Wollongong City Council

Our Resourcing Strategy 2032

Supporting the Community Strategic Plan
Our Wollongong Our Future 2032

Adopted 27 June 2022

wollongong
city of innovation

Acknowledgement of Country

We acknowledge the Traditional Custodians of the land on which our city is built, Dharawal Country. We recognise and appreciate their deep connection to this land, waters and the greater community. We pay respect to Elders past, present and those emerging and extend our respect to all Aboriginal and Torres Strait Islander people who call this city home. We recognise Aboriginal and Torres Strait Islander people as the first people to live in the area. We respect their living cultures and recognise the positive contribution their voices, traditions and histories make to the city.

Contents

Our Resourcing Strategy 2032

Supporting the Community Strategic Plan 2032 and Delivery Program 2022–2026

Our Resourcing Strategy outlines how Council will allocate resources to achieve the vision and goals set out in Our Wollongong Our Future 2032. This Strategy identifies how we best plan, develop and utilise our resources to enhance performance of our business to deliver better outcomes for our community.

This Strategy is a supporting document to the Delivery Program 2022-2026 and focuses on those matters that are the responsibility of Council.

The Resourcing Strategy outlines the finances, assets, workforce and information management technology that will be used to achieve the Program and Plan via the delivery of projects, programs and services.

Council's Delivery Program and Operational Plan responds to the Wollongong community's vision and goals and outlines the services and projects that Council has capacity to deliver. It is a result of rigorous planning and prioritisation and aims to provide best value services to the community.

Throughout this Delivery Program we will continue to focus on improving our customer service to best serve our community and are committed to be the best possible local government authority we can be.

Our Resourcing Strategy consists of four components:

Who are we planning for

Our City

The Wollongong Local Government Area (LGA) is located on Dharawal Country. It is divided into three wards with four Councillors elected to represent each ward. The Lord Mayor is elected by all voters and represents the entire Wollongong LGA.

Wollongong Local Government Area Map

Helensburgh

Otford

Stanwell Park

Coalcliff

Clifton

Scarborough

Wombarra

Coledale

Austinmer

Thirroul

Bulli

Woonona

Bellambi

Towradgi

Fairy Meadow

North Wollongong

WARD 1

Corrimal

Balgownie

Mt Kembla

WARD 2

Figtree

Wollongong

Unanderra

WARD 3

Berkeley

Port Kembla

Wongawilli

Dapto

Lake Illawarra

Primbee

Yallah

Windang

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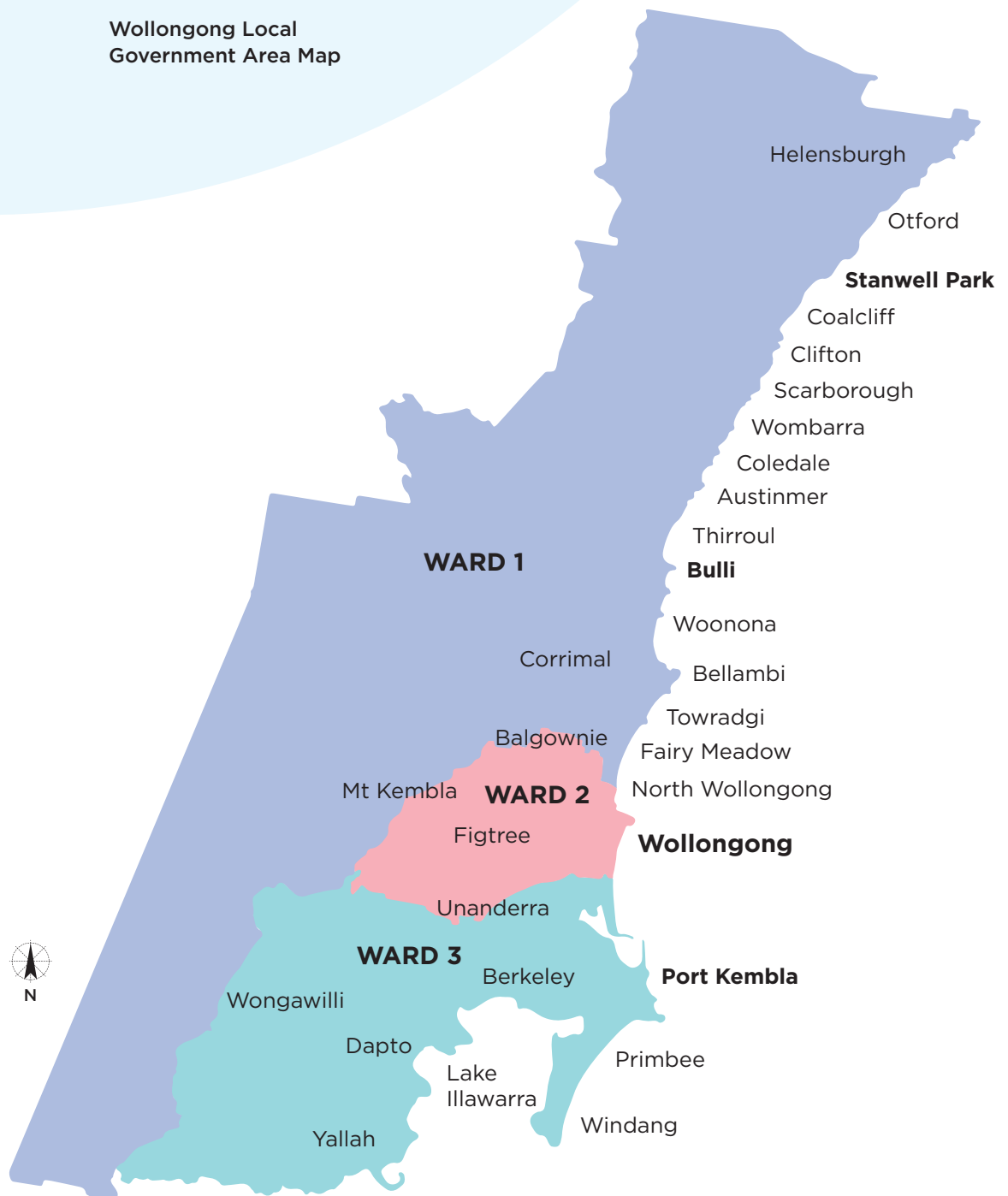
Snapshot of the Wollongong Community

In 2021, there were 220,659 people counted as living in Wollongong (estimated resident population). It is projected that the population will increase to 252,514 residents by 2032.

A total of 72.6% of the population of Wollongong stated they were Australian born (5.8% not stated). Of the 21.5% born overseas the five main countries of birth were UK, China, North Macedonia, Italy and New Zealand.

Separate housing provided accommodation for 67.3% of the Wollongong LGA population; 20.7% occupied a medium density dwelling; while 10.3% occupied high density dwellings. In Wollongong City, 63.2% of households were purchasing or fully owned their home, 21.3% were renting privately, and 7.4% were in social housing in 2016.

In 2022, there is an estimated 85,266 private dwellings. By 2032, this is expected to increase to 96,370 private dwellings.

The median age of the population of Wollongong was 39 years. We have an ageing population, 17.6% of our community are age 65+. In 2022, the dominant age structure for the Wollongong LGA is parents and homebuilders (35-49), which account for 18.9% of total persons. By 2032, this group is expected to increase by 5,881 and account for 19.1% of total persons.

In 2016, 19.9% of households earned a high household income ($2,500 per week or more) and 20.8% of households earned a low income ($0 to $650 per week).

In 2016 30.2% were couple families with children compared to 33.2% in 2001. By 2032, this rate is forecast to remain stable. By 2032, couple families without children is expected to grow slightly faster than with those children. However, by 2032 couple families with children is forecast to remain the dominant household type.

And 11.5% were one-parent households compared to 10.9% 2001. By 2032, this is expected to reduce to 10.8%.

24.3% of households were one person households, with almost half of these people over the age of 65.

In 2016, the median weekly mortgage repayment was $449 and the median weekly rent payment was $460 compared to $456 and $465 respectively for New South Wales.

Wollongong LGA's unemployment is now above the state average at 5.3% in December 2021 compared with 5.0% for New South Wales. Overall this reflects a continued downward trend from the September 2020 result of 7.1% (Wollongong) and 6.1% (New South Wales).

In 2016, there were 5,368 people in the Wollongong LGA who identified as Aboriginal or Torres Strait Islander, representing 2.5% of the total population (estimated resident population).

English was stated as the only language spoken at home by 78.2% of the population. The four most common languages other than English spoken at home are Macedonian, Italian, Mandarin and Arabic, with Mandarin as the fastest growing language. By 2032, net migration is expected to increase to 2,320 compared to an estimated 1,754 in 2022.

A total of 76.6% of Wollongong's households had broadband internet connection, up from 71% in 2011. This varies across the city from a low of 55% in Warrawong to a high of 88.4% in Austinmer.

In 2016, 71.2% of people who live in Wollongong indicated they travel to work in a motor vehicle, 5.5% travelled by train, 2.0% travelled by bus. 3.5% worked at home. 3.6% used active transport.

Our Goals

Value and protect our environment

Have an innovative and sustainable economy

Have a creative and vibrant city

A connected and engaged community

Have a healthy community in a liveable city

Have affordable and accessible transport

Our Wollongong Our Future 2032 Community Strategic Plan

A Community Strategic Plan is an aspirational document that outlines the community's desired future for the Wollongong Local Government Area. It outlines where community wants to be, the strategies for how we will get there, and who is responsible. It outlines what success looks like creating a roadmap for achieving the community's desired outcome.

Delivery Program 2022–2026 and Council Services

Council's Delivery Program cascades down from the Community Strategic Plan and is structured by Council's Services. Council's Delivery Program sets out the services, projects and programs that Council will achieve over the next four years. The Delivery Program is the vehicle Council will use to achieve its areas of responsibility outlined in the Our Wollongong Our Future Community Strategic Plan. With competing and finite resources, the services, projects and resources are all determined following rigorous prioritisation and deliberation, looking to the community's vision and goals.

Our strategic alignment model includes alignment of Council's Services to the Community Strategic Plan.

Community Engagement

Our Wollongong Our Future **Community Strategic Plan**

Resourcing Strategy
Assets
Finances
People
Information Technology

Monitoring and Review

Delivery Program and Operational Plan

The services council will deliver to progress the Community Strategic Plan

What Our Community Told Us

We've talked to all parts of our community to create a shared vision for our future. Many of the themes in terms of values, issues and what's important have been consistent. The love of our beaches, the unique relationship between the escarpment and the coast, the friendly atmosphere, proximity to larger places and connections to family and friends are just some of the themes raised.

The feedback we received has been used to develop Our Wollongong Our Future 2032 and will guide Council, organisations, business and the community to achieve the community's vision and aspirations.

Challenges

Over the next ten years, there are several challenges anticipated for the Wollongong local government area. These challenges and opportunities have been considered when developing the four elements which comprise this Strategy and include:

- Supporting the community and adapting service delivery in response to the COVID-19 pandemic;

- Anticipated growth in population and visitors and pressure on Council's services;

- Balancing investment and urban development with preserving heritage and character;

- Maintaining financial sustainability;

- Increasing cost of materials and supply of labour;

- Housing affordability;

- Diversity, inclusion and accessibility;

- West Dapto Urban Release Area growth;

- Managing the impacts of climate change, including severe weather events and protecting the natural and built environment.

What you told us

Environment
- Protect + invest
- Retain + add green space + trees
- Net zero carbon emissions

Local Economy
- Create local jobs
- Invest in economic growth
- Foster tourism

Accessibility
- Create liveable communities
- Improve systems + processes
- Support meaningful employment

Development
- Avoid over-development
- Preserve + protect environment + heritage
- Encourage long term planning

Heritage
- Protect + preserve buildings
- Celebrate Aboriginal heritage + culture
- Value our history

Wellbeing
- Offer initiatives to support health
- Safety in public
- Connected + engaged
- Celebrate diversity

Active Transport
- Increase network
- Promote network
- Increase cycling

Arts + Culture
- Support creatives
- Provide events + spaces
- Celebrate Aboriginal heritage + culture

Housing
- Impacts of housing costs
- More affordable housing
- Address homelessness

Transport
- Increase parking
- Improve public transport
- Maintain free bus

Recreation
- Maintain + increase open space/s
- Maintenance of parks + beaches
- Improve sporting facilities

Community Services + Facilities
- Libraries and facilities are loved
- Places + programs for young people
- Accessible community facilities

Council's role in delivering the Community Strategic Plan and Delivery Program is supported by the Resourcing Strategy. Where the Community Strategic Plan outlines the community's main priorities and aspirations for the future and the strategies to achieve them, Council's Delivery Program details the principal activities to be undertaken by Council to perform its functions (including implementing the strategies it is responsible for in the CSP) within the limits of the resources available under the Resourcing Strategy.

The Delivery Program is then implemented by the delivery of Council's services, and resourced as per this strategy.

We value and protect our environment	We have an innovative and sustainable economy	Wollongong is a creative, vibrant city	We are a connected and engaged community	We have a healthy community in a liveable city	We have affordable and accessible transport

Community Strategic Plan

Resourcing Strategy

Delivery Program and Operational Plan
delivered through 33 Council Services

Development Assessment	City Centre Management	Cultural Services	Aged and Disability Services	Aquatic Services	Transport Services
Emergency Management	Economic Development	Engagement, Communications and Events	Community Programs	Botanic Garden and Annexes	
Environmental Services	Tourist Parks		Corporate Strategy	Community Facilities	
Land Use Planning			Integrated Customer Service	Leisure Centres	
Natural Area Management			Libraries	Memorial Gardens and Cemeteries	
Regulatory Compliance			Property Services	Parks and Sportfields	
Stormwater Services			Youth Services	Public Health and Safety	
Waste Management					

Support Services
Employee Services, Financial Services, Governance and Administration, Infrastructure Strategy and Support, Information Management and Technology

Resourcing Our Services

The Resourcing Strategy outlines how Council will manage and allocate its resources (finances, assets, people and information management and technology) to implement the Delivery Program, delivered through 33 Council Services.

Ultimately, these resources are reflected and quantified by the allocation of budget.

Service	Operating $'000		
	Income	Expense	Net
Goal 1 - We value and protect our environment			
Development Assessment and Certification	3,794	(8,592)	(4,799)
Emergency Management	1,250	(6,496)	(5,246)
Environmental Services	497	(3,303)	(2,806)
Land Use Planning	898	(4,398)	(3,499)
Natural Area Management	462	(4,251)	(3,789)
Regulatory Compliance	3,974	(5,939)	(1,965)
Stormwater Services	2,171	(21,628)	(19,456)
Waste Management	47,368	(44,821)	2,547
Goal 2 - We have an innovative and sustainable economy			
City Centre Management	1,758	(4,077)	(2,319)
Economic Development	–	(2,548)	(2,548)
Tourist Parks	7,952	(6,565)	1,387
Goal 3 - Wollongong is a creative, vibrant city			
Cultural Services	134	(7,594)	(7,460)
Engagement, Communications and Events	146	(4,560)	(4,415)
Goal 4 - We are a connected and engaged community			
Aged and Disability Services	3,193	(3,375)	(182)
Community Programs	292	(2,260)	(1,968)
Corporate Strategy	–	(1,406)	(1,406)
Integrated Customer Service	8	(2,967)	(2,960)
Libraries	722	(11,963)	(11,241)
Property Services	6,095	(4,922)	1,174
Youth Services	40	(1,360)	(1,320)

Service	Operating $'000		
	Income	Expense	Net
Goal 5 - We have a healthy community in a liveable city			
Aquatic Services	1,379	(15,753)	(14,374)
Botanic Garden and Annexes	294	(3,971)	(3,677)
Community Facilities	1,101	(6,268)	(5,168)
Leisure Centres	3,104	(4,259)	(1,155)
Memorial Gardens and Cemeteries	1,829	(2,422)	(592)
Parks and Sportsfields	1,208	(23,571)	(22,363)
Public Health and Safety	535	(1,228)	(692)
Goal 6 - We have affordable and accessible transport			
Transport Services	4,191	(49,966)	(45,775)
Support Services			
Employee Services	145	(8,652)	(8,507)
Financial Services	188,252	(8,370)	179,882
Governance and Administration	98	(10,010)	(9,912)
Information Management and Technology	25	(12,268)	(12,243)
Infrastructure Planning and Support	243	(8,308)	(8,065)

Our Values and Purpose

Wollongong City Council is committed to being a local government of excellence that enhances our City's quality of life and environment through effective leadership, community involvement and commitment to service. As a purpose-led, values driven organisation our values are part of everything we do every day and provide the foundation of our organisational culture and guide how we deliver the strategies and actions outlined in the Delivery Program.

We live these values through:

Enabling daily work that encourages collaboration, innovation, interdependence, belonging and inclusion	**Living the values in everyday work through behaviours and interactions**	**Supporting and enabling people to deliver on the promise of an Extraordinary Wollongong**

OUR VALUES IN ACTION

Sustainable
use our community's resources responsibly

Respect
inclusive and considerate

Courage
challenge the norm to be better

Integrity
honest and reliable

One Team
together we deliver excellent service

Supporting our Community – COVID-19

At the height of COVID-19 in 2020, we were focussed on the future. We were putting plans in place to support our community and economy into the future.

This will continue throughout the four year Delivery Program as we roll out a significant infrastructure program that continues to provide employment opportunities to local contractors, suppliers and businesses. We're grateful to the Federal and State Governments as we've secured significant external funding over the past 12 months. This is being used to deliver valued community services and improvements to our local roads and community assets.

Support measures that are proposed to continue for the community into 2022-2023 include:

- Deferred payment arrangements for all ratepayers

- Application of Council's Debt Recovery and Hardship Assistance Policy

- Enhanced city centre marketing and activation

- Artist in residence and mentorship program

- Events re-emergence

- Outdoor Dining Fee waiver

Additional Special Variation

Council and the community have worked together over the past decade to achieve a financially sustainable future for our city and Council operations. The latter part of the 2021 year saw the cost of living and doing business increase due to supply issues and inflation across the world. To operate sustainably, Council needs our future rates and other revenue to keep pace with future costs to enable us to provide expected service levels.

The Long Term Financial Plan within this Resourcing Strategy is based on Council's assumptions and indices including a 1.8% rate increase approved by Independent Pricing and Regulatory Tribunal (IPART). The rapid increase in some current costs and future cost estimates has already created a substantial gap between the IPART approved Rate increase of 1.8% and Council's estimated costs for 2022-2023 and beyond. Further detail is provided in the Long Term Financial Plan 2022-2032 and Revenue Policy 2022-2023.

Asset Revaluation - Transport and Stormwater Assets

During the exhibition period of Council's Resourcing Strategy 2032, a revaluation of Council Transport and Stormwater assets was completed. These asset classes represent approximately 75% of Council's total depreciable asset base. The revaluation has increased estimates of asset replacement cost without substantially changing useful life assessments, resulting in increased depreciation values. The variation to depreciation is in the order of $13.5M per annum and has immediately impacted estimated financial KPI's. While these impacts to reporting are immediate, the change predominately reflects longer term implications and does not require changes to the current planning period. Additional detail is provided in Long Term Financial Plan and Asset Management Strategy.

Delivery Program Key Projects

New Integrated Library and Community Centres

Council's Infrastructure Delivery Program 2022-2026 includes the delivery of priority community infrastructure identified in Council supporting documents, including new and upgraded community centres and libraries at Warrawong and Helensburgh.

To support these significant uplifts to service, additional operating costs have been recognised in the Long Term Financial Plan. Other resourcing implications have also been considered in the Asset Management Plan 2022-2032 and Workforce Management Strategy 2022-2026.

Improving Our Safety

This Resourcing Strategy 2032 includes commitments to implement a Cyber Security Strategy and enhanced access management, as well as upgrades to Council's CCTV network.

Reviewing and Improving Our Services

Council reviews it's services as part of a continuous improvement approach based on community feedback with the aim of creating efficiencies and improving service delivery to the community. Council's Delivery Program 2022-2026 includes a commitment to review and refine its methodology for service reviews in the coming year and then develop a program that will be delivered through the remainder of our Delivery Program. Service reviews will aim to match community needs and wants with available resources and to identify optimised delivery for the future. Over time, as changes are identified to Services, the Resourcing Strategy will be updated on an ongoing basis to reflect any changes to services.

Planning For The Future

While we're delivering the best for our community now, its important we're also making plans for the future. The 2022-2026 Delivery Program proposes additional investment in planning studies and investigations. These studies will help support our growing community, understanding future needs and how we can support these being meet.

These studies cover diverse areas including:

• Draft Stuart Park Masterplan

• Reviewing planning controls for South Wollongong

• Character and heritage studies for our villages

• Assessing heat impacts as part of the Climate Adaptation Plan

• West Dapto future community infrastructure, feasibility assessments on proposed recreation facilities

• Keiraville Gwynnneville access and movement studies.

Long Term Financial Plan 2022-2032

Adopted 27 June 2022

Contents

Financial Planning

Introduction

Wollongong City Council is committed to the principles of financial sustainability and good financial management. Council will wisely use ratepayers' money, together with other funding available, to provide prioritised services and improve financial sustainability and asset management. To Council, financial sustainability means we can provide quality planned, long-term service and infrastructure levels to the community and standards without having to consider unplanned increases to rates or disruptive reductions in service levels. Good financial management requires the understanding of the short and long term financial impacts of decisions - now, in the past and into the future. It also requires consideration of the potential influences outside of Council's control that may impact on our finances.

The **Long Term Financial Plan** is a component of the **Resourcing Strategy** that provides the financial projections for the next ten years based on the direction proposed, and decisions of Council. It details the planning assumptions that underlie these, the key indicators that are used to measure performance, and discussion of risk areas.

It is a living document intended to support decision making and provide a guide for future action. It is continually updated to reflect both internal decisions and external impacts.

The plan and corresponding financial forecasts are built within the parameters of Council's **Financial Strategy** (Council Policy). The **Financial Strategy** provides direction and context for decision making in the allocation, management and use of Council's limited financial resources. It sets the parameters within which Council provides financial stability, affordability, focus, efficiency, or value for money, over the short, medium and longer terms. The key performance indicators outlined in the **Financial Strategy** set clear targets to support continuous measurement of financial sustainability.

In this context, the **Long Term Financial Plan** is the compass for providing direction for financial sustainability.

Image: Hill 60

Financial Strategy

The **Financial Strategy**, in its current form, was first developed in 2008 and has had several revisions, particularly to the targets for key indicators. The changes in these targets have been modified over time to reflect Council's financial position, maturity, and evolution. The first major revision was made in 2014 when, following an extensive community consultation process, the **'Securing Our Future' plan** was adopted by Council creating the blueprint for the final steps in the journey towards financial sustainability. It is important to remember the 'Securing Our Future' targets were aimed at providing sustainability at the current service levels, by allowing sufficient funding to carry out existing services at existing levels and replace assets with equivalents as required over time.

In April 2017, having reached a sustainable position, Council adopted a revised **Financial Strategy** that fine-tuned targets to continue to provide direction and context for decision making in a sustainable way. Further refinement was made in 2021.

As we move into the next plan there are new challenges due to current valuation estimates and clear demand for more than just sustainability. Our recent community engagement has provided clear evidence of the desire for increased service and improved levels of service across several Council operations.

Council's recent Transport and Stormwater asset revaluation, which was finalised during the community consultation period, has resulted in calculated asset values and depreciation that is be substantially higher than previously forecast. The asset valuations just completed are based on our existing asset management plans and accounting requirements which may result in the overstatement of future needs. While these adjustments will negatively impact our financial Key Performance Indicators (KPI's) in the short term, they will not impact the current delivery program or our capacity to maintain and renew assets over the reporting period.

Council's position will remain sustainable, although actions will be required in future years to address the reporting and/or funding issues. It is considered that options are available to review the asset management assumptions and depreciation estimates to better reflect optimised practices available for some asset classes. It is also acknowledged that in line with increasing values additional allocation may be required to maintain assets in future periods.

Council's ability to increase services, service levels, or manage the increased cost of asset renewal is limited, however Council has included an action to review its **Financial Strategy** over the coming period with the view to creating greater capacity to do more. Council will also review

its asset management plans for Transport and Stormwater to identify and verify optimised methodologies that it is anticipated will result in longer lives for some assets and lower levels of depreciation.

It is considered that there are three options available to create capacity for new or enhanced services:

- Increase revenue from rates, fees, investments, rental and other property returns, grants and contributions.
- Improve efficiency through better operations and efficiency that reduce the cost of services - by reducing the lifecycle cost or improving the utilisation os assets used in the delivery of services.
- Decrease delivery of services or service levels that are not required by our community.

It is important to note that Council will focus on increasing capacity outside of increasing rates or reducing service levels.

The most significant financial principles of Council's **Financial Strategy** and their targets are outlined on the following pages. A full copy of the Financial Strategy can be accessed under Policies on Council's website.

Operating Result [pre capital]

Council will plan to maintain a small operational surplus [pre capital] (average over 3 years).

From a financial planning perspective, the operational performance of an organisation is the key to long term financial viability and sustainability. In broad terms, a deficit from operations indicates that Council is not earning sufficient revenue to fund its ongoing operations (services) and continues to renew the assets that are an integral part of that service, when required. The Operating Result [pre capital] (that is, before capital grants and contributions for new assets) is used because capital income is not available for managing the existing services.

The operating result should be viewed over time, to get a true indication of performance. This is important as the annual results can be impacted by short term timing of transactions that are not indicative of performance.

Funds Available from Operations

Council will plan for Funds Available from Operations at least equal to depreciation.

Funds Available from Operations is a Wollongong City Council indicator that is considered to be a more reliable indicator of Council's capacity to manage its assets over the longer term. Unlike the Operating Result, it does not include non-cash transactions and excludes transfers to and from funds which are externally or internally restricted (Restricted Assets).

Council's intent is to provide at least sufficient funds from operations for the capital budget to replace assets as they fall due. The depreciation target is currently used as a proxy for the long-term annual funding requirement to replace Council's assets at their gross replacement value.

This target does not allow for new assets, or the enhancement of assets being replaced. Nor does the target assist in managing the actual timing of replacement based on renewal schedules that may vary significantly from year to year. The delivery planning process will include consideration of enhanced services requiring additional assets and planning for any financing and/or restricted funds movements to manage timing issues.

Available Funds

Council will aim to maintain Available Funds (the unallocated portion of revenues) between 3.5% and 5.5% of operational revenue [pre capital].

Available funds are funds that Council has earned but not allocated to specific expenditure in the past or future. They are held as Council's savings and are used to act as a buffer against unanticipated future costs or can be used to provide capability to take advantage of opportunities that may arise.

Where the Available Fund balance falls below the targeted level in a period, the onus through planning is to ensure adequate adjustment is made to restore the balance through future programs, within an acceptable timeframe.

Total Funds Result

Council's annual allocations to operational and capital budgets will generally not exceed anticipated cash inflows.

Where the Available Funds level are above minimum requirements, additional funds will be transferred to the Strategic Projects Restricted Asset and consideration given to the allocation of funds through the Strategic Planning process.

Short term stability requires the annual budget be affordable and cash managed to ensure that payments can be made as required. By holding a level of available funds and planning for near breakeven funds results, this position can be maintained. The total funds result is inclusive of financing cash flow and movements in Restricted Assets.

Capital Expenditure

Funding for the renewal of assets will be applied to asset replacement.

In determining the approval of budget for additional or enhanced assets, Council will ensure that the whole of life cost is considered and are able to be sustainably accommodated within future forecasts.

Asset renewal, maintenance and operational costs impacting on future budgets will be included in forecasts as part of the capital budgeting process. Capital expenditure decisions need to be fully informed by understanding the impacts on future results. For example, a building cannot be considered as a one-off cost, it will have operational costs for electricity, water and consumables and will normally involve services that will require operational budgets, including employee costs. The building will then need to be maintained and eventually renewed and/or be disposed of. Consideration of these costs and any potential revenue must be part of the initial evaluation and approval process and be recognised in future estimates to aid future planning.

Borrowing

Council will actively consider borrowings through its Resource Strategy and Capital Budget as a source to finance timing mismatches between cash availability and expenditure requirements and to provide for intergenerational equity where determined applicable.

Borrowings will be considered for investment in assets acquired to provide additional service and service level or to provide for timing mismatches in asset renewal funding.

Internal borrowing will be applied first where funds are available, and it is determined to be more economical.

Interest on internal borrowings will be costed to Income Activity Services to reflect the opportunity cost and will be applied in business cases to reflect the actual return on investment.

Borrowing terms will preferably be structured to match, but not exceed, asset life where there is appropriate product in the market to do so.

This Strategy focuses on ensuring that Council continually sets a financial plan that ensures financial sustainability. Consideration of the Council services and the resources, including assets, required to provide those services must be affordable, that is, they must be within existing capacity, funded by increased capacity through efficiencies or based on a willingness of the community to provide additional revenue to fund increased service. Borrowings do not generate income and don't allow Council to acquire things we couldn't otherwise afford. They do provide for timing mismatches between cash and expenditure with an interest cost and they do allow Council to provide assets for future community use without impacting on past or present communities (Intergenerational Equity). They also allow for investment in assets that provide future positive returns.

Consideration of borrowings will be based on the needs or community demand for services and the projected capacity to pay for those services, or the willingness to raise additional revenue for them. Actual borrowings will be based on liquidity requirements and not specific assets or investments.

West Dapto

Increased annual rates, fees & charges created from subdivision in West Dapto will be applied to meet West Dapto operational costs, and the net Funds Available from Operations and funding for Depreciation in the area will be restricted.

In the transition to full development of the area, the West Dapto restricted asset will be made available to meet infrastructure and planning requirements in the area.

West Dapto is the last significant 'green fields' development in Wollongong. It will have significant financial impacts over time. It is anticipated that there will be substantial developer contributions and capital expenditure. The management of the Development Contributions Plan has inherent risks due to estimating, scoping, and timing variables. Rates and other revenues will usually precede operational demand and assets built will require little renewal or maintenance for seven to 15 years creating a perception of improved financial performance. Experience in developing councils has shown the negative long-term impacts that the delayed expense pattern has if additional rate revenue is built into other recurrent operations. It is considered important that this longer term view of additional revenue is given and appropriate long-term provisions are made throughout the development.

Operational Services

Council's Delivery and Operational Plans will be used to:

• **determine core and value added services,**

• **identify, deliver, and report on business improvement initiatives, and**

• **set actions to improve service levels, costs, and delivery methods.**

Alignment of Council services with **Our Wollongong 2032** will continue to play an important part in determining the future needs and operations of the organisation. Assuring that the right things are done in the most efficient way and being able to measure that performance should provide a sound platform for communicating and planning to meet agreed community expectations.

Service Reviews

Council will maintain an ongoing review of its services that seeks to better define service requirements, refine delivery methods, and balance service aims against affordability for both the Council and our customers.

Wollongong Council's **Financial Strategy** has included the desire to carry out service reviews on a cyclical basis to create the underlying operational and financial base for each service to ensure our long term and continuous budgeting process is supplemented by detailed analysis and periodical refocusing.

The new Integrated Planning and Reporting requirements make it mandatory for councils to plan for and carry out Service Reviews and report on their outcomes. While there isn't a prescribed methodology for Service Reviews, Wollongong Council will review and revise its methodology for Service Reviews over the coming year and then develop a program that will be delivered through the remainder of our **Delivery Program**. The service reviews will aim to better understand and define service requirements, refine delivery methods, optimise resourcing, and balance service aims against affordability for both the Council and the community.

Current Financial Situation

Council had developed and exhibited financial projections that indicate it should be able to meet its current key performance indicators and targets set in the **Financial Strategy**, and industry benchmarks over the life of the **Long Term Financial Plan**. This was based on Council's assumptions and indices including a 1.8% rate increase approved by IPART.

During the exhibition period of Council's **Long Term Financial Plan 2022-2032**, a revaluation of Council Transport and Stormwater assets was completed. Those asset classes represent approximately 75% of Council's total depreciable asset base. The newly reported value of Council's assets and the resulting deprecation have had a significant impact on Council's financial estimate reporting, and have immediately impacted estimated financial KPI's. While immediately impacting those measures, the change predominately reflects longer term implications for Council's resourcing requirements and does not require a change to the current planning period.

The revaluation has increased estimates of asset replacement cost without substantially changing useful life assessments, resulting in increased depreciation values. The variation to depreciation is in the order of $13.5M per annum.

The replacement costs that have been determined through the revaluation process are based on the efficient asset replacement cost, while the anticipated lives of the assets reflect the current assessment of how long assets will be used by Council before replacement and how they will be replaced. Asset lives for long lived assets are estimates, based primarily on industry standards and implied asset maintenance treatments required to ensure the asset life is achieved. Both asset classes reviewed include assets that have extensive lives and include an assumption that the asset will be replaced in its entirety at the end of life without any realisable residual value. This assumption may vary in reality as assets are assessed for replacement.

Council will progress its asset planning to review options for optimised treatments and matching these to the accounting practices over the period to provide an advanced position that better reflects longer term asset renewal requirements. In the meantime, Council's exhibited program is considered sufficient to replace assets as they fall due over the period. Council will continue to respond to future asset renewal requirements as informed by these reviews.

Council will also look to review its **Financial Strategy Target** for 'Funds Available from Operations' in line with new asset plans. This would potentially move away from using the proxy of depreciation as our benchmark, to measuring our capability of providing sufficient Funds from Operations to replace assets as they fall due, based on the revised asset management plans.

Council's financial goal is to balance the demand for increased service, threats to the cost of providing services, and improvements and efficiency in the delivery of service, with the willingness of the community to fund Council's activities. Council's **Financial Strategy** and management seek to continue to drive efficiency. Where efficiency is achieved, decisions will be made through Council's planning process to direct new capacity to improvement or enhancement of services based on community demand or to restraining the cost to the community.

Key Financial Strategy Forecast

The financial forecasts included in this plan are based on estimated costs for Council's continued delivery of existing services and planned variations. Underlying the financial estimates for services are assumptions and indices relating to costs and revenues. The economic period emerging appears to have a higher degree of volatility and likely upward variation in costs, lower levels of unemployment, and restrictions or pressure on supply. This comes after a very long period of relative stability and low variation in economic conditions.

The rapid increase in some current costs and future cost estimates has already created a substantial gap between the IPART approved Rate increase of 1.8% and Council's estimated costs for 2022-2023 and beyond. It is also now highly likely that the cost increases included in Council's estimates will be exceeded by pricing outside of Council's control.

The proposed budget assumes the cost increase estimates at a sustainable level that would allow Council to deliver its program and existing level of service to the community. If the pricing estimates are exceeded, Council will be required to manage this through budget review and may incur further depletion in its financial position and short to medium term sustainability.

The following analysis of Council's Key Financial Indicators is provided with the forecasts pre and post asset revaluation adjustments completed in May 2022 (during the exhibition period). The pre-asset revaluation result is provided as a reference to the position exhibited for consultation (as adjusted during the exhibition period by issues other than revaluation).

There has also been a significant impact on the 2022-2023 Operating Result due to the early payment of approximately 75% of the Financial Assistance Grant for that year. The timing of this payment, announced in the Federal Budget, has resulted in a $15.3M reduction in the 2022-2023 result offset by an improvement in the 2021-2022 result. This does not impact on Council's capacity to deliver on the current program.

The following financial estimates should be read in the context of the potential risk around the underlying indices and the impact of pricing increases above the estimates that may occur.

Image: Bald Hill
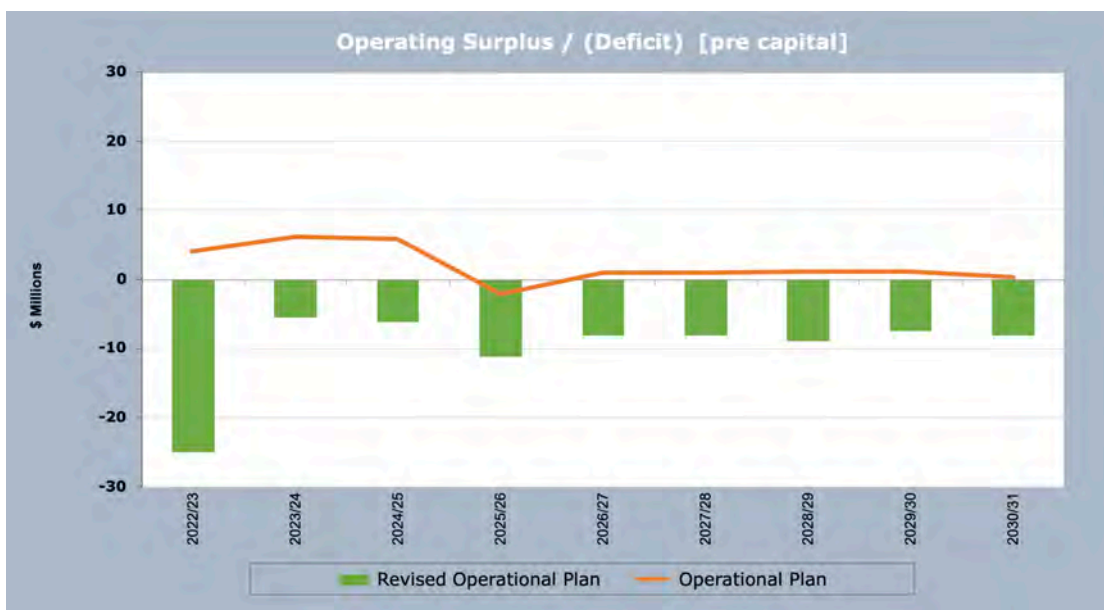
Operating Result [pre capital]

The Operating Result [pre capital] provides an indication of the long-term viability of Council and its capacity to earn sufficient revenue to fund ongoing operations (services) and continue to renew existing assets over the long term.

This measure should be viewed over a long-term basis as annual results may be impacted by timing. For example, in the diagrams below, 2022-2023 shows a larger deficit result mainly due to the timing of receipts for the Financial Assistance Grant, and 2025-2026 is a deficit due to a planned one off grant payment for Affordable Housing that was funded and approved in prior years. Other timing impacts may result from grants or contributions received in one year where they are recognised as income and then expended in future years. Similarly, the introduction of operational projects funded from internally restricted assets have negative impacts on individual years.

In addition, the Operating Result is inclusive of depreciation, which is an accounting estimate to reflect use of an asset over its lifetime. As discussed, Council has revalued its Stormwater and Transport assets during the exhibition period based on the best available and evidenced accounting and engineering data. This has led to a substantial increase in the depreciation forecast and a deterioration in the Operating Result. Council will be working to develop revised and further advanced evidence that may reflect lower depreciation levels in future periods.

Diagram 1 shows the forecast Operating Result [pre capital] for the next ten years pre and post revaluation of assets. The current revised or post-revaluation position is inclusive of the increased depreciation and shows a negative result in future years. While Council's **Financial Strategy** targets a 'small annual surplus average over three years' this post revaluation result will not impact Council's cash position or impact the proposed **Delivery Program**. Council will address any potential long term issues following review of its Asset Management Plans, asset lives, optimal replacement treatments and costs, and depreciation rates.

Diagram 1

Funds Available from Operations

The Operating Result [pre capital] is an accounting result which can provide variable results and does not necessarily best reflect long term financial sustainability. The ultimate 'financial sustainability' goal for Council is to provide services at an agreed level on a continuous basis and be able to maintain and replace assets used in providing those services on an ongoing basis. Council receives income and elects to spend that money on day-to-day activities to provide services and operate the organisation. This is reflected in the Income and Expense Statement. The Operating Result [pre capital] disclosed in the Income and Expense Statement includes depreciation and other non-cash expenses so a deficit Operating Result [pre capital] can still produce an operating cash surplus. This cash surplus is available to fund renewal of existing assets that Council considers a more reliable indicator. The cash result does not change when depreciation is adjusted.

The forecast Funds Available from Operations has been compared against the level of depreciation, as this was Council's proxy for the average funding required to renew existing assets at their end of current life. This does not reflect the need for funds on an annual basis due to the varying lives of Council assets. The current Funds Available from Operations are considered sufficient to deliver the current renewal requirements through the current planning period.

Council's **Financial Strategy** acknowledges not all Funds Available from Operations will be applied to renewing assets and assets will not always be replaced on a like for like basis. Provision needs to be made for upgraded, enhanced and new assets as the community demands and expectations change. Additional capacity is created where: existing asset renewal is funded from other revenue sources such as grants and contributions; efficiencies in the replacement or life of assets is achieved; additional rate revenue is received through growth and rationalisation of assets through efficiency while maintaining an agreed service level is achieved. While such capacity is inevitable over time, it is not easy to forecast and may need to be supplemented through other financial options if higher levels of enhanced service is required.

Diagram 2 shows Council's forecast Funds Available from Operations position. The financial forecast does include an increase in funding beyond prior years, although is now below the post revaluation depreciation. The additional level of funding is required over the next four years to accommodate the enhanced future program commitments.

Diagram 2
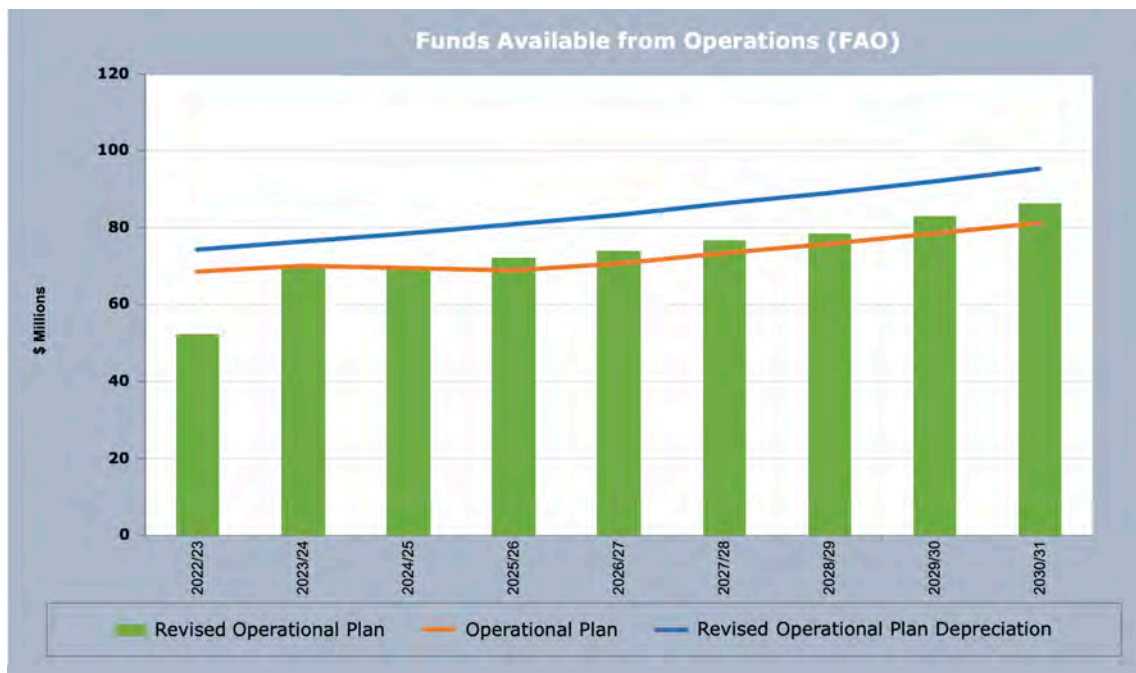
Available Funds

Available Funds are the uncommitted funds of an organisation that assist in meeting the short term cash requirements, provide contingency for unexpected costs or loss of revenue and provide flexibility to take advantage of opportunities that may arise from time to time. Council's **Financial Strategy** has a target to achieve and maintain an Available Funds position between 3.5% and 5.5% of operational revenue [pre capital].

The long term financial projections that support the **Resourcing Strategy 2022-2023** indicate that the target range for Available Funds is between $9.6M and $13.2M (lower range) and between $15.1M and $20.8M (upper range) over the life of the **Long Term Financial Plan**.

Forecasts indicate that Council would be able to remain within the target, however there would be a deterioration in the result and a move to the lower level of the target over the period. Council would normally review future budgets for options to restore the Available Funds towards the midpoint (see Diagram 3 - Forecast Available Funds Balance).

Diagram 3
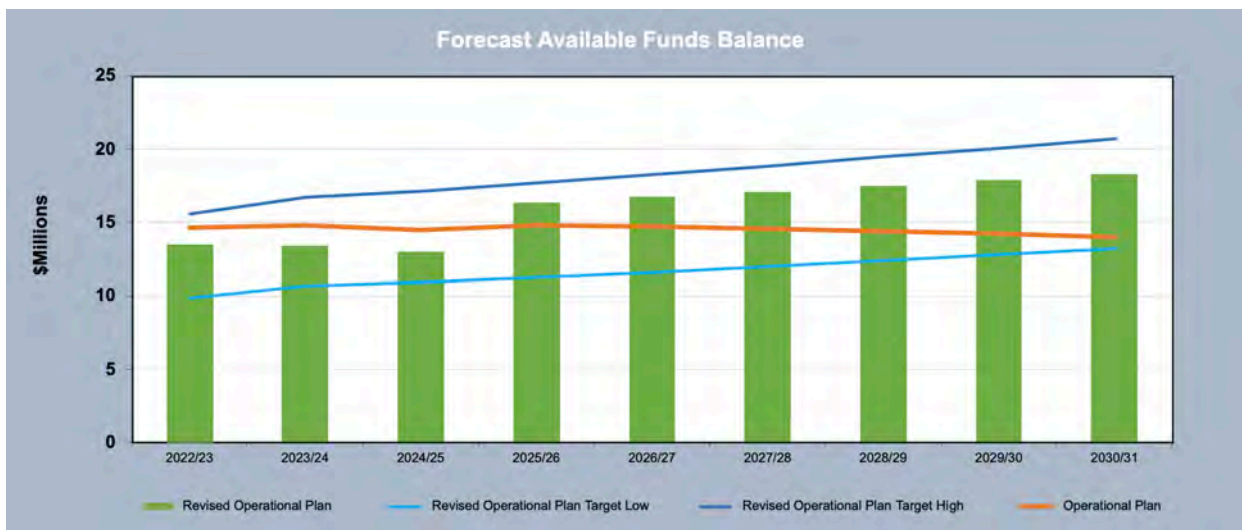
Long Term Financial Plan - Forecasts

The objective of Council's **Long Term Financial Plan (LTFP)** is to provide Council's decision makers and the community with information that outlines the financial balance between aspirations of the **Community Strategic Plan** and **Delivery Program** and Council capacity. It also identifies future financial opportunities or challenges. The forecasts highlight the financial implications of Council's estimated funding available and proposed activities to which the funding will be applied.

Like all forecasts, this **Financial Plan** is based on a range of assumptions that are detailed throughout the document and, more particularly, in the assumptions section of this Plan.

As assumptions and realities change throughout the delivery period, these forecasts will be updated through quarterly and annual reviews to provide up to date information. Council's ten year financial forecasts are reviewed on an ongoing basis so that information is made available continuously. Specific updates and reporting against the forecast are made on a quarterly basis in conjunction with Council's quarterly reviews.

Resourcing Allocations Proposed

The ten year financial forecast includes a continuation of existing, and in some cases of enhanced, service and levels of service as outlined in the **Delivery Program 2022-26**. Estimates for expenses and income in future years have been applied based on existing service levels unless a decision has been made, or a proposal is in place, to vary this level. In setting this plan there are proposals included to provide increased service and assets used in providing services in a number of key service areas over a period of time.

Council's current finances have not allowed for substantial enhancements due to the impacts of the past 2 years and the effect of a rate peg increase well below the anticipated cost of services. There are some costs of service that have increased primarily to external factors and threats that will need to be accommodated in future

budgets. Significantly the existing and growing threat of cyber security and the need for Council to change its technology to a more secure and resilient cloud-based operation will require additional investment. Likewise, Council's physical security systems need to be modernised and managed holistically to achieve desired outcomes. There continues to be some legislative requirements, such as the new requirement for Service Reviews, that have a cost to Council, although this is expected to assist with creating better alignment to community need and capacity in the future. The most substantial service enhancement in this plan is through the construction of a new library and community centres at at both Warrawong and Helensburgh; the increased operations costs for which will be funded from rates growth. Proposals for improvements and enhancements are included in the plan for the following areas:

Service Enhancements				
	2022/2023 Forecast $000'S	2023/2024 Forecast $000'S	2024/2025 Forecast $000'S	2025/2026 Forecast $000'S
Cyber Security and Access Management	286	191	196	201
Additional move to Cloud services	40	46	47	54
CCTV	54	70	80	82
Service Reviews	208	138		
Enhanced Library and Community Services			798	818
Total Service Enhancements	**588**	**445**	**1,121**	**1,154**

During this and prior planning cycles a range of capital and non-recurrent projects have also been included that will be funded from the Strategic Projects internally restricted cash. These funds have been restricted from prior year revenues that have resulted from improved operations or savings against budget. The following table shows the value Strategic Projects internally restricted cash to be applied to projects over the next four years. There is in some cases other funding applied to these projects.

Proposed Projects and Programs

Funded from Strategic Projects Restricted Cash

	2022/2023 Forecast $000'S	2023/2024 Forecast $000'S	2024/2025 Forecast $000'S	2025/2026 Forecast $000'S
Capital Projects				
Beaton Park Tennis Court Relocation and Upgrade	1,100			
The Ridge; House no. 48 to end	1,000			
North Wollongong Beach Seawall Renewal	725	2,461		
Cliff Rd; Stuart Park to Marine Dr	270			
Mt Kembla Mountain Bike Trails (plan and design)	250			
Crown St; Parkside Ave to Marine Drive	130			
Fred Finch Park Netball Court realignment	100			
Mobile Skate Equipment	100			
Botanic Gardens Rainforest Walk - Stage 2	50			
Disabled Viewing Platform on Hill 60	50			
Additional Outdoor Exercise Equipment		313		
Rex Jackson Sports Field Lighting		250		
Design and Implementation of King George V Park Masterplan		20	235	
Traffic Facilities Improvements			300	300
Helensburgh Library + Community Centre			400	2,600
Various Traffic Facilities, Footpaths and Shared Paths	310	160	80	
	4,085	**3,204**	**1,015**	**2,900**

Proposed Projects and Programs

Funded from Strategic Projects Restricted Cash

	2022/2023 Forecast $000'S	2023/2024 Forecast $000'S	2024/2025 Forecast $000'S	2025/2026 Forecast $000'S
Studies and Supporting Documents				
Management of Councils Water Supply and Waterwaste Infrastructure	233			
Stuart Park Masterplan	145			
Access and Movement Strategy Review	125			
Landscape development plan for West Dapto - for riparian corridor	100			
Development of Crown Land Plans of Management	118			
Climate Change Adaptation Plan - Assessment of Heat Impact	80			
West Dapto Review WaterCycle Masterplan	75			
Western Sydney Development Impacts Study	70			
Flood Risk Management Studies Best Practice	65			
Biodiversity Strategy	61			
Towradgi Creek Shared Path Feasibility Investigations	56			
Lake Illawarra Shared Path Masterplan	55	55		
Flood Impact Assessment Automation	50			
Social Infrastructure Planning Framework	50	100		
Synthetic Football Pitch in Planning Area 1 (North) - Site Investigations	50			
Fred Finch Park Lighting Feasibility	40			
Review Planning Controls - Wilga St, Corrimal	40			
Review of Duck Creek Flood Risk Management Study	37			
Feasibility Study Synthetic Football Pitch in Planning Area	35			
Fred Finch Park - Landscape Masterplan	35			
Hill 60 Tunnels Reopening - Detailed Concept Plans	25	125		
Development Control Plan Review	24			
Implement Keiraville Gwynneville Access and Movement Strategy	20	41		
Integrated Transport Strategy	4			
West Dapto Flood Risk Review	9			
Art Gallery 2nd Entrance Design				120
Bald Hill to Stanwell Park Pathway Feasibility				25
Mt Keira Summit Park Interpretation Design Guide				50
Battery Park, Smiths Hill and Flagstaff Hill Forts Heritage Consultant		120		
Botanic Gardens Design Investigation for Asset Improvement			60	146
Pedestrian Bridge Thurston Av - Feasibility Study		30		
Draft Bulli Showground Masterplan - Feasibility Assessment and Community Consultation Phase		103		
Thirroul Village - Character and Heritage Study			75	77
	1,602	**574**	**135**	**418**

Document Set ID: 22153972
Version: 1, Version Date: 29/06/2022

Proposed Projects and Programs				
Funded from Strategic Projects Restricted Cash				
	2022/2023 Forecast $000'S	**2023/2024 Forecast $000'S**	**2024/2025 Forecast $000'S**	**2025/2026 Forecast $000'S**
Other non recurrent projects				
Union Cycliste Internationale (UCI) Event	961			
Climate Change and Sustainability Program	238	157		
Outdoor Dining Fee Waiver	175			
Events Support Specialist	141			
Wollongong Biennial Acquisitive Sculpture Award	140		140	
Events Re-Emergence - Covid	135			
Sandon Point Interpretive Signage and Indigenous Art Work	103			
Wollongong Learning City Project	98	100	68	
Interpretive Historical Signage Grand Pacific Walk	80	40		
Illawarra Performing Arts Centre Additional Support	63	64	65	
Cultural Festival 2022	50			
Major Event Support	49			
Change Management Specialist Support	34			
King George V Masterplan - Vegetation Management	30			
Innovation App Competition	40			
Relocation of "Amy" Monument Thirroul Beach	30			
COVID-19 Outdoor Dining Initiative	30			
Artist in Residence - COVID-19	25			
Arts Mentorship - COVID-19	7			
	2,427	**361**	**273**	**0**
Annual Total	**8,114**	**4,138**	**1,423**	**3,318**
Cumulative total funded from Strategic Projects Restricted Cash				**16,994**

In addition to funds allocated to service and asset enhancements, Council retains funds as Internally Restricted assets that it may apply through future variations to its plan and budget. There is a detailed listing, explanation and forecast movement in Restricted Assets provided in the assumptions section of this plan.

One important restricted asset relating to Council's future decision making during the life of this plan is the Strategic Projects – Uncommitted Restricted Asset which remains available to assist in advancing existing or additional projects, predominately in progress but not sufficiently developed to include in the program.

Council's strategic planning process has identified unfunded issues and/or projects that require consideration of investment to respond to its **Community Strategic Plan** Goals, Strategies, and Actions. These actions are in their early stages of development and will require research and investigation prior to consideration of funding and inclusion in a **Delivery Program**. Not all projects or works considered will necessarily lead to an action as it may be envisaged today. Council will continue to develop these and other issues within its **Community Strategic Plan** and will further consider their introduction over time.

The following provides an overview of issues currently at this stage of development:

- Foreshore Parking Strategy implications
- Community and Recreation facilities at West Dapto
- Potential development of Council owned land in West Dapto
- Grand Pacific Walk future stages
- Implications of Lake Illawarra
- Alternate waste technologies
- Further climate change measures
- Additional alternate street lighting technologies
- Potential ongoing impacts of COVID-19
- Beaton Park Re-development
- Wollongong Entertainment Centre Precinct
- Bellambi Foreshore
- Supporting Document Implementation

Detailed Financials

Ten year detailed financial reports provided are based on the assumptions and indices outlined through this report and support the deliverables outlined in the **Delivery Program** and **Resourcing Strategy**.

These reports include:

•   Income Statement

•   Funding and Capital Budget Statement

•   Statement of Financial Position

•   Cash Flow Statement

Image: Thirroul Beach

Wollongong City Council 10 Year Financials

	2022/2023 Budget $'000	2023/2024 Forecast $'000	2024/2025 Forecast $'000	2025/2026 Forecast $'000	2026/2027 Forecast $'000	2027/2028 Forecast $'000	2028/2029 Forecast $'000	2029/2030 Forecast $'000	2030/2031 Forecast $'000	2031/2032 LTM Budget $'000
Income Statement										
Income From Continuing Operations										
Revenue:										
Rates and Annual Charges	221,315	227,303	234,416	241,874	250,061	258,557	267,439	276,369	285,308	294,542
User Charges and Fees	33,841	34,725	35,170	36,168	37,196	38,249	39,477	40,639	41,728	42,546
Interest and Investment Revenues	2,333	2,428	2,474	2,863	3,532	3,397	3,781	4,200	4,520	4,739
Other Revenues	5,783	5,893	6,003	6,162	6,371	6,576	6,649	6,715	6,810	6,894
Fair Value Adjustment on Investment Properties	194	198	202	207	211	215	220	224	229	234
Rental Income	5,874	6,044	6,230	6,420	6,607	6,802	6,977	7,158	7,345	7,537
Grants and Contributions - Operating	13,818	28,046	27,727	27,933	28,173	28,829	29,541	30,223	30,887	31,601
Capital Grants & Contributions	40,442	40,191	39,717	51,276	45,704	42,189	52,314	46,566	49,114	44,922
Total Income From Continuing Operations	**323,601**	**344,829**	**351,939**	**372,902**	**377,855**	**384,814**	**406,400**	**412,095**	**425,940**	**433,016**
Expenses From Continuing Operations										
Employee Costs	145,502	148,307	151,955	156,269	160,826	165,106	169,443	173,924	178,644	181,557
Borrowing Costs	242	157	182	232	260	306	338	277	303	324
Materials and Contracts	88,796	87,583	92,727	95,320	98,637	101,897	107,080	109,509	113,637	116,337
Other Expenses	19,155	18,824	18,968	22,319	19,964	20,519	21,092	21,841	22,290	22,834
Depreciation, Amortisation + Impairment	75,642	77,670	79,735	82,211	84,634	87,641	90,369	93,378	96,733	100,557
Internal Charges (labour)	(19,578)	(19,983)	(20,521)	(21,078)	(21,593)	(22,126)	(22,651)	(23,216)	(23,487)	(24,258)
Internal Charges (not labour)	(1,795)	(2,563)	(2,522)	(2,593)	(2,667)	(2,744)	(2,851)	(2,936)	(3,285)	(2,773)
Profit/Loss on Disposal of Assets	0	0	(2,260)	0	0	0	0	0	0	0
Total Expenses From Continuing Operations	**307,964**	**309,994**	**318,264**	**332,680**	**340,069**	**350,600**	**362,821**	**372,778**	**384,834**	**394,578**
Operating Result from Continuing Operations	**15,637**	**34,835**	**33,674**	**40,223**	**37,785**	**34,214**	**43,578**	**39,317**	**41,105**	**38,438**
Operating Result [pre capital]	**(24,806)**	**(5,356)**	**(6,042)**	**(11,053)**	**(7,919)**	**(7,975)**	**(8,736)**	**(7,249)**	**(8,009)**	**(6,484)**

Funding Statement

	2022/2023 Budget $'000	2023/2024 Forecast $'000	2024/2025 Forecast $'000	2025/2026 Forecast $'000	2026/2027 Forecast $'000	2027/2028 Forecast $'000	2028/2029 Forecast $'000	2029/2030 Forecast $'000	2030/2031 Forecast $'000	2031/2032 LTM Budget $'000
Surplus (Deficit) [Net Operating Result for the Year]	15,637	34,835	33,674	40,223	37,785	34,214	43,578	39,317	41,105	38,438
Add back :										
- Non-cash Operating Transactions	92,764	95,205	95,575	100,989	104,061	107,715	111,131	114,762	119,172	123,356
- Restricted cash used for operations	15,710	11,546	10,773	14,044	11,032	11,067	11,481	11,221	11,521	10,650
- Income transferred to Restricted Cash	(57,120)	(57,058)	(55,536)	(67,535)	(62,890)	(59,716)	(70,844)	(65,108)	(67,756)	(62,575)
- Payment of Right of Use Leases	(413)	(152)	(132)	(135)	(138)	(141)	(145)	(5)	(5)	(5)
- Payment of Accrued Leave Entitlements	(14,354)	(14,670)	(15,031)	(15,494)	(15,851)	(16,320)	(16,701)	(17,193)	(17,599)	(18,027)
- Payment of Carbon Contributions	0	0	0	0	0	0	0	0	0	0
Net Share Joint Venture using Equity Method	0	0	0	0	0	0	0	0	0	0
Funds Available from Operations	52,224	69,706	69,324	72,091	74,000	76,819	78,501	82,994	86,437	91,838
Borrowings repaid	(3,702)	(2,564)	(656)	0	0	0	0	0	0	0
Advances (made by) / repaid to Council	0	0	0	0	0	0	0	0	0	0
Operational Funds Available for Capital Budget	48,522	67,142	68,669	72,091	74,000	76,819	78,501	82,994	86,437	91,838
Capital Budget										
Assets Acquired	(101,916)	(109,078)	(112,250)	(91,642)	(106,040)	(108,093)	(105,982)	(110,481)	(107,846)	(89,298)
Contributed Assets	(10,056)	(7,876)	(7,014)	(5,871)	(14,585)	(14,129)	(22,467)	(16,561)	(18,921)	(12,994)
Transfers to Restricted Cash	(2,367)	(2,546)	(2,697)	(3,022)	(3,320)	(4,106)	(4,573)	(5,253)	(6,207)	(7,231)
Funded From :-										
- Operational Funds	48,522	67,142	68,669	72,091	74,000	76,819	78,501	82,994	86,437	91,838
- Sale of Assets	1,885	1,728	3,989	1,731	1,748	1,765	1,784	1,803	1,823	1,843
- Internally Restricted Cash	6,310	12,754	19,435	11,930	3,678	3,678	408	428	428	428
- Borrowings	0	0	0	0	0	0	0	0	0	0
- Capital Grants	22,825	15,565	9,475	4,500	1,255	1,255	1,215	1,405	1,255	1,255
- Developer Contributions (previously S.94)	6,834	12,539	11,996	7,050	28,146	28,146	28,146	28,603	23,603	603
- Other Externally Restricted Cash	0	0	0	0	465	465	465	465	465	465
- Other Capital Contributions	11,031	9,651	7,964	6,637	15,022	14,567	22,905	16,999	19,359	13,431
Total Funds Surplus / (Deficit)	(16,931)	(123)	(435)	3,403	369	367	401	401	395	340

Wollongong City Council 10 Year Financials

Statement of Financial Position

	2022/2023 Budget $'000	2023/2024 Forecast $'000	2024/2025 Forecast $'000	2025/2026 Forecast $'000	2026/2027 Forecast $'000	2027/2028 Forecast $'000	2028/2029 Forecast $'000	2029/2030 Forecast $'000	2030/2031 Forecast $'000	2031/2032 LTM Budget $'000
Current Assets										
Cash and cash equivalents	121,529	117,795	116,179	142,566	148,968	153,708	163,125	173,870	189,688	228,818
Investments	13,503	13,088	12,090	15,841	16,552	17,079	18,125	19,319	21,076	25,424
Receivables	25,241	26,897	27,451	29,086	29,473	30,015	31,699	32,143	33,223	33,775
Inventories	463	463	463	463	463	463	463	463	463	463
Contract assets	4,707	4,707	4,707	4,707	4,707	4,707	4,707	4,707	4,707	4,707
Assets held for sale (previously non-current)	0	0	0	0	0	0	0	0	0	0
Other	6,904	7,008	7,148	7,291	7,436	7,585	7,737	7,892	8,049	8,210
Total Current Assets	**172,347**	**169,957**	**168,857**	**199,954**	**207,599**	**213,558**	**225,856**	**238,394**	**257,207**	**301,398**
Non-Current Assets										
Inventories	5,972	5,972	5,972	5,972	5,972	5,972	5,972	5,972	5,972	5,972
Investment property	4,984	5,182	5,384	5,591	5,802	6,017	6,237	6,461	6,690	6,924
Intangible assets	152	152	152	152	152	152	152	152	152	152
Right of use assets	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471
Infrastructure, property, plant and equipment	2,738,835	2,767,240	2,787,021	2,791,963	2,882,947	2,852,514	2,888,810	2,920,672	2,948,883	2,948,774
Total Non-Current Assets	**2,751,413**	**2,780,017**	**2,800,000**	**2,805,148**	**2,836,344**	**2,866,126**	**2,902,642**	**2,934,728**	**2,963,169**	**2,963,294**
Total Assets	**2,923,760**	**2,949,974**	**2,968,857**	**3,005,102**	**3,043,943**	**3,079,683**	**3,128,498**	**3,173,122**	**3,220,376**	**3,264,692**
Current Liabilities										
Payables	27,717	27,899	28,644	29,941	30,606	31,554	32,654	33,550	34,635	35,512
Provisions < 12 Months	14,481	14,699	14,993	15,292	15,598	15,910	16,228	16,553	16,884	17,222
Provisions > 12 Months	46,883	47,586	48,537	49,508	50,498	51,508	52,539	53,589	54,661	55,754
Contract liabilities	8,177	8,177	8,177	8,177	8,177	8,177	8,177	8,177	8,177	8,177
Interest bearing liabilities	2,564	656	0	0	0	0	0	0	0	0
Lease liabilities	152	132	135	138	141	145	5	5	5	5
Total Current Liabilities	**99,974**	**99,148**	**100,486**	**103,057**	**105,022**	**107,295**	**109,603**	**111,874**	**114,362**	**116,670**
Non-Current Liabilities										
Interest bearing liabilities	691	35	35	35	35	35	35	35	35	35
Lease liabilities	702	594	478	357	228	92	93	89	85	80
Provisions	40,402	33,370	17,356	10,930	10,149	9,538	12,466	15,505	19,170	22,744
Total Non-Current Liabilities	**41,794**	**33,999**	**17,870**	**11,322**	**10,413**	**9,666**	**12,594**	**15,629**	**19,290**	**22,860**
Total Liabilities	**141,769**	**133,148**	**118,356**	**114,379**	**115,434**	**116,961**	**122,197**	**127,503**	**133,652**	**139,530**
Net Assets	**2,781,992**	**2,816,827**	**2,850,501**	**2,890,724**	**2,928,509**	**2,962,723**	**3,006,301**	**3,045,618**	**3,086,723**	**3,125,162**
Equity										
Accumulated surplus	(1,429,318)	(1,447,405)	(1,483,650)	(1,490,927)	(1,524,538)	(1,557,679)	(1,581,095)	(1,613,433)	(1,635,418)	(1,633,549)
Surplus (Deficit) for period	(15,637)	(34,835)	(33,674)	(40,223)	(37,785)	(34,214)	(43,578)	(39,317)	(41,105)	(38,438)
Revaluation reserves	(1,216,676)	(1,216,676)	(1,216,676)	(1,216,676)	(1,216,676)	(1,216,676)	(1,216,676)	(1,216,676)	(1,216,676)	(1,216,676)
Restricted assets	(120,360)	(117,910)	(116,500)	(142,897)	(149,509)	(154,153)	(164,951)	(176,191)	(193,524)	(236,498)
Total Equity	**(2,781,992)**	**(2,816,827)**	**(2,850,501)**	**(2,890,724)**	**(2,928,509)**	**(2,962,723)**	**(3,006,301)**	**(3,045,618)**	**(3,086,723)**	**(3,125,162)**

Wollongong City Council 10 Year Financials

Statement of Cash Flows

	2022/2023 Budget $'000	2023/2024 Forecast $'000	2024/2025 Forecast $'000	2025/2026 Forecast $'000	2026/2027 Forecast $'000	2027/2028 Forecast $'000	2028/2029 Forecast $'000	2029/2030 Forecast $'000	2030/2031 Forecast $'000	2031/2032 LTM Budget $'000
Cash Flows from Operating Activities										
Receipts										
Rates and annual charges	221,889	225,648	233,862	240,239	249,674	258,014	265,756	275,925	284,228	293,990
User charges and fees	33,841	34,725	35,170	36,168	37,196	38,249	39,477	40,639	41,728	42,546
Investment and interest revenue received	2,333	2,428	2,474	2,863	3,532	3,397	3,781	4,200	4,520	4,739
Grants and contributions	44,204	60,362	60,429	73,339	59,292	56,888	59,389	60,227	61,079	63,580
Other operating receipts	11,568	11,834	12,092	12,439	12,833	13,230	13,474	13,719	13,997	14,271
Payments										
Employee benefits and on-costs	(123,002)	(125,333)	(128,317)	(131,931)	(135,712)	(139,305)	(142,854)	(146,574)	(150,390)	(152,617)
Materials and contracts	(86,360)	(84,836)	(89,461)	(91,429)	(95,305)	(98,205)	(103,129)	(105,678)	(109,267)	(112,687)
Borrowing costs	(226)	(104)	(27)	(18)	(15)	(11)	(5)	(1)	(1)	(1)
Other	(19,155)	(18,824)	(18,968)	(22,319)	(19,964)	(20,519)	(21,092)	(21,841)	(22,290)	(22,834)
Other operating payments	0	0	0	0	0	0	0	0	0	0
Net Cash Provided By (Or Used In) Operating Activities	**85,094**	**105,898**	**107,254**	**119,349**	**111,531**	**111,736**	**114,797**	**120,616**	**123,604**	**130,937**
Cash Flows From Investing Activities										
Receipts										
Sale of Investment securities	1,903	415	180	(2,932)	(711)	(527)	(1,046)	(1,194)	(1,758)	(4,348)
Sale of infrastructure, property, plant and equipment	1,885	1,728	3,989	1,731	1,748	1,765	1,784	1,803	1,823	1,843
Repayments from deferred debtors	0	0	0	0	0	0	0	0	0	0
Payments										
Purchase of infrastructure, property, plant and equipment	(101,916)	(109,078)	(112,250)	(91,642)	(106,040)	(108,093)	(105,982)	(110,481)	(107,846)	(89,298)
Advances to deferred debtors	0	0	0	0	0	0	0	0	0	0
Purchase of interest in joint ventures										
Net Cash Provided By (Or Used In) Investing Activities	**(98,128)**	**(106,935)**	**(108,082)**	**(92,844)**	**(105,004)**	**(106,854)**	**(105,245)**	**(109,872)**	**(107,781)**	**(91,803)**
Cash Flows From Financing Activities										
Receipts										
Proceeds from borrowings and advances	0	0	0	0	0	0	0	0	0	0
Payments										
Repayments of borrowings and advances	(3,702)	(2,564)	(656)	0	0	0	0	0	0	0
Repayment of lease finance liabilities	(389)	(133)	(132)	(118)	(125)	(141)	(136)	0	(5)	(4)
Net Cash Provided By (Or Used In) Financing Activities	**(4,092)**	**(2,697)**	**(787)**	**(118)**	**(125)**	**(141)**	**(136)**	**0**	**(5)**	**(4)**
Net Increase (Decrease) In Cash & Cash Equivalents Held	**(17,125)**	**(3,734)**	**(1,616)**	**26,387**	**6,402**	**4,740**	**9,417**	**10,745**	**15,818**	**39,130**
Cash & cash equivalents - beginning of period	138,654	121,529	117,795	116,179	142,566	148,968	153,708	163,125	173,870	189,688
Cash & Cash Equivalents at EOY	**121,529**	**117,795**	**116,179**	**142,566**	**148,968**	**153,708**	**163,125**	**173,870**	**189,688**	**228,818**
Plus other investment securities	13,503	13,088	12,909	15,841	16,552	17,079	18,125	19,319	21,076	25,424
Total Cash & Investments	**135,032**	**130,883**	**129,088**	**158,407**	**165,520**	**170,787**	**181,250**	**193,189**	**210,765**	**254,243**
Total Cash & Cash Equivalents Per B/S	**121,529**	**117,795**	**116,179**	**142,566**	**148,968**	**153,708**	**163,125**	**173,870**	**189,688**	**228,818**

	2022/2023 Budget $'000	2023/2024 Forecast $'000	2024/2025 Forecast $'000	2025/2026 Forecast $'000	2026/2027 Forecast $'000	2027/2028 Forecast $'000	2028/2029 Forecast $'000	2029/2030 Forecast $'000	2030/2031 Forecast $'000	2031/2032 Forecast $'000
Operating Result [pre capital]										
Goal 1 - We value and protect our environment										
Development Assessment and Certification	(4,799)	(4,933)	(5,082)	(5,251)	(5,391)	(5,530)	(5,699)	(5,848)	(6,009)	(6,133)
Emergency Management	(5,246)	(5,375)	(5,502)	(5,634)	(5,774)	(5,916)	(6,063)	(6,205)	(6,355)	(6,514)
Environmental Services	(2,806)	(2,562)	(2,473)	(2,380)	(2,441)	(2,503)	(2,566)	(2,631)	(2,700)	(2,765)
Land Use Planning	(3,499)	(3,604)	(3,899)	(4,060)	(4,403)	(5,290)	(6,080)	(6,852)	(7,981)	(9,157)
Natural Area Management	(3,789)	(3,820)	(3,851)	(3,935)	(4,004)	(4,032)	(4,103)	(4,171)	(4,281)	(4,348)
Regulatory Compliance	(1,965)	(2,006)	(2,059)	(2,118)	(2,164)	(2,209)	(2,362)	(2,518)	(2,683)	(2,841)
Stormwater Services	(19,456)	(19,416)	(20,009)	(20,441)	(20,943)	(21,288)	(21,791)	(22,307)	(22,837)	(23,388)
Waste Management	2,547	3,251	2,155	1,679	1,735	1,807	2,300	2,442	2,834	1,786
Goal 2 - We have an innovative and sustainable economy										
City Centre Management	(2,319)	(2,449)	(2,481)	(2,511)	(2,520)	(2,569)	(2,611)	(2,216)	(2,269)	(2,321)
Economic Development	(2,548)	(2,520)	(2,584)	(2,650)	(2,716)	(2,781)	(2,848)	(2,917)	(2,988)	(3,060)
Tourist Parks	1,387	1,415	1,452	1,497	1,545	1,596	1,647	1,701	1,753	1,802
Goal 3 - Wollongong is a creative, vibrant city										
Cultural Services	(7,460)	(7,495)	(7,786)	(7,928)	(8,112)	(8,178)	(8,570)	(8,599)	(8,946)	(8,958)
Engagement, Communications and Events	(4,415)	(2,906)	(2,992)	(3,084)	(3,164)	(3,245)	(3,329)	(3,414)	(3,505)	(3,608)
Goal 4 - We are a connected and engaged community										
Aged and Disability Services	(182)	(15)	(30)	(46)	(66)	(102)	(281)	(313)	(350)	(252)
Community Programs	(1,968)	(1,964)	(2,025)	(4,980)	(2,151)	(2,203)	(2,270)	(2,330)	(2,382)	(2,442)
Corporate Strategy	(1,406)	(1,426)	(1,378)	(1,871)	(1,940)	(1,913)	(1,970)	(2,101)	(2,152)	(2,204)
Integrated Customer Service	(2,960)	(3,037)	(3,122)	(3,213)	(3,296)	(3,379)	(3,465)	(3,553)	(3,646)	(3,733)
Libraries	(11,241)	(11,666)	(12,740)	(12,922)	(13,229)	(13,606)	(13,848)	(14,162)	(14,539)	(14,856)
Property Services	1,174	1,535	1,688	1,733	1,780	1,834	1,883	1,947	1,999	2,057
Youth Services	(1,320)	(1,353)	(1,389)	(1,432)	(1,472)	(1,508)	(1,550)	(1,579)	(1,624)	(1,665)
Goal 5 - We have a healthy community in a liveable city										
Aquatic Services	(14,374)	(14,665)	(15,113)	(15,409)	(15,825)	(16,211)	(16,654)	(17,019)	(17,449)	(17,872)
Botanic Garden and Annexes	(3,677)	(3,778)	(3,935)	(4,180)	(4,094)	(4,197)	(4,313)	(4,414)	(4,529)	(4,640)
Community Facilities	(5,168)	(5,330)	(5,279)	(5,372)	(5,513)	(5,610)	(5,821)	(6,063)	(6,243)	(6,283)
Leisure Centres	(1,155)	(1,193)	(1,222)	(1,260)	(1,295)	(1,324)	(1,361)	(1,382)	(1,414)	(1,443)
Memorial Garden and Cemeteries	(592)	(606)	(628)	(652)	(670)	(688)	(707)	(706)	(727)	(742)
Parks and Sportsfields	(22,363)	(22,268)	(22,469)	(22,978)	(23,537)	(24,107)	(24,552)	(25,018)	(25,561)	(26,848)
Public Health & Safety	(692)	(711)	(731)	(754)	(773)	(791)	(811)	(831)	(854)	(873)
Goal 6 - We have affordable and accessible transport										
Transport Services	(45,775)	(43,800)	(44,681)	(45,927)	(47,000)	(48,245)	(49,369)	(50,720)	(52,244)	(53,020)
Support Services										
Employee Services	(8,507)	(8,656)	(8,860)	(9,090)	(9,302)	(9,513)	(9,724)	(9,963)	(10,221)	(9,083)
Financial Services	179,882	196,265	200,006	205,172	210,524	216,008	222,031	227,964	234,622	241,788
Governance and Administration	(9,912)	(10,049)	(10,787)	(10,486)	(10,650)	(10,816)	(12,028)	(11,158)	(11,342)	(10,965)
Infrastructure Strategy & Support	(8,065)	(7,901)	(5,863)	(7,948)	(8,134)	(8,324)	(8,286)	(8,532)	(9,236)	(9,744)
Information Management and Technology	(12,243)	(12,472)	(12,547)	(12,814)	(13,148)	(13,358)	(13,778)	(13,999)	(14,370)	(14,202)
Internal Charges Service	107	152	171	191	224	217	215	219	221	42
Operating Result [pre capital]	**(24,086)**	**(5,356)**	**(6,042)**	**(11,053)**	**(7,919)**	**(7,975)**	**(8,736)**	**(7,249)**	**(8,009)**	**(6,484)**

Long Term Financial Plan Assumptions, Indices and Measurements

Service Levels

The financial forecast includes revenue and expense estimates for the service levels outlined in the **Delivery Program 2022-2026** with the detail of services provided outlined in the Service Plans. The estimates for expenses and income in future years have been applied based on existing service levels unless a decision has been made, or a plan is in place, to vary this level. Changes to existing services or levels of service progressed through the planning process are incorporated into forward estimates as deployment delivery strategies are confirmed. Council considers the allocation of resources to the improvement or enhancement of services based on community demand or to restraining the cost of Council services to its community. The **Long Term Financial Plan** includes the recurrent enhancement of service delivery in some areas that have been outlined earlier in this document.

Indexation

The financial forecasts supporting the **Long Term Financial Plan** are comprised of both recurrent and non-recurrent income and expenditure. The non-recurrent items have specified values and timing of delivery. Recurrent items may be subject to the application of indices or may be set based on known commitments for expenditure, such as loan repayments or may be adjusted for volume impacts or future pricing changes.

These indices were derived from publications, including long term economic projections published by various banks, and also IPART recommendations for various utilities and rates pegging.

It is considered that 2022-23 may be a difficult year with the potential for more significant movements in costs and other economic conditions. Variation in actual prices and cost to Council compared to these indices will impact financial results. The extent of this impact will depend on the size of the income or expenditure that is subject to the indices, the extent of variation and the degree to which Council is able to actively mitigate the variation. Council will review its indices at least annually and analyse the impacts of these changes. Significant changes will be addressed as they become known.

The following table provides a summary of the indices that support the **Long Term Financial Plan**.

Indices			
	2022/2023 Forecast	**2023/2024 Forecast**	**2024/2025+ Forecast**
Rate Increase	1.50%	2.25%	2.50%
Rate Increase - supplementary rate growth		0.40%	0.40%
Rate Increase - IPART population growth gap	0.30%	0.30%	0.30%
Fees and Charges	2.00%	2.50%	2.70%
Interest Rate (90 day bill rate)	0.80%	1.50%	2.50%
Labour	2.00%	2.25%	2.50%
Superannuation Guarantee	10.50%	11.00%	11.50%
CPI General Increase	2.00%	2.40%	2.40%
Utilities			
- electricity	3.00%	3.40%	3.40%
- street lighting	3.00%	3.40%	3.40%
- other utilities	3.00%	3.40%	3.40%

Rates

For the financial year 2022-2023. Rate revenue projections are indexed by 1.8% in line with the IPART approved rate increase.

Rate increases in NSW have been determined by the State Government since 1977 through an approach known as 'rate pegging'. In 2011, the responsibility for determining the annual rate pegging increase was delegated to IPART. Councils are advised of the permissible increase annually. The rate peg is based on previous year movement in the Local Government Cost Index (LGCI) and consideration of a productivity factor.

Unfortunately, forward projections are not available for the LGCI, and the rate peg is currently lagged to reflect the LGCI of the previous year (to June 2021). In a rapidly inflationary period such as we are currently experiencing, this means that if appropriate adjustment is not made the costs of Council services will not be matched by rate increases, creating a shortage in Council finances. As there are not any publications providing forecast data on the LGCI, the Long Term Financial forecasts beyond 2022-2023 for rates have been based on the expected labour increases.

The rates forecasts include an assumption of increased rate income due to growth of 0.7%. This assumption relates to the existing city base for more minor subdivisions, infill and strata development and excludes West Dapto. This is based on historical trends and future expectations inclusive of a 0.3% population growth estimated to be provided through the IPART Rate Peg.

Additional rate revenue has also been built into the forecasts for expected development at West Dapto. These estimates have been aligned to a modelled staging of the release area. Growth in West Dapto will require significant new services supported by a substantial level of new infrastructure. The cost of services in this area is intended to be funded from the additional rate revenue as properties are developed. Council has decided to 'ring fence' net revenues from West Dapto so it may be used in supporting infrastructure development and providing these services into the future.

Fees and Charges

Fees and Charges have generally been indexed in line with labour costs or CPI where these are of a statutory nature.

Interest on Investments

Council's anticipated cash holdings are drawn from the forecast revenues and expenditures and anticipated internal and external restricted cash balances and will fluctuate over the life of the **Long Term Financial Plan**. Council is required to restrict any interest attributed to developer contributions, domestic waste management and some grants. Investment returns are based on anticipated cash holdings and forecast 90 day bill rates with an additional margin to reflect current investment strategies.

A baseline return on investments has been included in the **Long Term Financial Plan**. Any additional returns above the baseline will be treated as short term capacity within the Strategic Planning process and be allocated on a non-recurrent basis in accordance with the **Financial Strategy**.

Grants and Contributions

Grants and contributions provide a significant source of revenue for Council. These can be of a capital or operational nature and may be provided for general or specific purposes.

Operational Grants

Operational grant income for 2022-23 is estimated at $13.8M and represents approximately 4.9% of operational revenue. The major general purpose or untied grants are the Financial Assistance Grant and the Pensioner Rate Subsidy.

The Financial Assistance Grant is funded by the Federal Government and distributed to councils through the States and although it is comprised of two components, general purpose and roads component, it is an unconditional grant. Distribution criteria include population changes, changes in standard costs, disability measures, local roads and bridges lengths and changes in property values.

The current formula for distribution of the Financial Assistance Grant has been changing and is expected to change again moving forward. The change is based on policy to better advantage Council's in the greatest relative need in NSW. The impact of this change is that Wollongong would not experience the expected real growth in its funding and may experience an actual decrease in funding over time. The Grants Commission is not able to forecast future grants although have advised their direction and its potential negative impact on Wollongong City Council. While a decision has not been made on a change to the allocation methodology that would allow reductions in future grants it is considered prudent to budget for zero increases for at least four years of this plan while the methodology and its impacts are better determined. The Financial Assistance Grant is a substantial portion of Council's revenue, and this variation would have an annual impact of $0.4M in year one and $1.7M per annum by year four. In addition, the Grants Commission has made an early payment of $15.3M of the 2022-23 Financial Assistance Grant in the 2021-22 financial year. The budget for 2022-23 has been updated to reflect this early payment.

The Pensioner Rate Subsidy is provided by the State Government to offset the cost of the mandatory pensioner rebate. It is expected Council will receive $2.1M income for this in 2022-23. In addition, Council expects to receive a number of recurrent operational grants that are tied to specific service deliveries or outcomes.

Operational grant forecasts include annual funding from Federal and State sources for community transport and social support programs.

Council has been delivering these services to the community for over 20 years and, in the last five years; those services have been operating at cost neutral to Council. The Federal Government has commenced a reform of Aged and Disability Services impacting how these services may be delivered in the future and what Council's role may be. The programs for Social Support Services and Community Transport are currently funded until June 2023. The financial projections of the long term forecast assume Social Services will not be provided by Council beyond 30 June 2023. As the delivery model for Community Transport has not been finalised, Council's long term financial projections are premised on continuation of the existing arrangement. It should be noted the current service model recovers all operational costs associated with this service delivery from external funding including accommodation costs, administrative support, use of IT facilities, etc. In the event Council no longer provides this service, there may be a negative impact if the operational costs attributed to this cannot be recovered from other sources or be removed.

Capital Grants and Contributions

The **Long Term Financial Plan** also includes an estimate for unconfirmed capital grants and contributions that are expected to be received in future years. This capital income comes mainly from developer contributions or grants from other tiers of government. Grant income is tied to specific works while developer contributions are related to individual Contribution Plans and are based on historical receipts for city wide and estimated land lot production and release for West Dapto. Any changes in the quantum or timing in the availability of these grants and contributions will have a direct impact on the Infrastructure Delivery Program. Impacts may include changes in timing of projects pending as alternate sources of funding or substitution of Council funding which may result in delays in non-funded projects. Projects heavily reliant on external funding include West Dapto.

Employee Costs

Operational Employee costs represent 49.7% of Council's operating expenses and include the payment of salary and wages, overtime, casual labour, labour on costs such as annual leave, superannuation, workers' compensation, long service leave, associated costs such as training, protective clothing and fringe benefits tax. The **Long Term Financial Plan** projections are based on position complement required to deliver current service levels. Additional labour costs related to specific non-recurrent projects (where identified) are also included. Most staff are employed under a negotiated Enterprise Agreement that is subject to renewal every three years, with the next renewal period being 1 July 2024.

The cost of employees working on capital projects is allocated to specific projects as work is undertaken. These costs are reflected in the Income Statement under the heading of Employee Costs and are offset by an estimate of the annual employee allocation expected to be made to capital works reflected as Internal Charges (labour) in the Income Statement. This includes design, survey, project management and supervision and construction staff.

Labour costs have been indexed by the labour cost index while associated costs have generally been indexed by CPI. The labour cost index reflects expected overall increases in labour costs and is based on several factors including the Local Government (State) Award, the current employee Enterprise Agreement, information from external forecasting bodies and staff movements. Any material deviation from this assumption will have a significant impact on forecasts due to the overall quantum of this expense category.

Superannuation expenditure forecasts are determined by fund membership and expected wage increases. Most Council employees belong either to a defined benefits scheme, which ceased taking new members in 1991 or an accumulation scheme. Defined benefits scheme expenses are tied to employee contributions while the accumulation scheme contributions are calculated at the current Superannuation Guarantee Levy. Employee cost forecasts include the impact of an increase to the Superannuation Guarantee levy which commenced in 2021-22 with a series of annual increases of 0.5% bringing the total levy to 12% by July 2025. Council has been required to make an additional annual contribution to the defined benefits scheme initially for a period of ten years to address funding requirements for remaining participants in the scheme. The final payment of this top up was originally expected to be in 2018-19 based on discussion with the Superannuation Board in 2014-15. The additional payment was subsequently extended until 2022-23. Council's forecasts include an annual budget of $1.0M across all future years. Further extensions or revision of the amount payable may also occur, depending on market conditions and fund performance.

Borrowings

Loan borrowings are based on an indicative ten year Treasury bond rate plus 1.5% margin for benchmarking purposes only. When specific loans are required, they are sourced through a competitive process with financial institutions to ensure best possible rates. Details of specific loans are as follows:

- **Waste Facility Remediation**

Council is required under its accounting standards to recognise the value of its waste facilities inclusive of remediation works required. The anticipated cost of the remediation is added to the value of the waste facility asset and also held as a provision (liability) against the asset. Both sides of this transaction are held at NPV. As the NPV increases over time, the increase in provision is transacted through the Income and Expense Statement as borrowing costs.

- **Local Infrastructure Renewal Scheme**

The Local Infrastructure Renewal Scheme (LIRS) funded by the State Government provided an incentive for Council to accelerate infrastructure renewal through the subsidised loan program. Council has been successful in securing subsidies for loans under the three rounds of the LIRS program and has entered into loans of $20M in 2012-13 for Round 1, $4.3M in 2013-14 for Round 2 and $15M for Round 3 in 2014-15. The LIRS program provides a loan subsidy of 4% for Round 1 and up to 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 at Berkeley Community Centre, Corrimal Library and Community Centre, Thirroul Pavilion and Kiosk and to support the West Dapto Access – Fowlers Road project respectively. Council was advised of eligibility for further subsidy under Round 3 and an additional amount of $5.5M was drawn down during 2016-17 that will also be used to support the West Dapto Access – Fowlers Road project. These loans are planned to be generally repaid over a ten year period.

Utility Cost

Projected increases for utility costs are generally based on IPART publications where applicable, other than for electricity which also includes recognition of specific negotiated contracts in place for street lighting and Council Buildings and Facilities Sites and Small Sites. Street lighting is subject to separate contracts for infrastructure and electricity. These contracts are due to end in December 2022. Expenditure has been indexed at CPI plus 1.0% allowing for some infrastructure charges pending further information as contracts are renewed.

Waste Facility

Waste facility costs are impacted by a range of external factors including increased industry regulation, State Government environmental levies and environmental standards. Waste facilities operations are significantly impacted by requirements to pay an Environmental Levy on waste going to land fill and on any externally sourced cover materials used to manage waste. The levy cost for 2022-23 is anticipated to be $150 per tonne and is expected to increase by CPI each year. Current operational expenditure forecasts and fee structures propose that Council will be able to source an amount of cover materials onsite to reduce the overall cost of this levy.

Domestic Waste Management Services

Under the Local Government Act, Council must not apply income from an ordinary rate towards the cost of providing Domestic Waste Management Services. Income obtained from charges for Domestic Waste Management Services must be calculated and not exceed the reasonable cost to Council in providing those services. The charge calculated for 2022-23 and beyond is based on the full recovery of the service, including appropriate charges for the Domestic Waste tipping fees at Whyte's Gully. The Waste Facility tipping charge includes pricing for future capital costs associated with management of the facility, long term site remediation and environmental levies for landfill. The future charges could also be impacted by the changes to the long term cost of the landfill and recycling activities.

Climate Change

Local Government is considered to be on the frontline facing the impact of climate change on communities. The Federal Government has indicated councils have a role in early planning to identify and prepare for the risk from climate change and help protect the wellbeing of communities, local economies, the built and natural environment and should contribute to a low pollution future. In addition to a planning role, Council also owns or directly manages a range of assets potentially impacted by climate change. Increased emphasis on climate change related activities may require a redirection of funding in the future.

Restricted Assets

The level of available or untied cash is expressed as cash and investment holdings after allowance for restricted assets. Assets, generally cash, may be externally or internally restricted. External restrictions are usually imposed by an external or legislative requirement that funds be spent for a specific purpose. This may include unspent grant funds provided to Council for the delivery of a particular project or service, funds collected as developer contributions or surpluses achieved in the delivery of domestic waste. In some of these instances, Council is also required to restrict investment earnings that are generated by these cash holdings. Internal restrictions are funds Council has determined will be used for a specific future purpose such as the future replacement of waste facilities. Internal restrictions are reviewed periodically, and any additions or changes require Council resolution.

Strategic Projects restricted cash has been classed into cash that has been currently allocated to specific projects within the budget and **Long Term Financial Plan** or notionally committed to future projects and Uncommitted Cash. The projected balance of $16.0M in allocated cash includes notional commitments for projects that have not been sufficiently progressed to determine specific timing of delivery. Unallocated Strategic Projects restricted cash, based on current financial projections is available for future projects.

It should also be noted that current projections indicate that internally restricted cash for the replacement of Waste Facilities is indicating that this will be 'overdrawn' by approximately $16M during the life of the current **Financial Plan**. This is due to the timing of construction of replacement facilities compared to how this cash is collected and set aside. The calculation of the waste facility gate fees includes a component for replacement and renewal of these facilities that is annualised over the projected life of the facility and is held as restricted cash as collected. Construction does not occur in a linear manner. Internal borrowings will be facilitated with internal interest allocated against the restricted asset during periods of debt to offset the lost income to general operations.

All values in $'000.

Purpose of Restricted Asset	Opening Balance 1/07/22	2022/2023 Budget — In	Out	Balance 30/06/23	2023/2024 Forecast — In	Out	Balance 30/06/24	2024/2025 Forecast — In	Out	Balance 30/06/25	2025/2026 Forecast — In	Out	Balance 30/06/26	Opening Balance 1/07/26	2026/2027 Forecast — In	Out	Balance 30/06/27
Internally Restricted Assets																	
Strategic Projects	25,943		8,414	17,529		4,138	13,391		1,423	11,968		3,318	8,650	8,650		148	8,502
Strategic Projects (unallocated)	5,089			5,089			5,089			5,089			5,089	5,089			5,089
Property Investment Fund	9,275	76	220	9,132	80	123	9,089	75	127	9,038	91	130	8,998	8,998	201	134	9,065
MacCabe Park Development	1,740	150		1,890	150		2,040	150		2,190	150		2,340	2,340	150		2,490
City Parking Strategy	1,035	741	599	1,177	718	508	1,387	696	489	1,594	674	542	1,726	1,726	650	449	1,927
Sports Priority Program	666	317	574	409	322	400	331	327	400	258	332	400	190	190	336	400	126
Natural Areas Fund	173			173			173			173			173	173			173
West Dapto Rates (additional)	8,046	2,845	901	9,990	3,320	715	12,595	3,739	732	15,603	4,377	749	19,231	19,231	5,062	766	23,527
Lake Illawarra Estuary Management Fund	459	165	159	465	165	167	463	165	167	462	165	167	460	460	165	167	458
Darcy Wentworth Park	171			171			171			171			171	171			171
Waste Disposal Facilities ***	5,852	4,216	1,586	8,483	4,432	9,211	3,704	3,157	18,082	(11,221)	3,311	8,693	(16,604)	(16,604)	3,469	3,314	(16,449)
Total Internal Restricted Assets	58,450	8,510	12,453	54,507	9,188	15,262	48,433	8,310	21,419	35,324	9,099	14,000	30,424	30,424	10,033	5,378	35,079
Externally Restricted Assets																	
Developer Contributions (formerly S94)	33,348	19,459	7,263	45,544	20,550	12,978	53,116	26,393	12,447	67,061	25,837	7,514	85,384	85,384	28,934	28,662	85,695
Planning Agreements	2,655			2,655			2,655			2,655	17,342		19,997	19,997			19,997
Grants	10,661	17,044	28,780	(1,076)	17,504	21,967	(5,539)	11,645	14,770	(8,663)	7,698	9,696	(10,662)	(10,662)	7,803	6,378	(9,237)
Loan Repayment	965	(17)		948	(19)		930	(19)		910	(21)		889	889	(23)		867
Domestic Waste Management	6,770	85	203	6,652	77	74	6,655	357	189	7,012	62	189	6,885	6,885	9	193	6,701
Contributed Assets		10,056	10,056		7,876	7,876		7,014	7,014		5,871	5,871		14,585	14,585	14,585	
External Service Charges to Restricted Assets	33	66		100	66		166	70		236	72		308	308	74		382
Other Contributions	4,177	650	356	4,471	647	341	4,777	677	347	5,106	681	348	5,439	5,439	685	346	5,778
Special Rates Levies - City Centre + Mall	301	1,673	1,742	232	1,715	1,789	158	1,761	1,837	82	1,809	1,880	11	11	1,858	1,930	(62)
Housing Affordability Program	9,575	63	80	9,558	85		9,643	95		9,738	160	2,894	7,004	7,004	288		7,292
Local Infrastructure Renewal Scheme	278	10		289	12		300	12		312	13		325	325	14		339
Stormwater Management	1,961	1,888	1,778	2,070	1,903	1,767	2,205	1,918	1,808	2,316	1,934	1,768	2,482	2,482	1,951	2,166	2,267
Total External Restricted Assets	70,724	50,977	50,258	71,443	50,417	46,792	75,067	49,923	38,224	86,766	61,458	30,161	118,063	118,063	56,177	54,220	120,020
Grand Total	129,174	59,487	62,710	125,950	59,604	62,054	123,500	58,233	59,643	122,090	70,558	44,160	148,487	148,487	66,210	59,598	155,099

*** The Waste Disposal Facilities Restricted Asset is held for the development and renewal of assets within Council's waste facilities and for the rehabilitation of the sites at the end of their lives. Council's Waste Strategy and Master Plan for facilities is currently being reviewed and will potentially change the life and capital requirements of the facilities. While this review is being progressed the forward capital works program only includes specific works that are not impacted by a revised strategy. Adjustments to the works program will be made where necessary following completion of the review program. Cash collections have been estimated in accordance with the current program.

10 Year Restricted Assets Summary

Purpose of Restricted Asset	2027/2028 Forecast $'000 Transfer In	Out	Balance 30/06/28	2028/2029 Forecast $'000 Transfer In	Out	Balance 30/06/29	2029/2030 Forecast $'000 Transfer In	Out	Balance 30/06/30	2030/2031 Forecast $'000 Transfer In	Out	Balance 30/06/31	2031/2032 Forecast $'000 Transfer In	Out	Balance 30/06/32
Internally Restricted Assets															
Strategic Projects		8	8,494		148	8,346		8	8,338		148	8,191		8	8,183
Strategic Projects (unallocated)			5,089			5,089			5,089			5,089			5,089
Property Investment Fund	188	137	9,116	358	141	9,334	365	144	9,555	372	148	9,779	379	151	10,006
MacCabe Park Development	150		2,640	150		2,790	150		2,940	150		3,090	150		3,240
City Parking Strategy	626	524	2,030	614	420	2,223	601	97	2,728	595	20	3,303	588	99	3,792
Sports Priority Program	398	400	124	400	400	124	400	400	124	482	400	206	494	400	300
Natural Areas Fund			173			173			173			173			173
West Dapto Rates (additional)	5,812	783	28,555	6,331	801	34,805	7,121	819	40,388	7,845	837	47,396	8,629	312	55,713
Lake Illawarra Estuary Management Fund	165	167	457	165	167	455	165	167	453	165	167	452	165	146	471
Darcy Wentworth Park			171			171			171			171			171
Waste Disposal Facilities ***	3,166	3,315	(16,598)	2,775	66	(13,888)	2,399	67	(11,556)	2,403	68	(9,220)	2,407	61	(6,874)
Total Internal Restricted Assets	**10,506**	**5,334**	**40,251**	**10,793**	**2,142**	**48,903**	**11,202**	**1,701**	**58,404**	**12,012**	**1,787**	**68,628**	**12,813**	**1,177**	**80,264**
Externally Restricted Assets															
Developer Contributions	26,191	28,634	83,252	28,538	28,618	83,172	28,819	29,087	82,904	29,030	24,100	87,834	30,145	891	117,088
Planning Agreements			19,997			19,997			19,997			19,997			19,997
Grants	7,934	6,512	(7,815)	8,033	6,724	(6,507)	8,141	7,039	(5,404)	8,256	7,032	(4,180)	8,523	6,953	(2,610)
Loan Repayment	121		988	226		1,213	226		1,439	226		1,665	226		1,890
Domestic Waste Management	(45)	197	6,459	(55)	201	6,204	(25)	205	5,974	(37)	209	5,729		213	5,516
Contributed Assets	14,129	14,129		22,467	22,467		16,561	16,561		18,921	18,921		12,994	12,994	
External Service Charges to Restricted Assets	76		458	78		536	80		615	82		698	84		782
Other Contributions	690	340	6,128	751	374	6,505	781	380	6,906	771	389	7,287	776	381	7,683
Special Rates Levies - City Centre + Mall	1,908	1,965	(119)	1,959	2,027	(187)	2,012	2,079	(253)	2,066	2,122	(309)	2,084	2,150	(374)
Housing Affordability Program	279		7,571	521		8,092	441		8,533	494		9,027			9,027
Local Infrastructure Renewal Scheme	65		404	121		525	121		647	121		768	121		889
Stormwater Management	1,968	2,066	2,169	1,985	2,067	2,086	2,002	2,069	2,019	2,020	2,071	1,969	2,040	2,073	1,936
Total External Restricted Assets	**53,316**	**53,843**	**119,492**	**64,624**	**62,478**	**121,638**	**59,159**	**57,419**	**123,378**	**61,951**	**54,843**	**130,486**	**56,993**	**25,655**	**161,824**
Grand Total	**63,821**	**59,177**	**159,743**	**75,417**	**64,619**	**170,541**	**70,361**	**59,121**	**181,781**	**73,963**	**56,630**	**199,114**	**69,806**	**26,832**	**242,088**

*** The Waste Disposal Facilities Restricted Asset is held for the development and renewal of assets within Council's waste facilities and for the rehabilitation of the sites at the end of their lives. Council's Waste Strategy and Master Plan for facilities is currently being reviewed and will potentially change the life and capital requirements of the facilities. While this review is being progressed the forward capital works program only includes specific works that are not impacted by a revised strategy. Adjustments to the works program will be made where necessary following completion of the review program. Cash collections have been estimated in accordance with the current program.

Image: Bellambi Lagoon

Image: West Dapto

West Dapto Development

The development at West Dapto in Wollongong's south-east will be the largest stand-alone growth for this city. The development commenced in 2011-12 and is expected to add in the vicinity of 19, 500 new dwellings and increase the local government area population by 56,500 people over a 40 to 60 year period. The development has extensive infrastructure requirements and poses some challenges due to geographic and environmental factors, as well as uncertain development patterns and timing due to disaggregated land ownership.

Council has invested significant resources in planning for the construction of infrastructure and analysing potential financial impacts. The **Long Term Financial Plan** is based on the most recent plans and data, however, these projections may need to be modified over time as the underlying assumptions that support these change.

Revenue

The main income streams from this development will be from developer contributions and rates.

Developer contributions are based on pricing contained in the West Dapto Section 7.11 Developer Contributions Plan that was adopted in 2020 and expected lot release timing. The developer contributions shown in the Long Term Financial Model are based on this plan and are reflected in the Capital Grants and Contributions part of the Income Statement. These contributions will be held as restricted cash and are planned to be used to support the capital program and loan repayments.

Rates income estimates are aligned to estimated staging of the release area. It is expected the rate revenue increase will precede operational demand and assets built will require little renewal or maintenance in the initial years of the **Long Term Financial Plan**, creating an improved cash position through increased Funds Available from Operations. Experience in developing councils has shown the long-term negative impacts that the delayed expense pattern has if additional rate revenue is built into other non-related recurrent operations. Under the Financial Strategy, this income will be restricted and only allocated to operational expenditure as the area develops. The annual revenue in the early stages of development will be made available to meet infrastructure or planning requirements in the area, or be applied to meet existing infrastructure renewal requirements and repayments of loans for the West Dapto Access Strategy.

Capital Programs

Some aspects of the West Dapto Release Area have been progressed to a stage where they have been introduced into Council's forward capital program as specific projects. These include the West Dapto Road – Rainbird Drive to Shone Avenue ($24.5M), Bong Bong Road – Station Street Traffic Lights ($2.0M) Marshall Mount Road and Connecting Roads Upgrade ($1.7M), Northcliffe Drive Extension (Stage 1) – Sheaffes Road to West Dapto Road ($1.3M) and a number of other relatively smaller projects. These works are to be funded from Section 7.11 Developer Contributions, loans under LIRS (3) ($20.5M) and grant funds.

In addition to these specific projects, forward projections also include capital budgets at an aggregated level that will become specific projects as the scope and design for these are further developed. The **Long Term Financial Plan** includes an assumption these projects, where possible, will be funded from accumulated developer contribution funds, net restricted additional rate revenue cash holdings and any remaining loan balances in the first instance.

Contributed Assets

Financial projections for the West Dapto release area recognise a level of infrastructure requirements will be provided by developers. This includes works "in kind" where the developer will complete elements of infrastructure contained in the **West Dapto Developer Contribution Plan** in lieu of contributions, as well as contributed assets normally associated with new subdivisions. The value of these assets is reflected in the financial projections as capital income and contributed assets based on expected timing of receipt of these. Future depreciation, operating and maintenance cost for these have been included in forecast operational expenses.

Operational Expenses

The **Long Term Financial Plan** includes depreciation, operating and maintenance costs associated with services that will be required by the new population in that area such as community, library and open space facilities. These estimates are based on planned asset construction and cost of providing these services to our existing population. As the development progresses, revenue from the area will be used to fund the maintenance and operation of new assets and services as part of Council's overall budget. Operational costs also include additional staff costs for the introduction of a dedicated West Dapto development team and expected cost for the delivery of services as the population grows.Service delivery costs are currently held centrally and will be distributed to relevant service delivery areas when timing and requirements can be better defined.

Loans

Council borrowed $20.5M under Round 3 of the Local Infrastructure Renewal Scheme (LIRS) that has been used to support the West Dapto Access – Fowlers Road project. The final payment for these loans is due in 2024-2025. It is intended that for the most part, the loan repayment will be funded by future Section 7.11 Developer Contributions and rates revenue from West Dapto. Funding has been applied to debt repayments over the first 10 years. Council also had an earlier $26.1M interest free loan from the Department of Planning that was used to accelerate construction of the **West Dapto Access Strategy**. Repayment of this loan was completed in 2019-2020.

Developer Contribution Income (excluding West Dapto)

Developer Contribution income projections are based on the adopted plan and anticipated timing of receipts. Economic conditions may have a significant impact on projected income. There are a range of projects included in the **Delivery Program** dependent on funding from this source. The timing and capacity to deliver these will need to be monitored in the context of ability to achieve income projections.

Asset Management – Valuation and Asset Lives

Council's Statement of Financial Position shows the extent of assets managed by Council for the community. The written down value (WDV) for Property, Plant and Equipment of $2.7B represents the value of the assets after they have been depreciated since purchase or construction. These assets have a current replacement cost (CRC) at 1 July 2021 in of $4.6B. These assets represent the community wealth created over time. Council's stewardship role requires that those assets required for future service delivery be maintained for future generations at best value to the community.

The consumption of these assets is represented by depreciation, which is based on expected asset lives, condition assessments and valuations. While the maturity of this information is improving, many of the assumptions are unproven due to the nature of this exercise. For example, it is difficult to estimate asset lives in relatively new cities such as Wollongong where there may not be historical data available or comparability with other cities due to differing environmental factors and construction approaches.

Asset revaluations have been carried out for Transport and Stormwater assets as at 31 March 2022 that have led to a substantial increase in depreciation. The revaluations were based on evidence based information available at the time. While these valuations and the resultant depreciation has been accounted for in Council's estimates it is considered that further assessment of optimisation strategies and improved data maturity may have a positive impact on the future renewal requirements and future accounting estimates for depreciation.

In addition, changing technologies may impact on renewal and maintenance costs.

Property Sales and Investment

While Council is actively pursuing the sale of some properties, a decision has been made not to forecast sale dates or values due to uncertainty in delivery. As property sales become more certain they will be introduced into the budget along with consideration of application of these funds for advancing existing projects or investing in new assets at that time.

Information Technology

Council is progressively moving to cloud based solutions across the core of its systems and hence moving from capital based investment with depreciation to an operational cost model. Replacement of remaining IT hardware is provided for in the capital budget. In addition to this, the operating budget has an annual allocation for operating initiatives to support the review of existing services and delivery of future services as Councils' requirements change.

Helensburgh Library and Warrawong Library and Community Centres

Financial forecasts include a preliminary estimate for the potential impact on operational costs associated with proposed new library and community facilities at Warrawong and Helensburgh. As these projects progress, the level of additional costs may need to be reviewed.

Sensitivity Analysis

The breadth of external influences on Council's operations means the relationship between long term estimates for income and expenses and eventualities may vary markedly. Long term financial plans are not designed to predict the actual costs of the future with accuracy but need to be capable of providing a base upon which decisions can be made and changing environments can be assessed.

Council's **Long Term Financial Plan** is based on a vast number of assumptions, indices and parameters, which remain under constant watch to improve knowledge of future impacts. While indices are important in understanding future costs, it is the relationship between the changes in cost and the changes in revenues that impact KPIs the most. For example, if CPI increases by a percentage higher than anticipated and IPART take this into account in the rate rise, the impact on the bottom line may be low. From a sensitivity perspective it is more important to analyse which indicators may move apart and impact the bottom line.

Sensitivity Analysis 1

From Wollongong City Council's perspective, the greatest risk is related to the relationship between the largest cost item (Employee Costs) and the largest revenue item (Rates).

The net impact of these indices on the bottom line for the first four years is shown below:

Net Cost of Indexation - Employee Costs VS Rates (Proposed Budget)				
	2022/2023 Forecast $000'S	2023/2024 Forecast $000'S	2024/2025 Forecast $000'S	2025/2026 Forecast $000'S
Total Employee Costs	145,502	148,307	151,955	156,269
Total Rates Revenue	(183,677)	(189,498)	(196,014)	(202,860)
Net Revenue	(38,176)	(41,191)	(44,059)	(46,591)

This relationship has created an increase in the net revenue result each year. The risk to Council is that employee cost increases exceed the rates increase by a margin greater than the forecast going forward. Employee costs are a reflection of employee wages and establishment numbers and, as such, adjustments are able to be made to numbers if the individual rates exceed expectation but this is difficult to achieve without impacting services.

As an indication of risk associated with variation in indexation, for example, should employee costs increase by 2.75% instead of the assumed 2.25% (increase of 0.5%) the net revenue variation would be adversely affected as shown below:

Net Cost of Indexation - Employee Costs VS Rates (0.5% per annum additional increase to labour indices)				
	2022/2023 Forecast $000'S	2023/2024 Forecast $000'S	2024/2025 Forecast $000'S	2025/2026 Forecast $000'S
Total Employee Costs	146,229	149,794	154,246	159,418
Total Rates Revenue	(183,677)	(189,498)	(196,014)	(202,860)
Net Revenue	(37,448)	(39,704)	(41,768)	(43,442)
Variance - deterioration	728	1,487	2,291	3,149

The analysis shown in the table indicates Council's sensitivity to small changes in the indexation of wages. The 0.5% variation in one year that is not offset by similar indexation in revenue (rates) will reduce the bottom line by approximately $0.7M. This information can be extrapolated to show that if just 0.5% variation was incurred over the four year period the cumulative impact would be a deterioration of approximately $3.0M.

Sensitivity Analysis 2

Council's underlying long term financial challenge is heavily linked to the need to renew its extensive level of infrastructure assets used in providing services to the community. The financial results reflect the consumption of assets through depreciation as an expense in each year. The depreciation expense is an annualised cost calculated by dividing the replacement cost of the asset by the number of years it is expected to be used before replacement (useful life).

Council is required to ensure that the value of its assets reflect their fair value at each reporting period, with the revaluation of asset classes occurring at least every five years. Revaluations has been carried out in 2021-22 with significantly higher valuation then previously recorded. The life of individual assets is estimated and based on renewal approaches described in the Asset Management Plans. Council will be reviewing these plans to identify optimised approaches to renewal, and then matching categorisation and componentisation of assets in line with these approaches to allow more advanced estimates to be established. Movements in these asset and accounting estimates can substantially impact the financial results.

To illustrate this sensitivity, a broad variation to the assumptions will be analysed. For this sensitivity analysis, it is assumed that depreciation will reduce by 15%. The decrease in depreciation would result from new asset values and componentisation, leading to differing asset lives.

Depreciation (15% decrease in depreciation)				
	2022/2023 Forecast $000'S	2023/2024 Forecast $000'S	2024/2025 Forecast $000'S	2025/2026 Forecast $000'S
Existing Depreciation	75,642	77,670	79,735	82,211
Decrease in values by 15%	64,296	66,020	67,775	69,879
Variance - improvement	(11,346)	(11,651)	(11,960)	(12,332)

The outcome of this analysis shows that small change to asset values and lives resulting in lower depreciation is significant. While Council has expended substantial effort in improving asset information and assessment over time, continued improvement in this area is planned over the coming period.

Other Risks and Limitations

Overall, the financial forecasts have been designed to represent a reasonably tight set of numbers which will require restraint and constraint through strong management and flexibility to ensure targets are reached.

The current financial information has a number of recognised limitations requiring adjustment over a period of time:

COVID-19

There is still uncertainty about the ongoing or future impacts of COVID-19. The financial forecasts in the **Long Term Financial Plan** are based on the assumption that generally Council will return to full service provision in the new financial year, there will not be significant changes in the operation and delivery of services and Council will have the planned capacity to work towards reinstating the pre COVID-19 financial position. These assumptions will be extremely sensitive to actual restrictions and community responses, the duration and nature of the recovery phase and any longer term changes that may be required in the way services are delivered. These developments will need to be monitored and potential impacts on Council's business reassessed.

West Dapto Development

This is the most significant standalone development that has occurred in the Wollongong Local Government area. Forecast in the **Long Term Financial Plan** is based on modelling for the development of the area that has been undertaken by a dedicated project group. As with any forecasts there are risks that the assumptions used will not necessarily reflect the actual progress. Numerous external factors have potential to impact these forecasts including changes in economic conditions, decisions by developers on timing of their projects, ability to deliver planned infrastructure for expected price and timeframe in an area that has some geographic and environmental constraints. There will continue to be ongoing review of assumptions and analysis with modifications to financial forecasts as there is greater certainty in relation to service and assets planned for the area.

Lake Illawarra

The **Coastal Management Plan (CMP)** for Lake Illawarra was gazetted in late 2020. The **CMP** sets out actions to be undertaken over the next 10 years to protect and enhance the health of the lake. The total cost to undertake all actions is approximately $35.3M. The **CMP** nominates an indicative funding arrangement shared between Wollongong City Council, Shellharbour City Council and various State Government agencies. The development of future Delivery Plans will need to consider allocations towards unfunded actions in the **CMP**.

Contributed Assets

While the **Long Term Financial Plan** includes the recognition of and potential impact on future operational costs of contributed assets for the West Dapto Release area, Council's estimates do not currently provide fully for potential assets that may be contributed or donated to Council over time more broadly across the city.

Rehabilitation Greenhouse Park

Greenhouse Park is a former landfill site that is adjacent to an ecologically sensitive area. The site was rehabilitated and transformed into an Eco Park over a long period of time. The site is subject to ongoing reviews for compliance with current environmental standards that may result in further rehabilitation works in the future.

Asset Management Strategy 2022-2032

Adopted 27 June 2022

Contents

Foreword

This Asset Management Strategy is prepared to assist Council in improving the way it manages assets to support the delivery of services to the community. These assets have a replacement cost of over $5.5 billion and include roads, bridges, footpaths, stormwater drainage, buildings, parks and recreation facilities, plant and equipment and a range of other assets.

The Asset Management Strategy provides an overview of:

• Council's Strategic Asset Management Planning Framework and its relationship with the Community Strategic Plan, Resourcing Strategy, Asset Management Policy and other planning documents;

• How assets support the delivery of services to the community;

• Asset condition, performance and lifecycle (whole of life) analysis;

• Current and desired future states for asset management key elements;

• Areas for improvement in the application of asset management planning as part of a continuous improvement approach.

Three key focus Areas have been identified along with goals and objectives linked to Council's overall vision, Strategic Asset Management Planning Framework and Asset Management Policy.

Council will provide and manage its physical assets in a way that ensures they can support the safe, effective, and efficient delivery of services to our community now and into the future.

Informed Decision Making

Transparent and informed asset management decisions that are based on good quality and reliable asset information.

Robust Systems and Processes

Well-developed asset management systems, and documented processes, that facilitate transparent and consistent decision making where roles and responsibilities are clearly defined and understood.

Strong Leadership

Culture, structure, staff and resources that supports and enable best practice, integrated asset management planning with a continuous improvement focus.

Introduction

This Asset Management Strategy forms part of the Integrated Planning and Reporting Framework to enable Council to integrate strategies and plans and deliver on our promise to the community.

Assets enable the delivery of a range of important services to the community. A key issue facing local governments throughout Australia is the management of ageing assets in need of replacement.

Infrastructure assets such as roads, stormwater drains, bridges and public buildings present unique challenges because:

- their performance and longevity can be difficult to determine

- planning needs to consider the substantial peaks and troughs in expenditure to replace or upgrade these assets.

The construction and/or acquisition of new assets to support new or enhanced services presents challenges in funding the ongoing operating and maintenance costs necessary over the full lifecycle of the asset.

Council's Asset Management Policy, Strategy and Plans integrate to outline Council's approach to asset management for the safe, effective, and efficient management of assets, to support sustainable delivery of services now and into the future.

A Strategic Asset Management Planning Framework has been developed as part of this strategy to guide asset management across all parts of Council and create a clear picture of interrelationships and importance of services planning for defining asset requirements to support service delivery.

This Asset Management Strategy, and plans developed under this strategy, cover a 20-year planning horizon which allows for the resourcing requirements associated with high-value long-life assets to be appropriately considered.

1.1
Key Elements of Asset Management

Under the Institute of Public Works Engineering Australasia (IPWEA National Assessment Framework (NAF), asset planning and management has seven key elements that assist in highlighting the key management practices. These practices promote prudent, transparent, and accountable management of local government assets and introduce a strategic approach to meet current and emerging challenges. These elements are identified in Table 1.1 and the current state and future directions associated with each of these elements are covered in Section 5 of this strategy.

Above: Various stages of Cringila Playground

Table 1.1: Asset Management Key Elements

Key Element	Description
Key Element 1: Asset Management Policy	A high-level document that describes how Council intends to approach asset management within the organisation.
Key Element 2: Strategy and Planning	**Asset Management Strategy -** A strategy for the implementation and documentation of asset management practices, plans, processes, and procedures within an organisation aligned with the Asset Management Policy. **Asset Management Plans -** Developed for the management of one or more infrastructure asset classes with a view to operating, maintaining, and renewing the class in the most cost-effective manner to support service delivery.
Key Element 3: Governance and Management Arrangements	Applying good governance and management arrangements which link asset management to service delivery and include assigning roles and responsibilities.
Key Element 4: Defining levels of service	Establishing mechanisms, including service planning and community consultation, to identify and define the levels of service expected and the associated asset requirements.
Key Element 5: Data and Systems	The range of information used to plan and manage assets. It generally includes construction date, replacement cost, useful life, condition, location, material types, hierarchy, etc. Asset management systems are where the data is processed and stored.
Key Element 6: Skills and Processes	The level of skill and knowledge within the organisation with regards to asset management, along with a continuous improvement program.
Key Element 7: Monitoring Evaluation.	How Council internally evaluates and monitors its performance in asset management. Various tools are available to assess asset management maturity, processes and performance through the Institute of Public Works Engineering Australasia (IPWEA) National Asset Management Strategy (NAMS). PLUS modules. The IPWEA NAMS Framework is aligned with the International Standards Organisation (ISO) 55000 series of asset management standards and has been adopted by many local governments across Australia.

2. Our Assets

2.1 Assets and Services Supported

Council's assets support the delivery of a range of services to the community. Council's Asset Classes and the primary services they support are shown in Table 2.1(a). Further details on the services provided by Council are covered in the Delivery Program and Operational Plan.

Table 2.1(a): Assets Classes and Associated Services

Asset Class	Description/Quantities	Associated Services
Transport	1045km roads, over 140 bridges, 500km footpaths and 120km cycle ways, over 400 bus shelters and 300 car parks	Transport Services - Road Safety, Traffic and Transport Planning - Roads and Bridges - Footpaths, Cycle ways and Transport Nodes - Car Parks and Boat Ramps Traffic Facilities including Street Lighting
Stormwater	64 dam walls, 127 stormwater detention basins, 41 water quality control ponds, over 835km of pipes, 30445 stormwater pits, 100 trash racks	Stormwater Services - Floodplain Management - Stormwater Management - Natural Area Management (Water Quality)
Buildings	Over 790 buildings and 249 shelters/shade structures	Council's building assets support a diverse range of services: e.g. Library Services, Tourist Parks Buildings, Sportsfields, Wollongong Art Gallery, Botanic Gardens, Surf Clubs and other shelters
Recreation and Open Spaces *Excludes buildings and other shelters	9 rock pools, 9 ocean/chlorinated pools, over 160 playgrounds and outdoor exercise units, 5 skateparks, sports field lighting, minor infrastructure (seats, picnic tables, showers, etc)	- Leisure Centres - Community Pools and Rock Pools - Parks, Playgrounds and Sports field
Other Assets	Includes a range of plant and equipment, waste, fleet, information technology and other assets.	These assets support a broad range of administrative and community focussed services.

Table 2.1(b): Assets Classes and Sub-Groups

Asset Class	Asset Sub-Groups	Asset Types
Transport	Roads and Road Related Assets	Road surfaces and pavements, kerb and gutter, road signage, traffic facilities eg., roundabouts, raised crossings, etc) and guardrails.
	Footpaths and Cycleways	Footpaths and cycle ways.
	Bridges Boardwalks and Jetties	Road bridges, pedestrian bridges, boardwalks, jetties, major culverts.
	Car Parks	Car park surfaces and pavements, kerb and gutter, etc.
	Other Transport Assets	Retaining walls, bus shelters, street furniture, boat ramps.
Stormwater	Stormwater Drainage	Stormwater pits and pipes, end structures, energy dissipaters, scour protection, etc.
	Floodplain Management	Dams and basins.
	Water Quality	Trash racks, gross pollutant traps, and other water quality treatment devices.
Buildings	Community and Cultural Services	Community facilities, cultural life and museums.
	Open Spaces and Recreation Services	Botanic Garden and annexes, open spaces, sportsgrounds facilities.
	Commercial Operations	Commercial facilities, council leisure facilities, memorial gardens and cemeteries, tourist parks.
	Aquatic Services	Lifeguard towers and storage, pools and rock pools amenities, surf clubs.
	Emergency Management	Emergency management - Mt Keira, Rural Fire Service and State Emergency Service and facilities.
	Governance and Administration	Council operations and depots..
	Other Facilities	Heritage, waste, etc.

Asset Class	Asset Sub-Groups	Asset Types
Recreation and Open Spaces *excl buildings and shelters	Parks and Reserves	Outdoor furniture, minor infrastructure.
	Sportsgrounds and Sports Courts	Sports lighting, minor infrastructure, sports courts, other sports structures.
	Playgrounds and Outdoor Exercise Stations	Playgrounds and outdoor exercise stations.
	Skate Parks	Skate parks.
	Pools	Pool structure, pool plant, pool concourse.
	Rock Pools	Pool structure, pool concourse, minor infrastructure.
Other Assets		Includes a range of plant and equipment, waste, fleet, information technology and other assets.

The suite of asset management plans was originally developed in 2011 and reviewed in 2017-2018. These plans are being reviewed in parallel with the development of this Asset Management Strategy.

2.2 Community Survey Results

Council's community satisfaction survey is undertaken biennially and tracks Council's performance in service delivery, identifies priority areas and evaluates community attitudes towards customer services, communication and Council as an organisation.

The objectives of the community satisfaction Survey process are to:

- Measure the importance of, and satisfaction with, services and facilities provided by Council

- Compare levels of satisfaction for Council's services and facilities with similar councils

- Assist Council in identifying service priorities for the community

- Evaluate Council's customer services and communication.

The survey covers 19 facilities and 31 services provided by Council identifying both importance and satisfaction on a 5-point scale. Each of the facilities/ services is also evaluated using a quadrant analysis. A quadrant analysis identifies facility/ service strengths and priorities based on the relationship between individual facilities/ services and overall satisfaction.

- High importance and high satisfaction represents current service strengths or 'Strategic Advantages'.

- High importance but low satisfaction denotes services where satisfaction should be improved or 'Key Vulnerabilities'.

- Lower importance and relatively lower satisfaction represents lower priority service dimensions or 'Potential Vulnerabilities'

- Lower importance and high satisfaction represent where Council is performing above average but not having an important impact on satisfaction 'Differentiators'.

Results of the community survey are covered in detail in each of Council's asset management plans with the quadrant analysis shown in Table 2.2(a). Information on overall satisfaction is used to assess performance against identified community levels of service.

Table 2.2(a): Customer Satisfaction Survey Quadrant Analysis

Strategic Advantages	Key Vulnerabilities
Parks, open spaces and sports fields for passive recreation purpose Council heated pools Children's playgrounds Shared use paths Botanic Garden Patrolled beaches Customer Service Centre Library services Tidal rock pools Recycling waste collection service Russell Vale Golf Course (The Vale)	Footpaths Planning controls for development in Wollongong City Centre Planning controls for development in your local area/town centre Maintenance of local roads Environmental programs and education Maintenance of footpaths, cycle ways and shared use paths Regulation of traffic flow in local area Development application assessment process Children services

Differentiators	Potential Vulnerabilities
Public bin collection Street cleaning Parks, open spaces and sports fields for active sport or recreation activities Cycle ways (including pop up cycle ways) Public swimming pools (free entry) Waste disposal depot facilities Community hall/centre Domestic waste collection service (i.e. red bin) Green waste, including the food organics collection service (FOGO) Illawarra Performing Arts Centre and Town Hall Libraries Community centre at Thirroul, Corrimal or Dapto Leisure centres (Beaton Park and Lakeside) Wollongong Art Gallery	Management and preservation of our heritage Inclusive services Maintenance and cleanliness of bus shelters Services for older people Compliance and regulation of parking Provision of parking in high demand areas (city centre, foreshore) Services for people with disability Regulation of traffic flow in city centre Companion animal compliance Graffiti prevention and removal Youth services Protection of our natural environment Availability of footpaths, cycle ways and shared use paths Maintenance and cleanliness of public toilets The hours Council public toilets are open

As part of the survey, residents were asked to name up to three key areas which they would like Council to focus on over the next four years. The two top key priority areas that were identified were:

- Footpaths and cycle ways (identified by 34% of respondents)
  - Improve the maintenance of existing roads, footpaths and cycleways
  - Planning for new roads and footpaths and cycle ways in specific areas
  - Improving road safety
  - Consider accessibility in development of footpaths

- Parking (23%)
  - Improved parking in popular areas

Information from the community survey is used to assess performance against identified community levels of service identified in each asset management plan and provide recommendations to address identified trends.

2.3 Levels of Service

Community levels of service are generally defined in terms of quality, function, safety, responsiveness and capacity/utilisation. Services planning is proposed to be further developed to include community levels of service and asset requirements to support service delivery. Performance related to customer levels of service is typically measured using biennial community survey results, utilisation statistics and condition/function data where available.

Technical levels of service are defined in terms of intervention levels and standards for lifecycle activities (i.e. operations, maintenance, renewal, acquisition and disposal). These technical levels of service are used to establish and measure the performance of Council's lifecycle activities and delivery programs.

Community levels of service are provided in the following table. Technical levels of service are documented in each of Council's asset management plans.

Table 2.3: Community Levels of Service

AMP	Level of Service	Performance Measure
Transport	Roads are smooth and allow for comfortable travel.	Biennial Community Survey Customer Service Requests
	Bridges and major culverts will be safe for use.	Condition Inspection Program
	Footpaths and cycle ways are safe for regular use and hazards are minimised.	Biennial Community Survey Customer Service Requests
	Bus shelters are well maintained.	Biennial Community Survey
	Accessible road network with reasonable travel times between important centres of community interest.	Biennial Community Survey
	Roads are safe and hazards are minimised.	Customer Service Requests Accident statistics
	Road network and associated assets have adequate capacity to minimise traffic congestion and delays.	Biennial Community Survey
	Provide a footpath and cycle ways network that meets the requirements for pedestrians and cyclists.	Biennial Community Survey
	Parking supply is adequate for users at various community venues and town centres.	Biennial Community Survey
Stormwater	Stormwater drains away from the road.	Monitor and inspect the stormwater network
	Waterways and drains are flowing and the risk of culvert blockage by debris and vegetation at key locations is mitigated.	Mowing of parks, maintenance of riparian corridors

Stormwater	Significant risks associated with drains and waterways are mitigated	Audits of stormwater assets to assess risk and improve safety.
	Declared dams are adequately managed	Inspections and maintenance undertaken in compliance with legislative requirements and reported to Dam Safety NSW.
	Stormwater pipes allow flow of water	*Pipe blockages are cleared *Pipes are relined to ensure smooth flow of water *Pit cleaning: response to customer requests, and post storm clean-up *Maintenance of debris control structures
	Flooding impacts are known and mitigated	Flood risks are managed through: *Flood modelling *Planning and studies *Project design and construction are managed through the Infrastructure Delivery Program
	Entrances release water to the ocean	Removal of sand before water levels cause flooding impacts.
	Water drains from roads as intended and reduces flooding	Flood risk management plans and Infrastructure Delivery Program.
	Beaches and waterways are protected from pollution and litter	Biennial Community Survey Riparian vegetation management programs are delivered.
	The drain is just for rain	Raise community awareness of implications of household and other rubbish contaminating stormwater run-off.
Buildings	Building and facilities are maintained in good condition	Biennial Community Survey Condition assessments.
	Assets meet customer expectations	Biennial Community Survey Service plans.
	Buildings that are fit for purpose	Social Infrastructure Planning Framework Service plans.
	Buildings are safe	Compliance programs.
	Buildings meet capacity and demand requirements	Social Infrastructure Planning Framework Service plans.
Recreation and Open Spaces	To be updated as part of service planning and specific asset management plans	
Other Assets		

2.4 Data Confidence

A range of information is collected and stored in Council's asset management system to support asset management planning. This information is covered in detail in the individual asset management plans. It is important to have an understanding of the quality of the data that underpins many of the assumptions and modelling in the plans. A confidence grading rating has been applied as per Table 2.4(a).

Table 2.4(a): Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%.
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%.
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%.
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%.
E. Very Low	None or very little data held.

The following table identifies the confidence levels associated with core asset information.

Table 2.4(b): Asset Information Confidence Grading Matrix

Asset Class	% of Asset Value (Figure 2.7(a))	Quantity (Table 2.1(a))	Age (Figure 2.5)	Useful Life (Table 2.5)	Replacement Cost (Table 2.7)	Condition (Figure 2.6)	Lifecycle Indicator (Table 2.8)
Transport	43%	High	Medium	Medium	High	High	High
Stormwater	28%	Medium	Medium	Medium	Medium	Low	Medium
Buildings	10%	High	Medium	Medium	High	High	Low
Recreation and Open Spaces	4%	High	Medium	High	High	Medium	TBD
Other Assets	2%	Asset management plans for these asset classes are currently under review and confidence grading will be identified as part of this review.					
Non Depreciable Assets (Land)	12%						

2.5 Age of Assets

The age of assets is illustrated using construction and/or acquisition dates in Figure 2.5a. Assumptions have been made in many cases for assets constructed, or acquired, prior to 1970. These assumptions generally apply to transport and stormwater assets and are reflected in the peaks at 1951, 1956 and 1961. The assets with a construction date pre-1950 are largely buildings.

An important aspect of asset management is to identify when an asset is due to be renewed. This is done by identifying the expected life for each asset and adding this to its year of construction or acquisition.

Where condition information is available the expected lives are updated to reflect revised remaining lives to estimate renewal timing.

Figure 2.5a shows a significant proportion of our assets are more than 50 years old. Almost all of these assets are high-cost/long-life assets (e.g. transport and stormwater infrastructure) that have expected lives of around 60-100 years. The assumed expected lives for some key assets are shown in Table 2.5b.

Figure 2.5a: Asset Age Profile
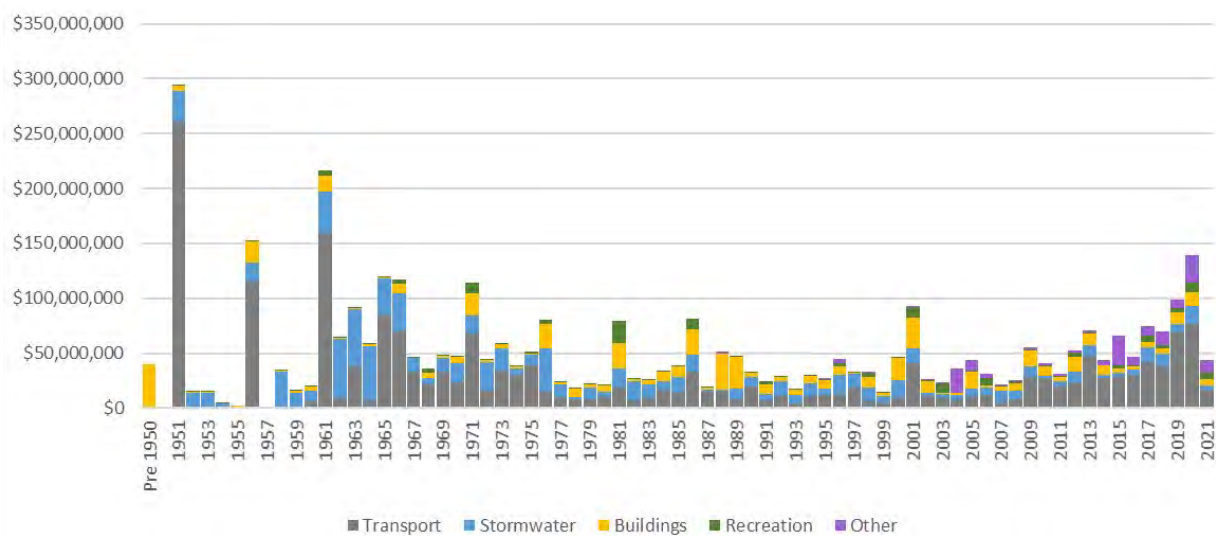
Table 2.5b: Assumed Asset Expected Lives

	Asset Class	Asset Type	Expected Life
	Transport	Road Surfaces	20-40 years
		Road pavements	80 years
		Footpaths/Cycle way	40-80 years
		Bridges (concrete)	80 years
	Stormwater	Pipes	70-100 years
		Culverts	100 years
		Pits	75 years
	Buildings	Structure	50 years
		Electrical, Fire, Fit Out, etc	25 years
		Shelters	15 years
	Recreation	Playgrounds	10-20 years
		Skateparks	50 years
		Sports courts	60 years
		Pool shells	50 years

2.6 Asset Condition

The condition of Council's assets is generally measured using a 1 – 5 grading system as detailed in Table 2.6(a) below. It is important that a consistent approach is used in reporting asset performance to enable effective decision making. A finer grading system may be used at a more specific level, however for reporting, results are translated to a 1 – 5 grading scale for ease of communication.

Table 2.6(a): Condition Grading System

Condition Grading	Description of Condition
1	**Excellent Condition:** Only planned maintenance required
2	**Very Good:** Minor maintenance required & planned maintenance
3	**Good:** Significant maintenance required
4	**Average:** Significant renewal/upgrade required
5	**Poor:** Unserviceable
6	**No Data**

Along with risk and other asset specific information, condition is used to inform decision making and prioritisation of maintenance and replacement of assets. Detailed approaches relevant to each asset class are outlined in the relevant asset management plan. The overall condition of our assets is shown in the following Figure 2.6 below.

Figure 2.6: Condition of Assets
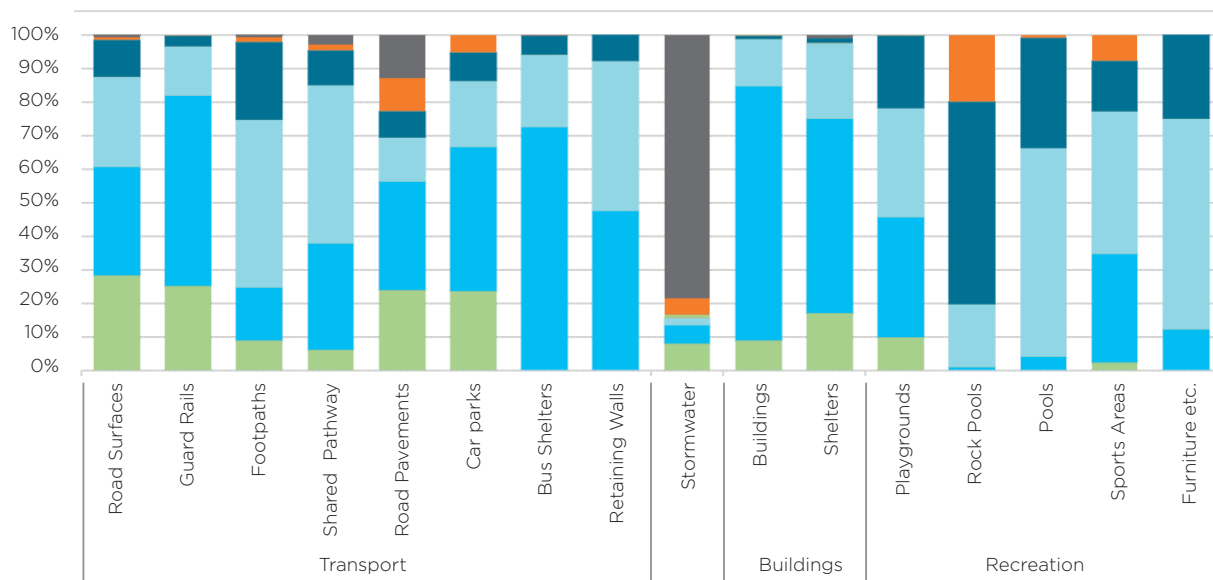
It is not realistic for all assets to be in kept in as new condition. One measure of the Level of Service supported by infrastructure assets is the % of assets at, or above, a defined target condition. Table 2.6(b) below identifies some of the condition targets for Council's assets along with current performance and trends based on planned levels of expenditure as identified in Council's asset management plans.

Table 2.6(b): Condition Performance and Trends

Asset Category/Type	Target Condition 1, 2 and 3	Performance (2011)	Current Performance (2021)*	TREND
Roads Surfaces	90%	92%	88%	▼
Cycle ways	90%	93%	85%	▼
Footpaths	90%	81%	74%	▼
Stormwater Drainage Assets⁺	90%	55%	65%	-
Buildings and Shelters	90%	-	99%	-

*Roads, footpaths and cycle ways were last assessed in 2018 and due to be reassessed in 2023. The condition of stormwater assets is being captured progressively towards covering the overall network. Buildings assets are assessed annually towards all buildings being assessed every four years.

⁺Based on 22% of network assessed.

2.7 Financial Status of Assets

The financial status of Council's assets is shown in Table 2.7 below.
This table has been generated based on Council's Asset Book as May 2022.

Table 2.7: Financial Status of Assets

Asset Class	Current Asset Value ($)	Current Depreciation ($)	Carrying Value ($)	Annual Depreciation ($)
Transport	2,370,786,987	1,266,370,663	1,104,416,324	27,290,187
Stormwater	1,547,883,897	705,302,100	842,581,797	10,632,633
Buildings	551,429,349	258,828,036	292,601,313	9,516,896
Recreation and Open Spaces	220,044,169	88,224,758	131,819,411	5,552,868
Other (Plant and Equipment, Waste, Information Technology, etc)	101,861,788	62,950,219	38,911,569	11,028,276
Non- Depreciable assets	667,650,954	0	667,650,954	0
Total	5,459,657,144	2,381,675,777	3,077,981,367	64,020,860

Figure 2.7(a) shows asset replacement costs by asset class. This table is based on Council's asset register as of May 2022 (acknowledging that Council's revaluation of Transport and Stormwater assets has not yet been audited).

Figure 2.7(a): Asset Replacement Values
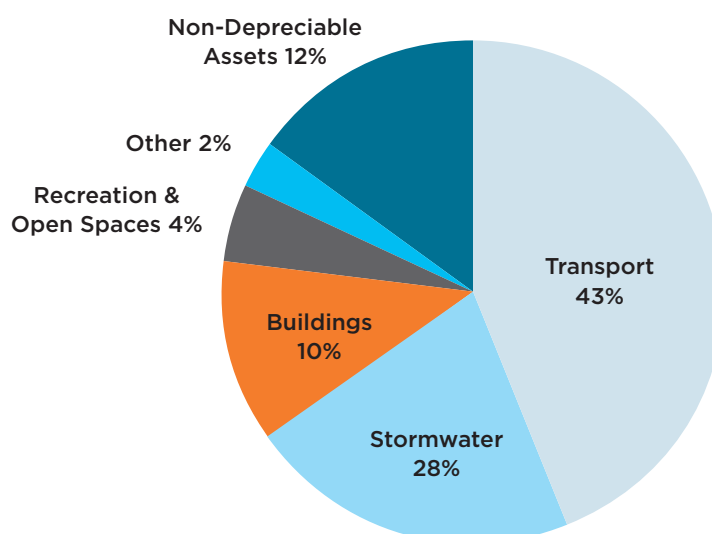
Figure 2.7(b): Asset Consumption
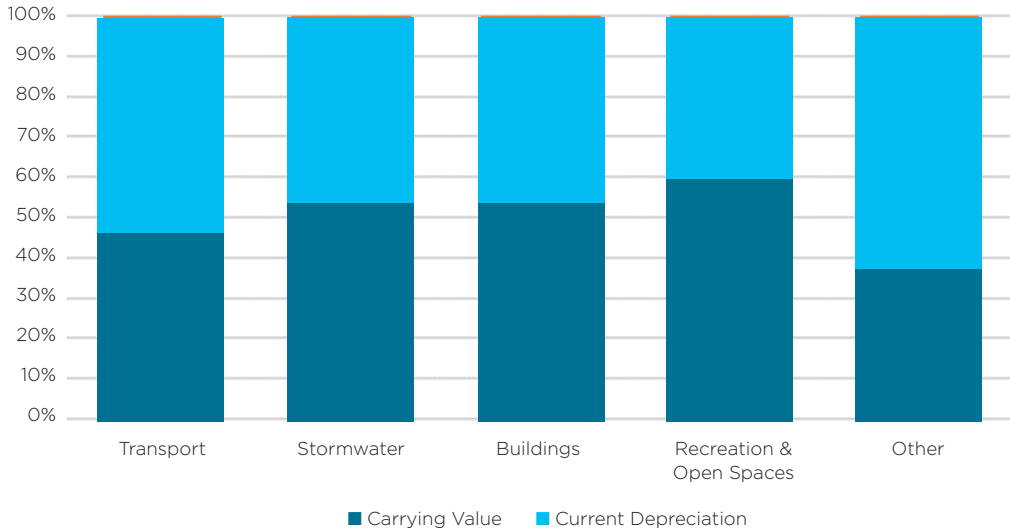
The Asset Consumption Ratios shown in Figure 2.7(b) indicate of how much value remains in each asset class. The graph shows the remaining value of Council's assets classes, as of May 2022 (which incorporates the outcomes of the recent Transport and Stormwater asset revaluation) compared to their replacement cost in percentage terms. The graph indicates the three asset classes that make up over 90% of our depreciable assets value (i.e., Transport, Stormwater and Buildings) have consumed around half of their value.

The recent revalaution of Council's Transport and Stormwater assets is founded on input which are Council's best estimate for the useful life and and average unit rates. Council will review lifecycle management practices for the transport and stormwater asset classes to refine these estimates and better inform future re-valuations.

2.8 Asset Renewal Forecasts

Applying the construction/acquisition dates and expected lives identified in Section 2.5, Figure 2.8 shows the forecast renewal requirements for Council's assets over the next 20 years. It is not practicable to plan and deliver the forecast renewal of assets represented by the peaks in 2031, 2032 2036 and 2041.

Council will develop its Infrastructure Delivery Program (IDP) to respond to these renewal forecasts by spreading the renewal of these assets out over the 20-year planning period – represented by the Average Forecast Renewal line in the graph ($66 million/annum). Over the 10-year planning period,

this equates to an average forecast renewal of $60 million/annum. Council's operational revenue to capital over this same period averages $67 million/ annum so there is sufficient funds to invest in this forecast required renewal over the 10-yr planning period. It should be noted, however, that there are several external grant programs that supplement Council's funds available for investment in infrastructure renewal, which further enhances Council's capacity to fund infrastructure renewal.

Over the next 10 years Councils overall planned investment in the management of assets is shown in Figure 2.8(b) below.

Figure 2.8(a): Asset Renewal Forecast
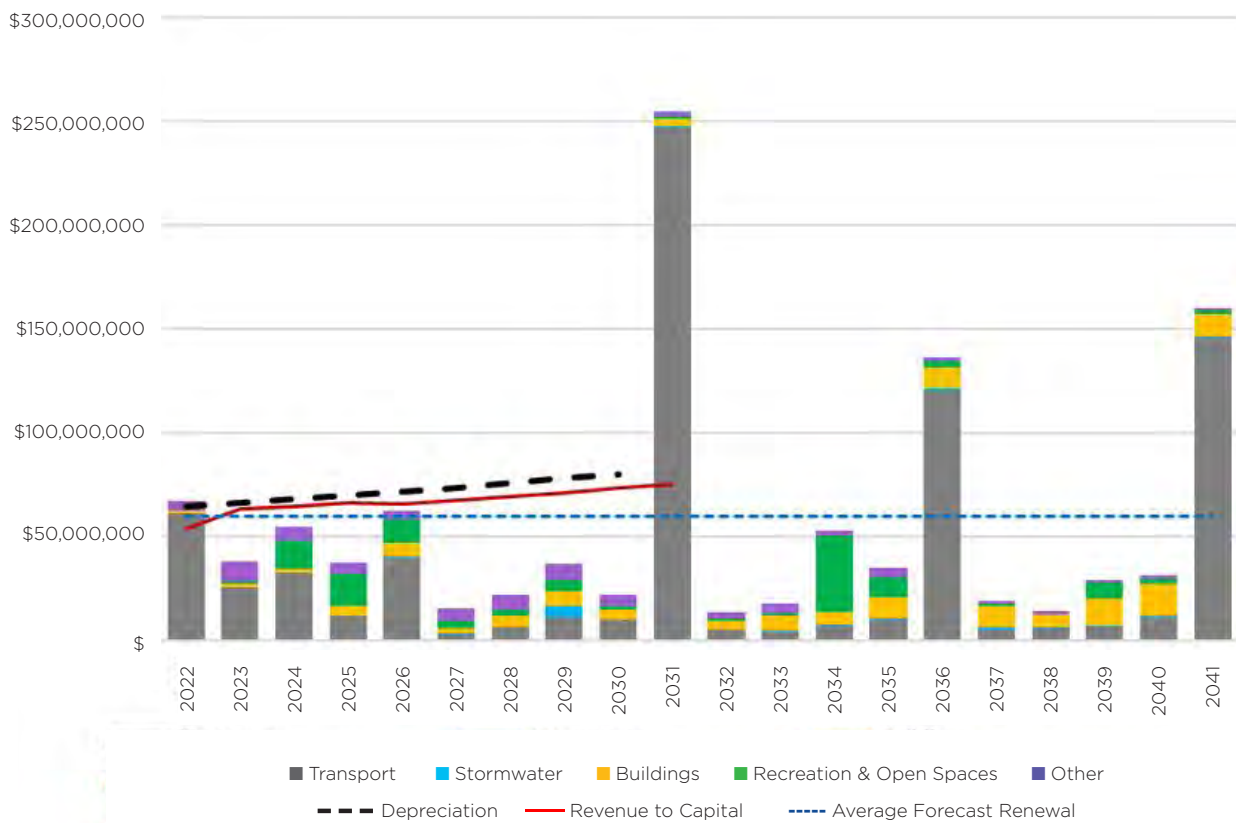
The value of Council's assets is forecasted to grow by around $49 million per year over the next ten years. Operations and maintenance increases have been planned to accommodate this increased growth. Increased expenditure is currently forecast in 2026-27 associated with a forecast increase in West Dapto infrastructure investment.

The sustainability of planned budgets, in terms of delivering both our community and technical levels of service, will be confirmed through the review of asset management plans that will be submitted to Council for adoption.

The Infrastructure Delivery Program (IDP) is Council's infrastructure investment program, over the coming four years. The IDP includes:

• Budget allocations for capital

• Budget allocations for asset operations and maintenance

• The list of capital projects (renewal and new/upgrade) projects that will be funded.

Council is committed to continuing to deliver on the promise for works outlined in the IDP.

Figure 2.8(b): Planned Investment in the Management of Assets
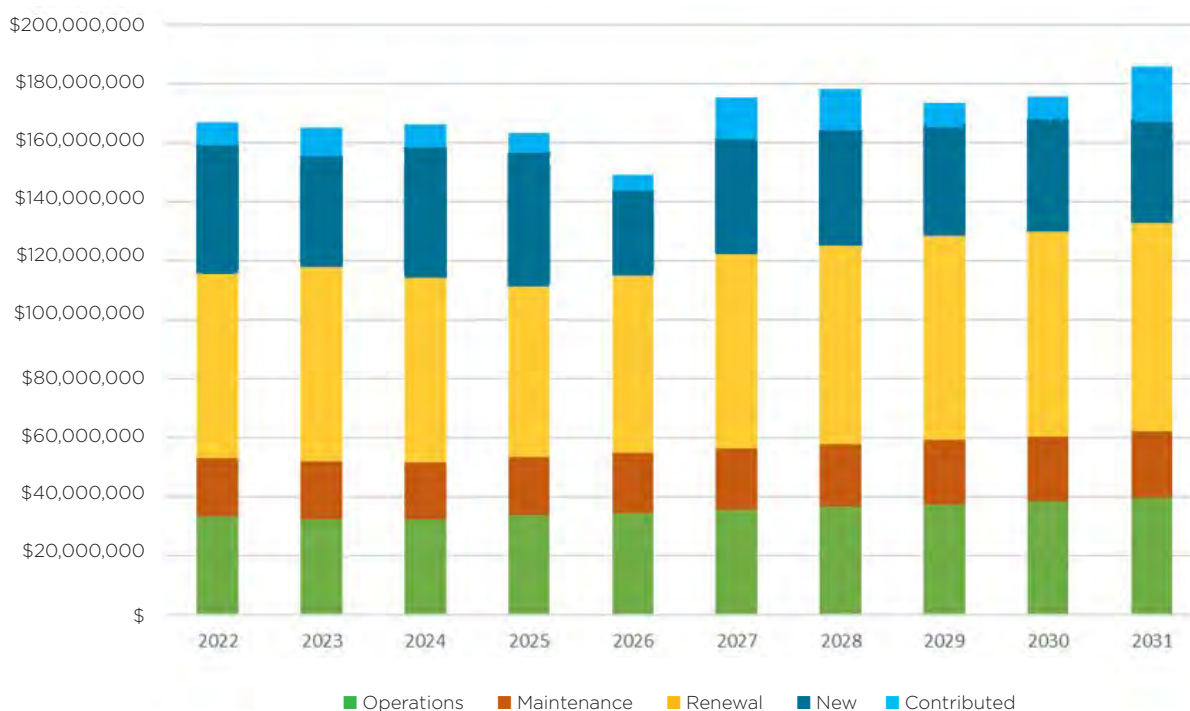
The current annual budgets for capital expenditure (renewal, new/upgrade and contributed assets) over the next 10 years are forecast at an average of $103 million and are made up of operational funds available from Council revenue (see Section 2.8) external grants, and developer contributions.

Budget allocations for new and/or upgraded assets vary from year to year but generally average around $38.4 million. In addition to this, assets constructed as part of subdivision developments average at around $10.4 million. The Long Term Financial Plan and asset management plans consider the increased depreciation, operations, maintenance and renewal costs associated with these newly acquired assets.

Current priorities for investment identified in Council's Infrastructure Delivery Program (2022-23 to 2025-26) includes:

- Extending Council's shared path and footpath network and maintaining Council's existing shared path and footpath network.

- Construction of new infrastructure to reduce flood risk and investment in the maintenance of Council's existing stormwater network.

- The delivery of priority new/upgraded community infrastructure identified in Council's supporting documents, including the new Warrawong Community Centre and Library, and Helensburgh Community Centre.

- Design and construction of significant infrastructure to support continued growth in the West Dapto Urban Release Area.

- The renewal/upgrade of Council's treated water pools.

2.9 Critical Assets

Critical assets are those assets that have a high consequence of failure in terms of community impact. By identifying critical assets and failure modes an organisation can ensure that condition inspection programs, maintenance and capital expenditure plans are targeted to ensure that the risk of critical asset failure is minimised.

Council's current list of critical asset groups include:

- Waste facilities and associated plant and equipment

- Transport assets – road bridges and retaining walls

- Stormwater assets

- Information Mobility Technology (IMT) assets

- Sea walls.

Further development of Council's strategic and operational risk management assessments is identified as an improvement action in Section 6. This updated approach will ensure that the risk profile of all of Council's assets are understood, and risk mitigation strategies formalised and implemented.

3. Future Challenges

Over the planning period, there are several changes forecast within the Wollongong Local Government Area (LGA). These changes are considered as part of this strategy and detailed assessments of impacts covered in Council's suite of asset management plans.

Population Growth

• West Dapto is a significant growth area for the Wollongong LGA; forecast to be home to an additional 19,500 new dwellings and an additional population of 56,500 people over the next 40 years. Council is forecast to construct approximately $1 billion of new infrastructure to enable the development of the West Dapto Urban Release Area. This is in addition to the significant quantum of assets that will be constructed by developers within individual subdivision that will be transferred to Council.

• Increased in-fill development particularly in the Wollongong CBD.

• Significant growth in south-western Sydney with the region forecast to be home to approximately 340,000 extra people over the next 15 years. This increased population will result in increased visitation to the Wollongong LGA with potential impacts to places and services that will need to be managed.

Creating a Transport Mode Shift

• The NSW Government's Illawarra-Shoalhaven Regional Transport Plan (2021) identifies an objective to increase the number of walking, cycling and public transport journeys made in the region. To achieve this step-change travel behaviour will require investment in new infrastructure from both the NSW Government and Wollongong City Council.

Legislative Changes

• Legislative changes can result in significant costs to ensure compliance associated with assets and the provision of services (eg. fire compliance, dam safety).

Changing Technology

• Council is currently exploring the application of a range of new smart technologies to improve the way asset condition data is collected and to improve the quality of services that can be delivered by assets.

Climate Change Adaption

• Sea level rise is projected to rise by up to 0.4m by 2050 and 0.9m by 2100 (Coastal Zone Management Plan 2017) and an increase in the frequency and intensity of coastal storms is predicted. Assets located along the coastline of the Wollongong LGA will need to be managed considering the future state of the coastal zone.

4. Asset Management within Council

4.1 Asset Management Policy

The overall vision for asset management within Council is encapsulated in the following statement from Council's Asset Management Policy:

Council will provide and manage its physical assets in a way that ensures they can support the safe, effective, and efficient delivery of services to our community now and into the future.

The Asset Management Policy identifies that Council will apply a strategic approach to asset management guided by the following core principles:

- Services drive assets and the interrelationship between our assets and how they support the delivery of services to our community is clearly defined and understood;

- Responsibility for asset management is shared collectively across Council with roles and responsibilities that are clearly defined and understood;

- Council's assets are effectively managed using a Whole of Life (WoL) approach (i.e. operations, maintenance, renewal, upgrade, expansion, and disposal) as a fundamental component of ensuring long term financial sustainability for the provision of services to our community;

- Reliable information on our assets is available and maintained to meet Council's strategic, operational, and business planning purposes;

- Council complies with all legislative and regulatory obligations;

- Council officers have the appropriate training, knowledge and skills to deliver asset management;

- Asset management performance is routinely monitored and reported;

- Asset management processes, practices and systems will continually be evaluated, and a continuous improvement approach applied.

A full copy of Council's Asset Management Policy is provided as Attachment A.

4.2 Key Stakeholders and Roles

Key stakeholders and their roles and responsibilities relevant to asset management are shown in the following table:

Table 4.3: Asset Management Key Stakeholders

Key Stakeholder	Role in Asset Management
External Stakeholders	
Wollongong Community (Residents, Visitors, Community Groups, Businesses, Advisory Groups)	- End user of Council's assets and services. - Participate in consultation and engagement initiatives. - Provide feedback on assets and services.
Government Agencies and Regulatory Authorities	- Provide leadership in best practice asset management. - Recognise the importance of local government assets to community and provide funding and other assistance to sustain asset management. - Work together with Council in delivering and maintaining non-Council owned assets.
Developers	- Construct new developments within the LGA in accordance with standards and legislation. - Handover constructed assets to Council.
Internal Stakeholders	
Councillors	- Primarily responsible for ensuring their decisions represent and reflect the needs of the wider community. Council will engage with the community to determine their main priorities and expectations for the future and through development of the Community Strategic Plan and Delivery Program which detail the strategies and resources that will be used to achieve these goals. - Adopt Council's Resourcing Strategy including the Asset Management Policy and asset management plans.
General Manager and Executive	- Primarily responsible for ensuring the development and resourcing of Council's Strategic Asset Management Planning Framework, asset management plans, processes, and systems to ensure they are fully integrated into Council's Integrated Planning and Reporting framework and Community Strategic Plan. - Approve Council's Asset Management Strategy. - Approve Council's Asset Management Plans. - Seek to ensure Council allocates sufficient resources to the development, ongoing improvement and delivery of the Asset Management Strategy, asset management plans, and supporting systems. - Integrate the Asset Management Policy and Strategy into other policies and business processes of Council. - Comply with Council's legal obligations.
Asset Management Steering Committee	- Provides oversight of Council's Asset Management Strategy, asset management plans and Continuous Improvement Program.

Key Stakeholder	Role in Asset Management
Director Infrastructure and Works	The Director Infrastructure and Works will provide leadership and direction to support the: - Directorate is adequately resourced and trained to carry out the Asset Management actions; - Application of Council's Strategic Asset Management Framework; - Development of Asset Management Strategy and plans; - Implementation of the adopted Asset Management Strategy and continuous improvement plan actions; - Development and implementation of the Infrastructure Delivery Program in accordance with asset management plans, Long Term Financial Plan and the annual budgets; - Report to the Council, Audit Committee and Executive with respect to ongoing asset management performance; and - Liaise with other directorates to assist them to develop and monitor service plans for each key service provided by the Council incorporating both the descriptive and financial costing aspects of the plans.
Director Corporate Services and Chief Financial Officer	These roles provide leadership and direction to: - Work with the Infrastructure Strategy and Planning Division to align the asset management and financial management practices within Council and apply the Strategic Asset Management Planning Framework; - Support the development of a Long Term Financial Plan that recognises asset consumption and contains the predicted capital renewal demand costs and other whole of life costs based on the various asset management plans; - Provide guidance and advice to the Asset Management Department where asset management and financial management requirements overlap (e.g. financial valuations); - Structure the accounts and related business processes to recognise lifecycle costs including: operations, maintenance, renewal, upgrades, new and disposal; - Support the development, implementation and alignment of the Asset Accounting Policy with the Asset Management Policy and Strategy
Chief Information Officer	The Chief Information Officer operates under the Director Corporate Services and will provide leadership and direction to: - Deliver technology related assets and projects identified and assigned in Council's Infrastructure Delivery Program; - Provide cyber security services to support asset planning and management, where these assets have a technology component; - Ensure the ongoing maintenance and support for information technology and technology components of assets; and - Ensure that the information generated from technology related assets is well managed, secure and available to provide management insights to Council.

Key Stakeholder	Role in Asset Management
Manager Infrastructure Strategy and Planning	The Manager Infrastructure Strategy and Planning operates under the Director of Infrastructure and Works and will provide leadership and direction to: - Ensure the division is adequately resourced and trained to carry out its role and function; - Develop and apply Council's Strategic Asset Management Planning Framework; - Strategically plan the development and provision of transport and stormwater services; Prepare asset management related policies, strategies and plans for consideration by the Executive and Council; - Develop and implement a continuous improvement plan for asset management; - Provide technical asset management leadership within Council; - Coordinate the Asset Management Steering Committee; - Develop the Infrastructure Delivery Program linked to service plans, asset management plans and other strategic planning documents; - Prepare and document processes for asset management activities; - Collect and regularly review condition data to support asset management planning; and - Provide stormwater design services to support asset planning and management.
Manager City Works	The Manager City Works operates under the Director of Infrastructure and Works and will provide leadership and direction to: - Deliver capital works projects identified and assigned in Council's Infrastructure Delivery Program; - Delivery of planned maintenance programs and activities; and - Respond to relevant customer service requests relating to assets and undertaking reactive works as necessary to maintain levels of service.
Manager Project Delivery	The Manager Project Delivery operates under the direction of the Director of Infrastructure and Works and will provide leadership and direction to: - Manage the delivery of Council's Infrastructure Delivery Program - Deliver capital works projects identified and assigned in Council's Infrastructure Delivery Program - Provide civil, structural, geotechnical and landscape design services to support asset planning and management.

Key Stakeholder	Role in Asset Management
Service Managers	Council's Delivery Program identifies service managers responsible for the delivery of a wide range of services. Service mangers will: - Develop and regularly undertake service reviews to identify community levels of service and the associated asset requirements necessary to support service delivery; - Identify opportunities for rationalisation of assets no longer required for the delivery of services; - Identify new/upgrade works for assets to support service delivery and work with the Infrastructure Strategy and Planning Division to seek approval and funding for these works including Whole of Life costs; and - Work with the Infrastructure Strategy and Planning Division to specify asset requirements for the delivery of works in Council's Infrastructure Delivery Program.

At a lower level roles and responsibilities relating to some infrastructure types require further clarification across the spectrum of asset management activities (i.e. inventory, condition assessment, valuation/revaluation, maintenance planning, monitoring and budget accountability, capital program development, capitalisation, etc). This is covered as an action in Section 6.

4.3 Asset Management Practices

Council's asset management systems and processes are audited regularly to determine the level of maturity aligned with the International Infrastructure Management Manual (IIMM), ISO 55001 and the National Asset Management Framework (NAF). This maturity assessment identifies the status of Council's asset management procedures, systems and training, and determines priority areas for improvement.

The maturity assessment model comprises of 30 Asset Management Practice areas that cover the key functions and processes of asset management. This maturity assessment was initially undertaken in 2009 and again in 2011 and 2016. The results of these three maturity assessments are shown in the figure below. The reports received from these assessments were reviewed for currency in the preparation of this strategy and it is proposed that a formalised assessment be undertaken by June 2022.

Figure 4.4: Maturity Assessment

The assessment shows the maturity level of each asset management practice area on a scale of 0 to 5, with 0 being the lowest level of maturity and 5 being a highly advanced level. The graph has 'core' and 'advanced' maturity target levels. Council's target is to achieve a core level of maturity across all asset management practice areas during the life of the plan. Strategies focused on achieving this outcome are covered in Section 6.
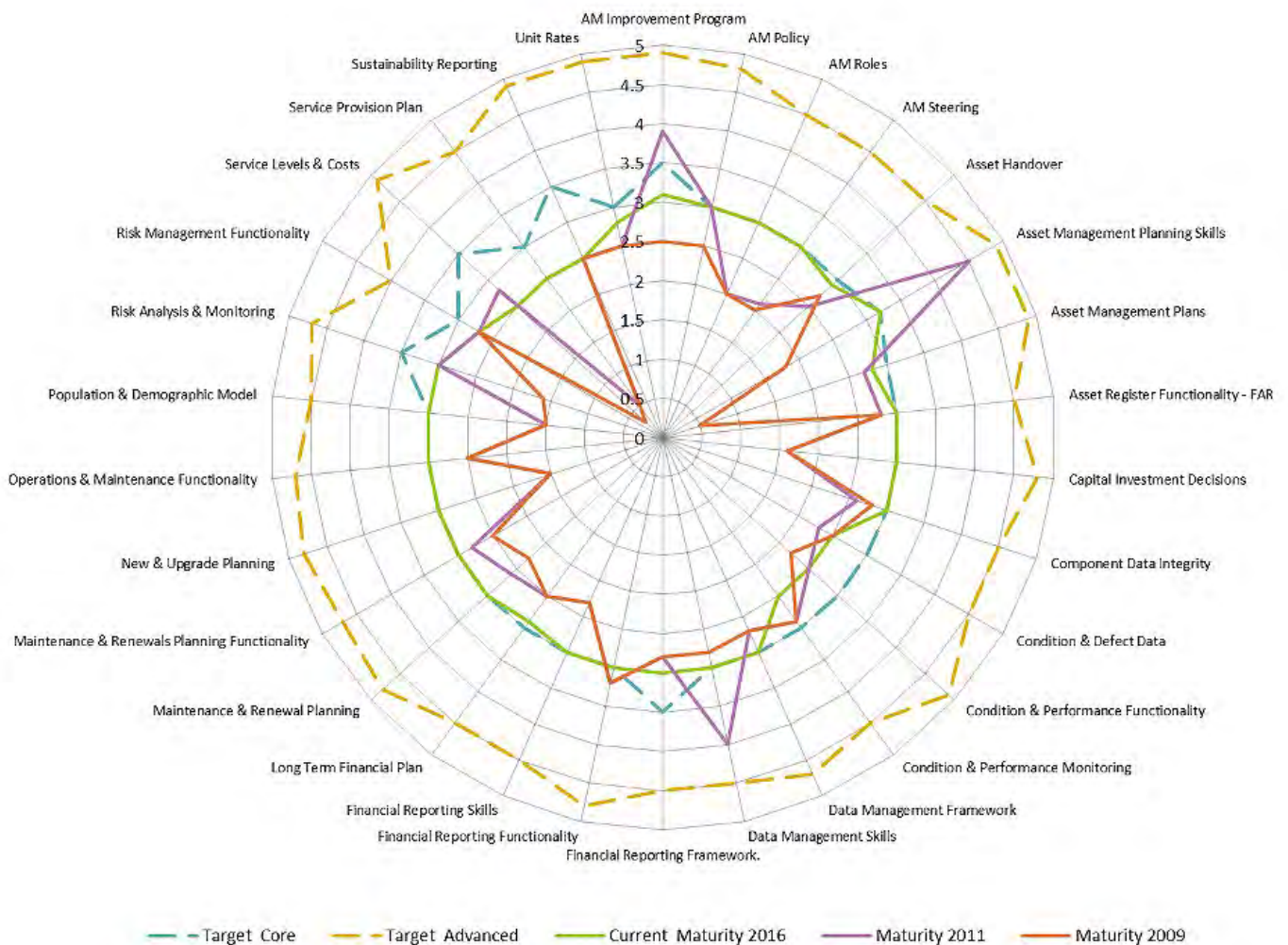
4.4 Infrastructure Risk Management

Council's risk management approach seeks to achieve a balance between mitigating organisational risk and taking advantage of opportunities which present during Council's business. The approach is articulated across the following key documents:

- Risk Management Framework
- Risk Appetite Statement
- Risk Management Plan
- Risk Policy and procedures.

The approach to risk management is consistent with AS/ISO 31000:2018: Risk Management and comprises several important steps:

- Identifying and analysing the main risks facing Council
- Evaluating those risks and making judgements about whether they are acceptable or not
- Implementing appropriately designed control systems to manage these risks in a way which is consistent with Council's risk appetite
- Treating unacceptable risks by formulating responses following the identification of unacceptable risks, including actions to reduce the probability or consequences of an event and formulation of contingency plans
- Documenting these processes, with summary tables (risk registers) supplemented by risk manuals or related documents as appropriate
- Ongoing monitoring, communication and review.

The framework incorporates a 'three lines of defence' model, which is based on a set of layered defences that align responsibility for risk taking with accountability for risk control. Divisions of Council (the first line) own and manage risks and are responsible for implementing controls to keep risks within the appetite of the organisation. The second line provides specialised risk and compliance management services; and the third line, primarily via the internal audit function, provides assurance to senior management on the effectiveness of governance, risk management and internal controls.

The degree which the organisation will tolerate risk in pursuit of some benefit or opportunity is articulated within the Risk Appetite Statement which identifies tolerance levels across multiple risk categories: Our People and Safety, Infrastructure, Service Delivery, Environmental, Financial, Information Technology, Governance and Reputation. In doing so, the statement drives consistency in, and provides guidance to staff during planning and decision making activities.

Council's risk management approach covers both strategic and operational risks. Strategic risks are risks that affect or are created by Council's strategy and strategic objectives. Strategic Asset Management has been identified by Council's Enterprise-Wide Risk Management Committee as a key strategic risk and is associated with Council's current approach to the planning and management of Council's assets to support the delivery of services.

Table 4.5: Strategic Asset Management Risks

Risk	Description and Risk Minimisation Strategies
Strategic Risks: Strategic Asset Management	
Climate Change	The forecasted increase in frequency and severity of weather events and increasing temperatures can have a significant impact on Council's assets.
	Risk Minimisation Strategies - Considering Climate change impacts as a specific part of the preparation of Council's asset management plans. - Developing climate change adaption plan to respond to identified challenges.
Whole of Life Costs – Decision Making	The management of Council's assets to support the delivery of services requires significant investment covering construction, maintenance, operations, replacement and/or disposal. The acquisition or construction of additional assets results in increased operations, maintenance and renewal requirements.
	Risk Minimisation Strategies - Regularly reviewing Council's Resourcing Strategy and the integration between the Long-Term Financial Plan, Workforce Management Strategy, Asset Management Strategy and Information Management and Technology Strategy. - Preparing and regularly reviewing Asset management plans for identified asset groups. - Ensuring whole of life asset costs are incorporated into asset management decisions.
Changing requirements, priorities, and expectations	Council seeks to manage assets in consideration of diverse and changing needs, priorities and expectations. Changes can occur as a result of community feedback; a change in Council; development of Supporting Documents; new strategic direction external funding opportunities; legislative requirements, etc.
	Risk Minimisation Strategies - Regularly reviewing Asset management plans to include an assessment of legislative changes and impacts. - Clearly identifying asset requirements and costs associated with actions identified in Council's Service Plans and Supporting Documents. - Developing and exhibiting forward four Year works programs in Council's Infrastructure Delivery Program. - Allowing flexibility for resourcing of projects and programs to respond to external funding opportunities.

Risk	Desciption and Risk Minimisation Strategies
Delayed Asset Renewal	Delayed renewal may result in an increase in maintenance costs. It also has the potential to substantially increase the cost of renewal.
	Risk Minimisation Strategies
	- Resourcing and regularly reviewing condition, performance, and failure trends as part of asset management planning.
Maintenance Requirements	Assets require regular maintenance to ensure they meet expected useful lives to support service delivery. Underfunding or not undertaking maintenance can result in premature asset failure and/or a reduction to levels of service.
	Risk Minimisation Strategies
	- Developing and monitoring planned/cyclical maintenance programs and expenditures. - Regularly reviewing Asset management plans to include an assessment of performance associated with delivering maintenance programs and expenditures.
Integrated Planning	Assets often can't function as intended without a holistic integrated planning approach that incorporates the necessary support assets. For example: constructing accessible public amenities requires planning for accessible paths of travel and parking. Not taking a holistic approach to integrated planning can result in service deficiencies and higher costs for retrofitting at a later stage.
	Risk Minimisation Strategies
	- Cross-Council engagement in the development of Supporting Documents. - Considering integrated planning as part of the development of scopes of work.

5. Where we want to be

5.1 Asset Management Key Elements

As identified in Section 1.1, asset planning and management can be broken up into seven key elements as outlined under the IPWEAs National Assessment Framework (NAF). The following table identified Council's "Current" and "Future" states against these elements.

Table 5.1: Key Elements Current and Future State

Key Element		Current State	Future State
Key Element 1: Asset Management Policy		The Asset Management Council Policy was adopted in May 2017 and has been revised as part of this Strategy.	Policy reviewed and updated as part of Resourcing Strategy every four Years.
Key Element 2: Strategy & Planning	**Asset Management Strategy**	An Asset Management Strategy was adopted by Council in 2018 as part of the Resourcing Strategy. This document represents an updated version of the Asset Management Strategy, covers a 20 year period, and has been assessed against criteria listed in the Office of Local Government (OLG) Guidelines and Handbook 2021 and Institute of Public Works Engineering Australasia (IPWEA) best practice.	Asset Management Strategy updated as part of Resourcing Strategy every four years and is integrated with Long Term Financial Plan, Workforce Strategy and Information Management and Technology Strategy. Strategy meets all criteria listed in Office of Local Government Guidelines and Handbook 2021 and Strategic Actions in place to meet "Core Maturity" as a minimum in all assessment areas.
	Asset Management Plans	Asset management plans (AMPs) were originally drafted in 2011, reviewed in 2018/19 and are currently under review. Plans cover major asset classes (i.e., transport, stormwater, buildings, recreation and open spaces, fleet, plant and equipment, information technology and Waste) and are over a 20 year planning horizon. Transport, stormwater and buildings AMPs which make up over 90% of Council's depreciable asset value were being reviewed in parallel to the development of this strategy. AMPs for the remaining asset classes are proposed to be completed second quarter of 2022-2023 financial year.	Asset management plans are reviewed every four years which is aligned with the revision of the Resourcing Strategy. Key Performance indicators are reported annually. Plans will be presented to Council for adoption once the reviews are completed.

Key Element	Current State	Future State
Key Element 3: **Governance & Management Arrangements**	A Strategic Asset Management Framework has been developed as part of this strategy to guide asset management and create a clear picture of interrelationships with services planning and other planning documents. An Asset Management Steering Committee was established in 2012 and last met in 2019. Asset Management roles and responsibilities for some asset types are unclear with respect to the spectrum of asset management activities (i.e., inventory, condition assessment, valuation/revaluation, maintenance planning, monitoring and budget accountability, capital program development, capitalisation, etc). Asset strategy manager role created to coordinate and integrate asset management planning across Council. Recruitment to fill vacancies that require staff skilled and experienced in asset management is proving to be challenging.	Skilled and experienced staff are in place to support roles and functions associated with asset management. Asset management principles and approaches are clearly documented, understood and being applied effectively across Council. Asset Management Steering Committee in Place and meets bi-monthly to oversee implementation of this strategy and continuous improvement plan. Roles and responsibilities for all assets are clearly defined with respect to the full spectrum of asset management activities.
Key Element 4: **Defining levels of service**	The biennial community satisfaction survey is used to gain an insight and understanding into community expectations and set targets for level of service provided. Council's services contain limited information on levels of service and corresponding asset requirements to support service delivery.	Service reviews provide clear identification of community levels of service and the interrelationship between our assets and how they support the delivery of services is clearly defined and understood. Measures are in place to allow for the monitoring and reporting of performance against the identified service levels.
Key Element 5: **Data and Systems**	TechnologyOne (OneCouncil) suite of corporate systems are being rolled out progressively. Asset management and work management Systems in operation. Further work is required to ensure functionality and user requirements are met. A significant amount of condition information is currently stored outside of the OneCouncil asset management system. Variable levels of confidence around asset data as outlined in Section 2.4.	Asset management system developed to meet all functional and user requirements to support asset management. All asset information necessary to support asset management planning is stored in OneCouncil systems. Asset information is accessible and maintained. A continuous improvement approach to data integrity is applied and supported by the establishment of effective tools and sound business processes.

Key Element	Current State	Future State
Key Element 6: **Skills and Processes**	Council's Infrastructure Strategy and Planning team is focused on providing leadership, skills and resources in applying the Strategic Asset Management Planning Framework. Managing our growing asset base, along with a shift to a more planned whole of life approach to asset management is a significant challenge for Council's workforce. Asset planning and management requires specialist skills and experience. Council is working through different options to develop and retain a skilled workforce to manage and maintain assets. Asset management processes are being applied but are often not well documented.	Our workforce will support the delivery of the Asset Management Strategy through resourcing the planning, delivery and maintenance of infrastructure to support the changing demand on services across the local government area. Key asset management processes are documented with process maps and clearly defined roles and responsibilities.
Key Element 7: **Monitoring and Evaluation**	Council's annual report cover the required asset management indicators. The development and application of tools to monitor and report on delivery and expenditure relating to projects listed in Council's Infrastructure Delivery Program has been a focus over past 2-3 years. There is a need for improved monitoring and reporting on the maintenance program delivery and expenditure to support improved decision making. Council has participated in an external assessment of the status of Council's asset management procedures, systems and training in 2009, 2011 and 2016. A further assessment is planned for the 2022-2023 financial year.	Required asset management indicators reported on annually. Tools developed and applied to report on the maintenance program delivery and expenditure to supplement current Infrastructure Delivery Program reporting. Status of Council's asset management procedures, systems and training assessed biennially.

5.2 Key Focus Areas

The following focus areas, goals and objectives have been identified to guide asset management planning at Wollongong City Council. Each focus area has been aligned with the seven key elements of asset management as identified in previous sections.

Council will provide and manage its physical assets in a way that ensures they can support the safe, effective, and efficient delivery of services to our community now and into the future.

Informed Decision Making

Transparent and informed asset management decisions that are based on good quality and reliable asset information.

Robust Systems and Processes

Well-developed asset management systems, and documented processes, that facilitate transparent and consistent decision making where roles and responsibilities are clearly defined and understood.

Strong Leadership

Culture, structure staff and resources that supports and enables best practice, integrated asset management planning with a continuous improvement focus.

Table 5.2: Asset Management Key Focus Areas

Focus Area	Goal and Objectives
Strong Leadership Key Elements (1, 3, 4, 6)	**Culture, structure, staff and resources that supports and enables best practice, integrated asset management planning with a continuous improvement focus.** - A Strategic Asset Management Planning Framework is in place to guide the integrated planning and management of assets to support service delivery. - Responsibility for asset management is shared collectively across Council with roles and responsibilities that are clearly defined and understood. - Services drive assets and the interrelationship between our assets and how they support the delivery of services to our community is clearly defined and understood. - Council officers have the appropriate training, knowledge and skills to deliver asset management. - A strong governance model is in place, with cross Council representation, to oversee the application of this strategy. - A continuous improvement approach is supported.
Informed Decision Making Key Elements (2, 5)	**Transparent and informed asset management decisions that are based on good quality and reliable asset information using a Whole of Life approach.** - Council's assets are effectively managed using a Whole of Life (WoL) approach (i.e. operations, maintenance, renewal, upgrade, expansion, and disposal) as a fundamental component of ensuring long term financial sustainability for the provision of services to our community. - Reliable information on our assets is available and maintained to meet Council's strategic, operational, and business planning purposes. - Asset management planning includes forecasting likely demand changes and influences and influences to support decision making. - The possible effects of climate change on assets are considered as part of asset management planning. - Asset Management Plans are prepared and reviewed to ensure they remain current and relevant. - Service and risk trade-offs will be identified where available resources are identified as insufficient to maintain current levels of service.
Robust Systems and Processes Key Elements (6,7)	**Well-developed asset management systems, and documented processes, that facilitate transparent and consistent decision making where roles and responsibilities are clearly defined and understood.** - Asset management information is stored centrally, is accessible and meets the needs of users. - Asset management processes, practices, and systems are continually evaluated, and a continuous improvement approach applied. - Council complies with all legislative and regulatory obligations - Asset management practices and processes include consideration of risk and tie into Council's corporate risk management framework and processes. - Asset management processes are documented and provide clarity on roles and responsibilities.

6. How we will get there

Strategic actions aim to achieve the goals and objectives listed.

Table 6: Strategic Actions and Continuous Improvement Plan

Focus Area	Strategic Actions	Desired Outcome	Who	When	Status
SL1	Continue to socialise the Strategic Asset Management Planning Framework to guide asset management planning to support the delivery of services to our community.	Framework guides the planning, and management of assets to support service delivery and promotes consistent awareness.	Infrastructure Strategy and Planning	Ongoing	Well progressed
SL2	Review and update the Asset Management Policy every four years and submit it for adoption by Council.	Council's asset management activities are guided by a clear policy direction that has been adopted by Council	Asset Strategy Manger	Every four years	Complete (2021-2022)
SL3	Review and update the Asset Management Strategy as part of the Resourcing Strategy continuing to develop linkages with the Community Strategic Plan, Long Term Financial Plan, Service Plans and other planning documents.	Guides the implementation and documentation of asset management practices, plans, processes, and procedures within an organisation aligned with the Asset Management Policy.	Asset Strategy Manager	Every four years	Complete (2021-2022)
SL4	Reconvene the Asset Management Steering Committee to oversee the review, monitoring and reporting of progress, achievements, costs and risks associated with implementing the Strategic Asset Management Planning framework and continuous improvement plan.	Facilitate a whole of Council approach to asset management where the priorities, resources, outcomes and risks to achieve the asset management objectives are identified and responded to.	Asset Strategy Manager	2nd Qtr 2022-2023	Underway

Focus Area	Strategic Actions	Desired Outcome	Who	When	Status
SL5	Resource and implement continuous improvement plans covered in individual asset management plans.	A continuous improvement approach coordinated across the suite of asset management plans to improve asset management capacity and outcomes	Asset Managers	Ongoing	In progress
SL6	Review the maturity assessment biennially to ensure continued improvement in asset management planning and practices.	Ongoing improvement actions are informed by an up-to-date assessment of maturity consistent with National Standards and Frameworks.	Asset Strategy Manager	2nd Qtr 2022-2023 then biennially	Underway
SL7	Undertake service reviews.	Services drive asset requirements.	Corporate Strategy Manager, Services Managers	Commencing 2023-2024	In progress
SL8	Continue to develop asset management skills across the organisation.	Improved organisational capacity and maturity in asset management planning.	Asset Strategy Manager	Ongoing	In progress
IDM1	Review the asset classification structure for each asset class and identify improvements to support asset management planning and reporting.	Consistent structure in place for capturing assets and asset information.	Asset Managers	Ist Qtr 2022-2023	In progress

Focus Area	Strategic Actions	Desired Outcome	Who	When	Status
IDM2	Review alignment between asset classifications, asset management plans and financial reporting groups	Transparent and consistent alignment between asset classifications, asset management plans and financial reporting groups used for asset reporting.	Financial Services Manager, Asset Strategy Manager	2nd Qtr 2022-2023	In progress
IDM3	Develop tools that support the regular review of the completeness and accuracy/integrity of asset data.	Continued improvement in asset management data confidence.	Asset Strategy Manager, IMT Service Delivery Manager	2nd Qtr 2022-2023	In Progress
IDM4	Ensure that the ongoing whole of life costs (particularly operations and maintenance) for contributed and new/upgrade assets are considered and allowed for in future annual budgets.	Financially sustainable service provision	Corporate Accounting Manager	Ongoing	In progress
IDM5	Undertake benchmarking to assist in assessing Council's infrastructure delivery programs and asset management activities.	Continued focus on assessing and improving Council's drive towards efficient service delivery.	Asset Strategy Manager	Ongoing as part of Annual Reporting	In progress
IDM6	Continue to develop and review asset management plans (AMPs) for the major asset groups at least every four years.	AMPs provide a current summary of existing asset management information and provide direction for decision making and refining improvement actions.	Asset Strategy Manager, Asset Managers	Ongoing	In progress

Focus Area	Strategic Actions	Desired Outcome	Who	When	Status
IDM7	Continue to develop and implement improved business processes and tools to identify infrastructure expenditure by service, asset class/ sub-group and expenditure type.	Financial information relating to the management of Council's assets is readily available using consistent structures and definitions.	Financial Services Manager, Asset Strategy Manager	2nd Qtr 2022-2023	In progress
IDM8	In setting renewal budgets consideration is given to depreciation, the 10 year renewal forecasts and deliverability for each asset class and sub-group.	Sustainable renewal planning.	Corporate Accounting Manager, Infrastructure Strategy Manager	Ongoing	In progress
IDM9	Review customer service request reporting and identify/implement actions to facilitate improved use of this information to support asset management planning.	Customer service requests inform asset management planning.	Asset Strategy Manager	4th Qtr 2022-2023	In progress
IDM10	Consider the asset specific findings in Council's Climate Change Risk Assessment and Climate Change Adaptation Plan.	The possible effects of climate change on assets are considered as part of asset management planning	Environmental Planning Manager, Asset Managers	4th Qtr 2022-2023	In progress

Focus Area	Strategic Actions	Desired Outcome	Who	When	Status
IDM11	Review geospatial referencing on assets and identify/ plan to resolve any information gaps.	Asset register is agile and can support placed based planning and masterplans.	Asset Managers	3rd Qtr 2022-2023	Not yet started
RSP1	Develop a program for asset revaluation that meets audit requirements and resourcing challenges.	Detailed revaluation of assets is planned for and resourced as part of business planning activities.	Asset Strategy Manager, Financial Services Manager	1st Qtr 2022-2023	In Progress
RSP2	Further refine strategic and operational risk management assessments for all asset classes and sub-groups.	Risk profiles associated with asset classes and sub-groups are understood and mitigation strategies documented and are in place.	Asset Strategy Manager, Manager Governance and Customer Service	4th Qtr 2022-2023	In progress
RSP3	Review and document roles and responsibilities for the full spectrum of asset management activities associated with all assets.	Responsibility for asset management is more clearly defined.	Asset Managers, Asset Strategy Manager	4th Qtr 2022-2023	In progress
RSP4	Establish specific maintenance budgets for cost centres relevant to each asset management plan.	Budgets for planned and reactive maintenance are in place to support maintenance planning and reporting	Corporate Accounting Manager, Asset Managers	2nd Qtr 2022-2023	Not yet started

Focus Area	Strategic Actions	Desired Outcome	Who	When	Status
RSP5	Continue to develop and document key asset management processes including: Creation of assets, capitalisation, project nominations.	Transparent and consistently applied processes where roles and responsibilities are clearly defined.	Asset Strategy Manager, Asset Managers	2nd Qtr 2023-2024	In progress
RSP6	Investigate the establishment a OneCouncil asset management users group to review current operation and inform further development of Asset Management module to meet user requirements.	Improved awareness of system capabilities and improvement opportunities. One team approach.	IMT Service Delivery Manager, Asset Strategy Manager, Asset Managers	1st Qtr 2022-2023	Not yet started

Workforce Management Strategy 2022-2026

Adopted 27 June 2022

Contents

What is the purpose of this document?

Wollongong City Council is committed to being a local government of excellence that enhances our city's quality of life and environment through effective leadership, community involvement and commitment to service.

This strategy outlines how we plan to enable and support our workforce over the next four years to deliver Council's services to make our city a vibrant engaging and connected place. To deliver Council's key objectives we need a workforce that is enabled, responsive, capable, engaged, inclusive, safe and well.

Influences on the development of our workforce include; a changing demographic, technology and automation, diversity and inclusion, providing flexible work options and building the skills and capabilities of our people. The strategies and actions outlined in this document will have a significant impact on how we deliver our services to the changing needs of our community.

The **Delivery Program** outlines Council's commitment to delivering services and actions in line with the **Community Strategic Plan**. This **Workforce Management Strategy** identifies how Council will support its people to deliver the services and actions outlined in the **Delivery Program** over the next four years.

Investment in our people is required to ensure the success of this strategy.

The areas requiring investment include:

- Developing our capability in Smart Cities technologies

- Sustained emphasis on Council's transformation agenda with alignment to our organisational purpose, strategies and values at the center

- Best practice talent acquisition strategies and approaches

- Assessment and consideration of staff engagement survey tools

The Strategy also identifies opportunities for investment in Council's assets, specifically equipment and technology.

Image: Wollongong City Council staff member using technology during an outdoor meeting

In 2018, Council embarked on an internal transformation program to refresh our Vision and Values. The refresh resulted in the creation of a new Purpose or "WHY" statement and set of values that articulate the behavioural norms and expectations of "HOW" we deliver our services achieve our community goals. Our strategy referred to as Leading the Way was introduced in 2017 and forms our "WHAT".

WHY Purpose

WHAT Leading the Way

How Values
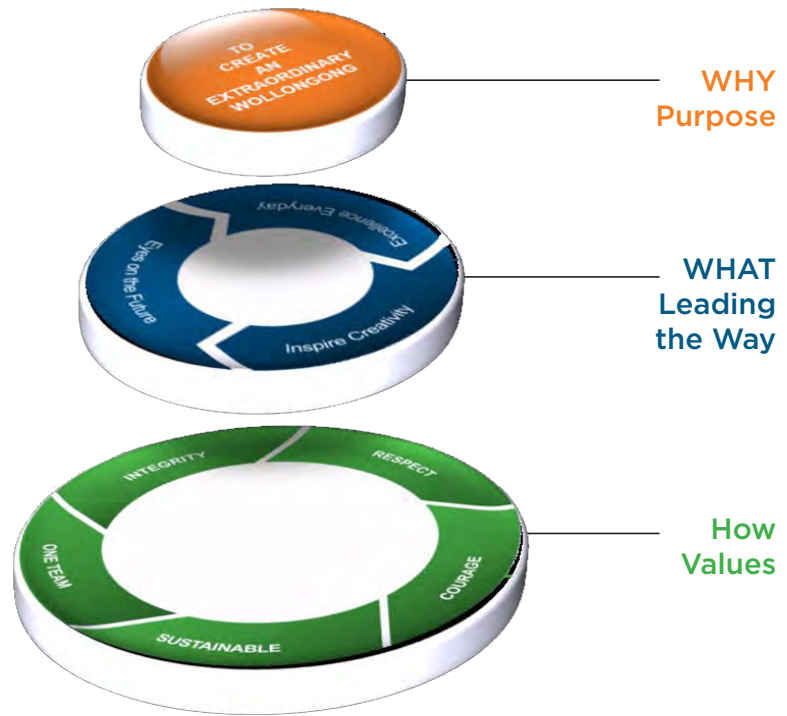
LEADING the way

wollongong
city of innovation

EXCELLENCE EVERYDAY
Everything we do, we do exceptionally well

INSPIRING CREATIVITY
We seek out opportunities to do cool things for our customers

EYES ON THE FUTURE
We're shaping our future for the next 10, 20, 50 years

Council's preferred culture underpinned by our values is voiced in our Behavioural Framework that expresses the behavioural expectations of all staff and the organisation more broadly.

OUR VALUES IN ACTION

Sustainable
use our community's resources responsibly

Courage
challenge the norm to be better

Respect
inclusive and considerate

Integrity
honest and reliable

One Team
together we deliver excellent service

Image: Wollongong City Council outdoor crew staff members

Who are we?

Snapshot of the Wollongong City Council Workforce
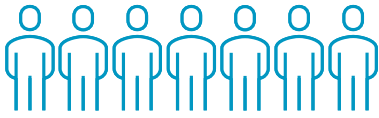
1771 employees deliver services to the community

22.7% **13%** **64.3%**
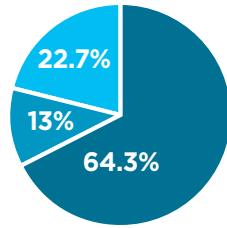
64.3% of the workforce are permanent **13%** are temporary employees and **22.7%** are casual or other

80.1% of our workforce live within the Wollongong Local Government Area

Generations	Employees	Percentage
Silent Generation (1928-1945)	7	0.4
Baby Boomers (1946-1962)	332	19.5
Generation X (1963-1980)	787	46.3
Generation Y (1981-1994)	385	22.7
Generation Z (1995-2009)	188	11.1
Alpha (2010-)		
Total Count	**1699**	**100**
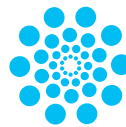
1.4% have an Aboriginal or Torres Strait Islander background

14.9 years is the average tenure of our workforce

45.6 years is the average age of our workforce

We are **45.4%** female and **54.5%** male and **.11%** indeterminate/ intersex/unspecified

4.4% are living with a disability

Hello ¡Hola! 你好

4.4% are members of a minority group and **27%** were born outside Australia

We have over **1,000** volunteers delivering a range of services across the LGA

Data source March 2022

Council's achievements toward our previous Workforce Management Strategy 2018-2022

Over the past four years, significant progress across the **2018-2022 Workforce Management Strategy** has been made. The plan has provided strategic direction for the management of our workforce to meet changing needs while focusing on our ability to deliver outstanding customer and community services.

Key achievements toward this plan over the four-year period in each of the five Focus Areas include:

Focus Area 1
Our Workforce is Inclusive & Engaged

Council's **Community Strategic Plan, Delivery Program** and **Operational Plan** are the cornerstone for Council's **Workforce Management Strategy**. During the term of the **Workforce Management Strategy**, Council's performance review, induction and onboarding process was reviewed to spotlight how individual, team, unit, divisional and directorate outputs contribution to the **Community Strategic Plan, Delivery Program** and **Operational Plan**.

Council commenced its journey to become a purpose-led, values driven organisation with a refresh of its organisational values. In 2018, staff came up with the five Values to support our purpose to create an Extraordinary Wollongong:

- Respect – inclusive and considerate.

- Sustainable – use our community's resources responsibility.

- Courage – challenge the norm to be better.

- Integrity – honest and reliable.

- One Team – together we deliver excellent service.

Council staff live these values by:

- Creating an enabling PLACE that shapes the choices people make in their daily work by encouraging collaboration, innovation, interdependence, belonging and inclusion;

- PEOPLE actively living the values in their everyday work through their communications, behaviours and interactions;

- organisational PRACTICES supporting and enabling people to deliver on the promise of an Extraordinary Wollongong.

Focus Area 1
Our Workforce is Inclusive & Engaged (Continued)

Council were a finalist in the 2019-2020 LG Excellence Awards in the People and Culture category for our whole of organisation approach to refresh our values and purpose.

A number of surveys have been held during 2018 – 2022 including Organisational Restructure (2018), Workforce Accommodation (2018), Values Refresh (2018), Learning and Capability (2018) and Staff Check-in (2020 and 2021) both of which occurred during the COVID-19 remote working periods.

Improved recruitment practices were achieved by process mapping Council's recruitment practices based on candidate and hiring panels feedback. Improvements were either trialed and/or implemented. It is anticipated that the introduction of Council's Enterprise Resource Planning solution - OneCouncil will realise further efficiencies in the delivery of recruitment services.

Council developed a 4-year rolling workforce plan for our Cadets, Apprentices, Trainees and School Based Trainees in 2019 to support organisational wide entry level employment pathways.

During the term of the **2018-2022 Workforce Management Strategy**, Council employed a combined average of 21 Cadets, Apprentices, Trainees and School Based Trainees across each year of the 4 year strategy. The programs that Cadets, Apprentices, Trainees and School Based Trainees undertake at Council varies between 1–7 years. This means that Council has had 55-60 active Cadets, Apprentices, Trainees and School Based Trainees across the organisation at any given time.

In addition to the Cadets, Apprentices, Trainees and School Based Trainees, Council continued to support approximately 20 interns as part of attainment of their tertiary qualifications. The School Work Experience program was suspended in 2020 and 2021 due to the pandemic however the program will resume in 2022.

The organisational Tertiary Assistance Program (TAS) for eligible staff to future proof their education continued to be available across the organisation during the term of the strategy.

Wollongong City Council's Diversity, Inclusion and Belonging (DIB) Policy was drafted, placed on public exhibition and endorsed by Council in August 2020. The DIB Policy is an over-arching approach that supports other Council action plans including the **Equal Employment Opportunity Action Plan, Disability Inclusion Action Plan, Reconciliation Action Plan, Aging Plan and Working with Children**. The policy and action plans interact in ways that enable Council to better reflect and support the diversity of our community.

Council's Learning Pathways program has continued to be recognised in the sector being awarded:

- The Operational Performance Enhancement category of the 2018 NSW Local Government Excellence Awards (Local Government NSW) for our City Works and Services Local Government Operations Traineeship Program.

- The Workforce Planning and Development category of the 2019 National Awards for Local Government was awarded to Council for its 'Eyes on the Future - Libraries School Based Trainee Program'.

- In 2019 an Apprentice and Trainee of Council's were awarded Apprentice and Trainee of Year respectively in the NSW Training Awards, Illawarra and South East NSW regions.

Focus Area 2
Our Workforce is Enabled

A **Learning and Development Strategy** has been drafted and continues to be refined.

The completion of the **2018-2020 Information Management Technology Strategy** in 2020 and the development of the **2022-2024 Information Management and Technology Strategy**, has supported the uplift of Council's technology capability. Further, skill development has been facilitated through the introduction of an Enterprise Resource Planning solution – OneCouncil. Significant increases of Information Technology equipment in the form of tablets and laptops have enabled real-time on-site updates and remote access flexibilities.

Focus Area 3
Our Workforce is Responsive

Flexibility arrangements form part of the current Wollongong City Council Enterprise Agreements (EA) 2018-2021 and 2021-2024 which were both negotiated and implemented during the term of this **Workforce Management Strategy**. Alongside the implementation of the EA a number of employment policies were reviewed and updated.

A renewed approach to reward and recognition was been developed and implemented in 2021. Working groups continue to refine the application of the Employee Performance and Recognition Program.

During 2019 and 2020 employees aged 55 and over came together to participate in a series of Ageing Plan focus groups. The outcomes of the groups inform current and future action plans relating to Council's aging approach.

During 2020 an Innovation Approach was introduced to Wollongong City Council. The approach resulted in the formation of an innovation network across Council that connected staff to innovations and improvements that were able to be adopted and implemented across various services.

Focus Area 4
Our Workforce Is Capable

A Leadership Framework was developed and endorsed by Executive in June 2020. The framework is currently being operationalised in several ways to build contemporary leadership capability.

Mentor Walks, a program for early female leaders was launched in Wollongong in 2018. The walks are held each quarter and Wollongong City Council has supported the coaching program through the provision of coaches and participants as well as funding for its walk in September 2019. Council continues to support the Mentor Walks program going forward.

Focus Area 5
Our Workforce Is Safe & Well

Our Safety - Everyone Everyday Everywhere - is a key program for Council. Its vision is that 'we work together to achieve a healthy, safe environment, free from harm. We lead the way by caring for one another, looking after the environment and the wellbeing of our community'. Key activities under the program throughout the term of the **2018-2022 Workforce Management Strategy** include:

Over 280 management, coordinator and supervisor roles have completed a two-day program to build leadership capability.

Over 700 staff have completed an 'all employee program', establishing team improvement plans across the organisation.

Council identified the top 11 critical safety risks. These were established from detailed analysis of safety incidents data over a three-year period and will support Council in identifying and implementing critical controls to eliminate or minimise risk.

Council's Wellbeing program was launched in 2020 with a focus on key areas of Mental, Social and Physical well being. Significant attention was paid to each of the three key aspects particularly during the pandemic environment. An Employee Care Plan tool was successful implemented to support staff experiencing difficult situations.

Image: Hybrid working arrangements for Wollongong City Council staff members

Looking Forward - Planning for our People

To effectively plan for our workforce, we need to consider the anticipated trends and challenges are over the next 3-5 years.

Wollongong City Council Workforce Specific Trends and Challenges	
Increasing reliance on systems/technology	Keeping pace in a changing environment
Reduce silos and increasing collaboration	Attracting and retaining particular professions and roles
Managing expectations	Balancing long term priorities with short term projects/issues
Loss of skills and knowledge to retiring workforce	Changing/increasing legislation
Changing culture with new starters, new experiences, different ages	Changing work arrangements including increased demand for hybrid working
Need for greater agility and an evolving workforce	Demand on talent pools as pandemic recovery continues
Keeping our people safe and well	Continuing to work flexibly and agilely
Managing change	

What Does a Successful Workforce look like?

To fulfill our promise of creating an extraordinary Wollongong, we need a workforce that can deliver of this promise. That workforce will be:

Outcomes focused	Accountable to clear expectations while also willing to be creative and pivot when the desired results aren't achieved
Agile, multi-skilled employees	Reflective of our community in our diversity
Visionary and courageous leadership	Operates inclusively and with a sense of belonging.
Engaged, committed to delivering business objectives	Nimble and organised to meet the changing needs of the community
Supported by flexible work practices	Focus on outcomes designed to balance operational and strategic work
Enabled by technology	Collaborative, accountable and connected
Responsive and open to change	Committed to a safety and wellness culture that is free of harm
Innovative	Behave in accordance with our organisational values

Image: Wollongong City Council outdoor crew staff members

Areas of Change over the next 3-5 years

Workshops with our people, including management and staff, research and contemporary workforce and people trends in public and private industry have highlighted the following key areas of change over a 3-5 year timeframe. Our focus areas, strategies and actions support our workforce to embrace and respond to these challenges.

Supporting our Evolving Workforce

Currently, 35% of our workforce is aged 55 and older and 14% is aged 60 years and older. We are planning for the impact that our evolving workforce will have and working with those who make up this cohort to establish systems and support to transfer knowledge and capability to the organisation. We provide support and flexibility required to support a workforce which is safe and well through flexible employment practices and we continue to support our workforce with opportunities under our Transition to Retirement Policy. Focus groups created in the previous Workforce Plan will be drawn on to continue to work on approaches to address our evolving workforce.

Technology and Automation

Technology and automation is rapidly changing the way we work and live. This has never been clearer than Council's lived experience through the COVID-19 pandemic.

We have already been experiencing the impact of advancing technology on the way we deliver services:

- Social media forms a reliable core part of our engagement and communication

- Demand for mobility across all services continues to grow

- Online booking systems for commercial and community services is simplifying accessibility and responsiveness

- Web-based platforms for meetings and forums have become part of the day-to-day operations

- Increasing digital platforms for our library services

- Accessibility to information (plain English our website)

- Increase use of business analytics to inform decision making

- Smart Cities technologies

- Continued migration to an Enterprise Resource Planning solution – OneCouncil as part of the organisation's transformation agenda

Image: Wollongong City Libraries digital service screens

Image: Wollongong City Council Customer Service staff member

Diversity, Inclusion and Belonging

Council recognises that our strength is the diversity of our people. Together our responsibility is to create an inclusive place where everyone is welcome, valued and belongs. We do so by welcoming differences, and leading with courage, openness and curiosity. Our conversations and actions celebrate diversity, inclusion and belonging and Council is committed to applying and embedding these principles.

During the term of the **2018-2022 Workforce Strategy**, Council engaged in a number of organisation wide activities, resulting in the development of a collaboratively drafted 'Diversity, Inclusion and Belonging Policy'. The Council Policy was unanimously adopted by Council on 31 August 2020. The Diversity, Inclusion and Belonging Policy is an over-arching approach that brings together and supports action plans like the **Equal Employment Opportunity Action Plan, Disability Inclusion Action Plan, Reconciliation Action Plan, Aging Plan, Working with Children**. The policy and action plans interact in ways that enable Council to better reflect the diversity of our community.

Flexibility and Capability

The need for employees who are able to adapt and transfer skills to different roles and projects are becoming increasingly sought after to support and deliver on Council's **Operational Plan and Delivery Program**. We are committed to building a capable workforce that has the skills and training to deliver a high level of services to our community.

Technological advances will continue to enable employees to work in remote locations and at various times to meet the changing demands of our community. As our employees become more adept at remotely operating various devices and platforms, Council will continue to build internal talent ecosystems that drive innovation and improvement while continuing to uplift the capability of the organisation.

A Focus on Safety and Wellbeing

Council is investing in its people through working on achieving a positive safety culture. The implementation of a Safety Culture Road Map in the **2018-2022 Workforce Strategy** continues to be an area of focus in Council's current strategy. Recognising that employees who are supported report improved performance and mental and physical health, Council will continue to build a safety culture with both the employee experience and life experiences in mind, echoed in the embedding of our values, productive culture, well-being approaches and employee feedback.

Image: Wollongong City Council outdoor crew staff members

Workforce Focus Areas
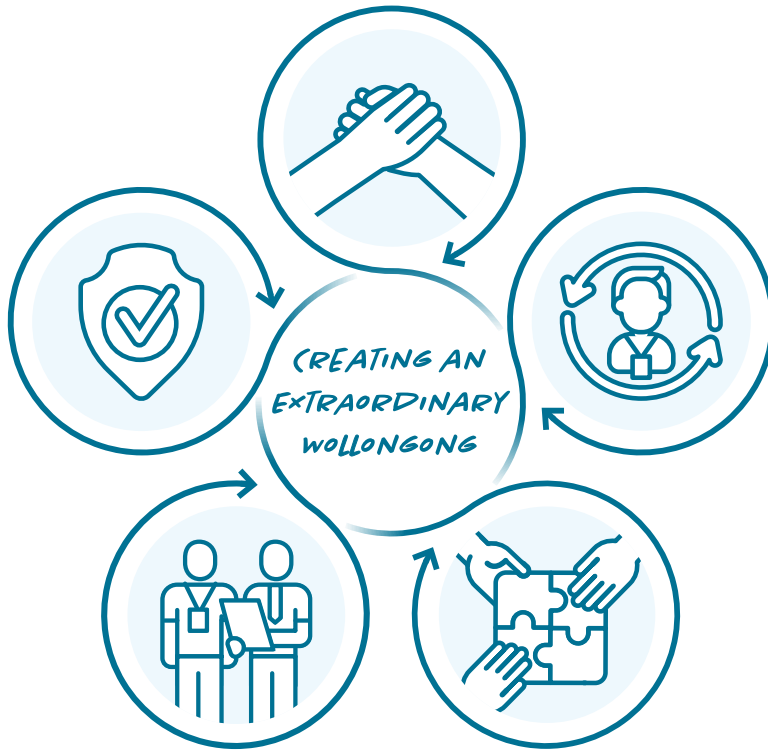
Focus Area 1
Inclusive and Engaged

We encourage collaboration at all levels by creating and contributing to shared goals. Our people understand how they contribute to the organisation's objectives and that what they do and how they do it matters. We encourage positive workplace behaviour and value inclusivity. We see the benefit of using our differences to achieving enhanced outcomes.

Focus Area 2
Enabled

We develop and implement appropriate policy, technology, systems and processes to enable our workforce to make effective and measured decisions. We encourage innovative thinking and provide an environment in which employees are empowered to develop and implement creative solutions and ideas.

Focus Area 3
Responsive

We review and update our approach to work to ensure that we are flexible and adaptable in an ever-changing environment. We creatively respond to change and think of ways to achieve excellence in service delivery to the community.

Focus Area 4
Capable

We continuously build the capability and capacity of our workforce. We develop our staff and create a safe space for employees to embrace opportunities to learn and develop in a supportive and constructive environment.

Focus Area 5
Safe and Well

We build a culture where safety is the norm and we make decisions that ensure the wellness of our people to meet the changing needs of our community.

What	Why	How	Who	Focus Alignment
Will be delivered over the term of this Workforce Management Strategy				
We are a purpose lead and values-based organisation	Our purpose and values guide the way we operate, interact and make decisions	Embed the organisational purpose and values in everything we do	Organisational Development	1, 4, 5
Employees understand how what they do contributes to Council's purpose (and outcomes)	Engaged employees are productive, valued and make a meaningful contribution to our community and customers	Information about the Community Strategic Plan, Delivery Program and Operational Plan is integrated, accessible and available	Corporate Strategy	1, 2, 3, 4, 5
Cultivate a high performance culture	Together we deliver excellent service #OneTeam	Embed and monitor the Employee Performance and Recognition Program. Utilise a range of tools to evaluate employee performance Develop and implement a Talent Review Framework	Organisational Development	1, 2, 3, 4, 5
Strengthen diversity and inclusion in our workplace We are committed to equal employment opportunity, diversity, inclusion and belonging across our workplace	To move toward representing our community and benefit from greater diversity of experience and thought Our strength is the diversity of our people where everyone is welcome, valued and belongs	Better reflect the diversity of our community through designated recruitment process and positions Delivering the outcomes of our Diversity, Inclusion and Belonging Strategy	Organisational Development	1, 5
Establish a renewed focus on continuous improvement and innovation	To improve our services, facilities and infrastructure to deliver customer expectations	Continue to build awareness of, promote and embed the innovation framework	Organisational Development	2, 3, 4

What	Why	How	Who	Focus Alignment

Will be delivered over the term of this Workforce Management Strategy

What	Why	How	Who	Focus Alignment
We offer flexible work arrangements/ practices	To keep pace with employment practices that respond to contemporary workforce flexibility demands	Develop and/or update flexibility provisions in policies, continued integration of practices and employee value propositions	Organisational Development / Safety and Workplace Services	2, 3, 4
Strategic Divisional Workforce Planning	To facilitate workforce planning which will include a succession planning approach, and rigour in the workforce decision making and recruitment	Support managers in the preparation and implementation of divisional strategic workforce plans	Organisational Development	1, 2, 3, 4, 5
Develop and implement a Succession Planning Approach	Build an internal pipeline to manage skill shortages and plan for future needs	Support divisions to analyse current positions to determine gaps plan for future requirements	Organisational Development	1, 2, 4
We attract diverse talent pools that meet the current and future workforce needs	Strengthen organisational capacity by attracting the right people in the right roles at the right time	Customised and flexible attraction and appointment strategies are created to appeal to extraordinary and diverse talent pools	Organisational Development	1, 2, 3, 4
We build talent pipelines	We invest in areas of identified skill demand and possible shortages	Through engaging in a range of activities and initiatives in accordance with our Divisional Workforce Plans	Organisational Development	1, 2, 4
Our people are skilled, capable and perform at a high level	To develop a multi-skilled and agile workforce that delivers high quality, cost effective and sustainable services	Deliver the learning and development strategy in alignment with organisational priorities and business needs	Organisational Development	2, 4

What	Why	How	Who	Focus Alignment
Will be delivered over the term of this Workforce Management Strategy				
Build capability in our current and emerging leaders	Leaders influence and lead our people towards the achievement of organisational objectives	Deliver programs and initiatives that align with our Leadership Framework	Organisational Development	2, 4, 5
To create a workforce that is adaptable to advances in technology	To develop and maintain working skills that keep pace with emerging digital culture and work practices	Develop a digital literacy framework, strategy and roll out approach.	Information Management and Technology	1, 2, 3, 4
Strengthen and sustain our safety culture	To build and sustain a culture for all employees to undertake their work free from harm	Managers demonstrate visible leadership, deliver engaging and interactive safety interactions All employees are engaged to apply council safety behavioural expectations	Safety and Workplace Services	1, 4, 5
Improve our workplace wellness and safety	We are committed to improving our safety and the wellbeing of our workforce	Carry out the priority actions from the Work Health and Safety Culture Strategic Road Map Establish new safety performance measures	Safety and Workplace Services	1, 5
Continue to improve our workplace wellness and safety	A heathy and well workplace supports an enabled, responsive and capable workforce	Deliver a follow-up Work Health and Safety Culture Survey to identify trends and focus on areas requiring improvement	Safety and Workplace Services	1, 2, 3, 4, 5
Demonstrate our commitment to a safe workplace	Recognise and celebrate safe workplace behaviours	Establish and implement new safety and Wellbeing performance measures	Safety and Workplace Services	1

Resourcing Council's Delivery Program

Council's **Delivery Program 2022-2026** outlines Council's commitment to delivering those strategies and actions to which it holds responsibility, in line with the **Community Strategic Plan**. This **Workforce Management Strategy** identifies how Council will support its people to deliver the services and actions outlined in the **Delivery Program** over the next four years.

There are a number of areas within this Strategy that outline an investment in our people and should result in returns of efficiency or cost savings over time. These areas are identified below, and may require additional funds to support the implementation of these projects:

- Continuously explore and apply Staff Engagement opportunities

- Equipment and Technology

- Continue to review accessibility at main Council sites to ensure compliance with latest industry standards for an adaptable workforce.

- Review existing structures for improved performance and service delivery

- Develop and implement talent acquisition strategies

Successful implementation of the above actions should see increased efficiencies and overall enhanced service delivery through enhanced workforce capability and technical agility, greater staff engagement and satisfaction.

*Image: Wollongong City Council
outdoor crew staff member*

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Version: 1, Version Date: 29/06/2022

Alignment with State Government Plans

The **New South Wales Local Government Workforce Strategy** sets the direction for a range of initiatives and projects to address the workforce challenges facing local government in NSW over the next four years. The Strategy is a key document that has been considered in the development of Council's **Workforce Management Strategy 2022-2026**.

Two key drivers underpin the development and framework of the **NSW Local Government Workforce Strategy**:

1   **The Workforce Management Strategy 2021-2031**

2   Recommendations emerging from the local government reform process, particularly actions from Destination 2036 and recommendations of the Independent Local Government Review Panel and the NSW Government.

In research undertaken with NSW councils in November 2015, the greatest challenges facing councils in developing their workforce for the future were (in descending order):

1   Ageing workforce

2   Uncertainty due to possible future local government reforms

3   Skills shortages in professional areas

4   Limitations in leadership capability

5   Gender imbalance in senior roles

6   Lack of skills and experience in workforce planning

7   Lack of workforce trend data

8   Difficulty in recruiting staff

9   Resistance to more flexible work practices

10 Lack of cultural diversity.

Internal workshops that were held to develop the **Workforce Management Strategy** have reinforced these challenges. Addressing the trends and challenges is a key focus of the action component of this Strategy.

Image: Wollongong City Council CATS staff members

Image: Wollongong City Council Library staff with members of our community

Roll out of Workforce Planning Across Council

Workforce planning is an ongoing exercise in a dynamic operating environment that exists within Divisional Workforce Plans. They enable the implementation of this Strategy and Council's ongoing commitment to its people.

Evaluation and Review

This Strategy will be reviewed annually as part of Council's Supporting Document update to ensure that the approach remains current and relevant, as well as to track progress to ensure the Strategy is being delivered.

A review of this document will be carried out toward the end of the term of the strategy, in preparation for the development of a new document.

Information Management & Technology Strategy 2022–2024

Adopted 27 June 2022

Contents

Introduction

Council relies on effective information and communication technology to enable its business functions, increase efficiency and to achieve our purpose of creating an extraordinary Wollongong. Effective information management and technology is critical to the operation of Council and for the delivery of services that it provides for residents, visitors and businesses.

Building on the IMT Strategy 2018–2020, in May 2020, Council embarked on a journey to create an Enterprise Architecture with the primary purpose of ensuring the information and technology environment is aligned to Council's future direction.

Working with the Executive, Senior Leadership Team, IMT staff and interested stakeholders, a series of workshops and interviews were conducted to capture Council's business architecture. Attention was paid to understanding the different Council services and underlying business capabilities; the many business models operating within Council and how these areas function to deliver

Council's Delivery Program. The architectural roadmap produced formed the foundation of the Information Management and Technology (IMT) Strategy 2022-2024 and will assist in prioritising investment.

The Information Management and Technology (IMT) Strategy 2022-2024 identifies six key focus areas.

Recognising the rapid pace of change in the information management and technology space, Council invested in upskilling selected IMT staff so they had the capability to update and manage the Enterprise Architecture. The Enterprise Architecture and the IMT Strategy will be reviewed and updated annually.

The IMT Strategy 2018-2020 set the foundation for a contemporary IMT Division, with the capability to deliver. The IMT Strategy 2022-2024 builds on the previous strategy and is focussed on reducing inefficiencies and duplication, giving our people the right information and technology solutions to support their work, optimising Council's current processes.

Drivers for Change

External Drivers for Change

We live in a time of unprecedented organisational, economic and technological change. The provision and architecture of information and communications technology (ICT) particularly in the public sector has matured and changed significantly in the last ten years as new technologies have made possible new ways of working.

Analysis of the external drivers for change associated with Council demonstrated a significant ratio of external factors that Council could influence and had the capability to enact change upon. Some of these included:

- Apply agility when responding to economic and social factors

- Anticipating and acting upon a projected population growth of 31,849 people over the next 10 years in the local government area

- Managing the threat of perceived and actual flood risk to economic development and investment

- Managing the Impacts of climate change e.g. increased fire risk

- Responding to the societal pressure for better customer centricity.

Internal Drivers for Change

As part of the IMT Strategy 2018–2020, Council embarked on a journey to replace many of the legacy ICT systems with an integrated Enterprise Resource Platform (ERP). These legacy systems, whilst being developed and updated over the years, were fundamentally not well suited to modern ways of working which call for systems to be web-based, available at anytime and anywhere, able to share data, and available on a variety of devices. One of the major challenges being faced now particularly with the roll out of the ERP is how to manage the change from these legacy systems to newer systems whilst protecting both the data itself and the investment which has already been made in these systems.

Council now has access through the adopted Mobility Strategy a widely available high-speed broadband infrastructure making possible many of the new ways of working and accessing services. This together with the implementation of Cloud services and mobile devices such as tablets and laptop computers will deliver a step change in people's ability to access the Council's information and ICT facilities, enabling people to connect from their homes, businesses and while on the move.

There will however be some challenges with this new way of working. A new cohort of authorised users, such as outdoor staff, unaccustomed to using computing facilities and not understanding legislative obligations relating to information privacy are now using Council provided devices and the increase cybersecurity threat that comes about by removing both the network perimeter protections and bricks and mortar from the defence in depth equation. The defence in depth equation means is referring to a multi-layered approach to security.

The Internet of Things (IoT), Artificial Intelligence, Cloud Services, Big Data, and 'Smart Cities' once seen as emerging technologies have now reached a level of maturity that could see them adopted into Council's information and technology landscape. But becoming smart is not about installing technology for technology sake. Smart transformation is about putting technology and data to work to deliver strategy; to put the visitor, resident or business front and centre. Being smart to make decisions and navigate uncertainty will deliver better outcomes for Council.

IMT Drivers for Change

The following challenges have been identified for Information Management and Technology at Council, many of which are interconnected:

• Driving change and enabling efficiencies across Council's business

• Financial pressures across all public sector services resulting in the need to do more with less

• An increasing demand from residents, visitors and businesses to access Council services through a variety of channels, including online, using a range of personal devices, such as tablets, laptops and smart phones

• Rapidly changing threat landscape. Threats being those to the business such as a pandemic or the changing cyber security landscape

• External policy and legislative changes such as the ePlanning portal or Data Availability and Transparency Bill

• The sharing of data, infrastructure and services with other agencies whilst at the same time balancing the need to ensure compliance with statutory obligations and apply good practice regarding information security

• Ensuring the skills and capabilities of staff are maintained to a level required to sustain a dynamic ICT environment

• Ensuring organisational priorities are appropriately aligned to business imperatives, understanding that IMT resources are finite

• The broad disparity in the computer literacy of both internal staff and our broader community.

Beyond Digital | Reimagining customer service in a connected digital age

NSW GOVERNMENT

The Beyond Digital Strategy will guide NSW Government to deliver smart, simple and seamless personalised services available from anywhere, to all our customers. This means...

OUR STRATEGY

✔ We **put customers at the centre** of everything we do

✔ We deliver Government Made Easy through decisions informed by **data and insights**

✔ We reimagine **investing for better outcomes**

✔ We deliver **better frontline technology**

✔ We are a World Class Public Service with **capabilities for the future**

OUR COMMITMENTS

In practice: our **Commitments** outline what customers can expect when receiving services from NSW Government:

Easy to Engage	Act with Empathy	Respect my Time	Explain what to Expect	Resolve the Situation	Engage the Community
Make it easy to access what I need Make it simple for me to understand	Show you understand my situation Treat me fairly and with respect Provide service in my time of need	Tell me what I need to know beforehand Minimise the need for me to repeat myself	Be clear about what steps are involved Contact me when I need to know something	Be accountable for your actions Be clear in decision-making Reach an outcome	Listen to the community and understand our needs Ask us how we want services to be delivered

Alignment to the NSW Beyond Digital Strategy

In November 2019 the NSW Government released its 'Beyond Digital' strategy. The Beyond Digital Strategy aims to deliver smart, simple, personalised services available from anywhere, to all of its customers.

The focus is on the following strategic priorities:

- Putting customers at the centre of everything Government does

- Delivering Government Made Easy through decisions informed by data and insights

- Reimagining investment to facilitate better outcomes

- Delivering better frontline technology

- Creating a World Class Public Service with capabilities for the future.

While this IMT strategy aligns broadly to the strategic priorities of the NSW Government Beyond Digital Strategy, the actions contained within this document are set at a more localised level, addressing the issues and needs specific to Council at the present time.

Alignment to 'Our Wollongong Our Future 2032'

The IMT Strategy 2022-2024 will assist Council in achieving the vision of Community Strategic Plan – *"From the mountains to the sea, we value and protect our natural environment and will be leaders in building an educated, creative, sustainable and connected community."* and community objectives as expressed in Our Wollongong Our Future 2032.

Successful deployment of the IMT Strategy 2022-2024 will support Council in becoming a sustainable organisation by ensuring our workforce, systems and processes support high performance and optimal service delivery to our community. The IMT Strategy 2022-2024 will firmly place Wollongong as the City of Innovation, with the capability to capitalise on emerging technologies which are fit for purpose and meet ever increasing customer expectations in terms of service delivery.

Wollongong City Council

Our Wollongong Our Future 2032 Community Strategic Plan

Adopted 27 June 2022
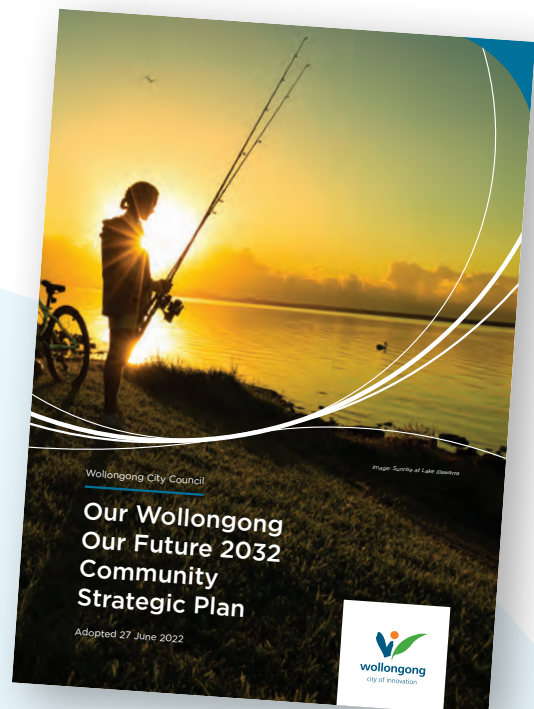
IMT Vision

In October 2020, following the completion of the IMT Redesign, the newly formed Information Management and Technology Division came together to develop a vision. The vision was developed to reveal, at the highest levels, what the IMT division most hoped to be and what it could achieve in the longer term. The purpose of the vision was to focus the division, prioritize how they worked and guide how decisions were made on a day to day basis.

The vision articulated is strongly aligned to the Our Wollongong Our Future, and it is consistent with our broader strategy framework.

Previous ICT Strategies and Developing the Current Program

The IMT Strategy 2018–2020 was designed to clarify the purpose of technology in Wollongong City Council; stimulate activities in the short term to address issues hampering organisational performance and establish the core components of IMT required to deliver strategic objectives. The IMT Strategy 2018–2020 set the foundation of a contemporary IMT Division, with the capability to deliver against organisational objectives as outlined in the Delivery Program.

The receipt of the TechnologyOne Software as a Service (SaaS) proposal in late June 2018 introduced a reprioritisation of the activities as outlined in the IMT Strategy 2018–2020. The implementation of OneCouncil was a large program of work replacing many of Council's legacy, on-premise corporate applications with a single Enterprise Resource Planning (ERP) solution. It is anticipated that the OneCouncil program will span three years and bring about a substantial uplift in Council's digital capability.

Delivering digitally enabled, information driven and secure services that empower our customer community.

Delivering digitally enabled, information driven and secure services that empower our customer community			Principles
Information Management and Technology			**Roadmap**
Customers' Journeys, Events	Common Components / Platforms	Modern Digital / ICT People and Tech Capability	Horizon 1 / Horizon 2 / Horizon 3
Enablers: Governance, Funding, Architecture, Information, Policy			**Funding Model**
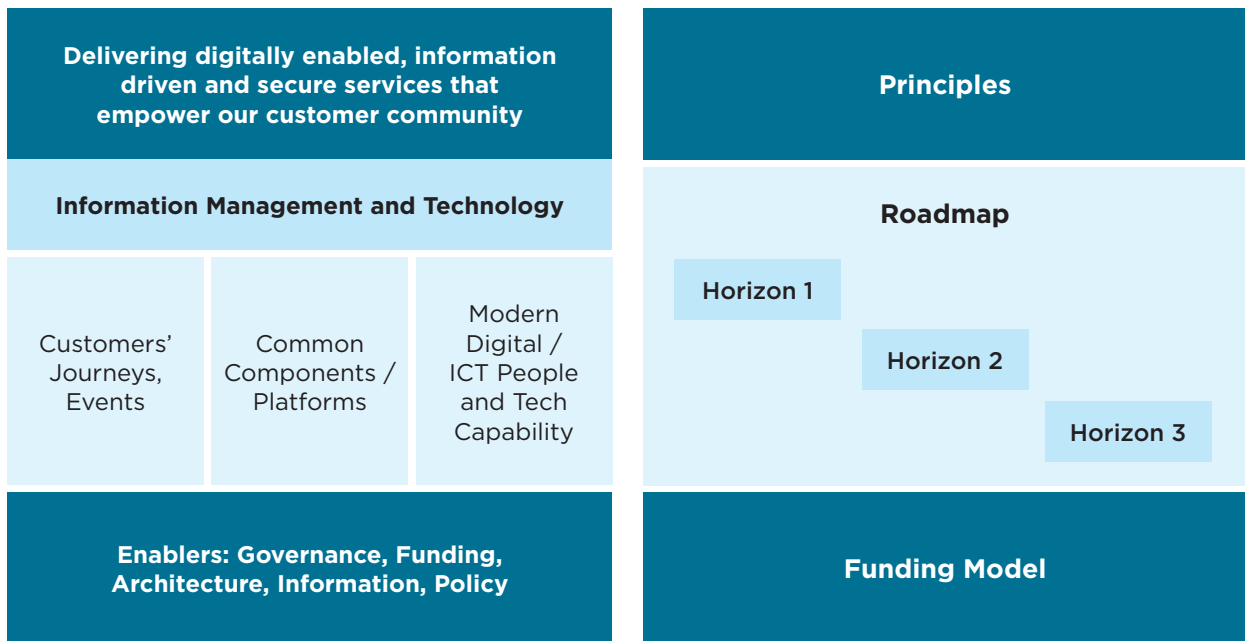
To date Council has completed Releases 1 and 2. Release 1 saw the implementation of Finance in TechnologyOne's CiA product. Release 1 went live in February 2019. Release 2 incorporated the implementation of Customer Relationship Management and Asset Lifecycle Management together with a mobile computing capability. Release 2 went live in May 2020 amid the COVID-19 pandemic.

The COVID-19 pandemic provided the impetus for Council to fast track the implementation of flexible work practices to mitigate the potential spread of COVID-19. Working from home became the norm for many staff. The Mobility Strategy, which was approved in 2019, supported the roll out of tools and solutions while ensuring our sensitive information was maintained securely.

In May 2020, with most of strategic actions in the IMT Strategy 2018–2020 materially complete, work was initiated to develop an Enterprise Architecture. The Enterprise Architecture set out to achieve the following goals:

• To allow the impact of change at any point across the business to be assessed from a whole of organisation perspective to reduce the risk of unforeseen consequences, duplication or limitations on functionality due to incompatible technologies

• To ensure the technology environment is aligned to the Council's future business direction.

The architectural roadmap produced prioritised investment relative to the entire organisation and formed the foundation of the IMT Strategy 2022–2024.

Information Management and Technology Principles

The overarching guiding principles have been developed to establish the 'rules of engagement' to mitigate further disparity in the Council's IMT environment. The Business Solutions Steering Committee is charged with making decisions in relation to investment programs and strategies adopted as part of the IMT Strategy, and within the adopted budget and delegation limits of its members. The IMT Guiding Principles provides a framework for evaluating these decisions.

These will be used as a default set of criteria when considering and making recommendations on ICT investments.

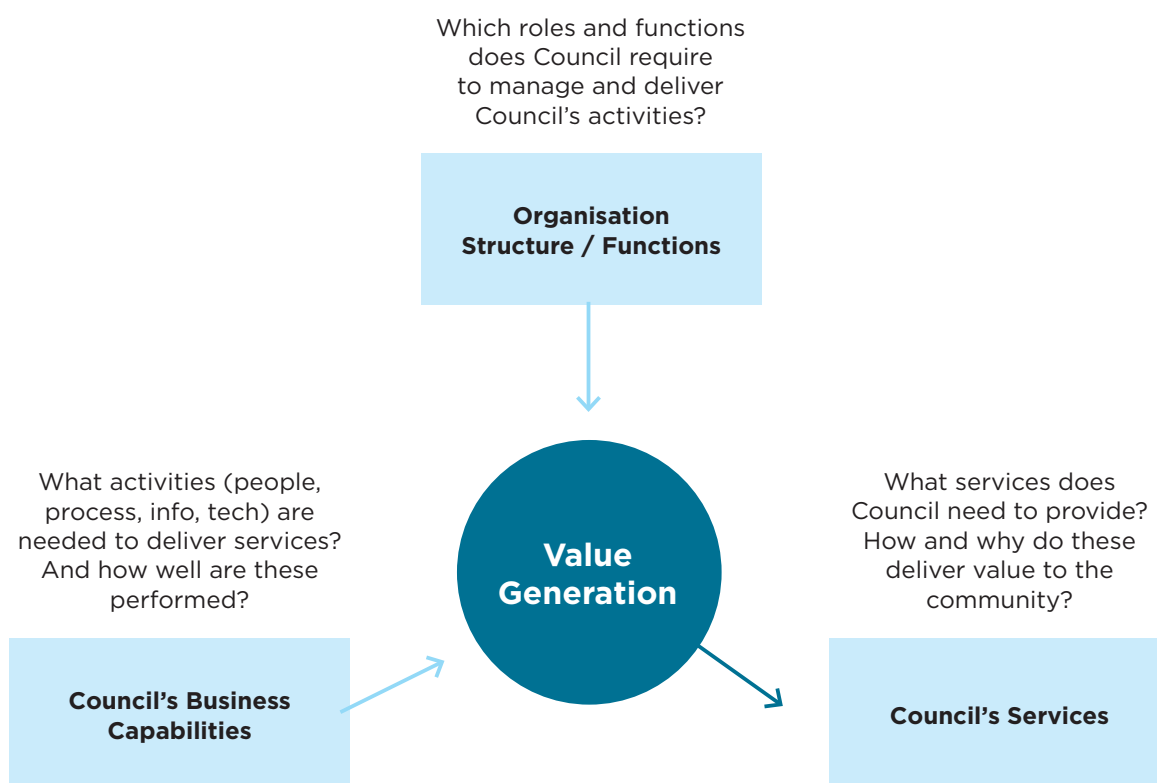A diagrammatic representation of the IMT principles is shown below:

Primacy of principles	These principles of information management and technology (IMT) apply to the entire organisation.
IMT Strategic Planning is grounded in Enterprise Architecture	All capital programs, projects and significant initiatives involving IT, will be derived from the enterprise architecture process.
Maximise benefit to the customer	IMT decisions provide maximum benefit to our customers/rate payers. This involves assessing and decomposing what those customers and rate payers expect and desire.
All software applications will be classified	Software application are classified as either a system of record or a system of innovation/uniqueness. There shall only be one system of record for each information group.
Transactional reporting is distinct from advanced analytics	Fixed reports eg. 'work orders outstanding' should continue to be run from the transactional system.
Applications are decoupled from each other	Applications which require interfacing with other applications whether directional or bidirectional, should do so using a decoupled architecture.
Information management is everybody's business	There is clearly identified stakeholders accountable for key data sets. Business and IMT stakeholders participate in IM aligned with the RASCI paradigm.
Our information is SMART	Our information is a strategic asset, which is maintained, accessible, reusable and timely.

Why Use an Enterprise Architecture Approach?

As with most organisations, information and technology requirements in Council had been considered within the organisational silos with the emphasis being on the unique requirements of that business area. Using this approach, solutions and data sets tend to be duplicated rather than shared across business areas as there isn't a mechanism to identify opportunities. This approach also hampers prioritisation of investment due to the lack of a common basis for the comparison of cost and impact.

The Enterprise Architecture approach attempts to provide a framework to identify commonalities in requirements and to align opportunities whilst ensuring the information and technology environments will enable Council's future business direction. It is an industry standard approach which includes the following:

Which roles and functions does Council require to manage and deliver Council's activities?

Organisation Structure / Functions

What activities (people, process, info, tech) are needed to deliver services? And how well are these performed?

Council's Business Capabilities

Value Generation

What services does Council need to provide? How and why do these deliver value to the community?

Council's Services

Understanding Our Key Business Capabilities

Analysis has demonstrated that Council is a complex organisation from an organisational management and design perspective, more akin to a conglomerate of businesses rather than a single company.
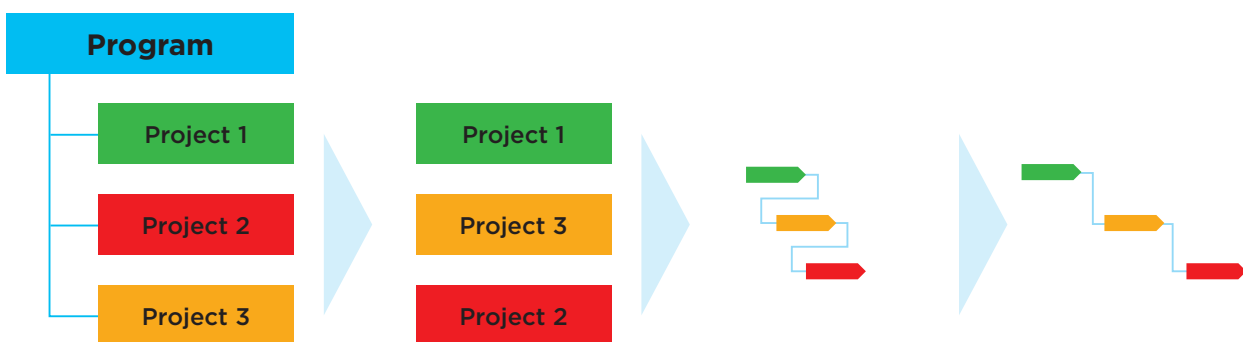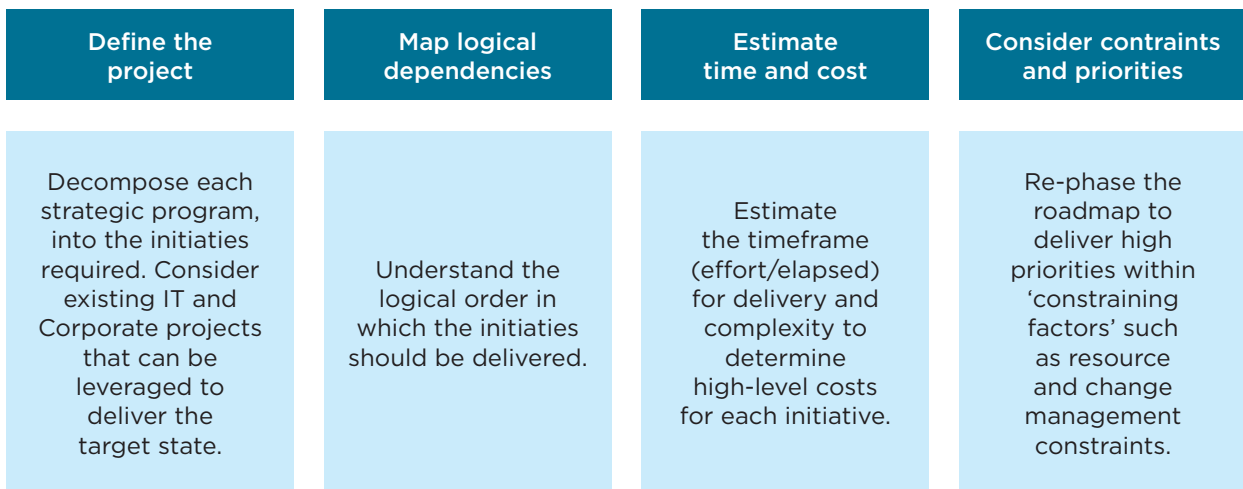
An industry standard tool, known as an Enterprise Architecture was used to develop this strategy and a roadmap to a target state.

Defining the Roadmap

The Roadmap documents the change program necessary to transition from the current to the target state. It relates work packages within the program to business and IMT goals to be achieved over the next four years.

Under key focus areas of: Customer Value, Insightful Information, Improved productivity, Proactive Planning and Governance, Secure Information and Smart Cities Optimisation these changes are the actions that are the core of the IMT Strategy 2022–2024.

Council's IMT governance structures will indicate those work packages that are approved, scoped and planned.

Define the project	Map logical dependencies	Estimate time and cost	Consider contraints and priorities
Decompose each strategic program, into the initiaties required. Consider existing IT and Corporate projects that can be leveraged to deliver the target state.	Understand the logical order in which the initiaties should be delivered.	Estimate the timeframe (effort/elapsed) for delivery and complexity to determine high-level costs for each initiative.	Re-phase the roadmap to deliver high priorities within 'constraining factors' such as resource and change management constraints.

Program

- Project 1
- Project 2
- Project 3

- Project 1
- Project 3
- Project 2

Strategic Focus Areas

Six Strategic Focus Areas have been identified:

1

Customer Value

• Providing clarity on our customer and rate payer aspirations;

• Delivering the enabling technology and information to support new and improved services;

• Establishing a culture where IMT and users work together to plan better services;

• Establishing a new business capability or possible capabilities – whose sole focus is customer service embedding customer centricity and user experience techniques;

• Implementing minor upgrade and enhancement opportunities that address immediate needs; and

• Building organisational capability for change

2

Smart City Optimisation

• Adopting the Internet of Things to optimise business outcomes

• Putting technology and data to work to deliver strategy

• Being smart to make better decisions, navigate uncertainty and deliver better outcomes.

3

Improved Productivity

• Reducing inefficiencies and duplication, giving our people the right information and technology solutions to support their work;

• Using a decoupled approach to integration, reducing complexity and improving flexibility and agility;

• Establish IMT solutions that are shared, integrated, flexible and scalable;

• Providing solutions that are available anywhere, at any time on any device; and

• Improving project management and project delivery.

For each focus area, there is a series of actions to be implemented, together with timeframes, responsibilities and a conceptual budget. Progressing these actions, which have been developed from the Enterprise Architecture will ensure that IMT will deliver towards the motivational intent of Council.

4

Insightful Information

- Developing the necessary capabilities to make the best use of our information and knowledge;

- Gaining insights into improvement opportunities and our customer and rate payer needs; and

- Visualising business intelligence to support informed decision making.

5

Secure Information

- Engendering confidence that the sensitive information stored by Council is secure against cyber threat and inappropriate use;

- Ensuring that IMT solutions and services are resilient to threats and are reliable and robust to support service delivery;

- Designing, building and operating for information security; and

- Facilitating and improving organisational cyber security awareness.

6

Proactive Planning and Governance

- Developing the guiding frameworks and knowledge to better understand, plan for and deliver on the business aspirations of Wollongong City Council;

- Understanding Council's risk appetite to ensure that IMT planning and implementation is appropriate;

- Lifting Enterprise Architecture capability particularly in the Service Partner team; and

- Implementing application portfolio management strategy, leading to stronger decision making and helping to foster alignment and collaboration between IMT and consuming part of the business.

Timeframes

Responsibilities

Budget

Strategic Focus Areas

1

This strategic theme focuses on providing clarity on our customer aspirations and delivering the enabling technology and information to support new and improved services.

Customer Value

Action 1.1
Cloud Transformation Program

What:

Although the OneCouncil Project focuses on moving many of Council's core business systems to Software as a Service (SaaS), many systems such as the leisure centres bookings and event management system (Centaman) and the organisation corporate storage (drives) remain on premise. This technical architecture is limiting organisational flexibility and agility. Similarly, under this architecture Council carries all the risk of system failure and data centre management.

The program of work focuses on moving the current on-premise systems and infrastructure into cloud-based services. Niche applications such as Vernon would also be revised and migrated to the cloud as part of this action.

This action would also aim to decommission the Council data centre facilities. The production facility in the Administration Building and the disaster recovery facility at Level 1, 67 – 71 King Street Warrawong.

When:
2022

Sponsor Responsibility:
Chief Information Officer

Nature:
Strategic

Why:
Cloud solutions provide cost effective scalability, agility in a dynamic business environment, support innovation and improve efficiency.

Going to the cloud is more strategic than managing ICT on premise. Moving to the cloud will release IMT resources to focus on solving business problems, solution integration and access to information.

Within the notion of "going to the cloud", Platform as a Service (PaaS) and SaaS are more strategic than Infrastructure as a Service (IaaS). There will always be a substantial portion of Council's cloud that will be IaaS, as certain areas of the business will require it. However, to future proof Council's services to its customers and the community Council should aim to implement PaaS and SaaS in preference to IaaS.

The rationale for decommissioning of the Data Centre Facilities is threefold:

The current data centre facilities fall well short of the requirement of a contemporary facility. Significant upgrades would be required in security, environmental control, energy utilisation to meet even basic needs.

Decommissioning will release unnecessary legacy operational cash flows tied up in maintain the existing two data centre;

Decommissioning will reduce Council's surface area for cyber-attack. This is one of the number one attack vectors, hacker exploits for organisations who do not decommission properly after cloud migrations and/or application replacement projects.

1 **Customer Value**

Action 1.2
Artificial Intelligence Interactive Signage

What:
AI (Artificial Intelligence) Assistants to help citizens, tourists and businesses by answering questions in key locations.

The implementation may be as simple as static QR codes on static sign or as complex as signage akin to shopping centre infrastructure whereby shoppers can search for shops and information by touching the physical screens – a 'right sized' deployment of rigid weatherproof screens with AI assistants who the public can interact with – its boundaries can grow over time as more features are added.

When:
~1.5 years

Sponsor Responsibility:
Manager Infrastructure Strategy and Planning and Manager Community Cultural and Economic Development

Nature:
Strategic

Why:
Smart city technology will enable Wollongong City Council to capitalise on the local area's strengths and amplify investment attraction, tourism development and connectedness with residents, customers and the community.

Specifically, the location based artificial intelligence (AI) assistants will be able to help enquirers find the shop, tourist park, recreation facility or building they are looking for, but much more. Through its inherent connectedness, the AI assistant will utilise machine learning to offer more value. These smart assistants will also serve as notification agents, in the event of flooding, fire risks and updates for the surrounding locale.

Action 1.3
Digital Screen Interoperability

What:
Currently Council has several digital screens strategically placed e.g. in Council's foyer to provide information to the community. At the moment, all these systems are stand alone. This project aims to integrate these digital screens into Council's systems to provide information in "real time".

When:
2022-2023 – 2023-2024

Sponsor Responsibility:
Manager Governance and Customer Service

Nature:
Operational

Why:
Digital screens are currently controlled through systems that are disconnected from other Council systems. By 'plumbing' digital screens into Wollongong's future state architecture, important messages about traffic and transport can be relayed at near real time; customer experience is amplified and over time, investment attraction is uplifted.

Currently Council has digital screens strategically placed e.g. in Council's foyer to provide information to the community.

1 Customer Value

Action 1.4
Customer Relationship Management

What:
This program focuses on creating a single view of the customer. It will standardise and unify the numerous customer interactions that occur across council improving customer centricity and allow Council to target our marketing to be aligned to our brand. Moreover, it will provide the ability to better tailor and target customers, stakeholders and possible investors.

When:
2022-2023

Sponsor Responsibility:
Manager Governance and Customer Service

Nature:
Strategic

Why:
Some of Wollongong City Council's most strategic capabilities - managing customer, ratepayer, community and business stakeholder relationships are not standardised in terms of application usage. But arguably, more pressing some do not even use a customer relationship management application at all.

They use service delivery systems. Service delivery systems are great and should continue to be used to deliver service to the areas, but a master source of truth for all things customer is urgently required. Doing so, will reverse the currently untenable situation, whereby Council is unable to answer such as:

a) How many customer contacts have occurred per unit time across ALL channels and all services?

b) What is Council's single biggest issue from a relationship perspective across ALL channels and all services?

c) How many complaints does Council get per unit time across ALL channels and ALL services? and;

d) How well does Council deal with complaints?

The CRM will also well complement the "Brand Strategy" which is yet to be developed, by providing information to help us understand how customers, residents, stakeholders and visitors interact with Council.

This program focuses on creating a single view of the customer. It will standardise and unify the numerous customer interactions that occur across council.

1

Customer Value

Action 1.5
Virtual
Telephony

Virtual Telephony aims to provide better tools to manage, monitor and improve the customer journey, by allowing the customer to focus on their preferred channel.

What:
This program aims to provide better tools to manage, monitor and improve the customer journey, by allowing the customer to focus on their preferred channel. Integrating with the Customer Relationship Management system will offer chat bots and self-service options. A web journey management may also be added to further assist with the entire customers' journey.

When:
2022 (to be integrated with Customer Relationship Management release).

Sponsor Responsibility:
Manager Governance and Customer Service and the Chief Information Officer

Nature:
Strategic

Why:
The current soft telephony solution (Skype for Business), which has been implemented on premise at Council, is at end of life. Microsoft have made it clear that the although the product will be sustained until 2024 it will no longer be developed with additional business features.

Similarly, the Interactive Voice Recognition and Contact Centre software used in Customer Services is no longer meeting the needs of the organisation, as it is on-premise limiting its scalability, accessibility, utility and business intelligence capability. The current system also lacks the features that our customers expect, such as artificial intelligence and machine learning.

This action looks at replacing and upgrading both the telephony and the contact centre with a solution which is more aligned to the business direction of Council.

2

This theme focuses on the adoption of smart city technologies to optimise business outcomes. Smart city technology will enable Wollongong City Council to capitalise on the local area's strengths and amplify investment attraction, tourism development and connectedness with residents and the community in a transparent way.

Smart City Optimisation

Action 2.1
Smart City
Condition Auditing

What:
This action utilises smart technology to facilitate the detection and capture of data in relation to road maintenance e.g. potholes. This information would be captured by sensors and / or cameras placed on the waste trucks and other Council vehicles.

Artificial intelligence would then be used to detect and classify the type of road failure and link this information to a geographic location. This information can then be transferred electronically as entries in the OneCouncil work order management for a road crew to repair.

When:
2022-2023 – 2023-2024

Sponsor Responsibility:
Manager City Works

Nature:
Strategic

Why:
This action aims to improve productivity and the turnaround time from pothole detection to remediation. Moreover, it will provide an information based for further artificial intelligence to make road maintenance preventative rather than reactionary in the longer term.

Sensors and/or cameras placed on waste trucks will collect information in relation to the road condition, e.g. identifying potholes.

Action 2.2
Smart City
Recreation

What:
This action aims to automate recreation facilities (playing fields, community centres, gymnasiums, swimming pools and possibly libraries). The automation system will monitor and/or control building attributes such as lighting. Climate, entertainment systems and appliances. It may also be extended to include security systems such as access control and alarm systems.

In the ideal scenario these automation systems should be linked to the Council's booking system, allowing the person full access to all the facility systems in a secure, controlled way.

When:
2022-2023 – 2023-2024

Sponsor Responsibility:
Manager Open Space and Environmental Services and Manager Property and Recreation

Nature:
Strategic

Why:
This will uplift customer value and decrease labour and utility costs through automated 'smart recreation' facilities linked to upstream bookings and further reaching into customer behaviours and more.

The extent of the roll out will be limited for each project. This action does not aim to include all facilities but to trial and implement the necessary change management to embed the technology. The project sponsor should identify key locations for the lead projects, which upon conclusion will be evaluated prior to extending the scope.

Recreation facilities will have automated monitoring and control attributes such as lighting.

2 Smart City Optimisation

Action 2.3
Storm Water Management

What:

An Integrated Smart Water Management System has been deployed across the Illawarra – Shoalhaven Region. This network is underpinned by an Internet of Things network. It is intended that the system will integrate a suite of capabilities enabling more effective and efficient monitoring of the region's water management challenges and planning for and responding to significant rainfall events and natural disasters.

An Integrated Smart Water Management System has been deployed across the Illawarra – Shoalhaven Region.

The project was a partnership of Wollongong, Shellharbour, Kiama and Shoalhaven Councils, the University of Wollongong's SMART Infrastructure Facility and Lendlease. The project also received funding from the Australian Government's Smart Cities and Suburbs Program. Wollongong City Council is the Lead Partner and the Grantee in the Grant Agreement with the Australian Government.

This action aims to;

• Operationalise the solution, make it robust and sustainable, bring it into business as usual; and

• Develop a strategy on the broader long-term applicability of the Smart Water Management System across Wollongong City Council e.g. the sedimentation ponds at Whytes Gully

When:
2023-2024

Sponsor Responsibility:
Manager Infrastructure Strategy and Planning

Nature:
Operational / Strategic

Why:
Building on the Smart Waterways proof of concept developed by Smart Regions Lighthouse project which proved that enabling new smart technologies and data analytics coupled with machine learning and artificial intelligence does assist in improving water quality, flood mitigation to ensure community safety in the event of flash flooding.

2

Smart City Optimisation

Action 2.4
Smart City Parking Meter

What:

This action aims to implement a combination of cameras and in-ground sensors to help drivers find parking in specific high congestion areas of the city.

The app associated with these meters will inform drivers of whether there are a high, medium or low number of car spaces available at these locations. They can find out this information by choosing their registered vehicle and entering the zone number.

The app will enable them to start and stop their parking session, only pay for the time they are there, and be notified when their parking session is about to end.

When:

2022-2023 – 2023-2024

Sponsor Responsibility:

Manager City Works, Manager Instructure Strategy and Planning, Manager Property and Recreation and Manager Regulation and Enforcement

Nature:

Strategic

Why:

This new system is all about decreasing the amount of congestion on popular roads as people spend time looking for parking spaces, saving time, frustration and fuel. It is anticipated that this action also will increase road safety because drivers won't be distracted while looking for a place to park.

If successful, the solution could be expanded to integrated with the infringement notice application to automate the currently manual tasks of patrolling car parking spaces for parking offences and send the parking offence tickets.

The technology will help Council track parking availability and identify the amount of parking spaces available in an area providing a wealth of information upon which Council decisions can be made e.g. is parking an issue in the Mall to improve liveability.

Meters will inform drivers of whether there are a high, medium or low number of car spaces available at these locations.

2 Smart City Optimisation

Action 2.5
Smart City Waste Management

What:
Using bin sensors, and associated analytics we will be able to measure almost real-time bin level and temperature which will allow us to service bins and adjust bin numbers and types according to community need.

Sensors and systems currently available allow for rapid community reporting and identify potential fires through temperature sensors.

Bin level and waste type information will allow for the automatic generation of efficient collection routes based upon pre-set bin levels, waste types and temperatures rather than historical bin routes.

Monitoring this information through a dashboard would allow Waste and Cleansing Coordinators and Managers to see trends and alter bin numbers, bin sizes and waste types based upon current and historical and seasonal usage to save cost.

A pilot of around 10 to 20 sensors and dashboard is recommended to prove the technology. It is proposed to use the LoRAWAN service for this. The pilot would be funded from the current Better Waste and Recycling grant funding.

When:
2022-2023 – 2023-2024

Responsibility:
Manager Open Space and Environmental Services, Manager City Works and the Chief Information Officer

Why:
Our current public place and Council facility bins are collected as part of regular routes by internal Cleansing staff or our Waste Contractor, Remondis.

A desktop and site audit of Council facility bins found that many bins are being over-serviced and not tailored to the waste being collected and popular public place bins are under-serviced.

Due to an increase in the use of Parks and Open Spaces there has been an increase in bins overflowing and litter around the Parks and current public place bins are not tailored to the waste being collected.

Smart bin monitoring would allow Customers an easy way to notify of bin problems or litter issues. Other Councils that have installed sensors and dashboards have seen a 30% to 40% reduction in the distance travelled while collecting bins and a reduction in over-servicing and under-servicing of bins.

The savings would be allocated to more public place recycling and compost bins around the city.

Using bin sensors, and associated analytics we will be able to measure almost real-time bin levels and optimise the collection of waste.

3

This theme focuses on reducing inefficiencies and duplication in the workplace, giving our people the right information and technology solutions to support their work.

Improved Productivity

Action 3.1
Review of Council Bookings

What:
This action will look at the various booking functions in Council to determine which could be logically aggregated into a single function and system understanding the differing requirements of business units e.g. commercial as opposed to non-commercial. Regardless of the number of booking functions that 'could' end up using this aggregated system directly, it is important to note that 'all' booking functions, will send the core booking data to the new aggregated system. This action will allow Council to understand the overall booking performance, trends and it will also be a source of truth and system of record for bookings. Moreover, the customer experience will be improved if we centralise (even if it is virtually) the booking function. As under a centralised model the customer does not need to approach each venue or program individually.

When:
2022-2023

Sponsor Responsibility:
Director Community Services and Manager Governance and Customer Service

Nature:
Strategic

Why:
Currently Council has seven different bookings/events management systems operating in different functions in the organisation. The various applications are completely disparate. Most do not allow customers to book events or facilities directly through an on-line portal.

This action will look at the various booking functions in Council to determine which could be logically aggregated into a single function and system understanding the differing requirements of business units.

3

Improved Productivity

Action 3.2
Information Flow Program

What:

This strategic action addresses the number one pain point reported by all senior management consulted as part of the Enterprise Architecture, namely the lack of information flow. The lack of data sharing has led to inefficiencies in processes e.g. duplication in data entry and siloing This is a key building block for Council in making the application's architecture more contemporary.

This action incorporates the implementation of the integration engine. Ideally the project would be phased looking at a single business outcome e.g. E-lodgement, integrating the Department of Planning's application to OneCouncil with on-going expansion over time e.g. Website, TCM, Quick18, NewBook depending and prioritised on business need.

The implementation of an Integration Engine will make Council an agile, efficient and responsive organisation. An Integration engine decouples applications from each other, removing the need to have a multitude of point to point connections, but more importantly means that a change to an application is localised with the integration engine insulating other applications from disruption.

This action aims to decouple the current tight and inflexible point to point integrations which has led to the complex spaghetti, which is Council's application's architecture, replacing this with a loose coupling providing flexibility and agility. Moreover, it looks to further integrate those systems that should be integrated but are not.

When:
2022-2023

Sponsor Responsibility:
Chief Information Officer

Nature:
Strategic

Why:

Even with the implementation of OneCouncil there will (and should) always be several other solutions (largely Software as a Service) which will support niche business functions in Council. These are islands of data and are either integrated by point-point connections or manually re-keyed into various systems. Whether point-point or manual - these legacy connections both make Council brittle and unresponsive to change. This is because every change made to application "a", also has to have a corresponding change at application "b, "c" etc.

This action incorporates the implementation of the integration engine.

Action 3.3
OneCouncil

What:
This action continues the consolidation of Council's systems and platforms, including: capital planning and project delivery; property and rating; contracts; enterprise content management; human resources and payroll, transitions and talent. Embedding the solution into Council's business processes, uplifting the organisation's support capability and integrating the solution into the broader application's architecture.

When:
2022-2023

Sponsor Responsibility:
Director Corporate Services

Nature:
Strategic

Why:
The implementation of an Enterprise Resource Planning (ERP) system such as OneCouncil into Council brings with it many benefits including establishing standardised business processes, lowering costs of doing business, improving the overall customer experience, facilitating consolidation of financial data and providing a system that supports compliance to organisational policy and legislative obligations.

Action 3.4
Upgrading of Audio-Visual Equipment

What:
This action involves the design, and implementation of contemporary, integrated audio and visual equipment the priority being in the public facing areas of Council.

When:
2022-2023

Sponsor Responsibility:
Manager Infrastructure Strategy and Planning, Manager of Governance and Customer Service and the Chief Information Officer

Nature:
Operational

Why:
Much of the audio and visual equipment in Council is beyond end of life. Being analogue in nature it is not possible to integrate this equipment into the broader IMT landscape. The image projected particularly, in those areas that are accessible to the public is not aligned to being the City of Innovation.

The scope of this project should also include all audio and visual facilities across Council, including but not limited to those in the depots, Community Centres, and the Art Gallery.

This action continues the rollout of OneCouncil through Release 3 which includes; Capital Planning and Project Delivery, Property and Rating, Contracts, Enterprise Content Management, Human Resources and Payroll, Transitions and Talent.
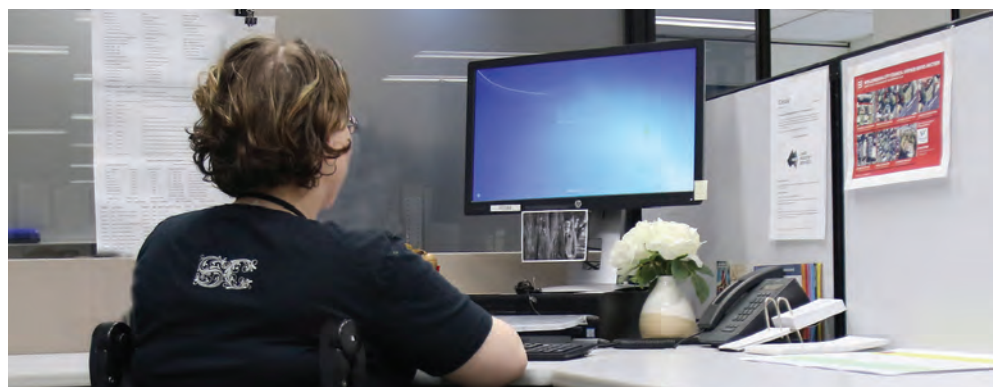
This action involves the design, and implementation of contemporary, integrated audio and visual equipment the priority.

3 **Improved Productivity**

Action 3.5
Fleet Management

What:
This action proposes that a phased approach over (2) years be undertaken to fit all plant and fleet vehicles to achieve the proposed safety, operational and financial benefits. There are three parts to the project: The hardware on the fleet to gather the data; The software to structure and analyse the data; and a dedicated project analyst to gather and analyse the data making observations and recommendations to management. It is also proposed that the system identified for the Fleet/Plant optimization process also includes a technology that promotes the management and control of the $1.7million/1600 item minor plant pool. This may be as simple as a "data-dot" or "disc" that captures the recording of the information of plant type, serial number etc. that then enables allocation and potential location of these small items of plant to crews or works.

When:
2022-2023 – 2023-2024

Sponsor Responsibility:
Manager City Works

Nature:
Strategic

Why:
Council has a large fleet of plant and vehicles with 415 items of major plant and 214 motor vehicles. Council does not currently have a contemporary system to manage and maintain this fleet with a combined value of $30.4m as required under the Integrated Planning Reporting requirements of the Local Government Act 1993. The Asset Management Framework proposes the introduction of a Fleet Management System.

The implementation of a Fleet Management System would assist in improving workplace safety, optimising plant management, maintenance and ownership, gaining a better understanding on whole of life costs, optimising work planning and improving financial sustainability.

This action proposes that a phased approach over (2) years be undertaken to fit all plant and fleet vehicles to achieve the proposed safety, operational and financial benefits.

4

This strategic theme aims to develop the necessary capabilities to make the best use of our information and knowledge, gaining insights into improvement opportunities and our customer needs.

Insightful Information

Action 4.1
Enabling Smart Monitoring and Decision Making

What:

Using intelligent video and/or audio analytics to automatically identify scenarios where there is a health or safety risk or issue. This could be as far reaching as identification and reporting of traffic congestion, monitoring active transport modes (e.g. walking and cycling), people counting, to management of incidents (e.g. COVID), to automated monitoring and reporting of antisocial behaviours and crime.

This action automates manual processes such as people counting on streets and beaches. It increases speed to react and contain pandemic infections and protect the economy from blanket shutdown. Downstream outcomes are increased investment and tourism and the enablement of traffic and transport monitoring and notifications.

CCTV is still relevant, but these days the use of drones could and should be used to augment static cameras, for reduced operating costs and certainly to do things that are not possible using CCTV e.g. near real time events' monitoring for social distancing, fire control and safety and much more.

When:
2023-2024

Sponsor Responsibility:
Manager City Infrastructure Strategy and Planning, Manager City Works, the Chief Information Officer and Manager Community Cultural and Economic Development

Nature:
Strategic

Why:
Closed Circuit Television (CCTV) has increasingly featured in the community as a safety and crime prevention tool. Although CCTV can be effective in improving perceptions of safety, deterring antisocial and criminal behaviour, protecting assets and assisting in prosecution, it also now increasingly becoming a data source for business intelligence analytics, with a variety of use case scenarios as diverse as traffic flow monitoring to crowd density estimations.

Council has a network of over 400 CCTV cameras. These cameras belong to several independent systems that record largely locally on server infrastructure situated in Council buildings, with the larger CCTV systems being networked so they can be viewed centrally for the purposes of downloading and reviewing footage.

The current CCTV network has grown organically, with much of the infrastructure now aging requiring upgrade to more contemporary platforms. If Council is to optimise the benefit of CCTV, not just as a crime prevention tool but also an important source of data, a review of the current CCTV landscape is required. With a CCTV strategy developed, Council will be able to build on this infrastructure and once implemented, generate information to support business decisions.

4 Insightful Information

Action 4.2
Big Data

What:
Council by its nature captures, creates and contains large volumes of data, both structured and unstructured, contemporary and historic, through its transactional and archival systems and through sensors that may be part of Smart Cities projects. Council also has access to external data sets through affiliated government and private organisations. This project aims to provide Council with the mechanism and capability to analyse these data sets particularly for predictive insights that will lead to better strategic business decisions.

When:
2023-2024

Sponsor Responsibility:
Chief Information Officer
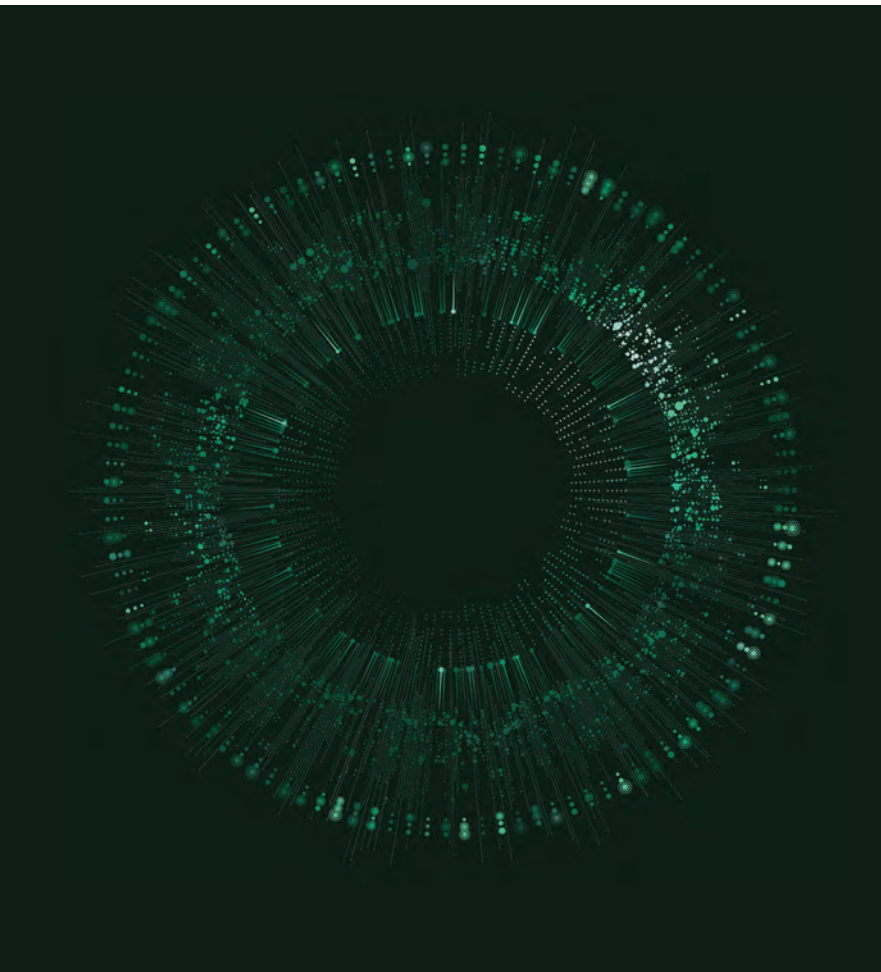
Nature:
Strategic

Why:
Council does not currently have online access to historical or predictive reporting across the whole of Council systems. This project achieves that. There is also a need to decommission several legacy applications, which contain historic data that either still has value or alternatively must be maintained for legislative purposes (e.g. under the NSW State Records Act (1998)). This action will allow long term trend analysis and will facilitate modelling of information over time.

This action will amplify value from vendor supplied software-as-a-service (SaaS) applications by aggregating deltas and historical pictures. It will reduce risk from vendor supplied SaaS applications essentially holding Council's biggest asset being its data.

This program will allow Council to undertake predictive reporting and business intelligence (BI) without the need for cumbersome projects i.e. once this project is finished - it becomes a capability and requires zero effort or cost from vendors.

Big Data has two separate sub programs which will be identified as separate actions; HR Analytics and the Data Stream Projects.

Council by its nature captures, creates and contains large volumes of data, both structured and unstructured, contemporary and historic, through its transactional and archival systems and through sensors that may be part of Smart Cities projects.

Action 4.3
HR Analytics

What:

Council can and indeed should design its HR analytics before the larger data warehouse program. This is because there are paradigms matured over the last five to ten years which mean that data streams can and are used to do not only analytics, but also machine learning and much more.

The data stream is fed from 'events' stemming from transactions occurring in the HR, finance, payroll and many other Council systems. The HR analytics (and any other dept analytics needs) should be connected to the data stream. For historical trends/analyses, the data warehouse is still the preferred option - but the HR analytics front end should have a switch essentially allowing senior managers queries to be routed accordingly i.e. data stream for an up-to-the-minute view on HR matters across the enterprise; and to the data warehouse, when perhaps legal matters require historic information.

The data stream is fed from 'events' stemming from transactions occurring in the HR, finance, payroll and many other Council systems.

When:

2022

Sponsor Responsibility:

Director Corporate Services, Chief Financial Officer, and Manager Organisational Development

Nature:

Strategic

Why:

This program aims to achieve resolution of one of Council's major identified pain points in information and information flow, which is a complete lack of ability to perform analyses on people data.

This program needs to be independent of the feeder data components (HRIS, payroll, time and attendance et al). It needs to be an agile project essentially working in sprints with the Manager Organisational Development and her team to agree priority of reporting measures and build in iterations to enable insights (using manually provided or extracted data for build)

It does not depend on the HR Information System constraints and instead dictates the requirements for these systems to provide APIs to retrieve said data.

Insightful Information

Action 4.4
Data Stream Project

What:
Times have changed from when the only way to do proper analytics was to first build a data warehouse backend. Although, data warehouses are still important and needed, the requirement for Council is largely only for the storage and generation of historical data insights.

The data stream is a relatively new, yet proven concept. For example; Netflix uses a data stream and the concept is similar, yet in Council's case the 'stream of data' represents events occurring throughout Council's IMT ecosystem, rather than the streaming of Hollywood films.

Implementing the data stream means that all future known needs will be progressively easier and easier to deliver.

When:
2022-2023

Sponsor Responsibility:
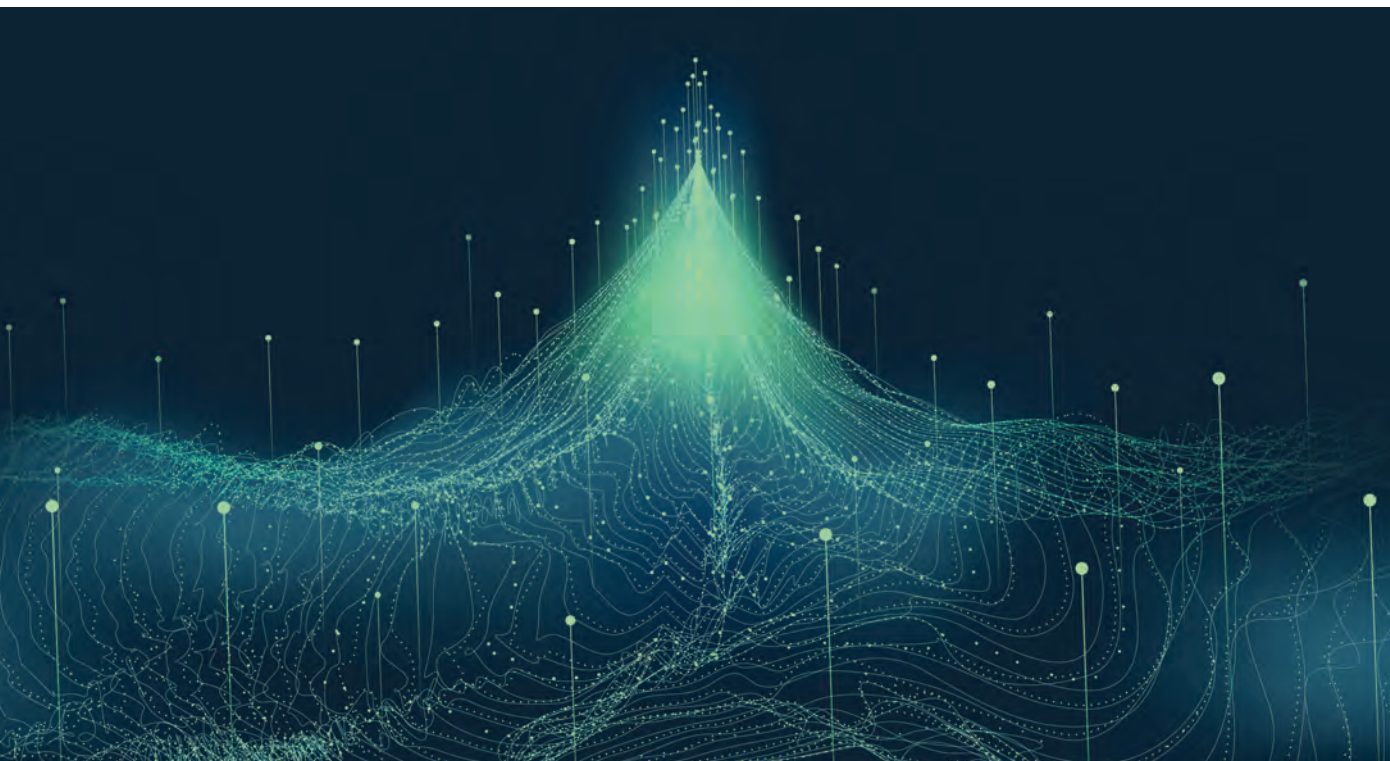Director Corporate Services, Chief Financial Officer, and Manager Organisational Development

Nature:
Strategic

Why:
Currently Council does not have a fully integrated platform for reporting and business intelligence.

Implementing the data stream means that all future known needs will be progressively easier and easier to deliver.

5

This theme aims to engender community confidence that the sensitive information stored by Council is secure against cyber threat and inappropriate use.

Secure Information

Action 5.1
Identity Access Management Program

What:
An identity and access management (IAM) program comprises a technology solution interwoven with relevant business processes, to manage the identity of users and their access to systems and applications in the organization. For any IT application or service, the access protocol begins with user authentication and granting appropriate access privileges based on the user's role. The automation of these procedures is crafted by the IAM program. However, to avoid being saddled with IAM silos in different departments, the IAM program needs to be thoughtfully conceived, incorporating sound IT architectural vision. Aspects such as biometrics, federating identity, risk-based authorization and role management add to implementation challenges.

When:
2022-2023

Sponsor Responsibility:
Chief Information Officer

Nature:
Operational

Why:
The rationale here is quite simple. With all the recent media attention on companies and governments getting attacked by cyber criminals Wollongong City Council does not wish to risk reputation for the sake of savings to remediate niche systems, where some were found to be quite primitive relative to contemporary cyber surface area.

In the current state, identity management is not adequately governed, managed nor even fully understood. Business units have implemented numerous systems with or without IMT guidance and the result is high risk.

Action 5.2
Cyber Fraud Control

What:
Cyber Fraud Control protects against;

- Supplier email compromise
- Fake invoices
- Insider scams
- Cyber fraud
- Password Phishing

Implementation of the solution will improve the integrity from an accounts payable perspective as Council can be assured that the information supplied in relation to bank details and ABN numbers are verified.

When:
2022-2023 – 2023-2024

Sponsor Responsibility:
Chief Finance Officer

Nature:
Operational

Why:
To mitigate the risk of cyber fraud and the incorrect payment of service providers.

6

The actions noted under this theme will assist in developing the guiding frameworks and knowledge to better understand, plan for and deliver on the business aspirations of Wollongong City Council.

Proactive Planning and Governance

Action 6.1
Consolidation of Council's Networks

What:
This program looks to consolidate the existing Libraries telecommunications network and the Wollongong City Council Corporate network.

As part of the Mobility Strategy Council will be implementing a Software Defined Wide Area Network, this will involve the provision of wireless access points across the LGA on Council owned facilities. This project will facilitate the integration of Council's corporate network and the Libraries network into a single telecommunications infrastructure.

When:
2022

Sponsor Responsibility:
Manager Library and Community Services and Chief Information Officer

Nature:
Operational

Why:
Historically the library services at Wollongong City Council have largely implemented and supported (both through internal and external outsourcing arrangements) their own telecommunications network separate from the rest of Council.

The increasing level of cyber security threat and diminishing returns in terms of support overhead and costs has made it imperative to merge networks from a technical and support perspective.

This project will require extensive scoping both corporately and in the libraries to ensure that organisational requirements are met.

Historically the library services at Wollongong City Council have largely implemented and supported (both through internal and external outsourcing arrangements) their own telecommunications network separate from the rest of Council.

ADOPTED BY COUNCIL: : [TO BE COMPLETED BY GOVERNANCE]

PURPOSE

This policy guides the safe, effective and efficient management of physical assets supporting the sustainable delivery of services identified in Council's Community Strategic Plan, Delivery Program, and Operational Plan.

POLICY INTENT

The overall intent of this Asset Management Policy is encapsulated in the following statement:

> *Council will provide and manage its physical assets in a way that ensures they can support the safe, effective, and efficient delivery of services to our community now and into the future.*

Consistent with the Office of Local Government requirements this policy[1]:

- Sets the broad framework for undertaking asset management in a structured and coordinated way, aligned with the Community Strategic Plan;
- Outlines why and how asset management will be undertaken;
- Gives clear direction for asset management defining the key principles for whole of life asset management; and
- Promotes financial sustainability and recognises the importance of meeting the needs of future generations.

ASSET MANAGEMENT PRINCIPLES

Council will apply a strategic approach to asset management guided by the following core principles:

- Services drive assets and the interrelationship between our assets and how they support the delivery of services to our community is clearly defined and understood;
- Responsibility for asset management is shared collectively across Council with roles and responsibilities that are clearly defined and understood;
- Council's assets are effectively managed using a Whole of Life (WoL) approach (i.e. operations, maintenance, renewal, upgrade, expansion, and disposal) as a fundamental component of ensuring long term financial sustainability for the provision of services to our community;
- Reliable information on our assets is available and maintained to meet the Council's strategic, operational, and business planning purposes;
- Asset Management Plans inform financial sustainability and financial planning;
- Council complies with all legislative and regulatory obligations;
- Council officers have the appropriate training, knowledge and skills to deliver asset management;
- Asset management performance is routinely monitored and reported;
- Asset management processes, practices, and systems will continually be evaluated and a continuous improvement approach applied.

WOLLONGONG 2028 OBJECTIVES

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[1] Office of Local Government Handbook p.48

Many of the goals, objectives and strategies identified in the Community Strategic Plan relate to the services that Council provides to our community. In many cases these services require a range of assets to support delivery. Goal 4 "*We are a connected and engaged community*" includes the following objective and strategy for which asset management is a core component of long-term financial sustainability.

Objective 4.3:   Our council is accountable, financially sustainable and has the trust of the community
Strategy 4.3.2:   Resources (finance, technology, assets and people) are managed effectively to ensure long term financial sustainability

STRATEGIC ASSET MANAGEMENT PLANNING FRAMEWORK

Council's Asset Management intent and principles are to be achieved through the implementation of the Strategic Asset Management Planning Framework as shown in Figure 1.
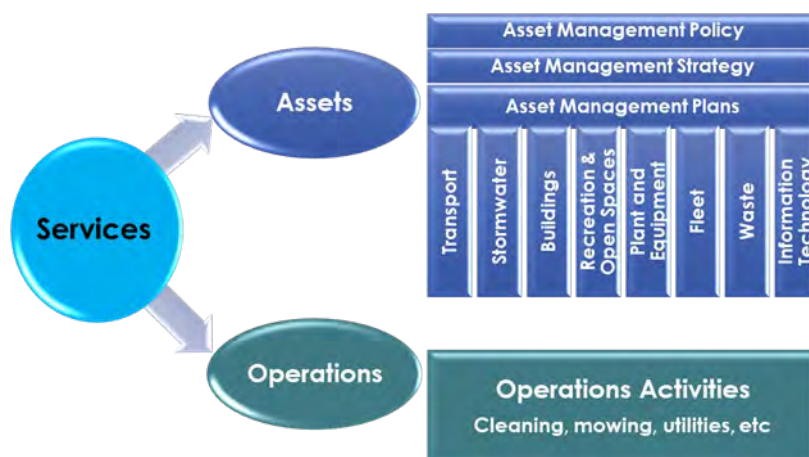

Figure 1: Strategic Asset Management Planning Framework

POLICY STATEMENT

Council will:
- Implement the Strategic Asset Management Planning Framework for the management of Council's physical assets;
- Identify and define asset requirements and levels of service for each of the services being delivered to our community within Asset Management Plans;
- Ensure the integration of the Asset Management Plans with Council's Resourcing Strategy, Delivery Program, Operational Plan and other Council strategies and plans related to Council's physical assets;
- Prepare and adopt Asset Management Plans for each asset class and update these on a minimum 4 yearly cycle;
- Ensure whole of life costs are considered in all investment decisions surrounding new assets;
- Ensure risks associated with Council owned or managed assets are identified and appropriately managed;
- Consider the possible effects of climate change on assets as part of Asset Management Plans;
- Consider the opportunities and impacts presented by technological development of assets and customer needs;
- Review Council's asset management practices every 4 years with an aim to achieve, or exceed, a 'core' level of maturity;

- Further develop asset management capability and competency to ensure Council Staff are aware, competent and empowered to implement this policy;
- Ensure operational resources are available and empowered to prepare effective Asset Management Plans;
- Develop and implement a Continuous Improvement Plan; and
- Implement a governance model for Council's Asset Management Framework.

LEGISLATIVE REQUIREMENTS

Wollongong City Council recognises its obligations under the Local Government Charter (section 8(1) of the Local Government Act 1993) as they pertain to asset management. Specific legislation and standards as relate to each asset class are listed in the relevant Asset Management Plan. This Policy also follows the requirements of the NSW Integrated Planning and Reporting framework in the Local Government Act 1993

REVIEW

This Policy will be reviewed every two years from the date of each adoption of the policy, or more frequently as required.

REPORTING

Councils must report on their assets in the annual financial statements, in accordance with the Local Government Code of Accounting Practice and Financial Reporting, including condition assessment, renewal and maintenance expenditure.

ROLES AND RESPONSIBILITIES

Responsibilities for implementing this policy are shared between Councillors, Executive, and staff as follows:

Councillors
- Primarily responsible for ensuring that their decisions represent and reflect the needs of the wider community. Council will engage with the community to determine their main priorities and expectations for the future and through development of the Community Strategic Plan and Delivery Program which detail the strategies and resources that will be used to achieve these goals.
- Adopt Council's Resourcing Strategy including the Asset Management Policy and Asset Management Plans.

General Manager and Executive
- Primarily responsible for ensuring the development and resourcing of Council's Strategic Asset Management Planning Framework, Asset Management Plans, processes, and systems to ensure they are fully integrated into Council's Integrated Planning and Reporting framework and Community Strategic Plan.
- Endorse Council's Asset Management Strategy.
- Endorse Council's Asset Management Plans.
- Seek to ensure Council allocates sufficient resources to the development, ongoing improvement and delivery of the Asset Management Strategy, Asset Management Plans, and supporting systems.
- Integrate the Asset Management Policy and Strategy into other policies and business processes of Council.
- Comply with Council's legal obligations.

Council Staff
- Develop and maintain Council's Asset Management Strategy.
- Develop and maintain Asset Management Plans for agreed asset groups.
- Deliver asset maintenance, renewal, upgrade, and disposal programs in accordance with Asset Management Plans and identified priorities.
- Identify community Levels of Service for assets as part of the development of Service Plans.
- Ensure asset whole of life costs are identified and incorporated into service delivery proposals and projects.
- Periodically review the Asset Management Policy, Strategy, and Asset Management Plans.
- Engage up-to-date technologies, methodologies, and continuous improvement processes in the management of Council's assets.
- Commit to continuous improvement approach

Asset Management Steering Committee (AMSC)
- Provides oversight of Council's Asset Management Strategy, Asset Management Plans and Continuous Improvement Program.

Director Infrastructure and Works
The Director Infrastructure and Works will provide leadership and direction to support the:

- Directorate is adequately resourced and trained to carry out the Asset Management actions;
- Application of Council's Strategic Asset Management Framework;
- Development of Asset Management Strategy and Plans;
- Implementation of the adopted Asset Management Strategy and Continuous Improvement Plan actions;
- Development and implementation of the Infrastructure Delivery Program in accordance with Asset Management Plans, Long Term Financial Plan and the Annual Budgets;
- Report to the Council, Audit Committee and Executive and with respect to ongoing Asset Management performance; and
- Liaise with other directorates to assist them to develop and monitor Service Plans for each key service provided by the Council incorporating both the descriptive and financial costing aspects of the plans.

Director Corporate Services and Chief Financial Officer
These roles provide leadership and direction to:

- Work with the Infrastructure Strategy and Planning Division to align the asset management and financial management practices within Council and apply the Strategic Asset Management Planning Framework;
- Development of a Long Term Financial Plan that recognises asset consumption and contains the predicted capital renewal forecasts, demand costs and other whole of life costs identified in Asset Management Plans;
- Provide guidance and advice to the Asset Management department where asset management and financial management requirements overlap (e.g. financial valuations);
- Structure the accounts and related business processes to recognise lifecycle costs including: Operations, Maintenance, Renewal, Upgrades, New and Disposal;
- Support the development, implementation and alignment of the Asset Accounting Policy with the Asset Management Policy and Strategy.

Chief Information Officer
The Chief Information Officer operates under the Director Corporate Services and will provide leadership and direction to:

- Deliver technology related assets and projects identified and assigned in Council's Infrastructure Delivery Program
- Provide cyber security services to support asset planning and management, where these assets have a technology component
- Ensure the on-going maintenance and support for information technology and technology components of assets
- Ensure that the information generated from technology related assets is well managed, secure and available to provide management insights to Council.

Manager Infrastructure Strategy and Planning
The Manager Infrastructure Strategy and Planning operates under the Director of Infrastructure and Works and will provide leadership and direction to:

- Ensure the division is adequately skilled and trained to carry out its role and function;
- Strategically plan the development and provision of transport and stormwater services;
- Develop and apply Council's Strategic Asset Management Planning Framework;
- Prepare Asset management related policies, strategies and plans for consideration by the Executive and Council;
- Develop and implement a Continuous Improvement Plan for asset management;
- Provide technical Asset Management leadership within Council;
- Coordinate the Asset Management Steering Committee;
- Develop the Infrastructure Delivery Program linked to Service Plans, Asset Management Plans and other strategic planning documents;
- Prepare and document processes for asset management activities; and
- Collect and regularly review condition data to support asset management planning.
- Provide stormwater design services to support asset planning and management.

Manager City Works
The Manager City Works operates under the Director of Infrastructure and Works and will provide leadership and direction to:

- Deliver capital works projects identified and assigned in Council's Infrastructure Delivery Program
- Delivery of planned maintenance programs and activities.
- Responding to relevant customer service requests relating to assets and undertaking reactive works as necessary to maintain levels of service.

Manager Project Delivery
The Manager Project Delivery operates under the Director of Infrastructure and Works and will provide leadership and direction to:

- Manage the delivery of Council's current year Infrastructure Delivery Program.
- Deliver works projects identified and assigned in Council's Infrastructure Delivery Program.
- Provide civil, structural, geotechnical and landscape design services to support asset planning and management.

Service Managers
Council's Delivery Program identifies Service Managers responsible for the delivery of a wide range of services. Service Mangers:

- Develop and regularly review Service Plans which identify community levels of service and the associated asset requirements necessary to support service delivery;
- Identify opportunities for the rationalisation of assets no longer required for the delivery of services;

- Identify new/upgrade works for assets to support service delivery and work with the Infrastructure Strategy and Planning Division to seek approval and funding for these works including associated Whole of Life costs; and
- Work with the Infrastructure Strategy and Planning Division to specify asset requirements for the delivery of works in Council's Infrastructure Delivery Program.

RELATED POLICY AND PROCEDURES

- Asset Accounting Policy

- Financial Strategy

DEFINITIONS

Term	Definition
Asset	A physical item, component or resource from which future economic benefits are expected. They have a life of greater than 12 months and enable services to be provided.
Asset Management	The systematic and coordinated activities and practices of an organisation to optimally and sustainably deliver on its objectives through cost-effective whole of life management of assets.
Asset Management Strategy	A high-level strategic plan that gives effect to this Policy
Asset Management Plans	Documented information that specifies the activities, resources or timescales required for an individual asset or grouping of assets, to achieve the organisation's asset management objectives.
Whole of Life Cost	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs
Service	Activity undertaken to meet the needs of the community or the administrative support associated with undertaking these activities.
Level of Service	The defined service quality for a particular service/ activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost

APPROVAL AND REVIEW		
Responsible Division	Infrastructure Strategy and Planning	
Date/s adopted	*EMC* 2 June 2022	*Council* [To be inserted by Governance]

| Date/s of previous adoptions | 26 June 2017; 7 April 2014 |
| Date of next review | June 2025 |

Our Wollongong Our Future

From the mountains to the sea, we value and protect our natural environment and will be leaders in building an educated, creative, sustainable and connected community.

We value and protect our environment

We have an innovative and sustainable economy

Wollongong is a creative, vibrant city

We are a connected and engaged community

We have a healthy community in a liveable city

We have affordable and accessible transport

wollongong
city of innovation

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