawarra, to speed the transition to a cleaner economy and create new jobs in the industries of the future. Our own Economic Development Strategy has a target of 10,000 new jobs, and new projects like this would help us to achieve that target.

While local government is not eligible for the grant funding, the City of Innovation is in a unique position to indicate our willingness to be the site of one of these projects.

The Prime Minister's announcement can be found here: https://www.pm.gov.au/media/greener-recycling-industry